

**Security Operation Group (SOG)**  
**Minutes of the SOG meeting held on Thursday, 21 May 2009 at CIPFA,**  
**London**

**Attendees:**

David Barr	DWP FESD (chair)
John Viggers	DWP LAPD (chair)
Elaine Turner	Carlisle
Tim Fisher	Haringey & London Councils
Diane Baker	Peterborough
Tracey Banfield	Bradford
Kathy Bateman	Lambeth
Steven Carey	Leeds
Jean Cheeseman	South Bucks
Liz Cooper	Audit Commission
Paul Cusworth	DWP HBIFD
John Whittingham	DWP IFD
Clare Anderson	DWP IFD
Dave White	DWP FIS
Hannah Whiteside	DWP FIS
Matt Pickersgill	IBM
Mark Craimer	DWP HRAD
Jatinder Bedi	DWP HRAD
Christopher Erben	DWP HRAD
Jaya Karlekar	DWP LAPD
Sonia Adams	DWP LAPD
Jane Perfect	DWP LAPD
Wendy Fisher	DWP LAPD (Minutes)

**Apologies:**

Jackie Dye	Camden
Karen McNeil	East Ayrshire
Andy Hyatt	Kensington & Chelsea
Andrew McLean	North Lanarkshire
Michelle Charles	DWP Debt Management
Colin Ormes	DWP IFD
James Ablewhite	DWP LAPD
Chris Bullen	DWP JCP Partnerships
Ilona Blue	DWP LAPD
Helen Steadman	DWP Comm
John Rosenbloom	Manchester

**1. Welcome and Domestics**

1.1. John Viggers welcomed all to the meeting.

## 2. Minutes of the last Meeting/Matters arising/Action Points

2.1. The minutes from the February meeting were agreed.

2.2. Comments made on the action points were as follows:

Feb 1 – Cleared - Concerns were raised that the escalation procedures referred to were not effective in obtaining claim forms or screen prints. Dave White to be asked if this is a compliance or policy issue.

Feb 2 - Cleared – DWP to respond after checking position across DWP.

Feb 7 – Cleared. **Action point May 1 – Revised SLA to be referred back to SOG after discussion.**

2.3. Matters arising:

LAAAs indicated that the NI180 figures going back to June had been adjusted. DWP confirmed that should not be the case and will check. **Action point May 2 – Mark Craimer to investigate.**

LAAAs requested that more information be provided about the One Strike Sanction and its impact on HB. **Action point May 3 - DWP to arrange that an update be provided.**

2.4. FEPT

Members were advised that the FEPT will be moving to the Fraud and Error Strategy Division (FESD) from 1st June. David Barr who heads the division will be the chair for future SOG meetings. Members agreed that HB F&E priorities had changed since last year and that this was a positive step.

## 3. HBR Figures

Presentation given on recently published HBR results.

3.1. F&E previously at 4.6% – now at 4.5%. It was felt that it may be difficult to maintain this downward trend during the economic downturn. Official error is down to 0.9% and is at an all time low. There had been a slight rise in customer error; however, it was felt that this is the more volatile of the measures anyway.

3.2. It was noted that performance in HB was generally better than the other means-tested benefits. Across all DWP benefits overpayment was at 2% against increasing expenditure.

- 3.3. Main causes of overpayments were around the failure to report earnings, or incorrect earnings. There was concern that undeclared Tax Credit was also on the increase. It was worth noting that the same issues seem to be the cause of over and under payments, namely earnings and Tax Credit, which seem to imply that the causes were complexity rather than fraud.
- 3.4. LAAs commented that the HB story was a positive one and were concerned that briefing tended to be negative. The point was made that one of the reasons for taking this position was to highlight that many of the causes lay in the complexity of the systems as opposed to action LAs may take.
- 3.5. LAAs commented that LAs appear to out perform DWP in the recovery of overpayments and would welcome some comparisons with JSA/PDCS benefits.
- 3.6. LAA requested that future updates of HBR reports should include comparisons between all the DWP benefits. Providing presentations in this way may emphasise inconsistent approaches in areas such as verification and may endorse the need for a consistent, joined up approach between JCP and LAs.
- 3.7. Steve Carey informed members of his attendance at a meeting which was also attended by Leigh Lewis where he took opportunity to raise concerns about NI180. Leigh Lewis has agreed to a review in response.
- 3.8. DWP commented that the £6k capital limit had been agreed by the SG. This is likely to increase to £10k in line with Pension Credit, although LAs do have the option to verify capital below that threshold.
- 3.9. LAAs referred to a paper on joint reviews which indicated that there was to be a fundamental change to the way that F&E was measured for JSA/IS, and sought assurances that this would not have an effect on the way that HB was measured. **Action point May 4 – Mark Craimer to arrange F&E measurement to attend future meeting to discuss the implications of changes to the measurement regime.**

