The Verification Framework: Early Experiences of Implementation

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A report of research carried out by BMRB International on behalf of the Department of Social Security
CONTENTS

Acknowledgements vii
Glossary of Terms ix
Summary 1

1 Introduction 13
   1.1 Background 13
   1.2 About the Housing Benefit Verification Framework 13
   1.3 Aims and objectives 14
   1.4 Research methods 14
   1.5 The sample 15
   1.6 The scope of qualitative research 16
   1.7 Report outline 16

2 Housing benefit fraud prior to the introduction of the Verification Framework 17
   2.1 Customer and staff error 17
   2.2 Perceptions of the level of HB fraud 17
   2.3 Perceptions of the types of HB fraud common to the LA area 18
   2.4 LA approaches to dealing with fraud 18
   2.5 Written policies 19
   2.6 Fraud training 20

3 Applying for Verification Framework funding and ongoing costs 23
   3.1 Views about the Verification Framework concept 23
   3.2 Perceived reasons for the introduction of the Verification Framework 23
   3.3 The decision to apply for Verification Framework funding 24
   3.4 The Verification Framework application process 25
      3.4.1 Determining budgets 25
      3.4.2 Costs taken into account in LA applications for funding 27
      3.4.3 Costs not taken into account in LA applications for funding 27
   3.5 The received Verification Framework budget 28
   3.6 Ongoing costs of the Verification Framework 28

4 Introducing and operating the Verification Framework 31
   4.1 The process of introducing the Verification Framework into LAs 31
      4.1.1 Planning and timetables 31
      4.1.2 Changes in timetables 32
      4.1.3 Staff training 33
      4.1.4 Second phase - further training 34
      4.1.5 Publicity/consultation 35
      4.1.6 Second phase - publicity/consultation 36
8.2 The impact of introducing the Verification Framework 61
  8.2.1 The impact of the Verification Framework on customers 61
8.3 Second phase - the impact of the Verification Framework on customers 62
  8.3.1 The impact of the Verification Framework on staff 62
8.4 Second phase - the impact of the Verification Framework on staff 65
  8.4.1 The impact of the Verification Framework on processing speed 66
  8.4.2 The impact of the Verification Framework on processing accuracy 67
  8.4.3 The impact of the Verification Framework on fraud detection and prevention 67
  8.4.4 Caseload levels 67
  8.4.5 Fraud detection 68
  8.4.6 Fraud prevention 69
  8.4.7 Staff awareness 69
8.5 Changes made during the operation of the Verification Framework 69
  8.5.1 Second phase - changes made during the operation of the Verification Framework 72
8.6 The ‘bedding down’ of the Verification Framework 72

9 Conclusions and lessons learned 75
  9.1 The perceived value of the Verification Framework 75
  9.2 Perceptions of the future 75
  9.3 Implementing the Verification Framework - an ‘ideal’ approach 77
  9.4 Issues for consideration 78

Appendix A - DSS easements 81
Appendix B - Topic guide - managers 83
Appendix C - The sample profile 87
Appendix D - Analysis 89
Other research reports available 91

LIST OF TABLES

Table C.1 Breakdown of LA staff participating in the first and second phases 87
ACKNOWLEDGEMENTS

The research team would like to thank all the staff of the 14 LAs who participated in the study. We greatly appreciate being given the opportunity to visit the LA offices for a period of two days on two occasions, to conduct a number of interviews with staff at a time when the Verification Framework (VF) was in the process of being implemented and for making us feel welcome at a time of great change. We would also like to thank colleagues at the DSS – Andrew Shaw, Kim Shrapnell and Rebecca Stanley – for their advice and help throughout the research.
Set-up
Local authorities receive costs from the Department of Social Security to help them put systems in place to run the Verification Framework.

Operation/Compliance/ ‘Going live’
Local authorities send the Department of Social Security a certificate stating that they are doing all the activities within the VF. At this stage they receive ‘continuing costs’ from the Department of Social Security to run the Verification Framework.

Evidence
The Verification Framework sets out information that must be collected before benefits are paid. It specifies what is acceptable as evidence and the checks to be completed to increase confidence in the authenticity of evidence.

Easements
Easements are small changes that have been made to the Verification Framework. These have come to light from local authorities’ experiences of running it.

Risk groups
There are five risk groups which determine the maximum benefit period which are attached to claims.
These are:

**Group A**
- Tenants of houses in multiple occupation (HMO)
- Boarders
- Hostel dwellers
- People who have previously committed HB/CTB fraud
- Cases in which the landlord is known to be questionable

**Group B**
- Sub-tenants
- Non Income Support claimants receiving Statutory Sick Pay or lower rate Incapacity Benefit
- Casual or seasonal earners

**Group C**
- Lone parents
- Unemployed aged under 25 and living alone

**Group D**
- Self employed
- Rent allowance cases
- Unemployed

**Group E**
- Any client group not specified in groups A to D

GLOSSARY OF TERMS
Postal checks: Until August 2000, the Verification Framework stipulated that in addition to the visiting and review process, in-year postal checks should be carried out for claims within Rick Categories B-D. For the in-year postal check the claimant is required to provide similar information as that for the review. From August 2000 postal checks have been optional.

Benefit periods: Benefit periods indicate how long a claimant should be paid benefit, before their claim needs to be renewed. Claimants are categorised by risk group and benefit periods are set accordingly. Claimants in higher risk groups have shorter benefit periods ensuring that their claims are subject to more frequent checks.

Weekly Benefit Savings (WBS): WBS is a measure used within the local authority anti-fraud incentive scheme governed by the Department of Social Security. WBS is intended to act as an incentive for local authorities to catch fraud.
<table>
<thead>
<tr>
<th>Circular</th>
<th>Date issued</th>
<th>Content</th>
</tr>
</thead>
<tbody>
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<td>A24/99</td>
<td>July 1999</td>
<td>Adoption of holistic approach to establishing identity and 19</td>
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<tr>
<td>A32/99</td>
<td>Aug 1999</td>
<td>MIS - Clarification of requirements</td>
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<tr>
<td>F17/99</td>
<td>Aug 1999</td>
<td>Simplifications: evidence of earnings; landlords’ addresses; collection of evidence; existing caseloads; claim forms; security; capital; visits</td>
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<td>A34/99</td>
<td>Sept 1999</td>
<td>Disapplication of section 19 to hostel dwellers</td>
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<td>A37/99</td>
<td>Sept 1999</td>
<td>Additional £5m funding and phased implementation</td>
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<tr>
<td>A48/99</td>
<td>Oct 1999</td>
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<tr>
<td>A21/00</td>
<td>May 2000</td>
<td>Revised Framework</td>
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<tr>
<td>A31/00</td>
<td>June 2000</td>
<td>MIS clarification</td>
</tr>
</tbody>
</table>
3. LA’s consideration of the HB/CTB Verification Framework

- How was VF introduced to them?
- When did they first hear about it?
- Why did they decide to apply for it?
- Who was involved in the decision making process to apply for VF?
- When did they decide to apply for it?
  - why at that time?
  - what specific issues were taken into account at the time?
- Did they apply some form of cost benefit analysis before opting to take on the VF?
- What advantages did they perceive at the time of application?
- What did they see as the drawbacks at the time of application?
- Did they advise staff about the VF?
  - if so: How were staff advised?
- What do they feel are the perceived aims of the VF?
  - why do they think the DSS has introduced VF?

Research aims

To Explore:
- LAs’ anti-fraud procedures prior to VF
- LA motivations for applying for VF funding
- experiences of LAs in setting up the VF
- how LAs achieved VF compliance
- LA costs of compliance and VF set up
- LA experiences, both positive and negative, of achieving compliance

1. Introduction

- About BMRB & London Research Centre (LRC)
- Nature of the research; study for the DSS
- Emphasise confidentiality; explain tape recording

2. General background of respondent

- Job title/job grade, job function
- Main responsibilities
- Length of service within current job and office
- Responsibilities regarding VF
- How they got involved with VF
4. Pre-Verification Framework regime

- Broadly, what was the pre-VF approach to benefit processing?
- What were the staff to caseload ratios prior to the VF?

LA Approach to Fraud

- How much HB/CTB customer fraud was there in their LA?
- Do they feel that there was an ‘anti-fraud culture’ in place?
- How was fraud measured and monitored by their LA?
  - what written policies, if any, were in place?
  - what actual approaches or practices had been adopted?
  - did the LA verify whole claims/parts of claims?
- What types of customer fraud typically occurred?
  - how do they know this?

PROBE - assumed versus grounded knowledge

- What procedures were in place to tackle fraud?
  - how did they apply these procedures?
  - how effective were these procedures?
  - how did they measure the effectiveness of these procedures?
- What were the main types of error made by staff and customers?
  - how do they know this?

PROBE - assumed versus grounded knowledge

- What steps do they take to correct error?

Pre-Verification Framework training

- Did staff receive any anti-fraud training?
- What did this entail?
- How effective was it?

5. Becoming compliant

- How compliant did they feel their pre-Verification Framework regime was before they decided to apply for the VF?
- What changes did they have to make in order to become fully compliant?

PROBE areas in which they were not compliant

- how did they identify these areas?

PROBE areas in which they were compliant

- how did they identify these areas?
- when did they finally become compliant?
- who, overall was responsible for its set-up?
- how easy/difficult is VF to set-up?

Staffing issues

- What staffing changes did they have to make?
  - what problems, if any, were there?
  - did they have to recruit staff/change depts?

Timetable

- What was their initial time-table for becoming compliant?
  - how did they arrive at this time-table?
  - what key factors did they take into account?
  - how does this compare to the actual time taken to become compliant?
  - what problems did they encounter?
  - how did they solve these?

Costs

- What was the initial cost estimate for becoming compliant?
  - how did they arrive at these cost estimates?
  - what key factors did they take into account?
  - was there a discrepancy between the bid for funding and the actual money obtained?
  - what was their reaction to this?
  - how did this affect compliance?
  - how does this compare to the actual costs of becoming compliant?
  - what problems did they encounter?
  - how did they solve these problems?
Changes to administration and paperwork

- Changes in internal administration
- Changes in paperwork
- The design of the application - declaration form
- Handling original documentation
- Changes in HB/CTB instructions to staff
- How did they feel about the text/checklist they had to follow to ensure that the VF is being set up correctly?
  - was it useful?

Management information

- What management information systems did they have to develop?
  - how successful was this?
  - what, if any, were the problems?

Software/IT systems

- Ask respondent to describe the different software/IT systems used in VF set-up:
  - where did it come from?
  - how was it selected?
  - who supplied it?
  - how long did it take to set up?
  - what were the costs?
  - what problems did they encounter when the software was being set up (if any)?
  - how easy/difficult was it to use?

Changes

- Did they aim to go beyond the minimum requirements required?
  - how successful have they been in fulfilling these aims?
- Have any of the VF procedures been changed or adapted in any way in order to aid the set-up
  - what were these changes?
  - why make these changes?
  - what impact did these changes have?
  - what impact did any other initiatives in place have, such as Remote Access Terminals (RATs) and the DIPS system?
- What does your LA hope to achieve by becoming compliant?

6. Training required

- What sorts of preparation did they have for VF?
  
  PROBE - meetings/briefings/news letters/training
  - how useful was this preparation?

- If they received training:
  - how much training did they receive before the VF programme started?
  - how was training provided?
  - how long did it go on for?
  - when did they get training?
  - what did they think of the training?
  - did they feel it was enough?
  - did they encounter any problems with the training?
  - if yes - what were they?
  - were they external/internal trainers?
  - what materials did they receive?

- Did they receive any special computer-software training?
- Do they currently need any extra training?
  - in what areas?
- Is there anything which could be improved on in the training?
7. Future improvements - set-up and compliance

- How do they feel reaching compliance and set-up of VF could be improved?
- What would they do differently?
- Looking back:
  - what worked well?
  - what did not work well?
- What levels of support would they need from the DSS
- Probe on Information, Management Bulletins
- What would constitute good practice in terms of becoming:
  - compliant with VF?
  - setting up the VF?
- What advice would they give to other LAs aiming to set-up the VF?
- Are there simpler ways of applying the VF?

8. Implications and impact of Verification Framework

Effects of VF on staff and customers

- How were the changes communicated to customers?
- What effects has the operation of VF had on:
  - staff - what were their reactions?
  - effects on staff morale, workload, working conditions
  - service to customers/claimants
  - have processing times changed?
  - what happened previously?
  - relationship with other departments and areas within the LA

Impact on fraud

- What impact has the operation of VF had on fraud prevention?
- What impact has the operation of VF had on the detection and investigation of fraud?
- Does VF provide an incentive to combat fraud?

Overview of problems

- What problems did they encounter with the operation of VF?
  - how have they dealt with these problems?
  - what has operated well and what hasn’t?
  - what cost estimates did they arrive at for the operation of VF?
  - what are the actual costs of operation so far?
  - how do they compare?
  - is it more/less?
  - do they match?
- Will they need any further additional funding?

Changes to the VF

- How do they feel the operation of VF could be improved?
- What would they do differently?
- So far:
  - what works well/why?
  - what doesn’t work well/why?
  - how could the VF itself be improved?

Support

- Have they received any additional funding since set-up?

THANK AND CLOSE
The sample breakdown of the LA staff participating in the first and second phases of research is illustrated in the table below.

**Table C.1 Breakdown of LA staff participating in the first and second phases**

<table>
<thead>
<tr>
<th>Sample characteristics</th>
<th>No of respondents first phase</th>
<th>No of respondents second phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment/Verification officers</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>Visiting officers</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Frontline staff</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>HB managers</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Fraud officers</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>VF team Managers</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Client team Managers</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Director of Finance/Finance officer</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Frontline/Assessment</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Other e.g. Policy</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>96</strong></td>
<td><strong>96</strong></td>
</tr>
</tbody>
</table>
The analysis of the qualitative material will be undertaken by experienced researchers from BMRB Qualitative. BMRB Qualitative is committed to a thorough analysis of the data and have a set of procedures to ensure a systematic and comprehensive approach to data analysis. Throughout the analytical procedures care is taken to ensure that the extraction and interpretation of findings are based on the raw data rather than on a researcher’s impressions.

Material collected through qualitative methods is invariably unstructured and unwieldy. Much of it is text based, consisting of verbatim transcriptions of interviews and discussions. Moreover, the internal content of the material is usually in detailed and micro form (for example, accounts of experiences, inarticulate explanations, etc.). The primary aim of any analytical method is to provide a means of exploring coherence and structure within a cumbersome data set whilst retaining a hold on the original accounts and observations from which it is derived.

Qualitative analysis is essentially about detection and exploration of the data. We ‘make sense’ of the data by looking for coherence and structure. This may be accomplished in a number of ways:

- Defining concepts
- Mapping the range
- Creating typologies
- Seeking explanations

Our analytical procedure works from verbatim transcripts (all interviews and focus groups are tape-recorded in stereo) and involves a systematic process of sifting, summarising and sorting the material according to key issues and themes. We use a set of content analysis techniques, known as ‘Toolbox’, to ensure an optimum synthesis of findings from the verbatim data.

‘Toolbox’ begins with a familiarisation stage and would include both an executive researcher’s review of the audio tapes and/or transcripts. Based on the coverage of the topic guide, the researchers’ experiences of conducting the fieldwork and their preliminary review of the data a thematic framework is constructed. The analysis then proceeds by summarising and synthesising the data according to this thematic framework using a range of techniques such as cognitive mapping and data matrices. When all the data have been sifted according to the core themes the analyst begins to map the data and identify features within the data: defining concepts, mapping the range and nature of phenomenon, creating typologies, finding associations, and providing explanations.
The mapping process is similar whichever of the above features are being considered. The analyst reviews the summarised data; compares and contrasts the perceptions, accounts, or experiences; searches for patterns or connections within the data and seeks explanations internally within the data set. Piecing together the overall picture is not simply aggregating patterns, but of weighing up the salience and dynamics of issues, and searching for structures within the data that have explanatory power, rather than simply seeking a multiplicity of evidence.

The key issues, and the features that underpin them, are then used as the basis for constructing an oral presentation and a written report. We use verbatim quotes to illustrate and illuminate the findings.

We have used, and refined, our analytical procedures over many years. They are highly respected by our government clients and are noted for their ability to extract the maximum information from qualitative data.
**SUMMARY**

The Verification Framework (VF) is designed to reduce the number of fraudulent claims made for benefit. The VF forms a platform for secure and accurate administration by defining the minimum standards for collecting evidence when a claim is made for Housing Benefit (HB) and/or Council Tax Benefit (CTB), and for the frequency of subsequent reviews and visits. Implementation of the VF is voluntary, with the Department of Social Security (DSS) providing funding for its set-up and on-going costs to those local authorities (LAs) that wish to implement it.

The study, carried out by *BMRB Qualitative*, was conducted in two phases: The first explored the LAs’ behaviours and experiences in setting up the VF and the second focused on their behaviours and experiences when operating it.

Fieldwork for the first phase was conducted during the period November 1999 to February 2000, and the fieldwork for the second phase between July and August 2000.

In total, 14 LAs participated in both phases of the study - ten in England, two in Scotland and two in Wales. LAs were selected to reflect a broad mix in terms of type of authority:

- Type of local authority - district, metropolitan, unitary.
- Catchment area - city, urban, semi-rural.
- Size of HB caseload, determined from statistics compiled by the DSS.
- Whether the processing of HB had been contracted-out.
- The amount of time that the LA had been running VF.
- Whether the LA stated they were fully compliant.¹

A total of 96 LA staff participated in both phases of the research, comprising a mix of:

- HB managers;
- VF managers;
- Processing staff;
- Frontline staff;
- Reception staff;

¹ All but one participating LA was fully compliant at the time of selection. At the time of interview all participating LAs were fully compliant.
Visiting officers; Finance officers; and Audit officers.

Apart from HB managers and other senior staff, processing and frontline staff tended to know very little about the levels of fraud that operated in their LA area. Most HB managers felt that their LA area had an average level of benefit fraud. There was some sense that the fraud detected reflected only a small proportion of that committed.

In common with other studies, LA staff identified the following as being the main types of benefit frauds committed:

- People claiming as single parents but living with a partner.
- Working whilst claiming.
- Undeclared capital or income.
- Undeclared changes of circumstances.
- Collusion between claimants and landlords.
- Continued payment to landlords when the claimant has left the premises.

Organised fraud rings were felt to be prevalent in city areas; landlord fraud was felt to be particularly high in seasonal employment and bed-sit areas.

