

**WRITTEN QUESTION TO THE MINISTER FOR SOCIAL SECURITY
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 29th APRIL 2014**

Question

Further to his response to a written question (8234) on 1st April 2014, will the Minister state –

- (a) what proportion of the totals incorrectly claimed under the new regime in the years 2011 to 2013 were the result of actual fraud cases referred for prosecution?
- (b) what proportion required action through the Petty Debts Court for recovery?
- (c) the departmental estimate of the amount due to genuine error on the part of claimants?
- (d) what estimate he has for the sums incorrectly paid as a result of departmental error?

Will the Minister provide the figures for 2013 for under and overpayments of Income Support which result from claimants' changes of circumstance when payments are made a month in advance?

Will he agree to carry out a benchmarking comparison between the 2013 figures for payments in error as a percentage of total benefit payments with the figures released by the UK Department for Work and Pensions in January 2014 for –

- (i) official error, due to inaction, delay or a mistaken assessment
- (ii) claimant error, when claimants make inadvertent mistakes with no fraudulent intent
- (iii) fraud, in which claimants deliberately seek to mislead?

Answer

Further to the detail provided in written question 8234, I can confirm for the period 2011 – 2013 the value of cases referred for prosecution was £282,874 and to the Petty Debts Court was £247,100.

In respect of the Department's treatment of overpayments resulting from customer error or fraud, the majority of claimants agree to voluntary repayment schedules. The Department is flexible and offers a variety of options including lump sum payments, instalment agreements and offsets against future entitlement. In the minority of cases referral to Petty Debts Courts is necessary.

The value of Departmental error resulting in write offs against tax funded benefits is published in the States Annual Report and Accounts.

The Department does not maintain a separate record of under and overpayments of Income Support which arise as a consequence of payments being made a month in advance specifically. However information is available in respect of the total number of under and overpayments which have been recorded against claims where payments are made four weekly in advance. In 2013, for Income Support claims where benefit is paid four weekly in advance, 639 lump sum payments following an underpayment were recorded and 253 overpayments were recorded. As has been explained in previous written questions, the Income Support system is designed to make payments in advance to ensure that low income families can meet their day-to-day living costs as they arise. As circumstances can change on a daily basis, there will always be situations in which an adjustment (up or down) needs to be made in respect of a payment that has already been paid.

I am pleased with the Department's continued improvements in customer service which help to reduce error by both customers and staff, and support the fraud management activity described in response to Question 8234. Ongoing application of the LEAN continuous improvement process, a key plank of the

Reform Programme, has delivered significant improvements in a number of relevant areas including changes to application forms to reduce customer error, and developments to managing changes of circumstances to reduce the time from notification of the change to the change being made. These and other improvements, including a Customer Services training programme for the Income Support team, have reduced processing times and increased customer satisfaction. Alongside these changes a series of well-established controls and processes are in place to maintain the quality of the benefit processes in other areas. Examples include life certificate and death register reviews to ensure lifetime benefits, such as pensions, are paid appropriately.

The Department has already initiated a review of the UK Department for Work and Pensions Fraud report and strategy¹. This review will consider the appropriate tools to be used for estimating fraud and error in a robust manner, identify any current gaps in our current provision, consider the benefits and costs of undertaking a formal benchmarking comparison, identify options for the classification of data for reporting purposes (for example, identifying the uses of maintaining an estimate of the value of overpayments due to genuine error on the part of claimants) and identify the required resources and systems changes. I have asked that the Department completes this work by the end of 2014.

¹ DWP - Fraud and Error in the Benefit System: 2012/13 Estimates
NAO - Tackling External Fraud – Good Practice Guide
DWP - Tackling fraud and error in the benefits and credits systems (Oct 2010)