

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

HB A5/2016

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit staff
ACTION	For information
SUBJECT	Optional Real Time Information Bulk Data Matching Initiative

Guidance Manual

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

Queries

extra copies of this circular/copies of previous circulars can be found at <https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-circulars>

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Issued as two separate attachments: Category headers for importing into Excel

Optional Real Time Information Bulk Data Matching Initiative

Introduction

1. Real Time Information (RTI) is HM Revenue & Customs (HMRC) system for collecting Pay as You Earn (PAYE) information from employers and pension providers who are required to provide HMRC with income details immediately after each payment they make.
2. As you are aware the Department for Work and Pensions (DWP) and HMRC have a joint Fraud and Error Strategy and we have been readily seeking to collaborate where possible. Like RTI Bulk Data Matching (BDM), Optional RTI is an example of such an asset and provides local authorities (LAs) with more opportunity to help identify fraud and error within Housing Benefit (HB).
3. As previously advised by letter, DWP will commence the provision of Optional RTI referrals for LAs on a monthly basis starting in June 2016. These will be delivered along with existing RTI BDM files for the LAs who have opted-in to the initiative.

Background

4. The business rules supporting the collection of RTI data from HMRC has been running for a number of years now, however analysts still estimate that there is over £300 million in annual fraud and error reductions that could be actioned using Optional RTI referrals. Actioning the Optional referrals and reducing HB fraud and error could help an LA in achieving increased Fraud and Error Reduction Incentive Scheme (FERIS) incentive payments. The completion of the Optional RTI referrals will also contribute towards improving an LA's Caseload Management Information figures.

Purpose

5. The purpose of this guide is to provide LAs with an explanation of what to expect from the Optional RTI initiative and help LAs prepare for the work by providing an opportunity for questions.

Approach

6. Optional RTI is a clerical initiative that is being delivered for LAs that have opted-in by email to DWP. The Optional RTI file will be delivered alongside the RTI BDM files and will be clearly marked as Optional. The content of the Optional RTI file is fundamentally the same as the RTI BDM file, so the LA should expect to receive both a 'claim_file' and a 'raw_file', the same as RTI BDM.

7. We have included at Annex A examples of what the 'claim_file' and the 'raw_file' will look like upon arrival in the LA. You will also find Excel spreadsheets (issued as separate attachments) that show the headers for each of the categories for both the 'claim_file' and the 'raw_file'. Instructions on how to convert the Optional and Raw files into Excel can be found at Annexes B and C. For those with access to Glasscubes, we have also made these available via the following link: <https://dwphdd.glasscubes.com/cube/document/1981570?19>
8. The current RTI BDM solution determines a priority order for the cases presented within each referral to the LA. This was done to help LAs identify which referrals would deliver the best benefit realisation. The Optional RTI data will also be sorted in the same manner with an indicator identifying the ranking awarded to an individual referral, with 1 being the highest ranking.
9. Reflecting concerns raised by LAs, we have also arranged for the existing RTI BDM files to be capped, based on the average of the last two years referrals, plus 10%. This should remove the risk of any unexpected spikes in any given month, which we know has caused issues for some LAs.

Volumes

10. Optional RTI is not subject to the same capping levels that have been applied to the mandatory RTI files and LAs can expect to receive the remaining files generated in any given month. Expectations are such that the Optional RTI files may provide up to three times what an LA would normally receive via the mandatory RTI BDM file. At a national level, the total expected volume for both RTI BDM and Optional RTI is expected to be around 160,000 cases per month, made up of 40,000 in the RTI BDM file, and around 120,000 in the Optional RTI file.

Opting out later

11. Once an LA has chosen to receive Optional RTI files, there is currently no provision to opt-out. LAs that opt-in will be sent Optional RTI until a more permanent solution is established under the Wider use of RTI initiative.

Support for LAs

12. LAs will not be directly compensated via New Burdens payments for Optional RTI. However referrals will help to reduce the amount of HB fraud and error in your caseload, with the possibility of achieving increased amounts of FERIS incentive payments.