Prior to VF all the LAs had a set of procedures to deal with benefit fraud, which included acting on ‘tip-offs’, spot checks on documents, random visits to customers’ homes and acting on ‘hunches’ about claims that arrived in the office. However, few LAs had written fraud or prosecution policies. Fraud did not seem to be a particularly high priority issue for the LA as a whole, although this may not have been true for individual HB departments. Some LAs did not promote an anti-fraud stance for fear of negative publicity, others felt that the ‘customer-orientated’ focus of the previous years had meant that LAs had been fairly relaxed in their approach to benefit fraud. This was reinforced by the relative absence of fraud training within LAs prior to the introduction of the VF.

Implementation of the VF is voluntary. LAs could apply for funding both to set-up and operate the VF. In 1998/1999, 84 LAs received funding to implement the VF and at the time of report writing, over 250 LAs had received VF funding.

LAs had several reasons for applying for VF funding. First, it provided a new source of revenue for at least two years. Secondly, there was a view that the VF was likely to be compulsory in the future and therefore it was prudent to seek funding early while it was likely to be at its most generous. Thirdly, LAs believed that the implementation of VF would raise the profile of benefit fraud within the LA and add to the LAs’ overall status.
Fourthly, some LAs saw the VF as a way of standardising benefit processing procedures and encouraging best practice.

The process by which applications were put together were often not accessible to the research team, either because this information was no longer available (as staff had moved on) or in the case of contracted-out companies was deemed commercially sensitive.

However, with hindsight it was clear that LAs made two major decisions which seriously hampered the introduction of the VF. First, in putting together their applications LAs often over-estimated how compliant their HB processing system was with the requirements of the VF. Second, LAs often combined the introduction of the VF with other systems such as new benefit processing software, document information processing systems (DIPS) and new ways of working. The impact of these decisions could be considerable, as the implementation of the DIP system impacted upon HB processing times and so further contributed to the backlog of claims.

The process of determining the VF applications was to considerably exercise the LAs, but on reflection, the LAs felt that they essentially ‘pulled figures out of the air’. They took into account a wide variety of costs in their applications for VF funding but realised, once they had started the operation process, that there were many costs which they had not included, primarily because they had underestimated the amount of work they would have to do to achieve compliance and partly due to the impact of introducing a number of systems simultaneously.

Perhaps the key feature to come out of the application process was that LAs felt that they were given insufficient guidance by the DSS as to the likely costs involved in setting up the VF. This was particularly pertinent as a number of LAs were aware that an early version of the VF had already been piloted yet they felt that there had been no learning from this early work as to the likely costs, or effects, of implementing the VF.

A number of issues were discussed in both phases of the research. These included:

- **Training**: Staff were trained through a range of external and internal training sessions, plus the provision of training materials, handouts and training summaries. Training was highly welcomed and overall felt to provide a good overview of the VF. However, there was some concern that training was not necessarily provided at the most opportune time and was not always practical. In the second phase of the research, some LAs had provided refresher training but others were yet to do so because of lack of resources, time, and the fact training was a low priority in comparison with clearing the backlogs. However, it was felt that refresher training was an important thing to be provided, as well as gaining feedback from staff.
• **Publicity:** Some LAs publicised the VF to the general public through newspaper advertisements and editorials; others made their landlords and RSLs aware that the VF was to be implemented. In some cases LAs offered landlords an opportunity to discuss the finer details of the VF, but with extremely little interest being expressed by landlords. In some LAs, where a publicity campaign had been orchestrated, this had given rise to unexpected consequences. However, amongst other LAs the prior publicity of VF had been found to work well. In the second phase, there was little evidence of further publicity and consultation, although some LAs did feel that further publicity was needed to get over or reinforce the requirements of VF.

• **Staff recruitment:** Additional staff were recruited, typically, processing staff, verification staff (in LAs which split the function of benefit processing and verification between different staff), DIPS processing staff and visiting officers. LAs often found it difficult to find staff that met their requirements. In the second phase, further changes had been made in some cases to the team structures and the staffing levels. Although LAs still felt understaffed they felt that the situation had improved since the first phase of research. As benefit administration has a long learning curve, the use of temporary staff proved problematic as some had left for other positions.

• **Visiting officers** were more in evidence when the second phase of the fieldwork took place since previously, due to staff shortages, some had redirected to assessment or frontline. Some visiting officers had additional administrative staff to deal with the paperwork. Some visits were now being notified to save time, particularly those to the vulnerable. Visiting Officers did not feel their role was always completely distinct from fraud officers. In both phases of the research Visiting Officer software was problematic, impacting on the number of visits that could be made.

• **Changes to LA offices:** In many of the LAs a number of physical changes had been made to offices. Reception areas were enlarged and re-arranged to provide greater privacy for customers; and in most participating LAs the post room was made more secure. More secure courier systems were also introduced in order to move valuable original documents from reception areas to the DIPS and verification areas. These were mainly introduced during the first phase of research.

• **Computer hardware:** With an increasing headcount LAs also purchased additional computer hardware. The setting-up of the computer systems usually occurred without too many mishaps.
• **Computer software** was usually upgraded and additional VF screens were added to the benefit processing system. LAs reported a succession of teething problems with new software. In one instance an LA was without its computer system for six weeks. Most commonly, the new software was found to be unstable, VF screens were not always fully integrated with the processing software and the electronic visiting officer diaries regularly failed to work. There appeared to be relatively little software training. Although the situation was felt to be improving in the second phase, there was still some way to go before software was operating as originally envisaged. A perception still remained amongst some LAs that the DSS were partly responsible for at least some of the software problems. In these cases it was perceived that the software houses had not been fully briefed in connection with the specifications needed to operate VF.

• **Paperwork**: LAs had been surprised at the volume of paperwork that the VF had generated, as well as the time it had taken to agree any paperwork that was issued to the public. Typically, new HB application forms were designed, together with supporting documentation. These often took much longer to agree than had been expected. In addition, all documents that were required for the verification process had to be either scanned into a DIP system or photocopied and held on file. The latter produced large quantities of paper. LAs that had separated the processing and verification processes often required two sets of files to hold the relevant documents. During the second phase paperwork was either continually being tweaked or LAs were waiting for a specific amount of time before changing paperwork, with forms usually being made shorter. Some LAs were now acknowledging receipt of forms to prevent customers ringing up to check they had been received.

• **DIP system**: Eleven of the 14 LAs had a DIP system; in most cases this had been implemented at the same time as the VF. There were many complications with DIP systems. First, LAs had not expected the amount of time it took to scan and enter all supporting documents onto the system, and had the effect of considerably slowing down either the reception staff or the verification teams. Second, it often took some time to work out the best form of indexing the documents and to ensure that staff were consistent in their approach; in some cases LAs could not link all pieces of evidence to a case because of inconsistent indexing. DIP systems were often very unstable in the early months of use. In the second phase, DIPs appeared to be having less impact on the working of VF.
• **Management Information (MI):** The software was often felt to be unable to produce MI. However, there was also some evidence that MI was available; in some cases the LAs were not convinced it was accurate, in others the volume of material produced was so great that LAs were as yet unable to use it in a useful manner. Of all the issues surrounding VF in the second phase, MI remained one of the most problematic. Some LAs were not producing any of the MI requested by the DSS, whilst others were providing only a part of the requirement, with still software problems and a perception remaining that the DSS kept changing requests for information. Some managers were concerned about not being able to produce MI, as they felt that DSS might take funding away if MI was not supplied, and it led to an inability to prove whether or not VF was effective.

• **Timetables:** Despite the planning involved none of the LAs in the study met their initial operational timetables (these ranged from six weeks to nine months). Indeed, timetables were often moved a number of times, with the effect that the set-up and operation phases often became one and the same. Timetables lengthened for a variety of reasons: underestimating the time taken to make the adaptations to buildings; difficulties in recruiting staff; the time taken to redesign and approve the HB application form; and considerable teething problems with new software.

• **Risk groups** were generally felt to work well, although a number of changes were suggested in particular that the self employed and lone parents be put in a higher category. Some LAs also wanted the flexibility to alter their risk categories due to variations in local conditions.

• **Postal checks:** LAs were pleased that postal checks had been made voluntary since they were felt to be ‘a waste of time’ duplicating the role of visits.

• **Evidence of capital** was viewed as the major feature of VF which identifies fraud through customers having to provide two months’ worth of bank statements. Some staff were in favour of increasing this although they recognised this could create further difficulties. Although **collecting ID** was seen to slow down the processing of a claim and be frustrating for clients, it was viewed important to collect as evidence. Obtaining **evidence of benefits and residency and rent** was generally felt to be unproblematic.
The initial reaction of LAs was that the VF had been difficult to implement. This reaction was primarily as a result of the backlogs of HB claims that built up after operating the VF. However, it is very clear that while the VF may have contributed to the backlogs, the key reasons for the difficulties that the LAs faced were due to a number of problems. These were:

- underestimating how compliant their HB processing system was;
- customers misunderstanding the advance publicity that some LAs published, which resulted in LAs being swamped on the day of VF implementation with unnecessary claims. Customers who did not go to the LA offices, jammed the switchboard with their enquiries;
- the implementation of DIPS, staff’s lack of familiarity with DIPS and some initial teething problems had a major impact on processing times;
- many HB applications received by post were incomplete and had to be responded to individually. Very large ‘pending’ files were soon in evidence; and
- upgraded software was either troublesome, failed to work correctly, or failed to work at all.

As a result of these factors plus a lack of familiarity with the VF, large backlogs of unprocessed HB claims built up. Customers complained, either by letter, telephone or in person. The increase in enquiries resulted in a greater workload for the HB staff.

By the time of the second phase of fieldwork, it was clear the outlook was much more positive. Although none of the LAs felt they were back at a pre-VF situation there was general feeling that problems had been dealt with and the VF was being seen in a positive light. The first 12 months of operating VF were generally felt to be the ‘bedding down’ period, although some LAs felt they had bedded VF in more quickly than others. The key determinants of change were:

- customers becoming familiar with what was required of them, and thus correspondence between customers and LAs was reducing;
- telephone calls were no longer handled by processing staff in some LAs;
- processing staff were becoming more familiar with their role;
- backlogs were clearing, due to an increase in staff, familiarity, and overtime.

Initially, existing customers were shocked at the introduction of the VF. Elderly customers could be rather bemused that they were being asked for identification; some other customers were argumentative or abusive. The most accepting customers were ‘first-time’ claimants. In the second phase there was a general feeling that customers had a much better understanding of what was required of them, although there were some exceptions. In addition the ‘stock’ of claimants had been through the
claim process at least once. Queues were reducing and customers were being dealt with more swiftly.

The impact on staff

The implementation of VF - and all the subsidiary systems - had a major effect on HB staff. Staff resources were stretched, many staff worked very long hours and in some cases a seven-day week to clear backlogs of unprocessed and partially processed HB claims. In addition they had to deal with angry customers and complaints. Despite HB managers and VF team leaders being appreciative of the commitment from staff, morale nevertheless suffered. Levels of sickness increased and there were some resignations that were attributed to the ‘VF experience’. In the second phase staff exhibited much lower levels of stress and generally higher morale, since:

- backlogs were reducing;
- staff were experiencing less anger and ‘hassle’ from customers;
- reductions in complaints from customers and members;
- easements had made the VF easier to use; and
- more familiarity with the VF itself.

However, some stresses and strains had had lasting consequences. For example in one LA teams maintained only the coolest of relationships with each other.

Impact on speed and accuracy

There was a general perception that processing backlogs would not return to pre-VF levels since claims require more processing time and because VF introduced an additional set of opportunities for customers not to comply. Once the VF had been in place for some months there was a sense however that accuracy had increase because of greater attention to detail and increased standardisation.

Impact on fraud

In the first phase, participating LAs felt it was too soon to assess the overall impact of the VF on fraud. However in the second there were a number of indications that suggested that the VF would have an impact on the levels of fraud primarily in:

- **Caseload level.** In the first and second phase caseloads were dropping. Some were certain this was a VF effect and others were less sure and wanted another year before they made up their minds. However it was felt that VF had reduced some potentially fraudulent HB claim renewals.

- **Fraud and error detection.** The most commonly mentioned HB claim that seemed to be prevented was that of pensioners who had not declared capital or second pensions. However, given these had been detected in the first year it was felt that detection rates would decline in the future.
• **Fraud prevention.** It was felt that the future role of VF would primarily be preventative, stopping newcomers ‘trying it on’. However, it was felt that VF would do little to deter the hardened fraudster, and that Visiting Officers would be unable to prove sufficient cases of working while claiming or cohabiting.

• **Fraud awareness.** There was some evidence to suggest that VF had made staff more fraud aware.

**Communicating with the DSS**

Experiences of discussing the set-up and operation of the VF with the DSS were very mixed. Some LAs reported that the DSS were always very friendly, helpful and able to generate solutions very swiftly. However, the general opinion was that the DSS had been unhelpful. As evidence LAs indicated that the DSS:

• was often very difficult to contact;
• took a long time to respond to written enquiries;
• offered contradictory advice, or referred callers to ‘the manual’; and
• would not put oral advice in writing.

The pre-Christmas 1999 seminars were welcomed but generally felt to have been offered too late to be of any help.

In the second phase of the research, views about communication continued to be mixed, with some thinking that the DSS had been proactive and others believing that the DSS had not listened to their opinion.

**Conclusions**

Overall, the LAs in the study were fully supportive of the principle of the VF and, despite their implementation difficulties, remained committed to the VF. The introduction of VF was felt to have had the following beneficial effects:

• the HB department anti-fraud culture had been reinforced;
• fraud training was now in greater evidence;
• fraud was now higher profile within the LA generally;
• LAs were of the opinion that the implementation of the VF had slightly reduced the number of HB claims, however, it was difficult for LAs to determine if this was as a result of the implementation of VF or due to local economic reasons;
• income evidence requirements had produced many instances of undeclared capital and undeclared income;
• customers were beginning to better understand their responsibilities in terms of providing evidence in support of their claim.

While HB processing times had increased – significantly in some cases – there was evidence that these were now beginning to decrease. However, none of the LAs considered they were likely to return to the processing speeds they had attained prior to operating the VF.
Overall LAs varied in the degrees of success in setting up and operating VF and dealing with the problems. The following factors seemed to be critical in its success:

- skilled management;
- taking a realistic view of compliance;
- adopting realistic timescales;
- implementing new systems individually;
- goodwill of managers and staff.

While easements were generally welcomed there was some concern that they had been introduced rather hastily.

The LAs that took part in this study suggested some issues for other authorities to consider when implementing the VF:

- Visit other sites to learn from their experiences of implementing the VF.
- Analyse, in detail, the nature of the existing system in place and the new approach to be introduced.
- Consider a phased approach to the introduction of the new system or initiative.
- Ensure that all new software systems are stable, reliable and tested before being installed.
- Only implement one new system at a time.
- Provide initial and refresher training.
- Brief their staff about the likely impact of introducing new systems.
- Use local advertising (carefully).
- Clear any initial backlogs.
- Provide a means of dealing with customer enquiries and problems that is separate from that of processing and verification.

LAs participating in this study outlined some issues for the DSS to consider when implementing the VF. LAs suggested that a national advertising campaign run by the DSS would be useful for customers. They also felt that the Department could do a number of things to help the implementation of the VF run more smoothly, such as: an increased training budget and some centrally arranged training; DSS and software houses working in partnership; and DSS providing advice through site-visits, telephone helplines and written communication.

Although LAs were fully committed to the principle of VF they wanted a long-term guarantee of funding for the continued operation of VF. LAs also wanted VF to be made mandatory to provide a uniform approach to dealing with claims and provide more power of enforcement in the
face of fraudulent claims. There was some feeling that after the first year of operation fraud detection rates would fall and the emphasis would move to fraud prevention. LAs felt that fraud detection rates could be maintained with the adoption of other approaches, chiefly the developments of links with other agencies, in addition to the VF.
1.1 Background

One component of the government’s continuing programme of welfare reform is to ensure that benefits are delivered to those most in need through an ‘Active Modern Service’ – a benefit system that is both accessible to customers and provides a ‘right first time’ service. Over the past few years there has been an increasing emphasis on minimising ‘wasted benefits’ through fraudulent claims that either reflect customer error or deliberate attempts to defraud the benefit system.

In the past the primary fraud emphasis has been on detecting fraudulent claims as they pass through the benefit processing system. However, more recently the government has changed the emphasis to that of preventing fraudulent claims entering the benefit system. In the light of this, a number of innovations have taken place over the past two years which have been designed to prevent and reduce fraud across the Benefits Agency (BA) and Local Authorities (LAs). These include: the tightening up of the allocation of National Insurance numbers (NINOs); Evidence requirements for Income Support (IS) claims; and the simplification of the benefit system through integrated ways of delivering benefits, such as ONE and the New Deal for Lone Parents.

Introduction of the Verification Framework (VF) for Housing Benefit (HB) and Council Tax Benefit (CTB) is a key component of this continuing anti-fraud strategy, and the subject of this research report.

1.2 About the Housing Benefit Verification Framework

The VF is a comprehensive document which provides participating LAs with a set of rules and guidance that require minimum standards for collecting evidence when an HB/CTB claim is made or checked through reviews or visits. The VF provides a secure basis for administering benefits by setting out in detail the evidence standards that must be adhered to. It consists of the specification of what is acceptable evidence and the checks which need to be implemented to authenticate evidence, for example, LAs should only accept original documents rather than photocopies. The maximum benefit period to be applied to each case is defined by the categorisation of a risk-group. There are specific crosschecks against other data held by LAs and previous claim information. There are also targeted checks to be implemented during the life of the claim.

The first draft of the VF was produced in August 1996. This was refined and subsequently, in March 1998, a revised version of the Framework was issued to all LAs to submit applications for funding.

All LAs were invited to submit a costed proposal for funding to set up and operate the VF. As the scope and basis of the costing varied
considerably it was decided to allocate the available funding according to an existing formula which distributes the DSS subsidy for the general administration of HB/CTB. Funding was made available to LAs for set-up costs, to put systems in place to run VF. Once VF is operational and the LA is fully compliant LAs receive ‘continuing costs’ to operate VF.

Since the VF was issued the Department of Social Security (DSS) has worked in consultation with the participating LAs to modify the Framework in light of issues arising from its live operation. (A list of DSS easements can be found in Appendix A).

Use of the VF is voluntary among LAs. At the time of report writing, 255 LAs had received VF set-up costs and 183 LAs were fully compliant.

