

Security Operation Group (SOG)
Minutes of the SOG meeting held on Thursday, 18 September 2008 at
CIPFA, London

Attendees:

John Viggers	DWP LAPD (Chair)
Jill Hawtin	Bradford MDC
Tracey Banfield	Bradford MDC
Jackie Dye	Camden
Tim Fisher	ALG & Haringey
Kathy Bateman	Lambeth
John Rosenbloom	Manchester
Steven Carey	Leeds
Jean Cheeseman	South Bucks
Terry Ritchings	Wandsworth
Darren Shillington	Audit Commission
Liz Cooper	Audit Commission
Brian Evans	DWP FIS
Mary Collins	DWP FESD
John Viggers	DWP LAPD
Jaya Karlekar	DWP LAPD
Graham Dove	DWP LAPD
John Fitzpatrick	DWP LAPD
Wendy Fisher	DWP LAPD
Bridget Smartt	DWP LAPD (Minutes)

1.0 Apologies

- 1.1 Apologies were received from Simon Lane (Brent), Andy Hyatt (Kensington and Chelsea), Elaine Turner (Carlisle), Diane Baker (Peterborough), Karen McNeil (East Ayrshire), Ian Gibbins (DWP JCP Partnerships), Jane Perfect (DWP LAPD) and Michelle Charles (DWP Debt Management).

2.0 Welcome and Domestic

- 2.1 John Viggers welcomed all to the meeting. He explained that he will be chairing the meeting as Ilona Blue was unavailable due to illness.

3.0 Minutes of the last Meeting/Matters arising/Action Points

- 3.1 Comments were made as follows:
- Action point July 3.1RIPA & SSFA powers: The LA representatives raised the issuing of circular F3 and asked that DWP ensure that:

- a consistency of approach was in place with regard to the issuing of F circulars:
 - that the opportunities for overuse and/or abuse of the system was addressed;
 - In relation to the capital matches how does the information differ from the instructions sent to LAs three years ago?
 - John Viggers said that the guidance was clear-cut in the FPI, stating that in the case of capital data matches local authorities do not contact the customer but corroborate the data first.
 - Graham Dove added that the legal position had not changed but that the guidance had. DWP's Operational Intelligence Unit's had been using this guidance since September 2006 and NAFN had also changed their guidance. F3 was a response to recent queries from the local authorities on capital data matches.
 - John Viggers confirmed that more detailed guidance aimed at clarifying the information in F3/2008 will be published at a later date.
 - Graham Dove also reported that he has been advised by the Home Office that the debate on RIPA powers is scheduled for this session of Parliament.
- 3.2 TPS: The LA representatives asked for an update on paragraph 5.1 – whether the meeting with the Procurator Fiscal (PF) had taken place and what was the outcome of the meeting. Graham Dove advised that DWP are still waiting for a response from OSAG.
- 3.3 Action Point July 1 NFI: agenda item.
- 3.4 Action point July 2: Decision Making and Appeals. The LA representatives gave an example of a Decision Maker from Stirling who had rejected a case on the basis that it should have been sent down the compliance route. Local Authorities are also being told they have to go down the FPA1 & FPA3 route. Brian Evans (JCP FIS) will be arranging up-skilling events as regions go live to verify the process. This was welcomed by LA representatives. They would also like to raise the issue of how the forms/cases are submitted e.g via Government Connect or by post.
- Action point Sept 1: Graham Dove to speak to Brian Evans to resolve the issues raised re Decision Makers at Stirling.**
- 3.5 REF2 Form – Graham Dove said that FIS have advised that it may take a while for this form to be formatted to meet LA requirements. Other members offered a quick solution.

- 3.6 Action point July 3 Targeting Benefit Thieves Campaign: agenda item.
- 3.7 Action point July 4 HBMS Operations update: cleared
- 3.8 Action point July 5 Welfare Reform Green Paper: As stated in the update, the questions posed in the Green Paper are part of the Sanctions Review. FESD are looking for input from local authorities, but currently have nothing further to report.

