



Report of the Director of Resources

Executive Board

Date: 17th October 2007

Subject: Single Managed Fraud Team

Electoral Wards Affected: ALL

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

Executive Summary

The report sets out the benefits of Leeds City Council and Jobcentre Plus working together to provide a single-managed counter fraud service dealing with allegations of fraud in relation to the full range of benefits administered by the two organisations.

The proposal recognises the substantial overlap in casework that currently exists between the two organisations and the positive history of joint working between the organisations. Importantly the proposal recognises the significant benefits of establishing a single-managed team in respect of public perceptions around fraud investigation, consistency of outcome for similar benefit frauds, the scope for sharing best practice and the additional capacity for tackling fraud by the generation of efficiencies and improved access to data and intelligence.

The day-to-day management of counter-fraud activities will be lead by Jobcentre Plus with the initiative being overseen by a Joint Management Board consisting of senior Leeds City Council and Jobcentre Plus officers. The Joint Management Board will provide accountability to elected members and senior officers and will lead on matters of strategy, policy, performance monitoring and high-level resource allocation.

1.0 Purpose Of This Report

1.1 The report seeks approval for establishing a single-managed Counter-fraud Service for Leeds

2.0 Background Information

2.1 Both Leeds City Council and Jobcentre Plus operate successful counter-fraud services in the Leeds area:

- Leeds City Council's counter fraud service investigates fraud against Housing Benefit and Council Tax Benefit. Because of the way the benefits are linked, this involves investigating entitlement to Income Support or Jobseekers Allowance in the majority of cases;
- Jobcentre Plus' Fraud Investigation Service (FIS) investigates fraud against 'national' benefits, mainly Income Support and Jobseekers Allowance but also Incapacity Benefit and other disability benefits.

2.2 There is a significant overlap between the caseload of both organisations and there is a positive history of joint-working between the organisations at an individual case level. Both Leeds City Council and Jobcentre Plus also use the same solicitor's service when prosecuting benefit fraud, namely DWP's Solicitors Prosecution service.

2.3 The benefits of a single-managed counter-fraud service are (see appendix 1 for more details of benefits):

- Shared strategy and goals
- 'Whole case' approach to benefit fraud
- Removal of duplication and identification of efficiencies
- Improved access to data and information
- Improved use of fraud intelligence
- Improved capacity to investigate benefit fraud
- Development of best practice
- Single point for all allegations of benefit fraud
- Improved public confidence arising from perceptions of a seamless single fraud service dealing with all benefits

3.0 Main Issues

3.1 The proposal is to create a single-managed counter fraud service working under a Joint Management Board consisting of senior Leeds City Council and Jobcentre Plus officers. The Joint Management Board (JMB) will be responsible for setting the strategy for the service, monitoring the performance of the team, implementing Leeds City Council and Jobcentre Plus policy requirements and providing assurance and accountability to elected members and relevant officers (see appendix 2 for JMB Terms of Reference).

3.2 Below the Joint Management Board both Leeds City Council and Jobcentre Plus will continue to provide counter-fraud services but with Jobcentre Plus leading on the day-to-day workload allocation and caseload management. Ultimately the intention is to have Leeds City Council and Jobcentre Plus fraud services located together and working side by side. It is expected that this will be achieved in two phases:

- Phase 1 will see the establishment of the Joint Management Board and the Jobcentre Plus lead on workload allocation and caseload management.
- Phase 2 will see Leeds City Council and Jobcentre Plus staff co-located on Jobcentre plus premises at Southern House on York Road and at Century House in Pudsey. Under this arrangement all Leeds City Council staff will remain employees of Leeds City Council operating under Leeds City Council policies and carrying out work that is significantly the same type as the work they currently undertake. This phase is important in helping to maximise efficiencies from the single-managed team and in developing a truly joined-up approach to counter fraud work, including the ability for all staff in the teams to be able to deal with allegations of fraud relating to any of the benefits administered by Leeds Benefits Service or Jobcentre Plus.

3.3 There are no intentions within this proposal to reduce the overall number of officers currently involved in investigating benefit fraud. Instead it is expected that the single-managed approach to dealing with benefit fraud will increase the scope and capacity of fraud investigation within Leeds and may provide a model for others to follow.

4.0 Implications For Council Policy And Governance

4.1 The Single Managed Fraud Team arrangement will comply with the Council's Prosecution Policy and will provide accountability to elected members and senior officers through the Joint Management Board.