Data Protection

13. LAs should note that by opting-in you are agreeing that you will adhere to the Data Protection Act and Memorandum of Understanding (MoU).
14. LAs must consider the Optional RTI data provided in each referral. However if you decide that you cannot action any part of the data, then these data items should be deleted in accordance with the provisions of the Data Protection Act, 1998 and your own data retention policy. Data that has not been selected for action will not be lost from the RTI system and will be regenerated in future months' referrals.
15. All LAs administering HB are signatories to the MOU between DWP and LAs for the access, handling, exchange and protection of DWP and HMRC data.
16. In handling and processing data received from RTI, LAs must comply with the terms and conditions detailed in the current MoU. This continues to apply to RTI BDM, as well as Optional RTI.

Subsidy arrangements

17. Existing subsidy arrangements will continue to apply for both RTI BDM and Optional RTI. As is currently the case for RTI BDM, the four-week easement commences from the point the file has been transferred onto the LA IT system and is available for administration by HB staff. Similarly this will apply to Optional RTI. Once the data is available for administration by HB staff, this is the point from which the four-week easement will commence. Please refer to circular [HB A15/2014](#) for examples of how this works in practice.
18. What this specifically means, in terms of the subsidy implications for Optional RTI, is that where an LA does not transfer a case from the Optional RTI file onto the LA IT system, there is no subsidy implication. Only when an LA decides to administer a case and transfers the details onto their LA IT system the four week easement commences. In other words, the four week time window only applies to cases that are being actioned, not to cases left unactioned.

Management information

19. Similarly to RTI BDM DWP will measure the success of this initiative by collecting the following management information regarding:

- the number of referrals completed
 - the Monetary Value Added (MVA) attributed to each completed referral. (The MVA is the difference between the previous weekly HB award and the new weekly HB award).
20. The information will be collected via the Single Housing Benefit Extract (SHBE) using R Records and T Records.
21. LA staff will need to ensure the information is entered for each case, depending on its outcome. Please consult the guidance issued by your LA IT Supplier, regarding RTI BDM, to ensure your SHBE is compiled correctly.
22. LAs must return an R Record for each referral received, until it is completed.
23. Specific fields of the R Record should always be completed as follows:
- Field 173 (reason for fraud and error detection activity) should be completed with code 4 = Non-HBMS risk score / match
 - Field 317 (HBMS Rule ID) should be completed with one of the following rule numbers, depending on whether the referral identified a discrepancy in:
 - reported earnings – HBRT001
 - reported NSP – HBRT002
 - both reported earnings and NSP – HBRT003
 - Field 319 should only be completed if the referral does not result in a financial adjustment to the claim. If this occurs, please use one of the 17 existing result codes currently used for HBMS referrals, e.g.
 - code 3 = Retrospective Change
 - code 4 = Information held in backlog of work
 - etc.
24. Specific fields of the T Record should always be completed as follows:
- Field 250 (type of change) should be 2 = All other changes
 - Field 254 (how was change identified) should be 8 = LA intervention: review

25. Where an LA has to undertake intervention activity before completing the referral, field 172 can be used to identify the method of fraud and error detection activity as normal.
26. It is important that staff complete these details correctly when dealing with both the Optional RTI referrals and the RTI BDM referrals. Detailed examples are provided in Annex 5 of circular [HB A15-2014](#), regarding what DWP will expect to find on a completed SHBE return.

