

*Process-specific MoU Template*

**Memorandum of Understanding (Process)  
between  
HMRC (CS&TD KAI Benefits and Credits) and  
Department for Work and Pensions (DWP)**

**To support development of Universal Credit, Work Programme  
and Work and Health Programme**

The reference numbers of the related Umbrella MOU are: MOU-UA –P0001 and MOU-UA-P049

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## **1. Introduction**

**UC Evaluation** - Universal Credit is a major transformation of the UK Working Age benefit system. Amongst other objectives it aims to improve labour market outcomes by getting more people into work, keeping them in work for longer, and promoting in-work progression. DWP has a commitment to evaluate the impacts of Universal Credit and test whether the projected savings of this major reform are being realised. To do this we require, from RTI, regular detailed information on the employment status and earnings of both UC participants and a "counterfactual" group of claimants to legacy benefits against whom UC claimant's outcomes will be compared. This work was commissioned by ministers and is a very high priority for DWP.

The NAO has estimated that £2.8 billion in payments will be made to Work Providers between June 2011 and March 2020. Making best use of available information assets (including HMRC's RTI data) has been seen by the DWP's Permanent Secretary and External Auditors as essential for the Department, allowing effective controls to protect against overpaying Work Programme providers.

The recent PWC audit of Work Programme payments (following on from the review of Serco and G4S) cited the following as a key next step for the Department's validation regime:

"DWP review and update the validation process to leverage data matching capabilities to reduce the risk of fraud and error."

Initial analysis has suggested that such an approach could significantly increase the strength of Departmental matching. Our ability to estimate start and end dates for missing returns will improve coverage within our matching, increasing the accuracy of our automated employment and decrease the level of manual validation required (estimated to generate a saving of between £200-£500k per annum).

**Work Program outcomes.** Utilisation of RTI is also an important feature within Work Programme contract re-negotiations, which includes the extrapolation of Sustainment Outcomes. Not doing this is estimated to have cost the Department £11 million at March 2014 and were this to continue until March 2020, the estimate has been placed at £25 million. It also allows for the identification of Unclaimed Provider Outcomes, which will recognise instances where providers support participants into work but are unable to put in an outcome claim, and it will ensure that the true performance of Work Programme is reported.

**Work and Health programme** – The Work and Health Programme (WHP) is a new provision in England and Wales which launched in November 2017. See document below for details -



HMRC\_MOU\_for\_RTI  
\_RMC.pdf

## **2. Legal Basis**

The legal gateway allowing HMRC to share such information with DWP is The Welfare Reform Act 2012, Section 127. Details of the legal gateways for the sharing data of data for the purposes of Work and Health programme are set out separately in the embedded document in section 1 of this document under Work and Health Programme.

This transfer is also covered by the Data Sharing arrangements set out in the umbrella MOU-UA-P0001 (Universal Credit and Work Programme) and MOU-UA-P049 (Work and Health Programme).

## **3. Purpose of the agreement**

This agreement applies to the continuation of data exchanges between analytical teams in HMRC and DWP to support development of Universal Credit, Work Programme and Work and Health Programme. In particular, it applies to data exchanges required before permanent arrangements are in place for Real Time Earnings (RTE).

This process MoU covers the transfer of the quarterly transfer of NINOs (Evaluation List) from DWP and the monthly return of RTI data for those NINOs from HMRC for the period 1 April 2017 to 31 March 2019.

## **4. Procedure**

- The Evaluation List will consist of a selection of NINOs for Work Program, Work and Health Program and Universal Credit claimants created from DWP administrative data by DWP Data and Analytics and sent to HMRC.
- DWP will revise the Evaluation List once every three months and send the revised list to HMRC by GFTS Secure Electronic Transfer (SET).
- HMRC Data Guardian does not require the file to be cleansed of SCR's due to the risk of being able to compare the original and cleansed file therefore being able to identify the SCR's.
- HMRC will supply RTI data for the NINOs provided on the latest Evaluation List and return the data to DWP once every month. This will be sent to DWP Data and Analytics by GFTS Secure Electronic Transfer every 3<sup>rd</sup> Friday.
- When DWP Data Delivery Team receive the RTI data this will be loaded into DWP Data Warehouse and made available approved users to undertake evaluation as described in Paragraph 1 and will send the information to operational staff to take appropriate action.
- Data items that HMRC return to DWP are listed in section 18.

## **5. Security and Assurance**

DWP agrees to:

- Only use the information for purposes that are in accordance with the legal basis under which they received it
- Only hold the data while there is a business need to keep it
- Ensure that only people who have a genuine business need to see the data will have access to it.
- Store data received securely and in accordance with the prevailing central government standards, for example in secure premises and on secure IT systems.
- Move, process and destroy data securely i.e. in line with the principles set out in HM Government [Security Policy Framework](#), issued by the Cabinet Office, when handling, transferring, storing, accessing or destroying information.
- Comply with the requirements in the [Security Policy Framework](#), and in particular Section 2.10, to be prepared for and respond to Security Incidents and to report any data losses, wrongful disclosures or breaches of security relating to information.
- Apply the appropriate baseline set of personnel, physical and information security controls that offer an appropriate level of protection against a typical threat profile as set out in [Government Security Classifications](#), issued by the Cabinet Office, and as a minimum the top level controls framework provided in the Annex – Security Controls Framework to the GSC.

