

Withdrawn

This publication is withdrawn.

This publication is no longer current.

Statistical Notice

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Coverage: Great Britain
Theme: Social and Welfare



Department for Work & Pensions

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Feedback is welcome

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Changes to “Fraud and Error in the Benefit System” National Statistics publication format

This statistical notice invites users to provide comments on the proposed changes to the 2013/14 Fraud and Error in the Benefit System Estimates, to be published in November 2014.

In summary, the proposals are:

- In order to focus our publication on commentary and analysis that aid interpretation, we propose to produce one report, including commentary, charts and summary tables - instead of a separate First Release and Report as is currently produced;
- No reduction in the amount of data released, just a change in format;
- All the existing data in tables contained within the PDF of the Report will still be published as Excel spreadsheets on the relevant website;
- The report would be shorter than the existing one, and would focus on commenting on and analysing the key findings;
- Maintain the designing of new Infographics for each release;
- The background and methodology information currently part of the main report will be included in one document that is updated at each release;

An example of the proposal, drafted using 2013/14 preliminary estimates published in May 2014, can be found using the following link:

<https://www.gov.uk/government/publications/fraud-and-error-in-the-benefit-system-statistics-proposed-changes>

The proposal contains:

- Draft Release 1314P – Adobe Acrobat pdf
- Background and Methodology – Adobe Acrobat pdf
- Tables FEMA 1314P – Microsoft Excel
- Charts FEMA 1314P – Microsoft Excel

1 Proposed Changes to the publication

1.1 In order to focus our publication on commentary and analysis that aid interpretation, we propose to produce one report, including commentary, charts and summary tables - instead of a separate First Release and Report as is currently produced. The report would be shorter than the existing one, and would focus on commenting on and analysing the key findings. We will maintain the Infographics to highlight key messages in a short, visual format.

1.2 Our proposed format for the publication is as follows:

- Headlines about the overall loss to the benefit system
- Background information
- Overpayments
- Underpayments
- Expenditure
- Comparisons across the benefit system
- Headlines about:
 - Income Support
 - Jobseeker's Allowance
 - Pension Credit
 - Employment and Support Allowance
 - Housing Benefit

1.3 We propose to release the following tables to support the publication:

| | |
|-------------|--|
| Table 1 OPs | Overpayment time series for all benefit expenditure, broken down by benefit: 2005/06 – 20013/14 |
| Table 2 Ops | Overpayments for IS, JSA, ESA, PC and HB by error type and error code: 2013/14 |
| Table 3 Ops | Overpayment Incorrectness for IS, JSA, ESA, PC and HB by error type: 2013/14 |
| Table 4 Ops | Overpayments for IS, JSA, ESA, PC and HB by error type, claimant age and gender: 2013/14 |
| Table 1 UPs | Underpayment time series for all benefit expenditure, broken down by benefit: 2005/06 – 20013/14 |
| Table 2 Ups | Underpayments for IS, JSA, ESA, PC and HB by error type and error code: 2013/14 |
| Table 3 Ups | Underpayment Incorrectness for IS, JSA, ESA, PC and HB by error type: 2013/14 |
| Table 4 UPs | Underpayments for IS, JSA, ESA, PC and HB by error type, claimant age and gender: 2013/14 |

- 1.4 We will also produce charts to support these tables.
- 1.5 No data currently available will be removed. All of the existing tables contained within the PDF of the Report will still be published as Excel spreadsheets on the relevant GOV.UK web-page.
- 1.6 If the proposals are accepted, the November 2014 release would be in the new format.
- 1.7 An example of the proposal, drafted using 2013/14 preliminary estimates published in May 2014, can be found using the following link:

<https://www.gov.uk/government/publications/fraud-and-error-in-the-benefit-system-statistics-proposed-changes>

- 1.8 The proposal contains:
- Draft Release – Adobe Acrobat pdf
 - Background and Methodology – Adobe Acrobat pdf
 - Tables FEMA 1314P – Microsoft Excel
 - Charts FEMA 1314P – Microsoft Excel

2 Comments

If you have any comments on these proposals, please contact us by 31st August 2014.

Email: caxtonhouse.femaenquiries@dpw.gsi.gov.uk

Call: 0191 216 6840

3 What are the Fraud and Error in the Benefit System Estimates?

- 3.1 Estimates of fraud and error for various benefits have been derived using three different methods, now described:
- 3.2 Continuously reviewed benefits
- Fraud, claimant error and official error (see definitions below) for Income Support, Jobseeker's Allowance, Employment and Support Allowance, Pension Credit and Housing Benefit are measured on a continuous basis and expenditure on these benefits accounts for 30% of all benefit expenditure. Official error is measured continuously in State Pension, therefore meaning that 81% of all benefit expenditure is measured for official error on a continuous basis.
 - Estimates are produced by statistical analysis of data collected through continuous survey exercises, in which independent specially trained

staff from the Department's Performance Measurement team, review a randomly selected sample of cases each year.

