

ANGLIA REVENUES PARTNERSHIP

Report of Lucy Burt – Fraud and Visits Team Manager

To ARP Joint Committee Jun 14

Subject Future of Counter Fraud work of ARP

Purpose To inform Members of the intentions of DWP in creating a Single Fraud Investigation Service (SFIS), responsible for the investigation of fraud and irregularity within the welfare benefits system.

Recommendation

- To give authorisation to undertake further review of the service provided by the ARP Counter Fraud resource.

1. Background

Members have previously been advised of possible changes to tackling Fraud within Welfare Benefits in the Fraud reports provided at each Joint Committee. This report will provide further detail and updates.

DWP Report 'Tackling Fraud and Error in Government: A report of the Fraud, Error and Debt taskforce' set out plans to tackle fraud and reduce fraud and error in the welfare system by £1.4 billion by March 2015.

That report detailed that in order to achieve those savings, one single body would be responsible for the investigation of fraud and irregularity within the welfare benefits system, that organisation being a Single Fraud Investigation Service (SFIS) operating as part of the DWP. SFIS will be a partnership of staff from DWP, LA's and HMRC, rather than each organisation operating singly. It was originally stated that SFIS would be introduced in April 2011. It was then stated that the commencement date would be delayed until Oct 2013, in order to be more in line with the introduction of Universal Credit. Since then, further delays have occurred.

Following consultation, in Nov 2011 it was agreed that LA Investigators would remain in LA employment but would operate under SFIS powers, policies and priorities. Since then, further information has stated that LA Investigators will transfer to DWP SFIS, if the employing LA deems them to be in scope to do so.

4 pilot sites were created, where LA and DWP staff joined to work to SFIS policies and procedures in order that this could be evaluated.

It was stated that following the trial of these pilot sites and subsequent evaluation, further consideration would be given to the operating model of SFIS. Since that time, various dates have been suggested for the full roll out of SFIS across all areas, however on each occasion there have been delays. Throughout this period, SFIS continued to be a proposal whilst further evaluation was undertaken and discussions continued regarding the funding of SFIS.

In October 2013, notification was sent to LA CEO's detailing that 4 pilot sites were live with a further 4 pilot sites due to go live shortly. This letter also detailed some of the key findings of the live pilot sites. It also stated that a phased implementation was being proposed and would be likely to roll out during 2014/15.

The Chancellors Autumn statement detailed some increased funding for LA's to address other areas vulnerable to fraud, those being outside of welfare fraud. This was further supported by a statement from Baroness Stowell in Feb 2014, when £16.6m was announced as an investment in Local Governments counter fraud work.

During Mar to May 14 DWP ran a series of workshops for DWP and LA investigatory staff. These workshops highlighted some of the issues still to be resolved in order to enable implementation of SFIS. These issues included staff/HR issues, contractual obligations, access to ICT and also operational issues.

2. Scheduled Dates

DWP confirmed that there will be two phases to the implementation of SFIS. Phase 1 being the full implementation of the pilot sites. The DWP Roadshows also confirmed that Phase 1 would be the opportunity to address the many outstanding issues, prior to the roll out of Phase 2, that being all other LA's, on a rolling programme, with specific roll out dates then to be confirmed.

On 1st May 2014 DWP provided confirmation to LA CEO's of the proposed roll out date for the transfer of their LA welfare fraud work to DWP SFIS.

The transfer date for ARP LA Partners is 1st September 2015.

As yet there is no further detail regarding the numbers of staff that will transfer, what affect there may be on staff terms and conditions, operational decisions regarding policy and procedures or access to ICT.

3. Impact on ARP

Members must consider the impact on the partner authorities. Further work is required to determine the level of non welfare fraud work currently undertaken by ARP Counter Fraud team.

Fighting Fraud Locally detailed the levels of fraud in various other areas which LA's are susceptible to. Members may wish to consider how this will be addressed moving forward post SFIS.

Other areas for consideration are;

- DWP access to LA systems / Single Point of contact within the partner LA's with a capacity to provide the necessary documentation to SFIS to support investigations
- Benefit decision maker capacity to react to SFIS investigations AND REVIEW BENEFIT ENTITLEMENT
- Court officers
- Localised Council Tax Support and NNDR investigations which will be outside the remit of SFIS
- Other areas of work currently undertaken by ARP Fraud team

4. Recommendation

It is the recommendation of this report that Members approve further work to identify and address potential areas of ARP and the partner authorities at risk of losses to fraud following the implementation of SFIS. It is also the recommendation that members approve the principle that a further report is brought to Sept Joint Committee with a business case for ARP Countering Fraud in the future and the service provision available.

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