## **6. Data Protection Act 1998 (DPA) and Human Rights Act 1998 (HRA)**

Nothing in this Memorandum of Understanding will limit the receiving department's legal obligations under the Data Protection legislation and General Data Protection Legislation (from 25/05/2018).

All the information transferred by HMRC should be relevant, necessary and proportionate to enable DWP to carry out their task or process.

HM Revenue and Customs and DWP will become the Data Controller (as defined in the glossary of terms) of any personal data received from the other under the terms of this MOU.

## **7. Freedom of Information (FOI) Act 2000**

HMRC and Public Sector Body are subject to the requirements of the Freedom of Information Act 2000 (FOI) and shall assist and co-operate with each other to enable each department to comply with their information disclosure obligations.

In the event of one department receiving a FOI request that involves disclosing information that has been provided by the other department, the department in question will notify the other to allow it the opportunity to make representations on the potential impact of disclosure.

All HMRC FOI requests must be notified to Central Policy FOI Team who will engage with the central FOI team in the supplying organisation.

## **8. Direct, (or browser) Access specific expectations**

Not applicable

## 9. Costs/charges

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## 10. Contact details

<i>Give details of all contacts for all parties to the agreement</i>		
	<b>For HMRC</b>	<b>For DWP</b>
Name	[REDACTED]	[REDACTED]
Job Title	KAI Personal Tax	Data Delivery manager
Team	Knowledge, Analysis & Intelligence	Data & Analytics, Data Delivery
GSI email	[REDACTED] [REDACTED]	[REDACTED]
Telephone	[REDACTED]	[REDACTED]
Deputy's name	[REDACTED]	[REDACTED]
Deputy's GSI email	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
Deputy's telephone	[REDACTED]	[REDACTED]

## 11. Reporting and review arrangements

It is expected that this arrangement will be in place until March 2020 for Universal Credit and Work Program and November 2029 for Work and Health Program

This may need to be reviewed as developments in more strategic options for data share increase in the Wider Use of data project.

## 12. Resolving issues

Any complaints, problems, issues etc. that are specific to the information exchanges covered by this MoU should immediately be referred to the contacts named in section 10. If these can not be resolved they should be reported, in writing to:

	For HMRC	For DWP
Name	[REDACTED]	[REDACTED]
Job Title	Data Exchange Champion	Team Manager
Team	Data Exchange champion	DWP, Digital, Strategic Engagement and External Data Sharing
GSI email	[REDACTED]	[REDACTED]
Telephone	[REDACTED]	[REDACTED]

## 13. Signatories

*The final document must be signed and dated by the relevant information asset owners. In HMRC this is usually the Director for the business area. Whilst they retain responsibility, they can nominate a delegate to sign on their behalf e.g. the Data Guardian.*

**For HMRC**

[REDACTED]

Date: 19/09/2018

**For DWP**

[REDACTED]

Date 09/05/18



#### 14. Document Control Personnel

Key personnel	Name & role	Organisation (Team)
Author	██████████	HMRC – PT CPP Impacting & Change team
Approvers	██████████████████ ██████████████████ ██████████████████ ██████████████	HMRC DWP DWP DWP
Review Control		

#### 15. Version History

Version	Date	Summary of changes	Changes marked
0.1	23.03.15	Initial draft	
0.2	30.03.15		
1.0	01.04.15	Final version	
1.1	15.04.15	Process change (sec 4, para 3/4)	
1.2	17.04.15	Final version – MOU Ref inc	
1.3	21.04.15	Amended to reflect USB data deletion (sec 4)	
1.4	23.04.15	Amended to revert to previous process (sec 4)	
2.0	24.04.15	Final version	
2.2	21.03.17	Remove first run, amend contact details	
3.0	23.03.17	Final version	
3.1	21/07/17	Amended Delivery Method	Yes
3.2	26/01/2018	wording to reflect addition of Work and Health Program NINOs	yes
4.0	09/05/18	Amend details regarding Legal basis/MOU for WHP , include references to WHP in section 3, 4 & 11. Extend end date from 2018 to 2019, add GDPR, change contact details	yes

#### 16. Review dates

Version	Publication date	Review date
4.0	September 2018	September 2019

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## 17. Glossary of Terms and Abbreviations