1.3 Aims and objectives

The DSS commissioned in-depth analysis to explore the experiences and behaviours of LAs in setting-up and operating the VF. *BMRB Qualitative* were commissioned to undertake the evaluation.

The research study had the following aims:

- to consider why LAs volunteered to implement the VF;
- to find out what LAs’ verification and anti-fraud policies and practices were prior to VF implementation;
- to explore LAs’ experiences of setting up the VF and the changes that were required in order for the VF to be fully operational;
- to explore the costs of changes and how they compared with the set-up funding;
- to explore the impact of the operation of the VF on processing claims, customers, staff, and levels and types of benefit fraud;
- to consider LAs’ experiences of operating the VF;
- to find out the costs of operation and how they related to expectations and funding;
- to review how the VF operates in practice and whether any (further) changes are required; and
- to explore what lessons can be learned from these LAs when implementing the VF.

The study was undertaken in two stages: the first was concerned primarily with LAs’ behaviour and experiences of setting-up VF and the second with their behaviours and experiences of operating the VF.

1.4 Research methods

The study was qualitative in nature and employed a series of one-to-one and paired depth interviews with staff employed by 14 LAs in England (ten), Scotland (two) and Wales (two).
LAs were selected in consultation with the DSS, with the overall sample being designed to reflect a broad range of authorities in terms of:

- Type of local authority – district, metropolitan, unitary.
- Catchment area – city, urban, semi-rural.
- Size of HB caseload, determined from statistics compiled by the DSS.
- Whether the processing of HB had been contracted-out.
- The amount of time that the LA had been running VF.
- Whether the LA stated they were fully compliant.2

LAs were generally avoided if they were already participating in large research exercises, e.g. in a ‘ONE’ pilot site or undertaking a ‘Best Value’ trial. As all of the Welsh LAs were also Best Value sites this latter exclusion was waived for the purposes of this study.

The interviews lasted approximately one hour and were tape-recorded and transcribed verbatim. The verbatim transcripts were then analysed using an in-house analytical method, known as ‘Matrix-Mapping’. For a more detailed description of ‘Matrix-Mapping’, please see Appendix D.

1.5 The sample

Selected LAs were directly approached by the BMRB Qualitative research team and asked to participate in the VF evaluation. Initially sent a letter by BMRB, each LA was then telephoned by BMRB, the study was discussed, confidentiality was assured and an appointment for a visit was made.

Visits to LAs were usually over a two-day period, in which time between five and eight members of staff were interviewed. While there were key members of the LA staff who were always interviewed – HB managers, VF managers, assessment staff, verification staff and frontline/reception staff – others would be included according to the amount of contact they had with the VF process or its implementation. Consequently, members of fraud teams, visiting officers, finance officers and audit officers were also included in the sample. In total, 96 LA staff participated in both phases of the evaluation.

Two of the LAs had contracted out the processing of HB, one to a direct service organisation, the second to a private company.

Fieldwork for the first phase of the study was undertaken between November 1999 and February 2000, and the fieldwork for the second phase was conducted between July and August 2000.

A detailed sample profile can be found in Appendix C.

2 All but one participating LA was fully compliant at the time of selection. At the time of interview all participating LAs were fully compliant.
1.6 The scope of qualitative research

It is important to note that the methods employed in this research are qualitative in nature. This approach has been adopted to allow for individual views and experiences to be explored in detail. Qualitative methods neither seek, nor allow, data to be given on the numbers of people holding a particular view or having a particular set of experiences. The aim of qualitative research is to define and describe the range of emergent issues, and explore linkages, rather than to measure their extent.

1.7 Report outline

Where relevant the chapters are divided into first phase and second phase research findings. Phase one deals with the data derived from the first visits which explored the set-up of VF. Phase two fieldwork visits to the LAs focused on the operation of VF.

The following chapter provides a brief overview of HB fraud prior to VF and provides a context for the introduction of the Framework. Chapter 3 then explores the LAs’ perceptions of the VF prior to its introduction, in terms of their views of the concept and reasons for it being introduced. The application process is also discussed.

The process of introducing the VF in LAs is examined within Chapter 4. This chapter also explores the changes that were made to accommodate the Framework and the management and planning of its implementation. Chapter 5 explores issues around the generation and provision of management information and Chapter 6 examines the views and practices of LAs in operating the Framework. Chapter 7 considers the issue of communication both internally and within the DSS.

Chapter 8 looks at some of the changes that have been implemented during the course of the operation of VF and the impacts that the VF has had on staff, customers, and the levels of fraud. Finally, Chapter 9 outlines the key conclusions from the research, incorporating the suggested recommendations and 'lessons to be learnt' based on the experiences of the 14 participating LAs.
This chapter provides a brief overview of LAs’ fraud policies, perceived levels of fraud and the types of HB fraud that were considered to occur prior to the introduction of the VF. The information presented provides a context in which the impact of introducing the VF can be better understood.

2.1 Customer and staff error

Staff found it difficult to estimate levels of error encountered prior to the introduction of VF. It was felt that error which did occur was most likely to be customer based but that this was largely picked up whilst assessing the claim. Staff error was perceived as negligible amongst experienced staff. In some LAs a system of checks had been put in place whereby a supervisor would audit ten per cent of claims which had been processed. If staff were making errors these would be pointed out to them.

2.2 Perceptions of the level of HB fraud

At the time of fieldwork levels of HB fraud were reflected in an LA’s ‘Weekly Benefit Savings’ (WBS). When asked about the level of fraudulent HB claims that were thought to be made in their LA area, it was only senior staff whose perceptions reflected that suggested by their WBS target. Indeed, in some LAs only selected staff were even aware that LAs would have a WBS target.

‘Weekly Benefit Savings, which is the amount of benefit that we actually stop, that is the biggest measure, the only measure really, and whether we meet the government baseline targets.’

(Fraud Officer, 1st phase)

When describing the perceived level of HB fraud in their area, LAs’ general perception was that their area was ‘about average’, although some of the more inner city authorities recognised that fraud in their areas was likely to be ‘typical to similar authorities’. Perhaps the key perception to arise out of this discussion was a view that the amount of HB fraud that is detected reflects only ‘a tip of the iceberg’.

Overall, LA staff felt that individual customer fraud was fairly widespread, but reflected only a small amount of the total value of HB that was paid fraudulently. By contrast, landlord fraud and organised ‘fraud rings’, while small in number, were felt to account for the larger proportion of money that is lost to the benefits system in fraudulent claims. Organised fraud rings were felt to be particularly prevalent in inner city and high density urban areas; landlord fraud was felt to occur universally but be particularly prevalent in areas where there was a high concentration of bed-sits or a transient or seasonal workforce.
2.3 Perceptions of the types of HB fraud common to the LA area

In agreement with other recent research findings LA staff identified a common set of fraudulent claim types. These were:

- individuals who were making a claim as a single parent, but in reality were living with a partner;
- working whilst claiming benefit;
- undeclared capital or income;
- undeclared changes of circumstances;
- collusion between landlords and customers whereby rents are set higher than usual, with the difference being split between them;
- landlords knowingly continuing to claim for customers who have since moved on, a fraud that was felt to be particularly prevalent in areas of seasonal working such as seaside towns.

2.4 LA approaches to dealing with fraud

All the LAs taking part in the study indicated that they had a range of fraud procedures in place designed to tackle HB fraud prior to VF implementation. These varied considerably and included:

- random checks on claims made for HB;
- ‘suspicious’ claims identified at the time of processing;
- following-up ‘tip-offs’, for example where someone had been seen to be working whilst claiming benefit;
- spot-check visits to customer’s homes where suspicions had been aroused.

Nearly all of the LAs had in place procedures for verifying claims prior to introducing the VF. These procedures were mainly utilised in order to verify identity and residency. These were:

- collecting evidence of identity and/or income. However, in many cases photocopies, rather than original documents, were deemed acceptable.
- pre-payment visits;
- cross-matching information from previous claims or other LA-held information.

There was some sense that pre-VF benefit fraud was a ‘fact of life’ and was not a high priority issue. A number of LAs pointed out that while the elected members were concerned about fraud and were keen to minimise the amount of money that was lost through fraudulent benefit claims, equally they did not want to promote themselves as an anti-fraud authority because this could generate negative publicity. For example, it was argued by more than one LA that if they promoted themselves as ‘anti-fraud’ the local media would be likely to interpret this as an admission of high levels of fraudulent benefit claims.

‘It was a dirty word. It was a political hot potato’

(HB Manager, 1st phase)

Equally, some of the LAs also indicated that over the past few years they had been encouraged to develop a customer-orientated culture. This was often felt to be at odds with an anti-fraud culture and meant that the LA adopted a fairly relaxed approach to benefit fraud. Fraudulent benefit claims would be pursued where they were obvious, but less emphasis was placed on actively detecting fraud or preventing fraud from occurring.

2.5 Written policies

LAs who took part in the research were also asked to supply any written documentation with regard to the VF, such as their application form and fraud policy. Despite the indication that the LA was concerned about HB fraud few had written fraud or prosecution policies; ‘we haven’t got anything that’s written down’. Only three LAs out of the 14 involved in the VF research were able to supply BMRB with fraud policy documentation although a higher proportion of LAs were able to provide written copies of their prosecution policy.

LA fraud policy focused on:

- **Prevention** – ensuring only legitimate claims are processed and paid.
- **Detection** – identifying existing fraudulent claims and fraudulent applications.
- **Deterrent** – creating a culture among staff and the public that deters against false claims being made.
- **Standardising** fraud policy across the LA.

LA’s written fraud policies had been restructured as a result of the 1992 and 1997 Social Security Administration Acts - particularly in relation to policies on prosecution. LAs fraud policies focused primarily on the **prevention** and the **detection** of fraud, and this was achieved using a variety of strategies, including: the raised awareness of fraud among staff; New initiatives were also included in the policy documentation such as:

- local national and DSS proactive initiatives;
- schemes that identify and monitor high risk cases;
- joint working;
- data cross-matching;
- the VF.

Some LAs had dedicated units responsible for the investigation of fraud, they employed both reactive and proactive measures and co-operated with other agencies, such as Benefits Agency (BA) and other LA departments to prevent and detect fraud. In addition to these dedicated units, LAs aimed to raise awareness of fraud among staff, to ensure that fraud was identified as early as possible and referred on to the specialist teams in place. One fraud unit set up a ‘direct fraud line’ that allowed any member of staff, or member of the public, direct access to a specialist fraud officer if they had any information about a fraudulent claim.
Some were said to be currently in production. Some LAs had run anti-fraud campaigns in the past although these were usually some years ago.

**Cross-matching data** against LA-held information was also viewed as an effective way of detecting fraudulent claims. Some of the key exercises undertaken in the LAs included:

- the National Fraud hotline launched in 1996;
- local fraud initiatives; and
- HB matching service provided by the DSS.

**Joint working initiatives** were included in the policy documents, particularly the benefit of closer working relationships with other organisations, such as the BA.

LAs also aimed to adopt a pro-active approach to target groups, by identifying high-risk groups and monitoring them more closely.

Reactive measures to fraud were also mentioned in the policy documentation, these included:

- **prosecutions and penalties; and**
- **referrals from LA staff and the public.**

The introduction of the prosecution/penalties policy was not only viewed as a reactive measure against those who commit fraud, but also, thought to provide a direct deterrent to customers who may have previously considered making a fraudulent claim. The introduction of other fraud initiatives and a general awareness of the tightening-up of the benefits system by the public, were also thought to have a similar effect. Publicising these strategies effectively was thought to enhance prevention further.

**VF**, was described as ‘... *Creating a new set of procedures and processes within the whole benefits administration process, with the emphasis being on a series of validation checks on every benefit claim received*’.

The stringent validation checks introduced as a result of VF were thought not only to detect fraud, and prevent fraudulent claims entering the system in the first instance by ‘securing’ and tightening-up the benefits system, but also to aid the standardisation of the fraud policy.

### 2.6 Fraud training

Prior to the introduction of the VF it was clear from the interviews that there had been very little dedicated fraud training made available to staff.

’*We had one (dedicated) session about three years ago….. the only fraud training that the benefits section have had is part of the training we do for benefits ….. but proper full designated training, no.*’

(HB Manager, 1st phase)
Interestingly, this was a topic where there was some inconsistency between staff. Senior staff indicated that there had always been a programme of fraud training, although frontline and processing staff were often not able to recall any specific fraud training they had received. Most indicated that the detection of fraudulent claims came through experience and ‘on-the-job training’.

Where staff were in receipt of training this was likely to have been conducted by the authorities’ dedicated Fraud Officers.
This chapter focuses on the LAs’ perceptions of the VF, their views and of the concept and their perceptions as to why it was introduced. The chapter also considers their reasons for applying for VF funding together with the way in which they estimated their likely budgets.

Views about ongoing costs and future funding are discussed in Chapter 7.

Without exception the VF concept was seen as very positive. LAs were aware that considerable amounts of money were lost due to benefit fraud and welcomed the introduction of a system which could potentially reduce this. None of the staff interviewed had any negative views about the concept of VF.

‘I would have a good argument with anyone who said it wasn't a good idea because you know that the fundamentals about it will be successful in cracking down on fraud.’

(Audit Officer, 1st phase)

‘I think the principle behind it is excellent.’

(HB Manager, 1st phase)

Six months on, views were still very positive. This was despite the difficulties experienced in introducing the Framework.

‘I think it's right, I think morally it's right. I think it's difficult to administer but nevertheless we shouldn’t give up.’

(HB Manager, 2nd Phase)

There were some comments about the detail of the VF and staff had much to say about their experiences of setting up and operating the new system, both of which will be covered in detail in later chapters.

Given the aims of the VF it is perhaps not surprising that LAs were of the view that it was being introduced by the DSS:

- as part of the general welfare reform thrust of the present government;
- to reduce levels of benefit fraud;
- to focus on fraud prevention rather than detection; and
- to save the DSS money.

LAs also thought that the introduction of the VF had an additional ‘spin-off’, that of helping to standardise benefit processing procedures across the country.
I thought it would standardise procedures across the country

(HB Manager, 1st phase)

Whilst these reasons were reiterated across all the LAs, some - more senior - staff also felt that there was a ‘hidden agenda’. In these instances the VF could be seen as a controlling device, whereby the DSS was seen to be exerting greater control over how an LA conducted its business. There was also some suggestion that the VF was designed to be so complex to administer that LAs were ‘bound to fail’ thereby providing the DSS with an opportunity to remove HB benefit processing from LAs altogether. Staff holding these latter views were quite convinced that the DSS had a long-term aim of removing the administration of HB from LAs.

3.3 The decision to apply for Verification Framework funding

LAs were quite candid about why they had applied for VF funding. Three main reasons predominated:

- it provided a new source of revenue that is guaranteed for at least two years;
- a view that VF will be compulsory in the future and therefore it is beneficial to be amongst the first to implement the new system as the funding is likely to be more generous at this stage:

I was concerned that if we didn’t go for Verification Framework now, when funds were available, we would be made to go for it later when funds weren’t

(HB Manager, 1st phase)

and

- a number of political reasons within the LA, the most notable of which were:
  - VF reinforces an anti-fraud stance (to customers and staff) which the LA - and specific elected members - wishes to promote;
  - VF raises the profile of the LA, giving them a ‘flagship’ status;
  - the introduction of VF will assist their progress towards ‘Beacon status’; and
  - it may prevent the LA from contracting-out its HB processing services.

‘Do you want to work for local government, or do you want to work for a private company?’

(HB Manager, 1st phase)

A number of secondary reasons also emerged, which made the introduction of VF very attractive to LAs:

- it was an opportunity to standardise procedures within and between LAs;
- it enables LAs to bring their HB processing up to standard and encourages best practice;

I just felt that we ought to be at the front rather than be at the back, that we needed to make some improvements.’

(HB Manager, 1st phase)
‘It enabled us to procedurally document what we had in place.’
(HB Manager, 1st phase)

• it raises the profile of HB within the LA;
  ‘We believe in influencing from the inside’
(HB Manager, 1st phase)

  ‘We like to be at the front of things, we like to be involved with things that are new and innovative’
(Fraud Officer, 1st phase)

and

• brings about a welcome change from the detection of fraud to fraud prevention.

The decision to apply for VF funding was usually discussed and made by HB Managers in conjunction with LA Finance Officers and in all cases was agreed upon by the elected members.

3.4 The Verification Framework application process

The initial discussions about VF had often occurred within the LA up to two years prior to the first phase of the fieldwork for this study. In many cases the LA officers who had been involved in the initial decision to apply for VF funding and who had been responsible for the determination of budgets were either no longer employed by the LA or had moved into different posts within the same LA. In the case of LAs which had contracted-out their HB processing, the decisions made about VF were generally made by the contractor; staff employed by the contractor on the LA sites did not generally have access to that knowledge or information. Consequently, it was difficult to obtain a complete picture of the VF decision-making process in these authorities.

3.4.1 Determining budgets

The processes by which LAs had initially put together and costed their application to implement the VF were often not readily accessible. Indeed, few senior LA officers could recall the detail of their discussions, nor could they access any documentation from those early stages of application.

In the main, the applications that were put forward to the DSS tended to be worked up by two key staff - the finance officer and the HB manager. In some cases LAs formed a small committee to consider the details of their application.

Whilst some LAs said that they had attempted to calculate the individual costs entailed in the implementation of the VF, ‘on the back of a fag packet’ others were more of the opinion that their calculations were based on
informed guesswork. Ultimately, as one HB manager said:

‘We tried to work out what it would cost but in the end we had no real idea so we just worked out some ballparks based on what we do now and what we thought the Verification Framework would do to our speed of processing and added a bit for contingencies. It was really no more than plucking the figures out of the air…we really had no more idea about how to cost it than that.’

(HB Manager, 1st phase)

Overall, it was clear that LAs generally felt that their current HB processing systems almost met the VF compliance requirements. As a consequence, LAs were of the opinion that the amount of work that would be required to set up and operate the VF would be limited and manageable. However, recognising that the implementation of new systems can always be troublesome, some included large financial contingencies to reflect this. The reality was often very different, with LAs finding that the implementation of VF and support processes such as Document Information Processing (DIP) had a big impact on staff, customers and HB processing times.

In understanding the impact that the introduction of VF had on LAs it is important to recognise two key points:

- For the most part LAs felt that their HB processing system was almost compliant with that required by the VF. However, there were some exceptions, for example one HB manager felt that the processing system was not very fraud focused and by bringing in VF it would be of a better standard. With hindsight, it was clear that LAs did not fully recognise the degree to which changes would have to be made in order to bring their HB processing systems up to the standard required by the VF. As a consequence this was not costed for.