5.0 Legal And Resource Implications

5.1 Both Jobcentre Plus and Leeds City Council will continue to carry out their duties to secure the benefit systems against fraud and error but will carry out these duties by working collaboratively together.

5.2 There are implementation costs arising from the installation of Leeds City Council systems in Jobcentre Plus offices and from the operation of the Excess Travel Local Conditions of Service Scheme. These costs will be met from existing budgets.

6.0 Conclusions

6.1 The establishment of a single managed counter fraud team provides the opportunity to increase capacity to investigate allegations of benefit fraud as well as leading to operational efficiencies and improved public confidence in the investigation agencies

6.2 The proposal also supports the growing agenda around collaborative working and shared services.

7.0 Recommendations

7.1 Executive Board are asked to approve the establishment of a single managed fraud team that will see operational management provided by Jobcentre Plus and strategic management provided by a Joint Management Board

Appendix 1 – Key benefits of a single-managed fraud investigation service

- Shared strategy and goals
 - The Joint Management Board will develop a cross-cutting annual Business Plan setting out the priorities and goals of the single managed fraud investigation service;
 - The Business Plan will recognise the different target and performance regimes that currently operate, with the Council focus on Best Value Performance Indicators and measures that support the Comprehensive Performance Assessment process;
 - The Joint Management Board will help to ensure a better consistency of outcomes in relation to the application of sanctions for similar benefit frauds across the range of benefits. The outcomes will support the Council's Prosecution Policy which is similar, in its impact, to the DWP's policy on sanctions.
- 'Whole case' approach to benefit fraud
 - The single-managed fraud investigation service supports a claimant-centric approach to dealing with benefit fraud. Currently, it is not uncommon for claimants to be investigated for fraud against one benefit only when there may in fact be fraud against multiple benefits;
 - A 'whole case' approach to benefit fraud is expected to provide an improved deterrent against benefit fraud and result in the application of more appropriate sanctions that recognise the totality of the benefit fraud committed.
- Removal of duplication and identification of efficiencies
 - Officers currently work together to investigate linked benefit fraud and the single managed fraud investigation service will better support officers to undertake the full investigation independently;
 - The administration of the interaction between the fraud investigation services will change particularly following relocation and will result in streamlining of paperwork, pro formas, formal work requests, etc.
- Improved access to data and information
 - Following co-location, a Single-managed fraud investigation service will have better access to a wider range of data and information to support investigations
- Single point for all allegations of benefit fraud and improved public confidence arising from perceptions of a seamless single fraud service dealing with all benefits
 - A Single-managed fraud investigation service will provide real evidence of the determination of fraud investigation services to work together to tackle benefit fraud;
 - Proposals allow for single sets of publicity material, use of shared fraud hotlines and a single contact service point for allegations of benefit fraud

Appendix 2 – Joint Management Board Terms of Reference

Purpose of the Joint Management Board

The Joint Management Board will provide strategic and operational direction for the Single-managed fraud investigation service. This includes:

- ❑ Agreeing an annual business plan for the investigation of benefit fraud;
- ❑ Providing a strategic steer for the investigation of benefit fraud in Leeds that meets the requirements of LCC and Jobcentre Plus;
- ❑ Reviewing the strategic steer to reflect revised legislative, policy or operational matters;
- ❑ Receiving and reviewing performance management reports;
- ❑ Resolving operational issues that cannot be resolved at a lower level;
- ❑ Engendering commitment from relevant LCC and Jobcentre Plus officers to the ongoing development of the Single-managed fraud investigation service;
- ❑ Providing assurance to elected members and officials on the adequacy of arrangements for dealing with benefit fraud

Membership

The standing membership of the Joint Management Board will consist of:

- ❑ Vernon Sanderson, Fraud Investigation Service regional Manager
- ❑ Steve Carey, Head of Leeds Benefits Service
- ❑ Adele Gordon,
- ❑ Steve Blighton, Visits and Security Manager

The Joint Management Board membership will be supplemented where required by officers from Leeds City Council's Audit and Risk Division.

Methodology

The Joint Management Board will meet on a monthly basis and all meetings will be formally minuted;

The Joint Management Board will receive a monthly performance report along with an issues report relating to the operational activity of the team;

The Joint Management Board will produce quarterly accountability reports on the adequacy of arrangements for dealing with benefit fraud;

The Joint Management Board will produce an annual business plan setting out the priorities and targets for the Single-managed fraud investigation service.

Venue and secretarial arrangements will be by agreement from meeting to meeting.