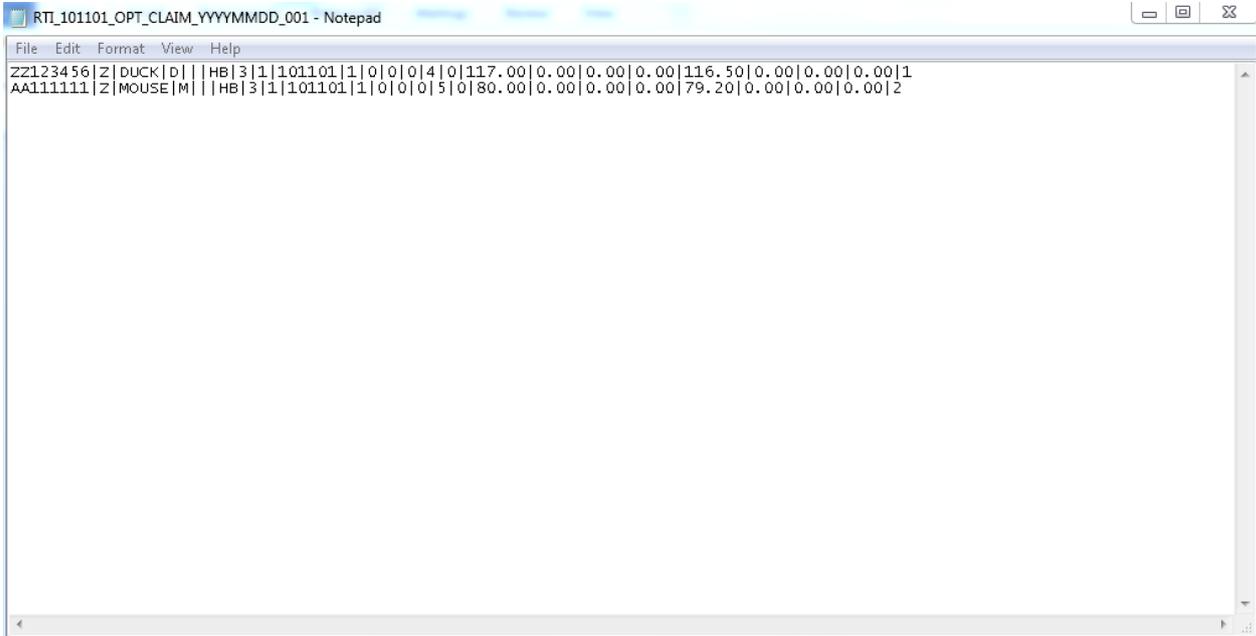
Issues resolution

27. Any issues and/or incidents arising with the Optional RTI information throughout the course of the project should be directed in the first instance to the LA Support Team (LA-ST) via phone: T: 01253 689422 or by email: LA-SST.HDD@DWP.GSI.GOV.UK using a LAST9.