- LAs assumed that they could implement a number of new systems and staffing arrangements either simultaneously or in an overlapping fashion. Typically, new systems might include DIP system, new HB processing software, and alternative ways of working such as moving from alphabetic to area-based processing.

With hindsight there was some considerable feeling that there had been little help or guidance from the DSS in helping to determine the likely cost of implementing and running the VF. Equally, some LAs were aware that the VF had been piloted in various forms prior to this initial rollout. They were not convinced that there had been any learning from the pilots about the costs of implementation. If there had been they did not feel that they had been made a party to this information.4

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4 Some LAs subsequently learnt that only aspects of VF had been piloted – not the whole process. This led to the belief that they were acting as ‘guinea pigs’ for the introduction of VF.
‘It wasn’t a set of good practices that had been completely road tested. As I understand the pilots they all did a part of Verification Framework, they never tested the whole thing.’

(Policy Officer, 1st phase)

During the second phase of research, a manager at one LA commented on how ‘ridiculously low’ their application had been in retrospect, and that they had needed some time to understand how much it would cost to run VF successfully in their area;

‘We got far more than we anticipated which we were delighted with initially. What we now realise, now that we’re seventeen months into the Framework and you need that sort of time, you need that sort of time to make a proper judgement, it’s not enough.’

(Benefits Manager, 2nd Phase)

3.4.2 Costs taken into account in LA applications for funding

In preparing their applications to set-up and implement the Framework, LAs tended to identify the following areas of costs:

- Additional staff, usually assessment officers, verification staff and visiting officers. The additional number of staff that were usually applied for varied enormously and ranged between three and 17.
- Training, both internal and external.
- Publicity materials.
- Additional equipment, typically, extra office furniture and computers for new staff and digital cameras, portable photocopiers and mobile phones for visiting officers.
- The costs of purchasing DIP system hardware and software.

3.4.3 Costs not taken into account in LA applications for funding

With hindsight, LAs identified a number of items which they felt that they had not costed for in their original application for funding. These varied across LAs, but included:

- sufficient staff to deal with the processing of original documents, the processing of backlogs which occurred, and the return of HB applications which did not include sufficient forms of evidence;
- physical changes that had to be made to reception areas in order to provide a sufficiently confidential environment in which customers could present their original documentation;
- the transportation costs involved in moving original documents from satellite offices to a central processing site;
- the creation of, or changes required to, document handling areas in order to provide a secure environment for the receipt and handling of valuable original documents;
- staff costs involved in dealing with the additional backlogs which arose whilst implementing the VF;
- costs of redesigning the HB application form;
• printing costs, for reprinting the revised HB application form, training materials and manuals, as well as staff checklists;
• postage costs, for returning the numerous HB application forms which did not include the correct forms of evidence;
• the full costs of implementing a (Document Information Processing) DIPs system;
• the purchase of new software and software upgrades (additional VF screens);
• moving from an alphabetical to area-based processing; and
• moving from functional to generic processing. Some LAs adopted an approach whereby processors would only work on one aspect of a benefit process, for example, income and expenditure or changes in circumstances. A number of LAs felt that this was no longer appropriate with the introduction of VF and moved to a position in which processors now worked on all aspects of the benefit process. This had considerable learning curve and training implications.

LAs felt that there was no clear pattern in terms of the amount of money received, with some receiving what they applied for, others receiving less and some more. There was some concern amongst LAs who received more than they applied for - ‘Have we not thought of something?’ was the concerned reply.

‘I was worried … when they said that they were giving us an extra amount of money because they were sure that authorities hadn’t remembered everything…. Are we sure there isn’t anything that we missed.’

(Finance Officer, 1st phase)

However, the key issue that arose in terms of the application process for VF set-up and operation funding was a feeling that the whole process was clouded in mystery, which only served to reinforce the ‘conspiracy theories’ as to the VF’s introduction.

LAs requested that in future they would appreciate:

• greater help and guidance from the DSS when implementing new initiatives. This might include a visit from DSS staff to discuss the implications of a new system or process, telephone help and guidance, and a checklist of issues that might need to be taken into account;
• greater clarity about how final budgets are determined.

With the exception of one rural area, LAs felt overwhelmingly that their costs had not reduced now that VF was operational. Some LAs felt that they could not continue with VF unless they received more funding, as running costs were more than they had anticipated. In nearly all cases LAs had received further funding from the authority, usually the decision had been made by members that the authority would contribute the shortfall in funding needed to operate VF. However, HB managers were concerned that this subsidising may not continue for next year.
Shortfalls in funding were mainly due to the staffing levels required being higher than originally expected, due to the increased workload under VF.

‘I don’t think the money side of it was an issue I thought about at the beginning. I just don’t think that we appreciated how it would affect things. If we had envisaged we would need all these staff to start with then we would have probably said oh my goodness we haven’t got enough money to cover it.’

(Benefits Manager, 2nd Phase)

Other unanticipated costs varied across LAs, but included:

- More work than budgeted for due to the high turnover of tenants in an area;
- The costs of operating VF with a backlog (having assumed that there wouldn’t be one);
- Undertaking a high number of unproductive visits; and
- Expenses for Visiting Officers, such as hire cars for longer distance visits.

There was a general feeling, however, that they would be reluctant to drop VF after taking it so far. Reasons for this included;

- The possibility of losing commitment and motivation built up amongst staff:
  ‘So it looks like the financial plug is being pulled… at the end of the day what I am nervous about is that we have done all this and I have got my staff so enthusiastic and willing and so committed to what they are doing.’

(VF Manager, 2nd Phase)

- It would confuse customers, who were just becoming used to being responsible for producing evidence.
- Commitment to the principles of VF.

Despite this, if funding wasn’t sufficient LAs felt that they would have to respond in some way. One suggested response was to go through a process of ‘watering down’:

‘Undoubtedly if we’re not funded for it, we will have to do something different because I don’t think we can afford to continue to do what we’re doing unless we get some extra money for it, so… we may have to water it down.’

(Benefits Manager, 2nd Phase)
This chapter focuses on the process of introducing the VF into LAs, along with the process of setting up and operating the Framework. The chapter describes the range of changes that were made in order to accommodate the VF, the planning process that underpinned these changes, and the further changes that were made as the Framework became operational.

There was some evidence to suggest that LAs conceptualised the introduction of the VF in terms of two discrete phases, those of setting-up and of operation. However, in practice the process did not work like this. For all the LAs participating in the study the set-up and operation phases tended to merge into a single ‘pilot’ of the VF, which was still evolving.

The implementation of VF did not turn out to be as simple as LAs had expected. Although they did expect some hitches along the way, the introduction of a new way of working into the HB department posed a number of problems that ranged from the design of new HB application forms through to the implementation of new computer software. At each stage there were unforeseen difficulties. LAs, which implemented additional systems, such as DIPs, in tandem, were often burdened with further problems.

This chapter is concerned with the process of implementing VF in LAs and describes the procedures and systems, which were put in place, and any changes that were made during operation. It also hints at some of the difficulties that LAs faced; these will be discussed fully in the following chapter.

Planning the introduction of VF was usually undertaken by a small group of LA staff and headed by the HB manager. In a number of cases a specific member of staff was asked to take on the role of VF implementation manager. In some cases individual members of the VF implementation or steering group tended to be apportioned separate tasks, whilst in others decisions were taken on a group basis.

“We set up a Verification Framework implementation team. The composition of that team was myself, the Chief Internal Auditor, we had the Fraud Manager, we had all the managers and team leaders from the benefit staff involved and the Customer Services Manager.”

(Finance Officer, 1st phase)
'We actually had a document group, which oversaw the stationery side of things. We set up a number, if you like of little project groups which all reported into the management group.'

(HB Manager, 1st phase)

In discussing set-up timetables, the definition used was time taken to implement processing systems to the point of compliance with the requirements of the VF specification. The LA staff made it clear that the initial timetables they had worked whilst setting up VF were decided upon in the absence of any real knowledge about the likely impact of the VF.

'I don’t think I really understood the implications from the administrative side of the benefits office.'

(HB Manager, 1st phase)

Initially timetables tended to be determined by end of financial year considerations or an estimate of the time required for set-up produced by guesswork by the HB manager or VF team leader. Some LAs implied that the set-up timetable was set by the DSS.

VF set-up timetables ranged from six weeks to nine months. A private sector contractor set the six-week timetable. None of the LAs taking part in the study reached full compliance within their original timetable. Whilst some had subsequently met the compliance requirements, others were still struggling to bring their systems up to the standard required for compliance at the time of the first phase of fieldwork.

The time that was required to set up the VF had been severely underestimated by many of the LAs. In all cases LAs had not met their original timetables. A variety of reasons were given as to why the original timetable that had been set for VF compliance had not been achieved:

- The time taken to make suitable adaptations to buildings, particularly customer reception counters and secure document handling facilities.
- Difficulties in recruiting staff at relatively short notice.
- The time taken to redesign and approve the HB application form and accompanying notes.
- Teething problems with computer hardware and the new VF screens that were implemented alongside existing HB processing software packages.
- Arranging suitable publicity materials (where these were used) and consulting with interested parties such as landlords, Registered Social Landlords (RSLs) and Housing Associations.

The time taken for the DSS to confirm an LA’s VF application was also said to impact upon original timetables.

4.1.2 Changes in timetables
All the LAs participating in the research had provided specific VF training. This was usually overseen by one member of the VF implementation team and undertaken through a mix of internal and external training components. Training was provided to all staff who would have day to day contact with the VF. Senior members of staff, such as Finance Officers, were not usually included in the training sessions.

VF training was generally welcomed by staff. The two or three day courses were felt to give staff a good overview and understanding of the principles of VF, and a very positive view of the rationale for introducing the new procedures.

In addition to formal, taught, sessions, VF was also discussed during team meetings and informally throughout the working day. Staff were provided with a range of training materials which included paper copies of the slides, additional handouts and training summaries. Most had also received a copy of the full VF document.

‘Continuous bulletins and updates all the time, also team briefings.’

(Fraud Officer, 1st phase)

Whilst LA staff were very pleased to have received specific VF training there were some criticisms of the training that was provided. In part these were concerned with the timing of the training and in part the content.

‘At the time I thought it was very useful. I wondered if it was a bit too soon. We had that in May and went in July.’

(HB Manager, 1st phase)

There had often been an assumption amongst the LAs that the VF set-up and operation phases would be reasonably distinct. Training had generally been arranged to coincide with the operation - or ‘going-live’ - phase. However, due to the many changes in timetable, for the reasons discussed earlier, the time between training and compliance meant that many staff had all but forgotten what they had learned when it came to using their knowledge on a ‘live’ system.

There were also concerns about the content of the training received. Whilst external trainers were invariably complimented on their knowledge of the VF and the style of their training approach, there was some feeling that they were unable to gear their courses to the practices used by the individual HB departments.

Equally, there was some criticism of internal trainers who were felt to be too distant from benefit processing and were not therefore sufficiently aware of the issues affecting staff. Internally, there was also some concern that trainers were insufficiently knowledgeable about VF to answer questions concerning the detail of operation.
‘The training actually didn’t tell you how to assess a benefit claim under verification, which was one thing that quite a lot of the staff felt should have been included.’

(Assessment Officer, 1st phase)

It was often not until staff came to work with the VF in a live setting that they realised that the training had sometimes been too theoretical and had not focused sufficiently on the practical detail. In their defence, the VF implementation team often said that they were unsure of the practical detail themselves, particularly as the timetables were constantly changing. However, they were unable to put in place any refresher, or ‘update’, training partly because they did not have the budget to do so, and partly due to the processing backlogs that had occurred, which meant they did not have the opportunity to pull staff away from the processing duties to undertake training.

‘Refresher training, just because we have had a few different guidelines coming in, pick up on that.’

(Assessment Officer, 1st phase)

Some LAs had provided refresher training, but others were yet to do so. Where this had taken place, it tended to be in the form of informal, internally provided ‘updates’, rather than formal training.

Staff were keen that ‘refresher’ training be provided. Assessment staff in particular felt that further training should cover the changes which had occurred in working practice on both an internal basis and in connection with the easements received since the LA had become compliant. Although staff were now used to working with the VF it was often perceived that an overview and update would be of benefit to them. Indeed such training was perceived as a needed consolidation exercise. Reception staff were keen that they receive an overview of VF procedures so that they gained a better understanding of the process.

Managers generally still felt that they needed to provide some formal refresher training. There were a number of reasons for why further training had not been given:

- lack of resources and money for the provision of staff training;
- time; with managers still busy trying to cope with problems and staff still occupied with clearing backlogs;

‘I think they could have extra training, I think the problem being is that there wasn’t the capacity within the last twelve months to allow that, but it comes back to backlogs, when you are in backlogs so many things aren’t done as they should be because the predominance is you get claims into payment as quickly as possible.’

(Benefits Manager, 2nd Phase)

and

- refresher training was not being seen as a priority until backlogs were cleared.

4.1.4 Second phase - further training
'I think the issue at the moment is from an assessment point of view to get as many claims in as possible and then you know deal with the training needs then.’

(Visiting Team Manager, 2nd Phase)

Although there was little refresher training in evidence, it was generally viewed as something that it would be important to provide. It was seen as helping to provide a consistent service by ensuring that staff did not fall into ‘bad habits’. Also, it was felt to be important to ensure staff kept up-to-date in such a continuously changing area.

‘I think it’s time as well to refresh the training on VF but there hasn’t been time for that… There hasn’t been a great deal of ongoing training to deal with subtle changes to the way we’re operating or to address weaknesses in the system and that’s a weakness that we recognise that we need to deal with.’

(Benefits Client Manager, 2nd Phase)

Some managers had sought feedback from staff, either during staff meetings, or informal ‘workshop’ sessions. These were felt to have been invaluable in improving the operation of VF in terms of efficiency and day-to-day working, as these managers felt that the staff ‘on the ground’ had the most to contribute to such improvements.

‘I have not got the monopoly on ideas particularly when it comes to dealing with the public ’cause I don’t do it I just oversee it. In effect if they are telling me that something works better than something else then I want to hear it. That’s an opportunity really for them to give feedback on what is happening… If they don’t think that their contribution is worthwhile or listened to then they won’t contribute.’

(VF Manager, 2nd Phase)

‘It was allowing people the freedom to discuss what works and what doesn’t… I found the first set of sessions that I did on VF I don’t think there was anyone who didn’t have at least one thing to contribute. I think in its way they were more successful than anything you can do…I think it has worked and it has been useful, I think it is one of the reasons we are where we are. Everybody settled into a routine, they have had a chance to chat, they have had a formal chance to shout at a manager.’

(Client Benefit Manager, 2nd Phase)

Some LAs had undertaken a campaign to publicise the introduction of the VF. Where this had been done it had usually taken the form of editorial pieces and advertisements in the local press as well as radio interviews and news items.

As a result of advance publicity, in some areas, existing HB customers misunderstood what they had read or heard and arrived at LA offices ready to renew their HB applications, armed with the relevant proofs of
identity and income which they thought were required, ‘hundreds and hundreds of people turned up thinking that they had to re-apply for their benefit and bringing in their proofs of identity and income’.

‘We had people who weren’t actually due to claim or anything turning up with ID to prove who they were, they were panicking.’

(Frontline Staff, 1st phase)

Existing customers who did not arrive at the LA offices made telephone calls instead to the HB department to check whether they needed to take any action. This too caused considerable problems to the LA as a whole, with switchboards being virtually jammed for days.

In other LAs where advertising had been used as a communication tool HB claimants had failed to take notice of the new requirements of VF.

Some of the LAs adopted a different approach and offered an information-imparting session to landlords - private landlords, RSLs and Housing Associations. Contrary to their expectations there had been little interest, with one LA indicating that only a single landlord had expressed any interest at all. This was a cause of some irritation as it was often said to have been landlords who were complaining loudest about the processing backlogs that occurred when VF was introduced.

‘We’ve asked the Housing Associations if they would like to come in for a meeting and a training session with us, only one replied. We wrote to the landlords, only one took us up on our offer and came in.’

(HB Manager, 1st phase)

In one LA they had sent out leaflets with all CT bills, regardless of whether the recipient claimed HB or not, in this instance the LA was positive that this approach had avoided the ‘backlash’ from customers.

‘I really feel that unlike a lot of authorities we didn’t experience a huge backlash from the public and I think a lot of that was to do with the very good publicity that we did before we started… we didn’t have an awful lot of people ringing in and saying I don’t understand this, I’ve got to provide you know, this, why has it all changed because we sent this leaflet out to all the households in benefits, with the council tax bill so that everybody knew what was happening. Even those people who obviously weren’t claiming benefit.’

(Benefits Manager, 2nd Phase)

Overall, however, advertising had caused problems for LAs that had opted to use such campaigns to raise awareness amongst HB claimants.

4.1.6 Second phase – further publicity/consultation

During the second phase of fieldwork there was a little evidence of further publicity and consultation, but this was by no means widespread. Further consultation had taken the form of workshops or meetings with landlords or MPs, as a response to difficulties, and where this had taken place it was felt to have been effective.
‘We spent a lot of time with the registered social landlords. We had workshop sessions with them in an attempt to explain to them what information was required. The point we were trying to make to them, it’s important that we could have all the information in one go, because the problem that we were having, is that there were so many claims were going into pending state and not being processed because the information wasn’t there… the relationship’s [now] significantly better.’

(Finance Director, 2nd Phase)

Publicity to customers included leaflets, adverts, customer forums and articles in a quarterly LA magazine. The magazine articles were felt to have been ineffective, but the other approaches were viewed by the LAs involved as part of an ongoing process of ‘educating the customer’ in connection with VF.

Some LAs, that had not utilised an ongoing publicity programme, did feel that further publicity was needed to reinforce the requirements of VF, and were planning accordingly. There was a feeling with hindsight that better advertising and publicity at the set-up stage could have reduced the number of cases in which insufficient evidence was received, and lessened the negative response from customers. There was also a suggestion that it would have been helpful if the DSS had provided publicity leaflets.

‘We should have advertised it better before it started… we should have done that, ‘we’re sorry about, the processing takes so long’ and give a bit of explanation.’

(Frontline Staff, 2nd Phase)

As part of their application for VF funding LAs assumed that additional staff would be required to both set up and then operate the new HB processing system. Typically, LAs applied for funding for additional assessment staff on the assumption that the time taken to verify and process a claim would increase. These additional processing staff would enable LAs to maintain their processing times.