#### 4. Review of Fraud & Error Work Programme

- 4.1. Budget outcome – residency. The latest budget announced that there was to be a change in the way that overpayments were calculated following a change of address within LA boundaries, namely that only the net amount would be counted. Although this is just a technicality, this legislation would reduce residency overpayments by £40m.
- 4.2. DWP/HMT HB Review. There are plans to consider Fixed Period Awards (FPA) as part of the DWP/HMT HB review. Although this is being presented as a work incentive, it is anticipated that there would be a reduction in fraud and error, particularly around earnings.

4.3. SOG members were invited to comment during the consultation process

4.4. Earning scan – Some work to be done in next few weeks to understand the reasons for the increase in referrals following the data embargo. LAAs were able to confirm that that scan was still being utilised.

#### Projects/Initiatives update

4.5. VRA – Birmingham's report on VRA progress has been shared across LAs. DWP are yet to evaluate the project. It was asked if DWP's evaluation would report not only F&E, but also customer experience and efficiency. It was noted that evaluation would consider where F&E was fast tracked, the impact on clearance times, cost and experience, and the use of VRA as a resource for reducing fraud.

4.6. Customer error pilot – LAAs suggested that it would be useful if JCP ran a pilot whereby JCP promoted reporting HB changes to LAs.

4.7. There had been an element of this practice in the customer error pilot. Evaluation will consider good practice and its application across all benefits. The exchange of information in this way is an obvious strand to consider.

4.8. IT Review – LAAs asked if SOG would be involved in review and were advised that this had not been considered, but that Frank Newton is on the Project Steering Committee.

4.9. LAAs asked if there would be a two-way process/reciprocal arrangement for any ETD. It is hoped that this element could be built in.

## 5. Additional Fraud & Error data

5.1. Members were given a presentation on the potential to provide additional HB information aimed at assisting LAs in understanding their performance with regards to the durations of change of circumstances. Possible options were to provide data that looked at either the average days, or the volume of change of circumstances between effective date and notification date.

5.2. LAAs responded that they it was more important to address the concerns around NI 180. They also stated that they did not support the supply of data of the nature described as it was too vulnerable.

5.3. Decision made that this item be withdrawn from SOG and referred back to the main DWP/LAA steering group.

**5.4. Action point May 5 – Outcome of discussions at SOG to be reported to main DWP/LAA steering group.**

## 6. VERIFICATION

6.1. A review of the verification policy has been sought by the Local Government Association via the “Lifting the burdens task force”. Paper was issued in advance of the meeting inviting SOG members to consider the details around the ways that current verification could be reduced without risk to the benefit system.

Comments were as follows:

6.2. LAAs welcome the SoS confirmation that LAs could use their discretion in their approach to verification and administration of HB as long it did not increase fraud and error.

6.3. They also welcome any progress towards a risk-based approach to verification and felt that any verification policy should reflect this.

6.4. DWP needed to define their policy with regards to verification and issue appropriate guidance. E.g. Principles of verification, responsibilities, recommendations around volumes, justification for frequency of verification.

6.5. The majority of LAs were still undertaking full verification due to concerns about possible criticism from the Audit Commission, the entry of fraud and error, and the potential impact on subsidy payments.