- For Income Support, Jobseeker's Allowance, Employment and Support Allowance, Pension Credit and Housing Benefit the review process involves the following activity:
 - Local Authority (LA) systems to develop an initial picture and to identify Previewing the case by collating information from a variety of DWP or any discrepancies between information from different sources;
 - Interviewing the claimant at their home, using a structured and detailed set of questions about the basis of their claim. This aims to identify any discrepancies between the claimant's current circumstances and the circumstances upon which their benefit claim was based.
- If a suspicion of fraud is identified, an investigation is undertaken by a trained Fraud Investigator with the aim of resolving the suspicion.

3.3 Occasionally reviewed benefits

- Since 1995, the Department has carried out National Benefit Reviews (NBRs) for various benefits to estimate the level of fraud and error in a particular financial year following the same process outlined in 1.8 and 1.9 above. These benefits cover 61% of total expenditure. Please see Annex 5 for details of benefits covered by occasional reviews

3.4 Unreviewed benefits

- The remaining benefits, which account for around 9% of total benefit expenditure, have never been subject to a specific review. These benefits tend to have relatively low expenditure which means it is not cost effective to undertake a review. For these benefits the estimates are based on assumptions about the likely level of fraud and error.

3.5 Discrepancies found between the discrepancies between the claimant's current circumstances and the circumstances upon which their benefit claim was based are classified as one of the following:

- **Fraud:** This includes all cases where the following three conditions apply:
 - the basic conditions for receipt of benefit, or the rate of benefit in payment, are not being met;
 - the claimant can reasonably be expected to be aware of the effect on entitlement;
 - benefit stops or reduces as a result of the review.

- **Claimant Error:** The claimant has provided inaccurate or incomplete information, or failed to report a change in their circumstances, but there is no fraudulent intent on the claimant's part.
- **Official Error:** Benefit has been paid incorrectly due to inaction, delay or a mistaken assessment by the DWP, a Local Authority or Her Majesty's Revenue and Customs.

4 How are the estimates used?

4.1 The fraud and error estimates can be used for:

- Obtaining an estimate for the amount over/underpaid in total and by benefit, and broken down into fraud, claimant error and official error, across the benefits administered by the DWP and Local Authorities.
- Obtaining estimates for the amount over/underpaid by benefit, broken down into the types of fraud, claimant error and official error, across Income Support, Jobseeker's Allowance, Employment and Support Allowance, Pension Credit and Housing Benefit.

4.2 Within DWP these statistics are used to evaluate, develop and support fraud and error policy, strategy and operational decisions, initiatives, options and business plans through understanding the causes of fraud and error.

4.3 The fraud and error estimates are used as measures in the following reports:

- The fraud and error estimates are used to measure the impact indicator in the DWP business plan: Total cost to the taxpayer of fraud and error for benefit claims. The latest DWP business plan is available here: <https://www.gov.uk/government/publications/business-plan-2012-to-2015--2>
- The fraud and error statistics form part of the DWP Business Plan transparency measures: <https://www.gov.uk/government/publications/dwp-business-plan-transparency-measures>
- The impact indicator, Total cost to the taxpayer of fraud and error for benefit claims, is published in the Business Plan Quarterly Data Summary, available here: <https://www.gov.uk/government/organisations/department-for-work-pensions/series/business-plan-quarterly-data-summary--2>
- The fraud and error statistics, published in May each year, feed into the DWP accounts. The preliminary 2013/14 estimates published here will feed into the 2013/14 DWP annual report and accounts due to be published in summer 2014. The preliminary 2012/13 estimates fed into the 2012/13 DWP annual report and accounts published on 10th December 2013 and can be found here:

<https://www.gov.uk/government/publications/department-for-work-and-pensions-annual-report-and-accounts-2012-to-2013>

- The statistics feed into the annual HM Revenue and Customs National Insurance Fund accounts. These are available in the National Insurance Fund Accounts section of the HMRC reports page: <https://www.gov.uk/government/publications/national-insurance-fund-accounts>
- The fraud statistics feed into the National Fraud Authority's Annual Fraud Indicator which estimates the cost of fraud to the UK: <https://www.gov.uk/government/publications/annual-fraud-indicator>
- The fraud and error estimates are used to answer Parliamentary Questions and Freedom of Information requests.