In most cases it was assumed that assessment staff would also act as verifiers, although they would not verify and assess the same HB application. Some LAs interpreted the VF guidance such that they employed separate assessment and verification staff. In these cases their application was usually for additional verification staff only.

Some LAs also incorporated the cost of additional counter staff on the assumption that it would be the counter staff who would make photocopies of all the evidence received in support of a HB claim. In other instances the calculations of cost included separate DIPs staff.

Where LAs employed fraud and visiting staff these were usually attached to a different department in the LA and were not under the jurisdiction of the HB team. As a consequence the VF application usually included money for one or two visiting officers.
Verification teams were organised to operate alongside the processing teams, with an aim to tighten-up and speed-up the processing system, by verifying claims before passing them on to the processing teams to be actioned. Verification teams checked that the required information and documentation had been received for all claims, checked authenticity, and followed up cases where additional information was required.

The perceived success of this approach varied between the LAs adopting this structure; some viewed it positively, others thought it to be less effective.

The following problems were identified with this structure: duplication of work between the verification and processing team which culminated in a waste of resources; inadequately trained staff; and the separation of teams which created animosity between different sections.

In contrast, in cases where the separation between the verification and the processing teams had been structured effectively, many of these problems were eliminated. For instance, in one LA they had taken great care to staff the verification team with the most experienced and suitable candidates, and additionally provided them with training to ensure high quality staff.

Animosity was reduced, and knowledge and familiarity of the other team increased by alternating staff between the two teams.

On the second wave of the research some changes to the verification teams were identified. In some cases, the structure of the verification teams remained unchanged (although, the effectiveness of the team was contested by some processing staff). In others cases, the verification team had been abandoned. Other changes identified in the second phase of the research are discussed in the following section.

When the LAs were visited during the second phase of fieldwork, changes had in some cases been made to staffing, in terms of the structure of teams and the staffing levels. There was a general feeling that they were still understaffed, although the situation had improved since the first phase of research. Even where LAs had managed to reach their full complement of staff, this was still not enough to cover staff sickness and holidays; any staff absence could cause or exacerbate backlogs.

‘All I need is one person on holiday or sick and I have no actual assessment officers who can do full data assessment… So we’re lucky to stand still, so we need at least another couple of people… There’s never a time when we’ve got everybody in.’

(HB Manager, 2nd Phase)

Temporary staff had been recruited in some areas, often due to uncertainties about future funding. The use of temporary staff had
generally proved to be problematic, as some moved into permanent positions elsewhere, and others left for ‘easier’ positions. This created particular problems, as benefits was viewed as an area with a long learning curve, so experienced staff were vital.

‘They are still on temporary contracts up until March 2001, but that’s not good, because at the end of the day in benefits, you want continuity, you cannot get a processor overnight, I need to keep some continuity… The stability of staff in benefits is paramount.’

(Benefits Manager, 2nd Phase)

Some reorganisation and restructuring of staff and teams had occurred since the first phase of the research. This included the introduction of administrative staff for Visiting Officers, to allow them to spend more time visiting. Another innovation in some LAs was to set up a phone unit to field calls from customers, this allowed assessment teams to spend more time assessing claims rather than dealing with enquiries. One LA had reallocated its verification officers since it was felt they were duplicating the role of assessment officer.

4.2.4 Visiting Officers

Visiting teams were more in evidence during the second phase of fieldwork. Some had previously been redirected to assessment or frontline positions, in order to deal with backlogs. Some visiting teams had in fact now employed or were in the process of employing administrative or assessment staff in order to allow the Visiting Officers to make more visits and work more efficiently.

‘Somebody who is at the moment an assessment officer on one of the assessment teams we have here but they’re going to be coming over to work with us, picking up the assessments we get from the visits we have on the Verification Framework… we’re getting [someone] to help us with all the administrative work that we have to do and the paperwork, reasons behind this are so myself and my colleague who are the visiting officers can spend more time out of the office actually doing the visits that we’re required to do.’

(Visiting Officer, 2nd Phase)

In some LAs, visits for lower risk groups were now being notified to save time, as a lot of time had been spent going to houses and there being no-one there. Notified visits for the vulnerable, such as elderly or disabled people, was felt to avoid the worry and distress that unnotified visits had been causing some members of this group. It also allowed customers to prepare any documents in advance, something which could previously take up a lot of a Visiting Officer’s time.

There were also some differences between LAs with regard to procedures to be followed if the person was not in at the first visit. Some carried out unannounced second visits whereas others notified it. If the person was still not there, a note was left asking the person to get in contact, and in some LAs this had been reworded by the second stage to make it ‘stronger’.
LAs varied in how long they gave the person to get in contact before suspending benefit – this ranged from three days to 28 days. Some LAs had developed ‘calling cards’ to be passed to customers at the door, so that customers could call the LA and verify the identity of the Visiting Officer.

Some of the Visiting Officers felt they were becoming more confident in their roles, especially as customers were getting used to visits.

One issue for some Visiting Officers was that they felt their role was not always completely distinct from that of a Fraud Officer, when carrying out the visits, particularly if they suspected a claimant of fraud.

‘There’s a grey area if you like between where a Visiting Officer stops, removes them from the visiting situation and hands it over to a Fraud Investigation Officer.’

(Benefits Manager, 2nd Phase)

Some managers and team leaders placed particular emphasis on making sure that Visiting Officers understood the difference between the role of Visiting Officers and Fraud Officers.

‘But what I tell my officers is don’t get involved, be fraud aware but don’t get involved in things like that ’cause you are there to verify. If you get a gut feeling that there might be a man living there do what you have got to do. Write a report then go and see one of the [fraud] lads and see if they will take it on board. So they have got to find a balance.’

(Team Leader, 2nd Phase)

Visiting Officer software was still proving extremely problematic, and this impacted on the number of visits that could be made. The details of this are covered in a later section.

4.2.5 Physical changes (e.g. reception, office space, etc.)

Many of the LAs, in anticipation of the implementation of VF, made a wide range of physical changes to buildings. However, these were not always sufficient and they continued to make changes as the VF implementation progressed. The HB reception area was usually where most energy were concentrated and included:

- enlarging or restructuring the reception area to allow customer privacy at the counter;
- introducing a ticketing system;
- bringing in a ‘triage’ system whereby a member of staff would deal with some enquiries whilst the customer was still in the queue, or would take an application and the supporting documents from a customer and return the documents by post;
- some LAs adopted a comprehensive process whereby the frontline counter service both received the HB claim and undertook the verification process at the same time.
Some LAs were unable to make any changes to their reception areas, simply because of its inherent design. This had been the cause of some concern. Since VF had become operational the counter queues had grown in length, mainly due to queries about the time taken to process a HB claim, with the consequence that LA staff were seeing more frayed tempers in the reception area.

The second major change that had occurred amongst most participating LAs, was to the post room and post distribution systems to ensure absolute security. This usually entailed physical amendments being made to the room as well as employing staff who would open the post and record all the contents. Special mobile safes were purchased in order to securely move documents from the post handling room to the verification team. In most cases, LAs realised that they had underestimated the expense incurred in making the post room and post handling procedures secure.

Where LAs operated satellite offices, original documents that were submitted as part of a HB claim were usually taken by courier back to a central office for verification. The cost of this procedure was often not envisaged at the time of the application for funding.

With the increasing size of HB processing and verification teams, more office space was required. Most LAs undertook an office-planning programme at this time in order to make the necessary space available. In one case the office was split into assessment and verification teams, separated by a wall of filing cabinets. Since the set up of VF, the two teams had tended to work at different speeds with the verification team often being ‘snowed under with all the paperwork that goes with sending [HB] forms back because they don’t have the right pieces of evidence.’ The division into two separate teams had had a negative effect on staff relationships.

It appears that the vast majority of physical changes were completed in the initial stages of setting up VF. These changes made subsequently involved improving reception areas, for example altering queuing arrangements and introducing a ‘triage’ system, where it was not already in place. Also these changes included the tightening up on post room security by getting lockers for post people to put their bags in before they were allowed to deal with original documents. One LA had refurbished their reception area because it had been so busy since VF was introduced that it had become worn out!

With the increasing numbers of staff the LAs had invested in more computer hardware with the aim of having a screen on every desk. Many had achieved this, although there were some LAs where processing and verification staff had to share computer systems. In addition there were some instances where larger computer monitors had to be purchased to accommodate DIPS.

The installation of new computer hardware had usually proceeded relatively smoothly.

4.2.6 Second phase - further physical changes

4.2.7 Computer hardware
Amongst the LAs that took part in the study there were some that took advantage of the change in the HB processing system to upgrade their software systems. Where this had not been a goal, additional ‘screens’ were added to the software by the software providers. In both of these situations the LAs used existing software suppliers to provide VF software or additional screens.

Although there is some indication from the DSS that the relevant software houses were fully informed of the VF developments this was not the perception of the LAs. The implementation of upgraded software and the VF-specific screens were often very problematic, with one LA reporting a non-operational HB processing system of six weeks. In this time the backlog of HB application forms increased dramatically, mainly because there were few staff who could recall with any accuracy how to undertake manual processing.

Not only did LAs report a succession of teething problems with the upgraded software, but also there was a feeling that the software houses did not fully understand the VF system for which they were producing software systems. As a result the new VF screens were felt to be 'bolted-on' and not fully integrated with the rest of the HB processing system.

In some cases, LAs had purchased separate software packages to deal with the VF aspects of the HB claim. In many instances there were said to be compatibility problems between the HB processing software and the verification software.

‘Idea that the three systems would interface with each other, we have problems with the interface. In fact we haven’t got an on-line interface, we’re still doing it manually.’

(HB Manager, 1st phase)

A major criticism of the new software was that the Visiting Officer electronic diaries were rarely functional or were faulty. As a consequence few had been able to properly programme Visiting Officer visits. In some cases this was not a major problem as the Visiting Officers were being employed in the office to help deal with the backlog of outstanding HB claims.

‘We’re got one that we aren’t using because we actually were misled … they [the software provider] led us to believe it did a lot that it doesn’t. We are actually running a manual system for the visiting that works better than the software system.’

(HB Manager, 1st phase)

A further criticism of the software that was delivered was that it was unable to produce Management Information (MI). Whether the software could not produce the required information, or whether HB managers were insufficiently trained in using software was a dubious point. This is discussed further in Chapter 5.
'We’re in the hands of the software supplier to provide us with a suite or some software that will produce the management information the DSS require … Everybody’s having problems with software'

(HB Manager, 1st phase)

'The system has not allowed us to get the statistics…. Statistical and quarterly returns are a major problem.'

(HB Manager, 1st phase)

Overall, LAs had received little or no software training, either for the system upgrades or the VF-specific screens. Processing staff were particularly critical of this.

A further difficulty encountered by some LAs was that the software was not delivered until after the VF processing system had gone live, with the consequence that they then had the task of entering a backlog of processed and verified claims onto the new computer system. Some LAs were still waiting, at the time of the first phase of fieldwork, for the Visiting Officer diary software.

In this area, little appeared to have changed between the two stages of fieldwork. Although the situation was felt to be improving, there was still some way to go before software could be said to be operating as originally envisaged. Software was still viewed as ‘cobbled together’ and ‘bolted on’ to existing packages.

‘VF was a bit of a bolt on really [for the software company]. You know, it sort of came about fairly quickly and they sort of cobbled a couple of screens together and that was VF as far as they were concerned.’

(HB Manager, 2nd Phase)

Systems were sometimes incompatible with each other, and it was felt that it would be much easier to operate VF with compatible systems; for example, HB and CTB systems. Those LAs that did have compatible systems found it useful.

There was a sense that there were only so many changes the software could take, particularly as it was ‘bolted on’ initially, and was in some cases relatively old. Thus, changes to requirements for MI, or VF itself, could present particular problems. Requirements for change could also be very time-consuming, particularly if made through a software company.

‘[The DSS] do not leave enough time for us to do for the software companies, to do what they need to do and actually for us also to be able to implement that, because it doesn’t matter what, it seems that however you test, however much you test a piece of software application, as soon as it goes in, there are always more problems… they just don’t allow enough time for it.’

(Benefits Manager, 2nd Phase)
Major problems were still occurring with Visiting Officer software in almost all the LAs that we spoke to, and using software for the production of MI was still proving problematic. This is covered fully in a later section.

Responses to problems with Visiting Officer software varied; some LAs were waiting for improved software, others decided that it was easier to schedule the visits manually. One LA was using the new system in parallel with a manual system; they did not feel confident that they knew what the system did, as this had not been explained fully by the software supplier.

'We’re forever hopeful that this new computer system that they’re waiting to be switched on with do away with a lot of that. You know, having to identify which schedule to fit into, that kind of thing, is more time consuming that actually verifying and visiting.'

(Benefit Development Officer, 2nd Phase)

A perception still remained amongst some LAs that the DSS were partly responsible for at least some of the software problems:

'All the suppliers got it wrong. So it doesn’t, you know if all the suppliers got it wrong, I can’t believe all of them would get it wrong unless there was something they’ve not been told.'

(Visiting and Investigations Manager, 2nd Phase)

4.2.10 Forms and paperwork

There was an almost universal view that the VF had created large volumes of paperwork.

'We need new cabinets for all the work. We must have destroyed hundreds of rainforests while we have been doing it.'

(Frontline Staff, 1st phase)

There were four main types of paperwork that VF had created:

- All the LAs had embarked on a redesign of the HB application form. LAs adopted a range of approaches. Some designed a separate application form and information booklet, while others adopted a combined approach.

'We tried to limit the number of proformas that we had to use. We tried as much as possible on one form to make it easier for the officer, the customer and the assessor'

(HB Manager, 1st phase)

Irrespective of the approach, the redesigned materials often had numerous drafts which were copied and circulated many times to the HB processing department, finance and legal departments, and the elected members themselves in some cases.
All documents that were received as evidence needed to be recorded and verified. Those without DIP systems were required to copy and store all the documents. In some cases this could amount to lots of documents - proofs of identity, bank statements from multiple accounts and savings accounts, loan agreements, rental agreements, letters from landlords and rent assessment officers, etc. Those with DIP systems in most cases did not also keep paper records as well, but there were some LAs which were keeping both at the time of the first phase of fieldwork.

LAs which had separate HB processing and verification departments tended to keep separate records, each of which had to be stored.

VF checklists had been produced for staff. Instead of having to refer to the main VF document each time a query arose they could use ‘aide memoire’ checklists, an innovation which was warmly welcomed, although there was some concern that rigid checklists meant that staff took longer to process claims.

‘It is useful because you can look at a glance if you have got identity …. You don’t have to keep checking all the items that you need every single time. Once somebody’s confirmed it and they’ve said, ‘yeah it’s right’, it’s been verified.’

(Assessment Officer, 1st phase)

Changes to forms and paperwork had almost universally either been made, or were being planned. There were two main approaches to changes:

Continuous tweaking of paperwork either in response to changes in VF or suggestions for improvements.

Deciding to wait for a specific amount of time, such as six months, before making changes, due to the inherent cost and training implications.

Forms and checklists were still being revised in order to accommodate changes, or to make them clearer. Forms were usually being made shorter.

‘We’ve completely changed the application form… we weren’t getting the information we were asking for on the form. We had feedback from the customers to say they didn’t understand the form.’

(Customer Services Manager, 2nd Phase)

Numerous small changes had been made to administrative procedures, to save time and improve efficiency. For example:

‘We have increased the size to A5 and also an A5 sized returned envelope, so that people can send more information back, so that they are not struggling to get the information into the envelope.’

(VF Manager, 2nd Phase)

Some LAs were now acknowledging receipt of forms to prevent customers ringing up to check they had been received.
Eleven of the 14 LAs had a DIP system, the majority of which had decided to implement it at the same time as VF. A DIP system allows an LA to keep a record of all documents electronically rather than as a paper record. Not only does this cut down on the amount of paper that is copied and stored, but it also allows for a much faster way of linking documents to a person or a claim.

A DIP system is complex and labour intensive. In the case of VF it requires full-time staff to scan and index documents onto the system. It also requires a consistency in approach to indexing documents. There was some evidence to suggest that LAs implemented a DIP system in haste, and as result made some fundamental errors in determining the index system to be used, and did not provide adequate training to those who would be using it. For example, a document could be indexed according to a property code, an HB claim number, or a person’s name.

LAs admitted that in some instances they could not link documents because all three indexing systems had been used. These difficulties were further compounded by the inconsistent entry of people’s names. So, for example, the names, Joe Bloggs, J Bloggs and Bloggs J would be seen by the DIP system software as three different people.

The introduction of DIPs and VF together had a major impact on HB processing times, often because LAs had not expected the DIP system to impact on the HB application process in quite the way it did. ‘we also went big bang with the DIPs as well as Verification Framework and I think in retrospect that was a wrong decision’. This was for the following reasons:

- As a result of VF every document that was received as evidence had to be copied; the copy was then stamped to indicate that it had been verified as an original, signed by the verifier and date stamped. This process in itself was felt to take two to three times longer than pre-VF.
- Each document copy was then scanned onto the DIP system and appropriately indexed. Indexing added to the time taken.
- This process was undertaken for every page of each document received. In some cases this could mean that more than 50 pages of original documents were being copied, stamped, signed, date stamped, scanned and indexed.

As a consequence, backlogs in scanning and indexing soon occurred. Technical hitches and the lack of trained staff added to the time taken to make an HB application form available to the verification and processing teams.

At the second phase of fieldwork, DIPs appeared to be having less impact on the working of VF than it had previously, as staff were now familiar with its use. However, those who had not implemented a DIPS system at the same time as VF were in retrospect glad that they had not done so.
‘I’m not about to rush into DIPS … until I’ve got a bit more to grips with VF… There are a lot of authorities struggling with DIPS and that’s a problem that we don’t need to take on yet.’

(Benefits Manager, 2nd Phase)

Those who had implemented DIPS prior to VF were also relieved that they had not implemented them both at the same time:

‘We got DIPS six months before and it was part of a programme of activity if you like a programme of improvement. So DIPS didn’t really impact too much on VF… it is still slower to process a claim using the DIP system than using paper but other things compensate in different areas. But I am not sure whether we could have done VF now without DIPS… I don’t know how we would have coped. I suspect we would have had more problems without DIPS than we actually had with the extent of the paperwork that was flowing into the office. So I am grateful that we did DIPS when we did… It was only because we were confident in what we were doing that and we sort of knew how to manipulate the system to make it work for us. If it had been new I wouldn’t have known what options were available to me to change things.’

