


Agenda Item No:	9	
Committee:	Staff Committee	
Date:	16 July 2015	
Report Title:	Anglia Revenues Partnership (ARP) - Single Fraud Investigation Service (SFIS) and Counter Fraud	

CONFIDENTIAL - This item comprises EXEMPT INFORMATION which is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act, 1972 (as amended)

1 Purpose / Summary

To advise the Staff Committee of staffing effects of the creation of the Single Fraud Investigation Service (SFIS) by the Department for Work and Pensions (DWP) with regards staff employed by the Council undertaking benefit fraud work.

2 Key issues

- The Benefit Fraud teams at five ARP partner authorities (Breckland, East Cambs, Fenland, Forest Heath and St Edmundsbury) were combined and have worked as a single team since April 2014. Suffolk Coastal and Waveney (the two other ARP partners) have corporate fraud teams that are outside of the scope of ARP.
- The Welfare Reform Act 2012 led to the creation of the Single Fraud Investigation Service to combine present arrangements for the investigation of benefit fraud which will be brought together under one organisation (the Single Fraud Investigation Service or "SFIS") managed by the Government's Department for Work and Pensions (DWP). This means that all benefit fraud work in respect of Fenland will transfer to the DWP from 1 September 2015.
- There will be a residual fraud team at ARP. This was agreed by ARP Joint Committee at its meeting on 19 March 2015.
- Benefit fraud staff not placed within the residual ARP team will transfer under existing terms and conditions to the DWP SFIS team on 1 September 2015.

3 Recommendations

That Staff Committee are requested to:

- Note the attached report

Wards Affected	All
Forward Plan Reference	N/a
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Background Paper(s)	N/a

1. Confidentiality and Public Interest

- 1.1 Before deciding whether to deal with this report as an exempt item and to exclude the press and public the Committee must first decide whether there is exempt information in the report and secondly whether the public interest should override the application of that exemption.
- 1.2 This report contains details about identifiable individuals and associated financial matters. It also refers to consultation. That information falls within categories 1, 2 & 4 of the amended Schedule 12A (information relating to an individual capable of identifying an individual and about consultation or prospective consultation). There is no definition of what the public interest is but it could in this instance involve understanding decisions taken about staffing matters given the financial impacts outlined.
- 1.3 Members will need to decide whether the sensitivity of this information relating to this matter is so great at the moment that the public interest in transparent and accountable decision-making is outweighed at this time. Members could decide that disclosing detailed financial information about identifiable individuals into the public domain at this stage or at all would breach the trust and confidence relationship between employer and employee does not equate to the Council's Data Protection Act responsibilities and could prejudice any subsequent consultations and to that extent it would be against that public interest.

2 Background

- 2.1 The following table as an estimate of the of the losses from fraudulent activity for the five ARP partners in total, based on models calculated by the Government, DWP, former Audit Commission and National and the National Fraud Authority.

Description of financial saving	Estimated financial saving (£)				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Single Person Discount fraud	120,000	75,000	50,000	50,000	50,000
Local Council Tax Support Scheme fraud	100,000	100,000	100,000	100,000	100,000
Tenancy fraud	50,000	50,000	50,000	50,000	50,000
New Homes / NDR fraud	50,000	50,000	50,000	50,000	50,000
Total financial savings	320,000	275,000	250,000	250,000	250,000

- 2.2 This represents the estimated potential savings that an ARP fraud team may be able to achieve. It must be noted that the items related to Council Tax savings will benefit the County Council and Police Authority as well as the five ARP partner Councils. On this basis these partners have been asked to contribute towards the new team's costs.
- 2.3 The full staffing costs of the current ARP Fraud Team are approximately £331,000 per annum. The team has 8.3 full-time equivalent (FTE) posts. This includes a Fraud Manager (1 FTE), Fraud Investigators (6.3 FTE) and an Administrative Support Officer (1 FTE). All members of staff are currently in scope to transfer to SFIS. Of these, two staff (both full-time) are currently employed by, and located at Fenland.
- 2.4 The provision of the current ARP Fraud Team is currently funded by a grant from the DWP. This is part of the "Housing Benefit Administrative Grant". Once benefit fraud staff and work transfers to the DWP, the grant will be reduced accordingly.
- 2.5 We have been advised by the DWP that the above grant in respect of benefit fraud will be reduced but there will still be some residual funding, after the transfer of staff and associated costs are taken into account.
- 2.6 The DWP estimate that the above grant will reduce by about £72,359 in 2015-16 and £223,313 in each subsequent year:-

	2015-16	2016-17 onwards
Staff saving	£193,010	£330,875
ARP DWP Admin Grant reduction	£72,359	£223,313
Potential funding available	£120,651	£107,562

3 Way forward agreed by the ARP Joint Committee

- 3.1 Taking into account the funding reductions referred to in section 2.6 above, the Joint Committee has agreed that based upon the potential income that a corporate counter fraud team could generate across the five ARP partners shown in section 2.1 above and

considering the potential to increase ARP capacity to trade with other authorities to provide a similar fraud function, the following resource is proposed:-

Fraud Manager	0.5 FTE	£22,500
Fraud Officers	3.0 FTE	£105,000 (£35,000 each)
Fraud Admin Officer	0.5 FTE	£12,500
Total staffing costs		£140,000

3.2 Although the staffing costs are slightly higher than residual funding available, a team of this size maximises the potential income that can be generated as well as provides an effective level of capacity to trade with other local authorities and provide a fraud function for them, which will bring additional revenue into ARP.

3.3 All the affected staff (including two at Fenland) have been consulted by current employing Councils, ARP collectively and the DWP through meetings and other communications.

4 Process and Timetable

4.1 The next step is to publish a revised job description to affected staff. The revised role has been graded as the current one.

4.2 Staff will then express an interest and a skills audit will be undertaken, together with interviews if required.

4.3 Successful applicants will then be appointed into the residual benefit fraud team under current terms and conditions, employed by the same authorities as now.

4.4 Unsuccessful candidates and those wishing to transfer to the DWP voluntarily, will therefore transfer to the DWP on 1 September 2015.

4.5 The terms and conditions of transferring staff will be unchanged.

4.6 The DWP will employ, pay and take over pension liabilities of staff transferring.

5 Staffing Implications

5.1 There are no redundancies as a result of this change. Staff will remain employed by ARP partners as now, or transfer to the DWP.

6 Recommendation

6.1 It is recommended that Staff Committee note the proposal.