

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 24 SEPTEMBER 2014**

REPORT BY: **CHIEF OFFICER, COMMUNITY AND ENTERPRISE**

SUBJECT: **SINGLE FRAUD INVESTIGATION SERVICE**

1.00 PURPOSE OF REPORT

1.01 To advise Members of the transfer of Housing Benefit Fraud Investigation to the Department of Work and Pensions (DWP) Fraud and Error service (FES).

2.00 BACKGROUND

2.01 The Revenues and Benefits department delivers a Housing Benefit (HB) service on behalf of the DWP. As part of this service there is also a responsibility for the investigation and prosecution of HB fraud.

2.02 In support of the implementation of Welfare reform the Governments Welfare Reform bill also included the establishment of a Single Fraud Investigation Service (SFIS) which would replace DWP, LA and HMRC fraud teams. The Chancellors Autumn statement 2013 confirmed that SFIS would be managed by the DWP.

2.03 SFIS has been established as a division of the DWP FES and prosecutions arising from SFIS investigations will be conducted by the Crown Prosecution Service in England and Wales.

2.04 The intention is that SFIS will operate to a single set of policies and procedures, with an aim to provide a nationally flexible service to tackle all welfare benefit fraud.

2.05 The transfer of LA Fraud investigation to SFIS has been planned to be rolled out gradually with all LA investigations to be transferred by March 2016. The transfer date for Flintshire is 1st October 2014.

3.00 CONSIDERATIONS

3.01 HB and HR officers of the Authority are currently working with SFIS to achieve the implementation date of 1st October 2014 which has been set by the SFIS.

- 3.02 The Authority currently employs a small investigations team of 3 staff comprising of 2 investigators and 1 support officer, the 2 investigators are to transfer to SFIS under a section 38 agreement/ COSOP (Cabinet Office Statement of Practice) which provides "TUPE like" protections.
- 3.03 On completion of the transfer all HB investigations will be the responsibility of SFIS, with the statutory powers of investigation being removed from the LA.
- 3.04 The HB department will continue to be responsible for the reporting of suspected fraud cases to SFIS and the provision of supporting evidence for all SFIS investigations which include Housing Benefit.
- 3.05 A Service Level Agreement between DWP and LA's is under discussion but it is likely that the local authority associations will not ratify it until LG funding is fully known.

4.00 RECOMMENDATIONS

- 4.01 That members consider and note the report.

5.00 FINANCIAL IMPLICATIONS

- 5.01 Flintshire currently receive an Admin subsidy grant which includes payment for the provision of fraud investigation, with the removal of this service there will be a reduction in subsidy however it is expected that the reduction in staff will counterbalance this reduction. The final grant figure is expected to be advised by November.
- 5.02 As the Authority is within the rollout schedule before March 2015 there will not be a change to the 2014/15 admin subsidy, however there will be a £12 million reduction for 2015/2016 which will apportioned between the 127 LA's who go live with SFIS during this period based on Authority housing benefit caseloads. It is expected that this reduction would be cost neutral due to the transfer of Investigation staff, which will be further supplemented by the additional 6 months of operational savings in 2014/15.
- 5.03 There are discussions in progress between DWP and LG associations regarding new burdens funding for the support work required in the supply of HB information to SFIS.

6.00 ANTI POVERTY IMPACT

- 6.01 None

7.00 ENVIRONMENTAL IMPACT

- 7.01 None

8.00 EQUALITIES IMPACT

8.01 None

9.00 PERSONNEL IMPLICATIONS

9.01 There is a small investigations team of 3 staff comprising of 2 investigators and 1 support officer.

9.02 The 2 investigators are to be transferred to SFIS, with the support officer being retained to support SFIS information requirements.

10.00 CONSULTATION REQUIRED

10.01 None

11.00 CONSULTATION UNDERTAKEN

11.01 None

12.00 APPENDICES

12.01 None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Chancellor of Exchequer Autumn statement 2013

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