(VF Manager, 2nd Phase)

4.3.3 Remote Access Terminals (RATs)

Some LAs already had Remote Access Terminals (RATs) installed prior to implementing VF. Overall, staff had little to say about RATs. They felt that RATs:

• provided a relatively fast means of verifying documentation and information about individual cases;
  ‘Turnaround times are quicker, used to have to send it out, wait for the courier and you could take anything up to a week, two weeks to get your information back, whereas now it’s within a couple of days…. A lot quicker’
  (Assessment officer, 1st phase)

‘We do them daily, so the next day that person has had a reply, whereas if it had gone to the Benefits Agency it could have taken a week or two to come back to us. So it’s a quicker turnaround’

(HB Manager, 1st phase)

and

• had helped engender a more positive working relationship with the BA.

There were some negative comments. RATs was seen as being a little variable in quality and could be slow and unreliable. Users thought that it should have a wider benefit coverage than at present.
HB managers were aware that one of the requirements in receiving VF funding was that they would produce Management Information (MI) both for themselves and the DSS.

In most cases LAs were having great difficulty in preparing MI. This was partly because there was some confusion amongst HB managers about the type of information that was required. Confusion was said to be compounded by continuously changing requests for information from the DSS.

’Some of the management information is extremely difficult to provide, you can’t get straight answers on why, where, when and how definitions.’

(HB Manager, 1st phase)

’Basically it’s a matter of interpretation … I shall have to phone up the DSS for what their interpretation is.’

(HB Manager, 1st phase)

A further difficulty in producing MI centred around the general problems that LAs had encountered in putting in place new software. As a number of managers conceded, it may be that the software does produce all the information that they require but that they have not had sufficient time to digest the reports that the software is able to produce. Consequently, in some cases the lack of MI was seen as a training issue, and in others there was a view that the MI produced was incorrect and misleading, although the reasons for this were not known. However, although HB managers acknowledged that there were contributing factors to the difficulties in producing MI, problems with the software were the greatest contributing factor.

’I got the figures off and I’m still trying to, you know, to decide if they are the correct figures or not. We are having to do quite a lot of manual work, you know, to see.’

(HB Manager, 1st phase)

’Management Information, now that is a problem … I don’t think the software companies were geared up to take Verification Framework on. I have to say the software that our provider has provided us with isn’t adequate’

(Policy Officer, 1st phase)

The overall difficulties that LAs faced in dealing with the backlog of HB claims that had occurred since they had embarked on implementing new HB processing systems meant that the collection of MI was not a particularly high priority.
In the second phase of fieldwork, MI remained one of the most problematic issues surrounding the VF. Some LAs were not producing any of the MI requested by the DSS, whilst others were providing only a part of the requirement.

‘I think proving that you’re doing it, is more difficult than doing it… the management control sheets, I think, because we’re not computerised filling in the returns is a nightmare. Having to manually keep records of absolutely everything we do, visits, aborted visits, successful visits, I think it’s the amount of paper work involved.’

(Benefit Development Officer, 2nd Phase)

Software was still proving a considerable problem, with some LAs still producing MI manually. This could take up large amounts of staff time.

‘We ordered [the software] two years ago, which we still haven’t got… the problem is that our IT provider has changed from an in-house service to a contractor… and the delays that are occurring… are ridiculous and are very disappointing, so what we’re doing is manually… we’re getting all the main criteria, it’s the fine tuning that we are stuck on because we simply haven’t got the time to do it manually.’

(Finance Manager, 2nd Phase)

Even where MI was computerised, problems could still be encountered.

‘Management information probably accounts for some 30% to 40% of the work now done on a benefit claim in terms of asking for information requirements and putting it in the right place on the computer system… outputting that information and recognising that’s obviously wrong that can’t be the case and putting it right and it’s a burden.’

(Benefits Manager, 2nd Phase)

There was still a perception remaining that the DSS changed their requests for information, making it harder to provide MI and creating further software problems.

‘They really did make a right mess of the statistical requirements. ‘Cause I went along with our IT supplier… when they were wanting to introduce the VF to software suppliers and they made the statistics up the day before. You could see that they really weren’t sure of what they were asking them to do. VF was one thing but getting the stats out on VF is totally different.’

(VF Manager, 2nd Phase)

There were a number of reasons why the inability to produce MI caused particular problems for managers:

• the amount of time taken up by producing statistics manually;
• a concern that the DSS might take away funding because MI was not being supplied; and
• inability to prove to interested parties whether or not VF was effective.

‘I don’t know how many fraudulent claims VF has identified and it is really unfortunate, because we are all losing out on a selling point.’

(VF Manager, 2nd Phase)
At the time of the second phase of the research, LAs were in a position to give considered views on various aspects of VF operation, and to pinpoint areas in which change would be welcome. Few changes had occurred between the first and second phases of research. The following section covers LAs’ experiences of, and views about, using risk groups, postal checks, maximum benefit periods, and the various evidence requirements.

In the main, LAs were operating, or attempting to operate, using the particular checks and categories stipulated by VF. In some cases changes had been made to reflect local conditions, for which permission from the DSS had generally been sought. For example in one LA the department had been granted a concession in connection with National Coal Board pensions. This allowed the department to deal with these pensions en masse at the time of increase and for claimants to be asked for documentation at the time of the next review. In some cases, LAs were going beyond VF requirements; for example, one LA was doing pre-payment visits for all claims.

6.1 Household composition

LAs were collecting information regarding HB claimants’ household composition; however, this was often felt to be a difficult area to verify information, as the department was reliant upon information obtained from claimants. This was of particular concern where it was suspected lone parents were co-habiting.

6.2 Risk groups

Risk groups were generally felt to work well in practice, although a number of changes were suggested, notably that self-employed people and lone parents should be in a higher risk category. Other suggestions included putting those who were earning income into a higher group, as they were more susceptible to changes in circumstances than those on benefits. Some respondents were unsure why those with long-term incapacity were placed in a high-risk group, when their income was not that susceptible to change.

Some LAs wanted the flexibility to alter their risk categories:

‘We think it should be a little more open. I think it should be down to local knowledge rather than the government saying this it what it thinks a, b, c, d and e… You should be able to slide them around a bit… local flexibility.’

(Visiting Team Manager, 2nd Phase)

‘More local input… if we want to change somebody’s risk category because of local knowledge then why shouldn’t we be allowed to do it… if we can justify what we’re saying and there’s an audit trail for it.’

(Benefits Manager, 2nd Phase)
The desire for flexibility in relation to risk groups was due to variations in local conditions. These included differences in client groups, and particular working relationships built up with local agencies, which reduced the risks for groups in specific areas.

‘People in hostels, we’re not finding that there’s much there either because the hostels generally let us know when people are moving around.’

(Visiting Team Manager, 2nd Phase)

However, it was recognised that some standardisation was useful:

‘I welcome the idea that’s it broken down because I would hate to have to think oh lets look at the sort of claimant group within [our area] and break it down to our own risk groups. It would be a nightmare.’

(Visiting Team Manager, 2nd Phase)

Another suggestion made was to simplify the groups into three categories rather than five, as agencies without benefit knowledge, such as voluntary groups, found risk groups difficult to understand.

6.3 Postal checks

Only one LA had been doing postal checks at the time of the second phase of research. Some LAs had been making some preparations for doing them, whilst others had decided to ignore them (often in the hope that they would be scrapped).

These were universally felt to be a ‘waste of time’. The reasons for this were:

- they were seen to duplicate the role of visits, which were viewed as preferable to postal checks;
- they were seen to duplicate the role of renewals, which were sent out anyway under VF; and
- they would place a large administrative burden on LAs for little ‘payback’.

Those LAs who were informed of the decision to make postal checks an optional activity at the time of the second phase of fieldwork, welcomed the move.

6.4 Maximum benefit periods

These were generally viewed as a good idea that worked well in practice. However, some concern was expressed that they increased the amount of administration being done, and that this needed to be taken into account in funding allocations.

There was a suggestion by some that they were unnecessary, as the rest of the VF reduced the risk of fraud sufficiently without them.

6.5 Evidence requirements

Requirements for collecting evidence under VF were generally viewed as ‘a good thing’, picking up errors and minor fraud. However, they were not viewed as deterring the ‘hardened fraudster’, an issue which is explored later in this report.
6.5.1 ID

The VF requires LAs to collect and document evidence of identity in order to verify the claimant’s identity e.g. by collecting National Insurance numbers.

Although collecting ID was seen to slow down the processing of a claim, and frustrate some claimants, it was viewed as important evidence. Some groups were viewed as being unlikely to be able to provide ID, such as the homeless, asylum seekers or women escaping domestic violence. In these cases, flexibility was felt to be required.

However, there was some mismatch in perception between managers and processing staff around collecting ID for renewals. In one LA, while the managers felt that renewals would be quicker because it was no longer necessary to collect ID, the frontline staff were unaware that they were not required to do so.

6.5.2 Capital

HB claimants are required to provide evidence of any capital held when making or renewing a claim for HB. Evidence required is as follows:

- Statements which show the outstanding balance for at least two months.
- A letter from the organisation that holds the capital which declares the type of account held, the outstanding balance and any transactions in the previous two months of the claim.
- Original documents of proof of ownership for example share certificates, Premium Bonds, account passbooks.

Evidence of capital was viewed as the major feature of VF which identified fraud (see later sections for details of the perceived impact of VF on fraud). The two months’ worth of bank statements required as evidence could pick up undeclared pensions, bank accounts and earnings.

‘One success of VF amongst everything else, bank statements, two monthly bank statements, that in itself has been a major source of identifying non declaring.’

(Benefits Manager, 2nd Phase)

However, it was recognised that the evidence of capital being collected had its limitations;

- Pensions, bank accounts and earnings could still be hidden if not transferred into an account which had not been declared.
- Some payments into accounts could occur quarterly, half yearly or yearly and may therefore remain undiscovered.

Some staff were in favour of increasing the number of bank statements required, in order to pick up on any more infrequent undeclared payments. Others, whilst in favour of this in principle, recognised that this could create further difficulties in obtaining evidence from claimants.
Obtaining access to banks was one solution suggested to this problem:

‘The opportunity to be able to identify people’s bank accounts, because I am sure a lot of untaxed fraud, is the fact that people have money in bank, building societies, and just keep happily completing their income support claims, housing benefit claims every year with no mention.’

(Benefits Manager, 2nd Phase)

6.5.3 Benefits

Obtaining evidence of benefits was generally unproblematic, as most declared benefits could be verified through RATs. Some difficulties were noted. These included:

• entitlement letters only being sent yearly for some benefits so information received may be out of date;
• some benefits not being covered by RATS, such as pensions or incapacity benefits;
• RATs not always having the most up to date information.

6.5.4 Residency and rent

These were generally felt to be unproblematic. However, some LAs felt that evidence for rent, particularly private tenants, was lacking. A BFI inspection had picked this up in one authority.
The following chapter considers the issue of communication, both internally and with the DSS. Good communication was vital in ensuring the smooth operation of VF, this is discussed further in chapter nine.

7.1 Internal communication

Views about the quality of internal communication within LAs varied greatly. Some were still having problems with other departments, who blamed them for backlogs. In one LA, the housing department was seeking possession of properties after four weeks of arrears, despite knowing about the backlogs in processing.

‘They’re going out after four weeks, rent arrears are four weeks, notices seeking possession, and the officers know, the housing officers know. Yeah it’s like there’s no co-operation between housing benefit and housing officers, and it is only the fact that benefit is delayed, and for some of those people, I see people in tears every single day of my working life… because they think they’re being thrown out.’

(Frontline Staff, 2nd Phase)

Others had experienced difficulties between departments, but had found that the situation improved over time, particularly as the backlogs eased.

Teams in some LAs were felt to work together well. Managers of some of these teams had encouraged open communication of views and practices.

‘They have got to have a certain level of trust in what the other person does. And that… can mean… have you proved someone is who they say they are. And if someone comes in to the counter you can do a lot of things on a reception area that make sense to you, but when they go upstairs and you are just using two dimensional pieces of paper, you can’t see how they have made the decision… We have refined our system, we have now got proper notebook entries on the computer system.’

(Client Benefit Manager, 1st phase)

Some respondents noted a lack of communication and co-operation between teams. This could be due to a lack of time caused by attempting to clear backlogs.

‘We’re supposed to have supervisors’ meetings, I can’t remember the last time we had one. It must have been over a year now, so the assessment team don’t know what’s going on in the visits team, the visits team don’t know what’s going on in assessment team. They hear bits and pieces. It might not be the right bits, like Chinese whispers… there’s no communication.’

(Visiting Officer, 2nd Phase)
Sometimes the structure of the teams was felt to play a part. For example, in one LA teams with an alphabetical split were reluctant to help each other out; this had been a problem pre-VF, but it further exacerbated difficulties with clearing backlogs. Similarly in LAs where the verification and processing teams had been separated, communication and cooperation was deemed to be lacking. In one LA this had been described as a ‘them and us situation’.

Where VF was contracted out, particular difficulties arose. One area had had problems between the client team and the providers, where the client team were felt to be performing unnecessary checks.

‘There’s a lot of like experienced staff up there sending stuff down to inexperienced staff who work on the client team who aren’t that sure and they question things and its like oh, I’m not sure and because I’m not sure I’ll reject it and its just holding things up.’

(Visiting Team Managers, 2nd Phase)

7.2 Communicating with the DSS

The amount of communication between LAs and the DSS varied enormously. Some indicated that they had no dealing with the DSS other than the correspondence concerning their initial application for VF funding and the various easements that had occurred over time. Others, by contrast, had corresponded with, and had numerous telephone conversations with, the Department.

The LAs perceived that the DSS had generally adopted a ‘hands off’ policy, recognising that each LA should implement the VF in the way they saw as being most appropriate for their existing way of working. Nevertheless, experiences of getting in touch with the DSS were very mixed. Some LAs said the DSS:

- generated solutions very swiftly; and
- answered specific queries very promptly and in user-friendly way.

However, other LAs found the DSS to:

- be difficult to get hold of by telephone;
- take a long time to reply to written queries;
- refer the LA to the manual;
- provide contradictory advice; and
- refuse to put verbal advice in writing.

As a consequence of the mixed feelings that LAs had about seeking advice and support from the Department, they turned to their own formal and informal networks. LAs often described how they felt that they were the only LA which was experiencing difficulties with implementing the VF. However, a call to a colleague in another VF authority often provided considerable reassurance as well as a wealth of advice. Indeed, LAs often referred to the network of other VF LAs as their ‘VF support group’.
Most of the LAs were aware that the DSS had run a series of VF-focused workshops just before Christmas 1999. These were generally welcomed and thought to be a valuable resource for LAs. However among those staff in this study who attended the sessions, there was an overwhelming feeling that the workshops had occurred much too late. Had they occurred six months earlier staff felt that they would have been spared considerable stress and anguish.

Overall, LAs actively wanted more contact with the DSS. They overwhelmingly felt that the introduction of a major programme, such as VF, requires much greater co-ordination between LAs and the DSS. Indeed, there was considerable feeling that the DSS must have learned a great deal from the original VF pilots yet this did not seem to be communicated to the LAs implementing the VF.

‘Nobody came down to see us and find out how we’re getting on or consult with us or any feedback.’
(HB Manager, 1st phase)

Views about communication with the DSS continued to be mixed. In terms of listening to what LAs thought about the VF, some felt that the DSS had been proactive, citing the VF working group and seminars as examples of useful initiatives. Others, who may initially have been enthusiastic about such initiatives, felt that the DSS had ultimately not listened to their opinions, and tended to ‘work in isolation’.

‘There were some workshops that were organised in London and where people’s brains were picked as to what improvements could be made. Then six months later the new VF document is released and there is nothing in there about all of those problems that were identified earlier, so I thought that obviously nothing is going to change.’
(VF Manager, 2nd Phase)

Opinions on day-to-day communication with the DSS were also variable. Some had experienced little difficulty in contacting the Department regarding any queries or problems, and in receiving an answer. Others found that while they could obtain a verbal response, a written answer to questions was less forthcoming.

‘Our homeless persons’ unit house a lot of homeless in B & Bs outside of [our area]. A lot of them are in coastal resorts and that is a long way for people to go out and visit. Six months later they never put that in writing so I wrote to them again and said we were expecting a response to this and then they completely reversed their opinion on what we had to do. …… We were taking our line from the DSS who then turn out to contradict themselves.’
(Client Benefit Manager, 2nd Phase)
‘I mean the DSS seem to work completely to me in isolation… They simply assume that everything works the way that they do.’

(Benefits Manager, 2nd Phase)

Combining the views of LA staff from both the phases of research the following communications would have considerably aided the implementation of the VF:

- Initial discussions with the DSS to determine what had already been learned about how the VF was likely to work in practice, from the initial pilot research.
- Greater guidance at the application stage, in terms of the types of budget headings that might need to be considered.
- Help in determining more precisely how near compliance LAs were in terms of their processing systems.
- A visit by DSS staff to the LA whereby Departmental staff could observe the existing systems and offer advice as to how VF could best be integrated.
- More readily accessible and helpful dialogue with the DSS during the implementation period.
Despite the experience that LAs had in implementing new systems - they were felt to rarely occur without some glitches or delays along the way. LAs had little or no foresight of the problems they were likely to experience when introducing the VF. LAs’ experience of implementing the VF are discussed in this chapter, together with the changes that were made along the way and the overall impact that the VF had on staff, customers and levels of fraud within the LA.

All of the LAs taking part in the research study had a processing backlog prior to the introduction of VF, although in most cases this was felt to be negligible and within acceptable limits. Indeed, some LAs felt that they were noted for their speed and accuracy of HB processing.

Within days of the VF ‘going live’ LAs were swamped, processing times increased dramatically and large backlogs of unprocessed and semi-processed claims began to occur. This was for six main reasons:

- HB customers misunderstood advance publicity. The volume of people arriving to renew their HB claims or ringing in to check whether they needed to take action had considerable resource implications for LAs (for more detail see section 4.1.4).
- Most of the LAs taking part in the study introduced the VF alongside the implementation of other complex systems. While some LAs had introduced a DIP system prior to VF and others decided not to implement a DIP system at all, the majority of LAs visited by the research team combined the implementation of DIPs and VF. This had a major impact on the processing abilities of HB departments. Indeed, the extra time needed to scan and index original documents, problems with unstable software systems and the lack of staff training meant that each counter application was taking much longer than usual. This led to large queues in the reception areas and backlogs.
- Many HB applications received by post were incomplete or did not have the relevant documentary evidence. In each case a letter had to be generated and sent to the customer, the file had to be put into a pending file and diaries for checking at a suitable point in the future. The volume of HB claims that had to be returned during this initial period was quite unexpected. Over time, the volume of returned HB claims had reduced, but the initial volumes left LAs with large backlogs of claims that could not be processed.
- At the same time as introducing VF, processing software was upgraded to include the necessary screens to reflect the needs of the VF. Without exception there were teething problems with the software. This meant that systems were constantly ‘going down’ or in some cases were offline for days and weeks at a time. Despite returning to manual processing, the HB application backlog grew.
On average, LAs estimated that the time taken to verify and process a HB claim had doubled - in the early stages processing times tripled. This also added to the growing backlog of HB applications. As a consequence of the delays in processing HB claims, customers began to write into, or telephone, the HB departments to chase the progress of their claim. Landlords (including the LAs’ own Housing Departments) also began to complain at the length of time it was taking to process claims. Each of these enquiries had to be responded to, with a considerable impact on the HB department’s resources.