Definition	Interpretation
<b>Ad Hoc Transfer</b>	is defined as being bulk data with a protective marking of restricted or above and the transfer is part of a pilot or project with a definitive end date
<b>Data Controller</b>	has the meaning set out in section 1 of the Data Protection Act 1998, i.e. 'a [natural or legal] person who (either alone or jointly or in common with other persons) determines the purposes for which and the manner in which any personal data are, or are to be, processed'
<b>Data Processor</b>	has the meaning set out in section 1 of the Data Protection Act 1998, i.e. 'in relation to personal data, any [natural or legal] person who processes the data on behalf of the data controller'
<b>Data Protection Legislation</b>	means the Data Protection Act 1998, the EU Data Protection Directive 95/46/EC, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner
<b>Direct Access</b>	Covers an information sharing instance where the receiving Department accesses the Information via direct, or browser, access to the source system rather than as an extracted information transfer.  This agreement will require specific terms and conditions ensuring that access is appropriate and correctly applied, managed and recorded.
<b>FoIA</b>	means the Freedom of Information Act 2000 and any subordinate legislation made under this Act together with any guidance and/or codes of practice issued by the Information Commissioner or Ministry of Justice in relation to such legislation.
<b>Granting Access</b>	The governance and authority surrounding the authorisation of a person to have access to a system.
<b>Information Asset Owner (IAO)</b>	means the individual within a directorate, normally the Director, responsible for ensuring that information is handled and managed appropriately
<b>Law</b>	means any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any Regulatory Body, delegated or subordinate legislation or notice of any Regulatory Body
<b>Provisioning Access</b>	The technical channels through which access is made possible, including the request tools associated with this.

**ADD PROTECTIVE MARKING OF 'OFFICIAL – UNMARKED – MARKED - SENSITIVE'  
WHEN COMPLETED, DEPENDING ON CONTENT**

<b>Public Sector Body</b>	This will generally be another government department (OGD) but could be another public sector body (e.g. Local Authority). Information sharing with a private sector body with which HMRC has a commercial relationship needs to be covered by a commercial contract, not an MoU.
<b>Regulatory Bodies</b>	means those government departments and regulatory statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence matters dealt with in this Agreement and "Regulatory Body" shall be construed accordingly
<b>Senior Information Risk Owner (SIRO)</b>	Provides high level assurance of compliance with HMRC's Information Asset data protection obligations. HMRC's SIRO is Mark Dearnley, HMRC Chief Digital & Information Officer, Director of Chief Digital & Information Officer Group.

<b>Abbreviation</b>	<b>Description</b>
CRCA	The Commissioners for Revenue and Customs Act
MoU	Memorandum of Understanding
FOIA	Freedom of Information Act
FOI	Freedom of Information
HMRC	Her Majesty's Revenue and Customs
PSB	Public Sector Body
SPF	Security Policy Framework
CAF	Controlled Access Folder
SCR	Secure Customer Record

## 18. List of Data Items

1	Record_Type
2	Cwh_Income_Tax_Year_Key
3	Tax_Year_Indicator
4	Hmrc_Office_Number
5	Paye_Scheme_Reference
6	Employer_Name_1
7	Employer_Name_2
8	Employer_Trade_Name_1
9	Employer_Trade_Name_2
10	Valid_Nino
11	Employee_Surname
12	Employee_Forename_1
13	Employee_Forename_2
14	Employee_Initials
15	Date_Of_Birth
16	Gender
17	Nps_Employment_Seq_No

**ADD PROTECTIVE MARKING OF 'OFFICIAL – UNMARKED – MARKED - SENSITIVE'  
WHEN COMPLETED, DEPENDING ON CONTENT**

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18	Payroll_Id
19	Rti_Start_Date_Sk
20	Rti_Leaving_Date_Sk
21	Pyt_Taxable_Pay_In_Period
22	Pyt_Non_Tax_Or_Nic_Payment
23	Pyt_Dedns_From_Net_Pay
24	Pyt_Pay_After_Stat_Dedns
25	Pyt_Bfits_Taxed_Via_Payroll
26	Pyt_Emp_Pen_Cont_Paid
27	Pyt_Items_Subject_To_Class1nic
28	Pyt_Emp_Pen_Cont_Notpaid_Net
29	Pyt_Tax_Deducted_Or_Refunded
30	Nlt_Gross_Erng_For_Nics_Inpd
31	Nlt_Emp_Contribns
32	Taxable_Pay_Ytd
33	Total_Tax_Ytd
34	Nlt_Emp_Contribns_Ytd
35	Hrs_Worked_Desc
36	Rti_Pay_Frequency_Sk
37	Payment_Date
38	Weekly_Period_Number
39	Monthly_Period_Number
40	Earnings_Periods_Covered
41	Payment_After_Leaving
42	Irregular_Payment
43	Merger_Indicator
44	Ips_Id
45	Rti_Bacs_Pmt_Status_Sk
46	Occupational_Pension
47	On_Strike
48	Unpaid_Absence
49	Ytt_Bfits_Paid_Via_Payroll_Ytd
50	Ytt_Emp_Pen_Cont_Paid_Ytd
51	Ytt_Emp_Pen_Cont_Notpaid_Ytd
52	Tax_Code
53	Multiple_Ips_Count
54	Bacs_Payment_Amount
55	Ytt_Smp_Ytd
56	Rti_Ni_Letter_Type_Sk
57	Rti_Directors_Nic_Sk
58	Late_Reason
59	Exempt_Electronic
60	Nino
61	Rti_Ips_Sk
62	End_Of_Record