6.6. Audit Commission inspections look at how robust LA processes are and it is unlikely that, during an inspection, individual cases will be looked at. However, the DWP instruction to auditors in respect of the subsidy and admin grant claim audit needs to reflect any changes in guidance to LAs. Auditors test individual cases to ensure they meet the requirements as stipulated to the auditors by DWP.

6.7. Payments prior to verification need to be clearly linked to the intervention process.

6.8. Policy should mirror what takes place in JCP as there are concerns that JCP are not held to the same standard as LAs.

6.9. Any proposals considered should involve all DWP benefits, possibly via workshops.

6.10. LAs wanted the ability to set up their own strategy for verification guided by principles set out by DWP. There is a need to communicate to LAs that a risk based approach to verification can be applied so long as actions can be justified. LAs should also be advised that DWP are about to undertake a review about verification policy so that LAs can make an informed decision about the way forward in the interim.

**6.11. Action Point May 6 – DWP to investigate guidance held by Audit Commission Accounts (with a view to developing a consistent approach)**

**6.12. Action Point May 7 – SOG views to be put to steering group in June as part of development of terms of reference for verification review.**

## **7. Customer Centric**

- 7.1. A summary of the recent Customer Centric workshop was distributed in advance of the meeting.
- 7.2. IFD are considering experience of the prototype and will evaluate in order to put in place an end-to-end solution. Part of this includes obtaining comments on the scoring rules and overpayment methodology.
- 7.3. Final rules will be used as a baseline and will go ahead subject to funding arrangements. The final report will be presented to the Data Matching Steering Group.
- 7.4. There were underlying concerns about how the system (Decision Support) would cope with the management of referrals for viewback. E.g., multi matches. This aspect has gone to IT Flows to consider a technical solution to enable.

## **8. FRAIMS**

- 8.1. Presentation provided an update on the progress of FRAIMS release 2 and of the functionality developed for LAs. It also gave an indication of proposed implementation and sought SOGs views on implementation.
- 8.2. The functionality would allow LAs to access case information and details of sanctions through automated mail therefore removing the need for clerical requests to FIS investigators. Delivery is dependant on the rollout of Government Connect to LAs.
- 8.3. SOG members stated they were grateful for the steps taken so far and wanted to pursue this.
- 8.4. The preference would be that LAs involved in the pilot should be of varying sizes in order to ensure an overall understanding of any technical implications and constraints. There would also be a need to consider where potential pilot LAs were in the rollout of Government Connect.
- 8.5. It is not anticipated that there would need to be a change to the Fraud Partnership Agreement for the purposes of the pilot.
- 8.6. It was suggested that the Memorandum of understanding used for Government Connect could perhaps include FRAIMS as a way to determine use of the service.
- 8.7. In order to provide assurances to the group it was recommended that a member of SOG is nominated as a representative on the projects steering group. It was agreed that FRAIMS team would communicate directly with the volunteer LAs.

Appendix 1 - FRAIMS Presentation

## 9. FIS 2011 Vision

- 9.1. Dave White brought members up to date on a document entitled FIS 2011 Vision, which broadly described what a centralised government investigation service may look like.
- 9.2. This is only a discussion document at this stage and is yet to receive a departmental steer.
- 9.3. Views will be presented at the DWP/LAA Steering group in due course and subsequently shared with SOG members.

## 10. AOB

- 10.1. LAAs raised concerns that HMRC were giving priority to JCP work.

It was confirmed that although there was a backlog prioritising did not influence requests for information.

**Action points 8 - Dave White to make enquires and ensure that this was not the case.**

- 10.2. The escalation route for screen dumps has not been effective. LAAs asked that this be reiterated to JCP that this was important and that it may cause issues around verification.
- 10.3. LAAs asked if detailed guidance would be issued with about prosecuting telephone claims.  
There is no guidance on this. It was pointed out that any issued guidance will need to mirror the information expert domain has sent to LAs. **Action point May 9 – DWP to check with JCP what guidance can be issued to LAs.**
- 10.4. LAAs asked if it was the policy that verification is not undertaken via the CMS process in respect of HB only information. This issue will be added to the Steering Group agenda.