It was clear from the sequence of events listed above that it would be easy to attribute the problems that LAs experienced to the introduction of the VF per se. However, LAs’ difficulties are likely to have arisen from a combination of issues: the simultaneous introduction of a number of new systems; unstable processing and software systems; and publicity campaigns that were run with good intentions but nevertheless backfired.

By the time of the second phase of fieldwork - the second visit to the LAs - it was clear that the outlook was much more positive. Almost without exception, managers, verifiers, processors and front line staff felt that the problems they had initially experienced had dissipated. Although none of the LAs felt that they were now back at a ‘pre-VF’ situation there was a general feeling that most of the problems they had encountered had been dealt with. Some lingered, particularly problems associated with incomplete or unstable software, and few had yet to fully implement their Visiting Officer programmes. However, LAs felt that they were better able to manage any problems arising and could distinguish more easily between those problems that were solely due to the VF per se and those that were due to the implementation of DIP systems or office re-organisation, for example.

Perhaps the key determinants of change were:

- Customers were becoming familiar with what was required of them in terms of the production of documentary evidence, which meant LAs spent less time providing explanations to customers at the counter; and less time on correspondence with customers concerning missing evidence requirements.

- Telephone calls from customers, in some LAs, were no longer handled by processing staff - which introduced considerable delays into the processing system - but by a dedicated ‘telephone unit’ within the HB department.

- Processing and verification staff were becoming much more familiar with their role and no longer had to refer to the VF documentation or ‘crib sheets’, thereby speeding up the overall process.

- Processing backlogs were clearing, primarily due to an increase in staff numbers, the use of staff overtime and an increased familiarity with the tasks in hand.

8.1.2 Second phase
Overall, the Framework was now seen in a more realistic and positive light.

‘We might have thought it [the problems experienced] was all to do with the Verification Framework last time you were here but we can see now that while it was a contributory factor there were other processes and systems which had as much, if not more, impact.’

(HB Manager, 2nd phase)

Irrespective of whether LAs had organised a publicity campaign for the introduction of VF, HB customers soon recognised that there had been changes to the HB system and were quick to make enquiries of the HB department.

New claimants with recent experience of claiming HB and customers registering ‘changes in circumstances’ were often shocked at the change in claim procedure. This was particularly so if they had a long history of making HB claims and had got used to a way of claiming benefit. For the most part customers were accepting of the new arrangements, but each person needed a time-consuming explanation of what the changes were and why they were occurring. Others were less understanding and became angry at having to provide evidence of identity after so many years of making a claim for HB.

‘A big impact on tenants and claimants. We’ve had temper. All of a sudden they were being asked to provide all these different things where they didn’t before, they’ve been claiming benefit for ten years and they didn’t before.’

(Assessment Officer, 1st phase)

‘Claimant sees it as an unnecessary complication.’

(HB Manager, 1st phase)

Elderly claimants were often bemused at having to provide evidence of identity and required a more time-consuming explanation of the changes.

Due to the delays in processing of HB, customers living in rented properties were being ‘hassled’ by their landlords and in some cases threats of eviction were made. These customers were often said to be the most difficult to deal with; they absorbed considerable staff time and seriously upset the HB staff working for the LA.

‘We’ve had tears, we have threats of violence.’

(Frontline staff member, 1st phase)

‘Last year particularly with backlogs people became more agitated, more aggressive’

(HB Manager, 1st phase)
The most accepting customers were those making their first claim for HB. They had no prior experience, and so could not make any comparisons and assumed that the VF approach to benefit claims was the norm.

Collectively there was a sense among the LAs that the introduction of the VF and its associated processes had emphasised fraud at the expense of customer service. However, some months into the process of VF implementation, HB staff felt that the new arrangements were bedding down and that existing HB customers were beginning to have a better understanding of what was required of them when making an HB claim – ‘word was getting around’.

The bedding down process continued and at the time of the second visit to the LAs there was a general feeling that HB customers had a much better understanding of what was required of them in terms of providing documentary evidence. Not only were they becoming more knowledgeable about the overall HB application process but, it was the view of staff, that customers were also becoming more accepting of the need to provide documentary evidence. There were some exceptions to this, in particular elderly people who had been claiming HB for many years.

LAs which had been operating the VF in excess of a year particularly found that their dealings with HB customers were returning to their pre-VF nature. This was primarily because their ‘stock’ of HB claimants had now been through the HB claim process at least once and had learned about the new requirements needed in order to make a successful claim for benefit. They had seen a major improvement in their relationship with HB customers as a consequence.

‘Well, you see, many of our claimants have been through the process once, in some cases twice, now you see and they know what to expect. So it’s become much easier to do now you see. I’ve certainly noticed the difference any…oh, they are much easier to deal with and we don’t have the queues you see, which is much better you see.’

(Frontline staff member, 2nd phase)

Due to the reduction in backlogs and increasing customer familiarity with the benefit claim process, queues in the local offices were shrinking and the HB departments were receiving fewer telephone enquiries. These too were having an overall positive benefit in that customers were now being dealt with more swiftly, their HB claim was being processed faster and there were fewer instances of customers getting angry with staff.

During the initial phase of interviewing it became very apparent that the number of staff that had initially been budgeted for was inadequate. HB managers soon began to recruit additional staff, some on permanent contracts, others on short-term temporary contracts to deal with the
backlog of HB claims. However, recruitment often proved to be a major difficulty. Employing staff with no previous experience of benefit processing meant that already scarce staff resources were used for training the new staff; experienced staff were in short supply.

‘More is put on the more experienced ones’ shoulders, they have to carry the less experienced.’

(HB Manager, 1st phase)

HB managers circumvented the ‘experience problem’ by encouraging staff to work overtime. However, the amount of overtime that was required was extensive. HB managers themselves indicated that the working times of their staff could be as long as 14 hours a day, seven days a week, for many months. They also had experienced processing staff who had also worked seven days a week for a number of months.

‘There’s a lot of frustration at the moment because they’re working at 110% ….. They’re working continuously 110% and they’re getting frustrated because they feel as if they’re not getting anywhere.’

(HB Manager, 1st phase)

‘They’ve been doing overtime on the weekend…..they’ve been coming in early or whatever and it’s now beginning to creep up on people. This is getting so stressful because they really have put everything into it’

(HB Manager, 1st phase)

‘People’s feet don’t touch the ground at the moment’

(HB Manager, 1st phase)

A major and immediate impact of VF was a backlog in the processing of HB claims. The reasons for this will be discussed fully in later chapters, but it is important to have a picture of the situation with regard to backlogs at the time of research, in order to understand the views and actions of LAs.

All LAs felt that VF increased the time it took to process HB claims. However, by the second phase of fieldwork, some felt that processing times were now down to acceptable levels, whilst others were still struggling with significant backlogs. These could be all or partly attributed to VF.

Backlogs had been dealt with in a number of ways:

• staff overtime;
• being less stringent with requirements such as evidence, in order to get claims through more quickly;
• extra staff.
Even those LAs without significant backlogs could appear to be in a somewhat precarious position, as anything which caused delays to work, such as staff absences or new computer systems, could set the ‘downward spiral’ of backlogs in motion. Once backlogs occurred, more staff time would be taken up with queries, at the counter or on the phone, about delayed claims.

‘Once you’ve got into that backlog situation you are on a downward spiral and people were then phoning up and saying why hasn’t the claim been done or people coming to the counter and ask… people phoning up and saying you sent me this letter when I’ve already sent the information in… you know and you get another phone call or somebody at the council so it has a terrible spiralling effect downwards so therefore you get more and more behind.’

(Benefits Manager 2nd Phase)

Some LAs, who had previously prided themselves on their high level of customer service, were concerned at how much slower processing now was from a customer service point of view.

‘We don’t feel its anything like adequate… We’re concerned that we need to bring them way, way down… from a customer perspective, I don’t think it’s acceptable… not compared to what we were doing.’

(Benefits Manager, 2nd Phase)

Many individuals who had been initially recruited as Visiting Officers were pressed into service as verifiers and processors as a means of helping to clear backlogs. While this certainly contributed to the overall HB claim processing effort it also meant that few LAs were able to set up any semblance of a Visiting Officer programme.

HB managers and VF team leaders were appreciative of the time and effort that was put into dealing with the accumulating backlog of HB claims ‘their commitment has been fantastic’. But inevitably the stressful working conditions had impacted on staff morale in nearly all the LAs. Levels of sickness had been implicated in more than one resignation from the service.

‘People are looking for other jobs.’

(HB Manager, 1st phase)

There was also some indication that the stressful working environment had changed the way in which staff worked. The problems that had been associated with verification were often blamed on the verification staff themselves. While senior staff had worked hard to defuse such situations there was some evidence to suggest that there had been an increase in a ‘blame culture’ and a reduced willingness to take responsibility for problems or to make decisions. All of these were felt to be marks of a demoralised workforce.
Additional stress was being placed on HB managers in some LAs with the elected members expressing their dissatisfaction with the HB department. Some of the HB managers were fearful for their future careers.

However, there was a general recognition that, during the first phase of fieldwork, there was ‘light at the end of the tunnel’. Processing times were decreasing, the backlog of HB claims was reducing, customers were becoming more familiar with the claim process, staff had become more familiar with the process themselves and software problems were less frequent.

‘We are nearly nine months down the line and I think we are finally bedding in. I think that it is to do with the fact that initially we don’t know what to expect so that causes conflict and confusion because it’s completely new. Anything new is going to have a settling in period no matter how much training, no matter how good your policies, people are still going to find difficulties with it.’

(Policy Officer, 1st phase)

The second visit to the LA was characterised by staff exhibiting much lower levels of stress and generally higher morale. Typically, the main factors that had contributed to the increased level of morale were:

- Backlogs were seen to be reducing, partly through increasing familiarity with VF and partly because new staff were now working at full capacity.
- Frontline staff were experiencing much less anger and ‘hassle’ at the counter from customers.
- Processing staff were no longer having to deal with telephone enquiries, either because they had reduced in numbers or were being fielded by dedicated telephone unit staff.
- Staff were becoming much more familiar with the VF and no longer had to continually refer to checklists, which in itself was motivating and having a positive impact on the HB processing department.
- The VF had become easier to use as a result of a flow of easements from the DSS.

Although in some LAs there was still a need for staff to undertake overtime in order to keep on top of the general workload and maintain a smaller backlog of unprocessed and semi-processed claims, the amount of overtime required had reduced considerably. The gradual return of the office to ‘pre-VF normality’ was reassuring and therefore less stressful.

However, it was also apparent that some of the stresses and strains that were evidenced in the first visits to the LAs had had lasting consequences. The ‘blame culture’ that had arisen in some instances continued with verifiers and processors in at least one LA maintaining only the coolest of relationships.
Some of the LA staff mentioned in the first phase interviews that HB customers had made complaints to the council members. In order to understand what was causing the hold-up in benefit claims processing council members were beginning to ask serious questions about the claim process and had cast doubts on the value of the VF. This had filtered down to the processing and verification staff through their line managers with very negative consequences. Staff felt that the HB customers, their managers and the council members were putting them under pressure ‘from all sides’, with the result that morale ebbed away. However, the overall level of complaints to council members appeared to have reduced. Members also appeared to be less concerned about the HB department and staff were now feeling much less pressurised.

As discussed earlier, within days of the introduction of the VF, LAs had seen their backlog of unprocessed claims increase considerably. In some cases the backlog had increased from days to weeks.

At the time of the second visit to the LAs it was clear that much of the backlogs had been dealt with through a variety of means. However, there was a general perception that processing backlogs would not return to pre-VF levels, although the difference might be small. For example:

‘We always had a backlog of about two days. I would estimate that we will not return to those levels within our current staffing levels… I would say we will attain about four days, a four day backlog…so it’s an increase but it’s not that much of a problem.’

(HB Manager, 2nd phase)

Two reasons were put forward for the overall reduction in processing speed as a result of introducing the VF:

- HB claims now require more processing (and verification) time; and
- the introduction of the VF introduces an additional set of requirements that customers must comply with and also an additional reason to complain.

‘…well, they [HB customers] now have to supply additional documents in order for us to process their claim. It’s just another opportunity for them to forget to send them or forget to attach them. Which means we have to send them back with a letter and so it just slows down the claim process…you know, some of the customers just want to claim - they are like that - and this just gives them the excuse doesn’t it.’

(Processing staff, 1st phase)
At the time of introducing the VF LAs did not generally expect any change in the accuracy of benefit processing, although some wondered whether accuracy might reduce because of the added complexity of the new verification and processing regime. However, once the VF had been in place for some months there was a sense that accuracy had increased slightly. None of the LAs could provide any evidence for an increase in accuracy so far, however, the overall view was that an increase in accuracy was likely to have occurred as a result of:

- greater attention to detail – ‘we spend much more time looking at the forms’
- ‘basing the calculation on more robust and thoroughly checked information’;
- and
- increased standardisation as a result of a ‘VF-imposed’ commonalities in approach to benefit processing.

At the time of the first visit to the participating LAs it was felt to be too soon to detect the overall impact of the VF on fraud. However, there were a number of indications that suggested that the VF would have a significant impact on levels of fraud. In considering the impact of the VF there are four issues that need to be discussed. These are the impact of VF on:

- overall caseload levels;
- fraud detection;
- fraud prevention; and
- increasing fraud awareness amongst staff.

At the time of the first visit to the LAs some felt that their HB caseload had reduced slightly. While they were unable to disentangle whether this was a seasonal effect, a consequence of a more buoyant labour market, or as a direct consequence of the introduction of the VF, HB managers in particular had a ‘gut feeling’ that some fraudulent claims were being prevented from entering the HB system. At the same time there was also some concern that genuine customers were not making a claim because of the perceived complication of the application process and the perceived difficulties in obtaining some of the forms of evidence required.

‘Our caseload is dropping quite drastically and I’m trying to find if people are dropping out of benefit because VF’s come along and we’re asking them for more identity and original information and they’ve been defrauding us all this time…..so they’re not going to apply or whether it’s the economic situation, whether people are going back to work’

(Finance Officer, 1st phase)

Caseloads were still dropping slightly at the point of the second visit to the LAs. Some were certain that this was a ‘VF effect’ although others were less sure and wanted at least another year before they made up their minds and could disentangle possible seasonal and labour market effects.
However, LAs did feel that in cases where HB claimants in the past may have continued to claim HB despite a change in circumstances that would affect their entitlement to benefit, this was slightly less likely now. The need for documentary evidence at HB renewal and the knowledge that the LAs were now undertaking random visits was felt to have deterred some potentially fraudulent HB claim renewals.

The most commonly mentioned HB claim that seemed to be detected – in both phases of the research – was that of pensioners who had not declared their capital or second pensions in the past. Although not thought to be instances of deliberate fraud, the VF procedures were having the effect of identifying this group and either preventing their claim for HB or reducing the amount to which they were entitled.

‘The biggest impact has been on pensioners….. Uncovered all the occupational pensions that they never declared before.’
(Fraud Officer, 1st phase)

‘We are uncovering a lot of different type of fraud now with the Framework …. Undeclared capital, incomes, undeclared non-debts, undeclared partners, working money receipts’
(Fraud Officer, 1st phase)

Given that all the ‘stock’ cases of pensioners making a claim for HB would have been exposed to the rigours of the VF over the course of a year fraud detection rates amongst this group were expected to decline considerably in future years.

Overall, VF was felt to have had a major impact on the detection of capital fraud and income-related fraud, particularly amongst pensioners. No instances of identity fraud and very few instances of rent fraud were mentioned as having being detected.

Over the course of the two visits to the LAs the VF was not seen to have had any significant impact on fraudulent claims arising from people who both worked and fraudulently claimed HB. It was also felt to have little impact on those people who were living together but making a claim as a single person or a single parent. However, where targeted visits had been made by Visiting Officers there was some evidence of fraudulent claims being identified. With the programme of visits yet to be fully implemented by some of the participating LAs - even at the time of the second phase visits - there was the expectation that this source of fraudulent claims was set to increase.

‘When the Visiting Officer turns up, claimants are a lot more wary and a lot less inclined to try and get away with concealing income.’
(Fraud Officer, 2nd phase)
Mention has already been made of the perceived reduction in caseloads that were felt to reflect a preventative effect of the VF, particularly amongst potentially fraudulent HB renewals. During the first phase of the research LAs were very unsure as to whether the VF would have a primarily preventative or detection role. Their views were better formed at the time of the second visit by the research team. The general consensus was that while the first year of the implementation of VF its effect was primarily one of detection its future role was likely to be preventative. The reason for this was that the stringent evidence requirements of the VF would prevent ‘newcomers trying it on’ and entering the benefit system fraudulently.

However, there was also some sense that the VF had gone as far as it could in both preventing and detecting further fraud. This was for two main reasons. First, the VF was seen as being very effective in dealing with ‘general public’ fraud but would do little to deter or detect the ‘hardened fraudster’ who was likely to be able to find ways of circumventing or beating the VF.

‘I think the fraud rings will go on…they have the money to buy forged documents that we simply couldn’t detect here…so I don’t think it [The VF] will do anything about them.’

(Processing staff, 2nd phase)

Second, Visiting Officers in particular were concerned that despite their best efforts they would be unable to prove sufficiently cases of ‘working whilst claiming’ or ‘living together’. This was because they felt that the evidence required to secure a ‘case’ or a prosecution was too stringent given the current level of resources within LAs for both Visiting Officer and Fraud Officer programmes.

LA staff were generally of the opinion that they had operated within a ‘fraud-sensitive’ culture prior to the introduction of the VF. They often pointed to the levels of WBS as evidence of this, together with the various anti-fraud initiatives that the LA had engaged in over past years.