4.0 Alignment of Verification Capital

- 4.1 The LA representatives commented on the supplementary note sent by Jaya Karlekar prior to the meeting. This follows a paper presented to the Fraud Operational Group in May 2007. She now requires comments on the implementation process prior to wider circulation to the local authorities.
- 4.2 The local authority representatives commented that:
 - they could not sign up to the estimates of savings and impact on fraud and error;
 - from a security aspect the circular should address whether the customer has/does not have a bank account;
 - a statement should be included where information concerning the amount of occupational pension and other income can be declared;
 - DWP must bear in mind that the instructions must be clear and not implied;
 - JCP publicises on their website that they do not do checks for savings under £6k;
 - Guidance could also mention how data matching might help to ease concerns;
 - How the use of SSFA powers can help;
 - Software implications-they did not think there were any;
 - Local authorities can use the instructions with immediate effect if they see fit;
 - What is the view of the Audit Commission and what is being done to mitigate the process as this will be an issue when the local authorities are being audited;
 - They remain concerned that DWP is giving out confusing/contradictory messages on the importance of verification.
- 4.3 Liz Cooper added that she suspects the Audit Commission will look at how the regulations are applied and the management of the service and act accordingly.
- 4.4 Jaya Karlekar replied that DWP can only give guidance if local authorities feel there is a reason for further checks as is presently the case. Then it should be carried out on a case by case basis.

Action Point Sept 2: Jaya Karlaker agreed to send the circular for QandA by SOG members prior to publication.

5.0 NFI Evaluation 2007/08

5.1 Darren Shillington from the Audit Commission and Janet Thacker (JCP FIS) were on hand to address any queries raised on the paper circulated prior to the meeting.

5.2 The LA representatives said they will need to look into the results shown, especially in the wake of the data match suspension last year. TPS have done nothing on this so it would be better for cases to go back to the local authorities following the one-year experiment. The Audit Commission must look at what is needed from JCP and TPS if local authorities are to take forward sanctions and prosecutions without barriers from DWP

5.3 They proposed that a workshop be held to address these and other issues, including:

- Access;
- Processes;
- WRA intentions;
- Better engagement by TPS.

5.4 Janet Thacker added that the volume of referrals that met criminal conditionality was low. The strike rate on these cases delivered sanctions in only 2% of referrals received. FIS will not accept primary ownership for some NFI workstreams next year but will consider any requests to joint work such cases taken by HB investigators. FIS will consider NFI criminal referrals where no HB is involved and data matching legal requirements can be ironed out.

5.5 The LA representatives said that this infers that the criminal conditionality process needs to be looked at. The Audit Commission is looking at how the key causes can be processed. John Viggers said that the exercise may not have delivered all the hoped for results but at least in future we can speak to all those involved including JCP, FIS representatives, SOG members, and TPS to address pension credit issues and joint working.

6.0 Performance Development Team (PDT)- Improving Performance Data Matching

6.1 John Fitzpatrick gave an overview of how PDT is looking at improving security performance data matching across all local authorities. DWP had created a new intervention for tackling fraud referrals from poor performing local authorities. Through engagement with senior stakeholder management, site visits, processed walkthroughs and

instant feedback, PDT have so far had encouraging results. His presentation included:

- Common issues – he said that those identified included referrals not actioned properly or not sifted correctly, results incorrectly reported, problems with negative outcome codes and inefficient processes.
- Results – The intervention has changed how hit rate data matches are perceived by the authorities, with some showing a 45% improvement after intervention.
- Next steps – PDT will continue to work with the Fraud and Error Policy team (FEPT), HRAD, SOG, HBMS, IRRV to improve service and publicise performance. A good practice guide will be published and PDT will also consider whether the methodology could be used in other business areas.

6.2 The LA representatives commented:

- They would welcome an analysis of data matches on why local authorities are successful;
- This information should be sent to the local authorities and to include comparisons between the local authorities.

Action point Sept 3: John Fitzpatrick to send proposals to SOG for Q and A, to include how the data is presented prior to sending to HBMS.

7.0 Royal Mail Do Not Redirect

7.1 Following the request for information from local authorities in HB/CTB Circular G16/2008, Graham Dove reported that so far 50 responses had been received. The majority supported the continuation of the scheme which they felt acted as a worthwhile deterrent to fraud..

