



House of Commons

Committee of Public Accounts

**Department for Work
and Pensions:
Management of
Benefit Overpayment
Debt**

**Twentieth Report of Session
2009–10**



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*Report, together with formal minutes, oral and
written evidence*

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The Committee of Public Accounts

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The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pac>. A list of Reports of the Committee in the present Session is at the back of this volume.

Committee staff

The current staff of the Committee is Sian Woodward (Clerk), Lori Verwaerde (Senior Committee Assistant), Pam Morris and Jane Lauder (Committee Assistants) and Alex Paterson (Media Officer).

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Summary

The Department has been successful in improving the effectiveness of its debt identification, referral and recovery procedures, increasing cash recoveries from £180 million in 2005–06 to £281 million in 2008–09. However, yet again, evidence proves that the Department needs to significantly improve how it makes benefit payments. The total amount of money owed to the Department as the result of benefit overpayments is now £1.85 billion and is rising as recoveries are not keeping pace with the increase in referrals. As the rate at which debt can be recovered is limited by the financial circumstances of many of the Department's customers, the current economic downturn may place further pressure on the debt stock.

Helping customers avoid getting into debt is important for both the Department and its customers in managing their finances, and the increasing total level of debt reflects the difficulty of recovering money once overpayments have occurred. Overpayments arising from Income Support accounted for over 70% of all debts at 31 March 2008. It is therefore critical that the Department improves its debt prevention procedures and intervenes more directly to check that the circumstances of customers have not changed. It should also increase its knowledge of customers, such as by risk profiling.

In 2007–08, some £9.3 million of small overpayments below £65 were written off because the Department considered them too small to justify the cost of recovery action. But the Department does not distinguish between different types of debtor or different recovery routes in assessing whether the costs of recovery are likely to outweigh the benefits. Moreover, the Department does not have a reliable means of verifying what level of repayment its debtors can afford and this process is open to abuse. It has begun to assess the feasibility of selling off some or all of its debt but would need to safeguard the welfare of vulnerable customers in any future sale.

The Department has been slow to improve the quality of its management information. It needs to benchmark performance more actively with the private sector and assess the relative cost effectiveness of different recovery processes.

On the basis of a Report by the Comptroller and Auditor General,¹ we took evidence from the Department on the action it was taking to tackle overpayment and stem the rising trend in benefit debt; improve its knowledge of its client base; and set realistic targets to improve debt collection and improve write-off.

1 C&AG's Report, Session 2008–09, *Department of Work and Pensions: Management of Benefit Overpayment Debt*, HC (2008–09) 294

Conclusions and recommendations

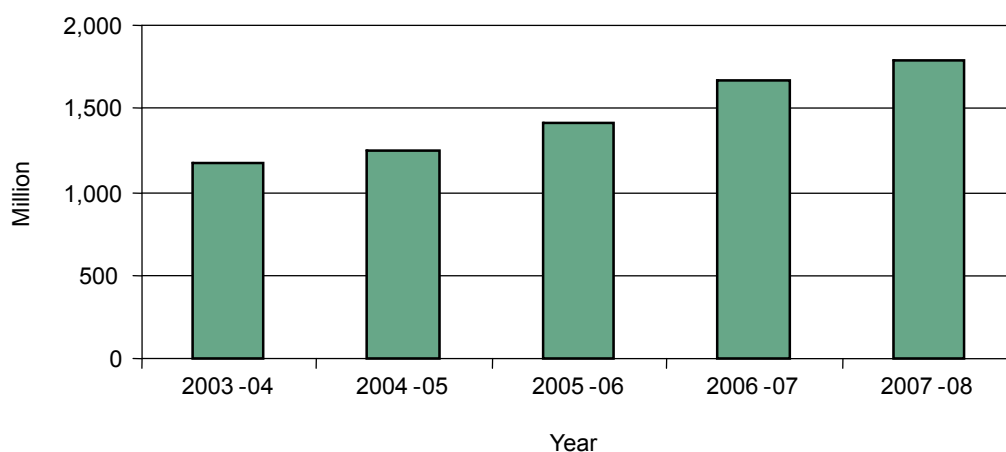
- 1. Benefit debt has risen from £1.67 billion in 2006–07 to £1.85 billion in 2008–09.** The Department attributes this increase to improvements in its processes for identifying and referring overpayments for recovery. Most debt arises when people's circumstances change, such as when they get a job which reduces their entitlement to benefits. Starting with Income Support, the Department should urgently pilot new interventions such as texting customers, messaging, phone contact and web-based advice to remind them of the need to inform the Department of any changes in circumstance which may affect entitlement.
- 2. Around 70% of benefit error arises from the payment of Income Support, which has a high volume of large overpayments and a limited level of post-payment review checks.** As a priority, the Department needs to review its procedures for validating and reviewing Income Support claims, and should consider introducing a three-tiered investigation programme, whereby a proportion is selected for desk review, a proportion for a local visit and a proportion for a delayed visit, say, after three or six months. The Department should also, as a matter of urgency, identify which other benefits are most susceptible to error and overpayment and put in place measures to resolve recurring problems.
- 3. Nearly half the debt, some £900 million, is owed by debtors with multiple debts. Over 100,000 customers have four debts or more and a third of all debtors owe £10,000 or more.** The Department has introduced new initiatives such as encouraging debtors to pay off debts in lump sums, has set up a Large Debtors unit and is working closely with HM Revenue and Customs to focus attention on claimants with the largest debts. The Department should set targets to reduce the debt owed by customers with multiple and high value debts, monitor its performance and report annually on its success.
- 4. The Department has not analysed its customers to identify those groups who are at greatest risk of overpayments which result in them owing money back to the Department.** As recovering debt is both slow and difficult, preventing customers getting into debt in the first place is key to reducing the level of debt in future. The Department should develop a means of analysing its customers by risk to improve the effectiveness of its debt prevention work and so reduce the amount of error entering the system.
- 5. The absence of a government-wide register of debts and debtors results in duplication of effort across central and local government.** We recognise that creating such a register would be an expensive and difficult undertaking. However, the Department should take the lead, working with the Treasury, other departments and local authorities, in identifying how it could share information and collaborate more effectively with other parts of government in managing and recovering debt.