There was some evidence amongst the LAs to suggest that the implementation of the VF had made staff more ‘fraud aware’ with the consequence that some LA areas were now seeing an increase in suspected fraud referrals.

‘It has increased the referrals, we are getting more’

(Fraud Officer, 1st phase)

This increased awareness of fraud was felt to be direct consequence of the introduction of the VF and its very clear fraud detection/prevention role.

When planning the operation of VF, LAs had usually made the assumption that there would be reasonably well-defined set-up and operation phases. These were written into initial timetables and while there was the
expectation that some adjustments would be required when the new system went live these were thought to be of a relatively minor nature.

However, invariably this was not the case. Set-up phases usually took much longer than expected. This was due to a variety of reasons including lengthy design work for the HB application form and supporting documentation, staff training, the generation of training manuals and check lists, delays with making adaptations to buildings and numerous problems with unstable software upgrades and ‘bolt-on’ VF screens.

In most cases the LA staff who were planning, designing, and implementing the VF programme were undertaking this work in addition to their usual day-to-day responsibilities. Those LAs, which had dedicated VF teams or individual VF staff, experienced similar problems because these staff were constantly redeployed to assist with clearing backlogs.

LAs generally found that the initial timetables they had set themselves proved to be impractical, for the reasons cited above. As a consequence, there was a tendency to merge together the set-up and operation phases such that once the basic systems were in place, what had initially been considered to be an operation stage became a ‘working pilot’. Most LAs set, and moved, their compliance deadlines many times, reflecting the difficulties they were having dealing with growing backlogs against a backdrop of new and unstable processing systems.

In order to reduce the backlog of unprocessed HB applications, or deal with the growing number of HB applications that were awaiting additional pieces of evidence from the customer, LAs required additional resources. LAs had a number of ways of dealing with this:

- recruiting additional staff, in some cases doubling the number of additional processing and verification staff;
- offering paid overtime, with some members of staff working almost double the number of hours a week; and
- hiring temporary staff to undertake basic administrative tasks, including the scanning of evidence through the DIP system.

LAs also found that there were a number of aspects of the VF which they felt added unnecessarily to their processing load. A number of these subsequently became DSS sanctioned ‘easements’, although in a number of cases LAs ‘took a flyer’ and brought in a number of easements without official DSS sanction.

It was often some months into running the VF system that LAs realised that there was a significant amount of duplication in the system. The major cause of this was benefit claims where the customer was claiming both Income Support (IS) and HB simultaneously. LAs realised that they were verifying the same documentation for HB claims as the BA was for IS claims for the same customer. In recognition of this a number
of LAs stopped verifying HB claims where there was a simultaneous application for IS that had been verified by BA.

Because of the stringent evidence requirements enshrined in the VF documentation LAs were finding that they had to return more HB applications to customers than they were processing. One major difficulty that emerged was the requirement that customers needed a number of pieces of evidence to prove their identity. This could prove very troublesome as a significant proportion did not have access to their birth certificate or did not have a passport. As a consequence, BT telephone bills began to be accepted as proof of identity (on the basis that BT carry out stringent identity checks themselves). Equally, the requirement that proofs of income had to show the employers’ name and address was also soon dropped, as few payslips provided this level of detail.

‘Even here at the council our payslips don’t show our address, so anyone who was employed by us and also claiming benefit we would have to refuse our own payslip as evidence of income…. Ludicrous isn’t it?’

(HB Manager, 1st phase)

Other changes that were made during the course of the ‘extended pilot’ period as the VF was being implemented tended to be administrative in nature and reflected changes made to a system that was in the process of bedding down. For example:

- One LA, which did not use a DIP system, photocopied all pieces of evidence supplied by the customer. These were then stamped as verified date stamped and signed by the member of staff. Two changes were made. First, the decision to invest in a much faster photocopier was made, and second, the HB Department ordered special stamps that would verify, date stamp and ‘sign’ the documents in a single process.
- Operational manuals were revised and slimmed down; checklists were also revised and made more comprehensive.

LAs began to see the VF process bedding down and backlogs begin to reduce when:

- familiarity with the VF approach to benefit processing increased;
- considerable time and effort was put into reducing backlogs by dedicated staff;
- software systems became more stable; and
- customers began to become more familiar with what was required of them.

During the course of implementing VF, LAs were often making their own decisions about how their administrative systems would operate and the types of easements that were allowable. The results was that across the 14 LAs taking part in the study there was some indication that what had been intended to be a nationally based approach to VF was
being applied in a variable way at the local level, thereby generating local inconsistencies. There were one or two ‘unofficial easements’, which had begun to occur, which HB managers expressed concern about. For example, the VF requires at least two months worth of bank statements to be provided. In some LAs staff were deeming just one month as acceptable. Equally, there was some evidence to suggest that staff were using their own judgement as to what constituted evidence of identity.

‘We had to take a flyer on it …. we just had to make the decision ourselves because we were going to go into meltdown otherwise.’

(HB Manager, 1st phase)

There was some worry that when the LAs had contacted the DSS to clarify certain points of practice in the implementation of the Framework that this information was not then given to the other participating authorities, which was in turn affecting standardisation.

‘I can see Local Authorities ringing the DSS every day and asking a question, they might be getting an answer to that question but we’re not getting it, so they’re probably doing it different to what we’re doing’

(Assessment Officer, 1st phase)

The pace of change had slowed down considerably by the second phase of the research. Generally, any changes that were occurring were now ‘tweaks’ rather than major changes. The major changes centred on:

• attempts to introduce a Visiting Officer programme;
• experimenting with combined verification and processing teams, where they had previously been separate;
• the creation of telephone units to deal with customer enquiries;
• the movement of temporary staff to permanent contracts; and
• the introduction of formal fraud and prosecution policies.

Small changes included:

• the use of ‘composite stamps’ that could be used to date stamp, verify and sign documentary evidence simultaneously;
• refining and slimming down checklists; and
• continued simplification of the HB claim form.

The first twelve months of operating VF were generally felt to be the ‘bedding down’ period, although some LAs felt they had bedded VF in more quickly than others.

‘The first twelve months is the most difficult… it’s getting everybody, be it staff or however much training, agencies, you know, the landlords the tenants, they actually get used to VF and I think that’s quite a rapid learning curve for everybody concerned, which creates a lot of frustration, a lot of complaints.’

(Benefits Manager, 2nd Phase)
'It is running along quite nicely… it’s just become part of routine really, … we’ve bedded it down quite quickly because… we’ve very very stringent procedures with regards to verification anyway.’

(Benefit Officer, 2nd Phase)

There were a number of reasons why it could take at least twelve months to bed in:

- Customers and external agencies take time to get used to VF and learn what is required of them;
  ‘It has got easier now the public are aware of what we want and they have got into the idea that we want two months’ statements instead of just a balance. I think it is working quite well now, the initial period was a bit horrendous.’
  (Assessment Officer, 2nd Phase)

- Processing claims becomes easier after a year because they don’t have to request proof of ID for renewals.

- Staff need time to come up to speed with the operation of VF, and also new technology such as DIPs.
  ‘I think it is now just part of the way people do their work, it is bedded in. I hope it is bedded in - from what I have seen it looks like it has.’
  (Client Benefit Manager, 2nd Phase)
9 CONCLUSIONS AND LESSONS LEARNED

9.1 The perceived value of the Verification Framework

The 14 LAs participating in the research study had not expected the set-up and operation of the VF to be as problematic as it had turned out to be. Despite their experiences all the LAs indicated during both the research visits that they remained firmly committed to the principle of the VF.

Overall, they felt that the VF was a very appropriate system to put in place, for a number of reasons:

• The VF was felt to have raised the profile of both the HB department and the issue of benefit fraud within LAs.

• Although HB departments had been conscious of benefit fraud in the past, the introduction of the VF was felt to have reinforced the anti-fraud culture within the department. This was felt to be demonstrated by increased discussion about fraud issues and increasing number of referrals to the visiting officers and benefit fraud teams.

• Fraud training had been placed back on the agendas of HB departments, although there was some concern that refresher training may not always be forthcoming in the future.

• Although LAs did not have any firm evidence to substantiate their views, there was a perception in some areas that there had been a small decline in the number of applications for HB. While LAs recognised that this could equally be due to other factors, such as seasonality and the buoyancy of the labour market, their feeling was that the stringency of the VF was stopping some potentially fraudulent claims from entering the benefit processing system.

• LAs had firm evidence to indicate that the income evidence requirements of the VF had produced many instances of undeclared capital or streams of income, with the effect that some HB claims were no longer permissible and others were paid at a reduced rate.

• Despite the initial criticism from many HB customers at the introduction of VF there was a general view that customers were learning about the VF evidence requirements and were taking responsibility for producing the relevant documents. This had been much less of a problem for new HB customers – it was simply a matter of informing them of the evidence requirements.

9.2 Perceptions of the future

HB claim verification and processing times had increased significantly with the introduction of VF, as had the size of processing backlogs. For example, one LA had in the past processed 90 per cent of HB claims within two weeks. At its worst this had dropped to approximately 35 per cent within the same period. While LAs had expected some deterioration they had not expected it as great as this. This had arisen for a wide range of reasons and had been addressed by amending systems,
relaxing the stringency of the requirements of VF either through localised or DSS approved easements and putting in place considerable extra resources. At the time of the first phase of the research fieldwork, some months after set-up of the VF, LAs were beginning to feel that there was ‘light at the end of the tunnel’ as processing times were speeding up and backlogs were beginning to reduce in size. Six months later, during the second research visit to the LAs, it was apparent that processing backlogs were clearing and the overall impression was that systems were now bedding down and that the VF had been absorbed into the day-to-day practices of the HB department.

However, none of the LAs felt that they were likely to return to pre-VF processing speeds, although the difference between pre- and post-VF processing times were felt to be marginal, that is by only a few days. The reason for the likely difference was felt to be for two reasons. First, by introducing an extra level of checking, in the form of VF, the processing will automatically be slowed down because more errors in the form of missing documentation will be found. This will necessitate correspondence with customers, which means that cases cannot be fully processed. Second, the extra layer of information required provides greater opportunity for customer error and complaint, which by their very nature slow down processing systems.

LAs varied in the degree of success they had in implementing VF and dealing with the problems that arose. While there were many factors that underpinned their success, the following appeared to be critical:

- skilled management; predicting the problems that might arise and adopting a flexible approach to problem solving;
- taking a realistic view about how compliant HB systems were prior to the introduction of VF and predicting the degree of change that would be required in order to meet the VF compliance criteria;
- adopting realistic timescales for the introduction of VF;
- implementing new systems individually and introducing, for example, Document Information Processing before that of VF;
- the goodwill of HB department managers and staff who worked long hours over many weeks in order to find approaches that would maximise efficiency and reduce the backlog of unprocessed and semi-processed claims.

However, some concern was expressed amongst senior LA staff during the second phase of the research about the apparent ‘watering down’ of the VF evidence requirements. Whilst easements were generally welcomed, particularly amongst assessment staff there was some feeling that the more recent easements had been introduced rather hastily. In these cases it was perceived that the stringency of VF requirements must not be lost. Indeed it was sometimes felt that there was a danger that the easements could lead to interpretation by LAs.
‘They [DSS] haven’t got it right. They’ve tried to simplify it [the VF] but they’ve made it too grey and woolly again. I think they [DSS] panicked.’

(Processing staff, 2nd phase)

There was also some evidence to indicate the LAs themselves were in danger of slipping into bad practices and diluting the impact of the VF. Typical practices, which were beginning to be seen in some LAs, were:

- accepting only a single month of bank statements;
- accepting photocopies of bank statements; and
- no longer asking for evidence of identity at renewal.

The LAs that took part in this study suggested some issues for other authorities to consider when implementing the VF:

- Visit other sites to learn from their experiences of implementing the VF. Analyse, in detail, the nature of the existing system in place and the new approach to be introduced. Set realistic timetables. The timetables, that LAs in this study set for themselves often, turned out to be unrealistic. This was in part due to an over-optimistic view of how near compliance their processing systems were and partly the effect of introducing multiple systems, many of which were untested and proved to be unstable.

- Consider a phased approach to the introduction of the new system or initiative. Initial timetables were often not met, for the reasons given above. LAs were divided in their opinion as to how timetabling should be determined. Some LAs were of the opinion that in future implementation timetables should be longer and reflect a better analysis of the procedures, which were needed to operate VF. However, others favoured a timetable that reflected a phased approach to implementation. In this case for example, the VF could have been implemented alphabetically, or by area, or by new and existing claims, or in terms of risk cases, with higher risk cases being targeted first;

- Ensure that all new software systems are stable, reliable and tested before being installed.

- Only implement one new system at a time. Most of the LAs in this study had complications that considerably impacted on processing times, backlogs, staff stress levels and morale was the introduction of a number of different systems simultaneously, most notably Document Information Processing systems alongside the VF. With hindsight the general conclusion was that only one system should be implemented at a time and where multiple systems are to be implemented they should at least be staggered. At best, new systems should be introduced separately and only after each new system has been tried and tested.

- Provide initial and refresher training. Although training had been provided in all cases there was a concern that the training made available was not sufficient.
- **LAs should brief their staff about the likely impact of introducing new systems.** Staff should be encouraged to consider what changes in working practices would be needed in order to accommodate the new approach. There was some feeling that managerial staff sometimes attempted, for good reason, to keep staff in the dark about the true impact of the VF implementation. Although their motives were wholly positive, the processing, verification and frontline staff were fully aware of the problems being experienced. This ‘economical with the truth’ approach was felt to be divisive and only served to affect staff morale to a greater degree.

- **Regular, clear feedback was required.** The introduction of complex systems, such as VF, requires the ‘buy-in’ of staff. With hindsight managers often felt that they should have warned staff that set-up and implementation phases of the VF would be difficult and that backlogs and various teething problems would occur. In this way they felt that they would have been in a better position to manage staff morale.

- **Use local advertising.** Publicity can be very useful in reaching and getting claimants to understand. However, this must be undertaken carefully as claimants can easily misunderstand the messages. Although advance publicity for VF was undertaken with the best of intentions, LAs suffered from publicity that either ‘backfired’ with HB customers or met with a distinct lack of interest from landlords;

- **Clear any initial backlogs.** Most LAs had HB processing backlogs. There was a general feeling that they should try to clear them before new systems are implemented. Additionally, resources should be built in to deal with changes in processing speed in order that backlogs are minimised. It was suggested that backlogs could be managed by closing the department for a day each week, however, this should be done with caution.

- **Provide a means of dealing with customer enquiries and problems that is separate from that of processing and verification.** The efficiency of the processing and verifying teams can be maintained if they are not constantly interrupted by telephone queries from customers. A dedicated telephone team was found to considerably increase processing efficiency.

9.4 **Issues for consideration**

LAs participating in this study outlined some issues for the DSS to consider when implementing the VF.

LAs were fully committed to the principle of VF and, despite the difficulties they experienced in its implementation, continued to be committed. However, it was clear that while some LAs had negotiated further money to fund additional staffing arrangements and overtime payments, other LAs were absorbing the costs themselves. Two funding issues arose. First, LAs were worried about the level of funding that would be made available for VF funding for future years, and second, they were concerned that any additional DSS funding they had secured for the current year
may not be available for future years. This would make VF not viable with at least two LAs indicating that they would discontinue VF should the current level of funding be reduced. **LAs wanted a long-term guarantee of funding for the continued implementation of the Framework.**

Authorities felt a national advertising campaign, overseen by central government but with LA input would be a good way of informing customers about the requirements and aims of the VF.

LAs felt that they needed professional advice when considering how near compliance their processing systems were. Such advice should, it was felt, ideally come from the DSS and be based on prior experience drawn from pilot research. LAs tended to feel that there had been very little, if any, learning from the introduction of previous systems, in particular the pilot VF studies. LAs felt that there **should be better communication of previous experiences - especially from pilot projects – that can be passed on and used as a basis to implement new systems.**

It was the view of the LAs that prior to setting up the VF in their area they should have received a briefing from the DSS that drew on the findings of the previous pilot research. As one LA said - ‘We could have learned from others and not fallen into the same pitfalls’. Ideally, LAs would have liked a personal visit from DSS staff to discuss issues of implementation and compliance. However, they recognised that this resource may not be possible - a workshop or conference would be an acceptable alternative. LAs also felt that when implementing new systems opportunities should be built in to visit other sites and learn from their experiences.

Whilst recognising the DSS’s ‘hands-off’ approach, LAs requested more, and higher quality, communication with the department. **For the implementation of a major system such as VF LAs would have welcomed an initial site visit by the DSS, a dialogue during the applying, set-up and implementation phases and a more effective ‘helpline service’.**

In terms of training, LAs requested that the DSS increased training budgets to reflect refresher training needs. They also suggested that the DSS should arrange central training to provide an overview of the principles of VF and likely points in the implementation process where the system might be less than stable and require extra care and attention.

LAs were not convinced that software providers were fully cognisant with the system for which they were designing systems. **LAs requested that where software changes were required that the DSS should work very closely with the software providers.** In discussing the build up of processing backlogs and the reduction in speed of processing, there was a general feeling that any statistics that are used to
compare LAs should be separated out such that LAs which are implementing new systems are not directly compared to those which are not.

LAs were very positive about the Framework, despite their obviously difficulties during its implementation. Primarily this was because of the obvious benefits that seemed to be accruing – increased staff awareness of fraud issues, higher rates of fraud detection, increased accuracy of benefit processing and some indication of increased fraud detection. Given these benefits there was a general view that the introduction of VF should be mandatory, as this would provide the benefit of a uniform approach to dealing with HB claims and also provide the legislative power of enforcement in the face of fraudulent claims.

There was some feeling, however, that after the first year of implementation fraud detection rates would fall and that the emphasis would move towards fraud prevention. However, as discussed in an earlier chapter there was a strongly held view that the VF was weak in this respect and the Visiting Officers had neither the remit nor the authority to root out suspected fraudulent claims. In this respect LA staff felt that fraud detection rates could be maintained with the adoption of other approaches. Chief amongst these were the development of links with the Benefits Agency, Contributions Agency\(^5\) (to detect NI contributions) and the Inland Revenue (for tax receipts) as well as better and more frequent data-matching exercises.

From the LAs’ perspective, the implementation of the Framework had been worthwhile. They were keen to see the number of fraudulent claims reduced even further. While remaining committed to the principle of VF, LAs were now looking for further ways in which fraudulent HB claims could be detected.

\[^5\] The Contributions Agency is now part of the Inland Revenue.
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