

REPORT TO	DATE OF MEETING
Cabinet	14 th January 2015

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Fraud – TUPE Transfer to Single Fraud Investigation Service (SFIS)	Shared Service & Corporate Support	Ian Parker	6

SUMMARY AND LINK TO CORPORATE PRIORITIES

Efficient, Effective and Exceptional Council

RECOMMENDATIONS

- (1) That Cabinet agree to the continuation of the Benefit Enquiry Service within South Ribble Borough Council.

DETAILS AND REASONING

0 INTRODUCTION

- 0.1 The Government published proposals, as part of its wider Welfare Reform agenda, to create a Single Fraud Investigatory Service (SFIS) and is currently consulting on its proposals to TUPE transfer existing Housing Benefit Fraud Investigators out from Local Authorities and into SFIS.
- 0.2 If the proposal goes ahead, then South Ribble Borough Council will be without a Benefit Enquiry Service.
- 0.3 The purpose of this paper is to consider the options/limitations and/or costs that any proposed TUPE transfer will have on this Council.

1 DETAILS AND REASONING

- 1.1 This Council has managed the implementation of the wider Welfare Reform agenda with one eye on future service delivery. Revenues+ was specifically designed to manage the decline of Housing Benefit. In readiness for Universal Credit, Revenues+ was developed to merge similar essential functions that existed within both the Revenues and Benefit Services.
- 1.2 A demographic profile of all staffing was completed and an implementation plan developed that allowed Benefit staff to transfer to vacancies arising within Revenues+. This approach mitigated future potential liabilities of the Council for any redundancy costs associated with the replacement of Housing Benefit with Universal Credit. It also ensured that valuable and trained workforce were redeployed rather than being put “at risk” – a situation that would have undoubtedly created uncertainty and therefore volatility to front-line service delivery.
- 1.3 A similar exercise was completed within the Benefit Enquiry Unit. This Unit investigates matters of fraud. It is this Unit that is being proposed for TUPE transfer to SFIS in April 2015; in reality it is one full time member of staff.

- 1.4 DWP proposals will see SFIS investigate some (but not all) Housing Benefit fraud. From 2017 this will change and SFIS will investigate all Housing Benefit fraud, as the benefit will be replaced (current timescale) by Universal Credit.
- 1.5 Between April 2015 and March 2017 this Council will continue to be responsible for pensioner related Housing Benefit and all Council Tax Support (previously Council Tax Benefit) and as such will be required to undertake fraud investigation work.
- 1.6 SFIS will not be undertaking fraud investigations in these instances and they remained silent when asked whether they would be undertaking National Fraud Initiative (NFI) work. Currently the Council deals with NFI data matching exercises throughout the year. Coincidentally the transparency agenda is being updated to compel Councils to publish:
- Total N° of employees undertaking investigations and prosecutions of fraud
 - Total N° of professionally accredited counter-fraud specialists
 - Total amount spent by the Authority on the investigation and prosecution of fraud
 - Total number of fraud cases investigated

NB – It is not specific or restricted to “Benefit Fraud”

- 1.7 There is a lack of procedural guidance from DWP/SFIS regarding fraud investigation post April 2015; the Council c/would be criticised if we did not have in place a locally operational fraud investigation service for remaining benefits. There is a lead-in time to develop an in-house skills (assuming TUPE transfer goes ahead) and if we wait, the external market may be inflated as other councils seek to secure similar resource at the same time.
- 1.8 Further, Lord Freud has written to all Local Authorities to advise them that as SFIS is looking to TUPE transfer staff out of Local Authority control, that element of funding will cease.
- 1.8.1 Proposals to TUPE transfer the Fraud Investigator from Local Authority to SFIS will leave the Council without any fraud investigation capacity. This is a specialist and qualified post that regularly undertakes interviews under caution and makes representations at Court.
- 1.8.2 The Benefit Administration grant will be reduced by circa £30,000 irrespective of whether TUPE transfer takes place or not.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

FINANCIAL	The Council receives an annual grant from the Department for Work & Pensions to assist with funding the costs of administering housing benefits. In the coming year, 2015/16, this grant will be reduced by £83,000 (21%), incorporating a reduction relating to the transfer of the fraud service referred to above. The financial impact of this overall funding reduction will be addressed when considering the Council's budget proposals for 2015/16.		
LEGAL	There are no legal implications arising from this report.		
RISK	The full risk assessment forms part of the background papers to this report. The main points for consideration are summarised here:- Failure to have robust fraud identification, detection, investigation and enforcement would leave services local services, including Local Council Tax Support, vulnerable to fraudulent activity.		
THE IMPACT ON EQUALITY	None.		
OTHER (see below)			
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Risk Assessment