7.2 DWP are of the opinion therefore that the scheme should continue, but there was a need to manage the contract better and discuss with Royal Mail those areas where the scheme is not effective. LA representatives were still of the opinion that the service did not offer good value for money.

8.0 Projects Update

8.1 John Viggers asked the LA representatives how they would like future updates to be presented, bearing in mind that an update is also given at the LAA Steering Group. Debbie Gupta, the Performance Director has a remit to reduce fraud and error based on the Departmental Objective DSO6.

- The local authority representatives commented that the figure of £740m loss due to HB fraud and error does not apply as the local authorities recover approximately £350m per year;

- VRA – In Phase II, DWP are looking more broadly to include cost, new claims, earnings and reviews, better data sharing, improvement of IT making conversation between local authorities much easier thereby decreasing human error;
- The Right Benefit toolkit will offer local authorities the ‘best mix’ of activities to follow when dealing with changes of circumstances;
- Harmonisation of Verification is being used by DWP for cost implications, not security.

8.3 The LA representatives commented that TPS do not use VRA on their telephone. Likewise for the Verification Pilot, the onus will be for local authorities to get the information required from customers. They would also like to know who will do the security analysis of the pilot as the relevant expertise may not be available in the local authorities.

Action point Sept 4: LAPD to invite Debbie Gupta to a future SOG Meeting.

Action point Sept 5: SOG asked for a written update on the projects for the next meeting.

9.0 FRAIMS

9.1 Graham Dove had circulated prior to the meeting the summary and recommendations from the August workshop. These recommendations were presented to the FRAIMS Programme Board which focused on what can be done in the short term. The LA representatives said they preferred Option 1 and wanted to know why it had not been given more prominence. In particular they wanted the ability to transfer electronically and in batch LAs cases being investigated. They asked that Dave White (JCP FIS) be invited to a future meeting where these issues can be put to him.

Action point Sept 6: FEPT (LAPD) will invite Dave White to a future meeting re FRAIMS

10.0 Targeting Benefit Thieves Campaign 2008

10.1 Helen Steadman of the DWP Central and Corporate Services-Communications Group gave a short update on the campaign. 30 local authorities will be part of the roll-out next week, with the remaining 10 used as a control group. Templates will be available for participating local authorities to insert their own contact details and logos. At the October meeting, Helen will discuss the ‘Killer Facts’.

11.0 AOB

- 11.1 A local authority has contacted SOG to ask whether DWP could contribute towards their Barrister's fees as they were in the process of taking a joint prosecution to Crown Court. It was agreed that this was not possible. It was suggested that the LA should make use of the DWP's Prosecution Department's services in the future.
- 11.2 Security Industry Authority (SIA) – John Rosenbloom asked to make SOG aware of a consultation document issued by SIA last year on Private Investigators. It did not apply to Government Department investigators as they are exempt from licensing but was not clear on those investigators from local authorities. DWP was asked to comment on this to the Home Office.
- 11.3 The National Identify Fraud Unit (NIFU) offers courses to local authorities but not staff employed by a private company. LA representatives asked if this guidance could be changed.
- 11.4 Compliance Working Party – Graham Dove asked who had been the LA representatives on this working party. It was suggested that Diane Baker or Karen McNeil had attended previously.
- 11.5 Welfare Reform Green Paper – Graham Dove advised the group that the consultation period ends 22 October and responses will be considered as part of the Sanctions Review.
- 11.6 Jobcentre Plus – LA representatives said that in one case an appeal was upheld at Tribunal over the case of customers who had been informed by DWP that they did not need to tell the local authority that they were in receipt of Incapacity Benefit. In another case a potential LA investigation was sent to JCP and they put it down their Compliance route. Can DWP advise how this should be dealt with by the LAs?
- 11.7 Dormant cases – the LA representatives wanted clarification on how long DWP keep ordinary case files. Graham Dove said that the policy was that they were kept for 14 months after going dormant. LA representatives asked that investigators be made aware of what the policy is, possibly highlighting details of the retention policy in the FPI.

Action point Sept 7: Graham Dove was asked to follow up these issues.

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