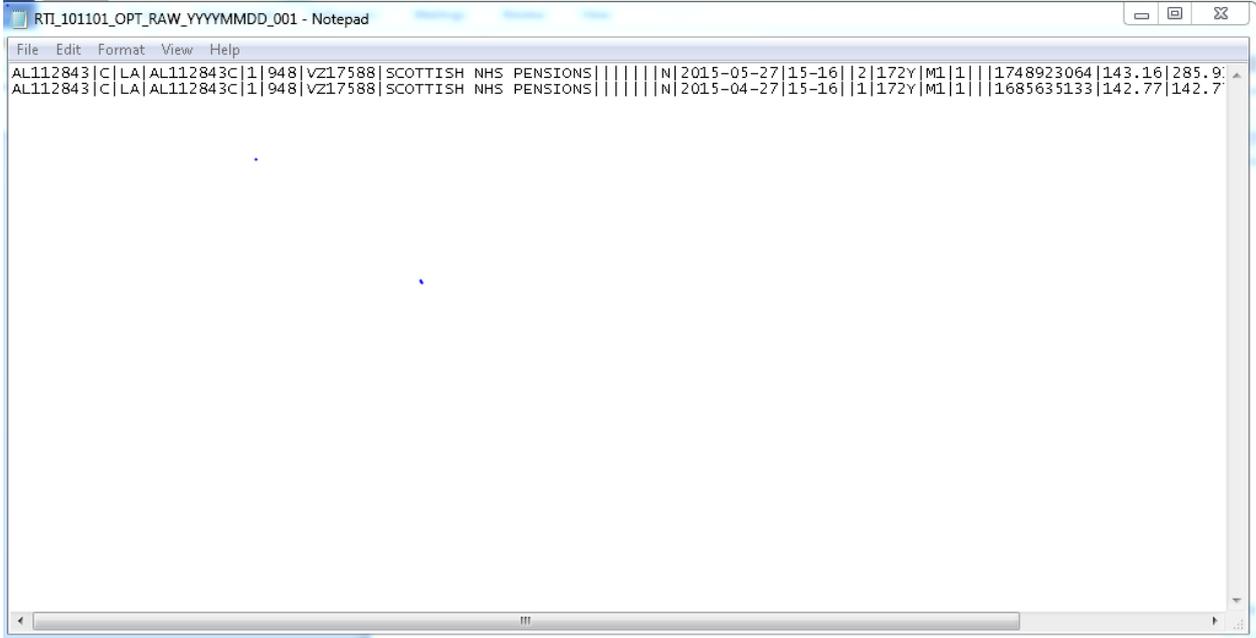
Annex A

Example Optional RTI file

Optional RTI 'claim_file'



Example RTI 'raw_file'



Annex B

Instructions on how to convert the Optional RTI files into Excel

- Once you have the file in the correct area – click on the Microsoft icon to open Excel from your computer
- Once you have a blank workbook open
- Press “file” from the menu bar
- Press “open” from the drop down list
- You will then be asked to locate the file you want to open – so go to the folder you have the original file saved in
- Once you are in the folder the file should be located – you need to select “all files” from your excel menu (it may be set to Excel in newer versions)
- From Excel 2010 this should be a drop down box
- Once you have selected “all files” the optional file (will have OPT_CLAIM in file name with your LA ID) – this should appear as a .TXT file
- Click on it and press open
- Here you should now have a window of options
- Choose delimited ONLY from the list of available choices (untick other boxes)
- Press Next
- The delimiter you require is other - Please tick that box
- Once ticked you need to put a pipe (|) - (shift \) in the box next to the delimiter option
- Press Next
- Press Finish
- This then opens the data into a spreadsheet
- On row 1 insert a line
- Copy the “Optional headers” header line from the (Optional Header) spreadsheet into line two so you now have headers
- To make the document more readable – choose View from the menu and zoom down to 75%.
- Then save the file
- From the Menu box press - File
- Select Save as
- Choose excel **97-2003 workbook – not template**
- Save the file in the folder you wish to keep the information in
- Name the file with your LA details and “Optional” for your reference
- Close

Annex C

Instructions how to convert the Raw File to Excel

- Once you have the file in the correct area – click on the Microsoft icon to open Excel from your computer
- Once you have a blank workbook open
- Press “file” from the menu bar
- Press “open” from the drop down list
- You will then be asked to locate the file you want to open – so go to the folder you have the original file saved in
- Once you are in the folder the file should be located – you need to select “all files” from your Excel menu (it may be set to Excel in newer versions)
- From Excel 2010 this should be a drop down box
- Once you have selected “all files” the raw file should appear as a .TXT file -(will have OPT_RAW in file name with your LA ID)
- Click on it and press open
- Here you should now have a window of options
- Choose delimited ONLY from the list of available choices (untick other boxes)
- Press next
- The delimiter you require is other - Please tick that box
- Once ticked you need to put a pipe (|) - (shift \) in the box next to the delimiter option
- Press Next
- Press Finish
- This then opens the data into a spreadsheet
- On row 1 insert a line
- Copy the “Raw headers” header line from the (Raw Header) spreadsheet into line to so you now have headers
- To make the document more readable – choose view from the menu and zoom down to 75%.
- Then save the file
- From the menu box press - File
- Then Save as
- Choose excel **97-2003 workbook – not template**
- Save the file in the folder you wish to keep the information in
- Name the file with your LA details and “Raw” for your reference
- Close