6. **The Department does not have a target for repayment from ‘off-benefit’ debtors—those no longer claiming benefits—and the repayment rate has been low, with just 24% making payments for the year ending 30 September 2008.** As part of its implementation of the Combined Single Work Queue in 2010, the Department should set itself targets to manage overpayments more effectively for those customers who regularly move on and off benefit. It should also benchmark its performance against other organisations engaged in debt recovery.
7. **The Department wrote off £9.2 million in debts from small overpayments in 2007–08 as a result of its write-off policy for debts below £65.** The Department should keep this threshold under regular review and should identify an appropriate write-off level for each type of overpayment, taking into account the cost and likelihood of recovery.
8. **The Department has not fully explored the option of selling off all or part of its uncollectible debt to a third party.** The Department must also provide adequate safeguards to protect vulnerable individuals from over-aggressive recovery actions from third parties acting on its behalf.
9. **The Department’s ongoing review of the way it conducts its business** covers write-off policy, the feasibility of selling off debt to another organisation and the possibility of incentivising people, particularly those who are ‘off-benefit’, to pay off their debt in one go. To improve its intelligence and management of overpayments, the Department should extend the review to include: benchmarking with public and private sector organisations; risk profiling; and analysis of the regional spread of indebtedness and its causes.

1 Moving more swiftly to tackle overpayment and the rising trend in benefit debt

1. As at 31 March 2009, the Department for Work and Pensions (the Department) was owed £1.85 billion from its customers as a result of the overpayment of benefits, an increase of 11% on the £1.67 billion that had been owed two years previously.² The Department has made some good progress and the proportion of recoveries to the total amount owed has risen from 13.3% in 2005–06 to 15.3% in 2007–08 (**Figure 1**). However, the total ‘debt stock’ has risen substantially over the last four or five years. The Department attributed this to an improvement in performance in the volume of referrals of benefit overpayments for recovery action. The number of referrals being made by Jobcentre Plus and the Pension, Disability and Carers Service to the central debt recovery team have increased by 60% since 2005–06, and the Department considered it is set to achieve its target of referring 95% of overpayments for recovery action.³

Figure 1: Total Value of Benefit Overpayment Debt 2003–04 to 2007–08



Source: C&AG's Report, Figure 10

2. Seventy per cent of benefit debt arose from the payment of Income Support.⁴ This benefit is largely means-tested and has a high volume of large value overpayments.⁵ The Department's biggest challenge is reducing debt from Income Support to a more acceptable level.⁶ While the Department undertakes risk-based checks on Income Support cases, these reviews usually only take place once a year, and only the risk that triggered the

2 Q 2

3 Q 35

4 Q 53

5 C&AG's Report, para 2.2

6 Q 54

review is examined, so the case is not subject to a full case check. Given that the total value of Income Support debt is over £1.2 billion,⁷ this limited level of checking is inadequate.⁸

3. Some £900 million (46% of the debt) was owed by debtors with multiple debts⁹ and the Department had 100,000 customers with four or more debts. Multiple debts account for 35% of all debtors.¹⁰ There were 44,000 people with six to 10 debts and 12,000 with 11 to 20 debts. Multiple debts reduce the Department's capacity to recover debt quickly, as only one debt can be recovered at a time and there are statutory limits on what it can recover on affordability grounds.¹¹ Recovery of benefit debt is generally limited to a maximum of £9.75 per week for those still on benefit.¹² The Department is introducing new initiatives such as encouraging debtors to pay off debts in lump sums.¹³

4. The Department has concentrated much more than it has done in the past on large debtors. A third of the debt was owed by those owing more than £10,000, despite the fact that they made up less than 3% of all debtors (**Figure 2**).¹⁴ Conversely, only about 10% of the debt, £182 million, was owed by those owing less than £500, though they made up in quantity 61% of all the debtors.¹⁵ Prompted by the C&AG's report, the Department has set up a Large Debtors unit specifically to focus on whether it can do more to recover from the relatively small number of people who owe it the most money.¹⁶

Figure 2: Average Debt Balances as at 31 March 2008

Debt Value £	Total Debt £ (millions)	Total Number of Debtors (thousands)	Average Balance £	Number of Weeks to recover at £9 per week
<65	8.0	229.9	35	4
65–100	11.1	134.6	82	9
101–250	52.8	314.5	168	19
251–500	110.1	305.0	361	40
501–1,000	180.6	255.1	708	79
1,001–5,000	611.8	286.2	2,138	238
5,001–10,000	340.6	49.1	6,937	771
10,001–20,000	309.2	22.6	13,681	1,520
Over 20,000	263.0	8.6	30,581	3,398

Source: NAO analysis of departmental data—includes Housing Benefit and Social Fund

7 C&AG's Report, Figure 5

8 Q 23

9 C&AG's Report, Figure 9

10 Q 18

11 Q 7

12 Q 55

13 Q 28

14 Q 2

15 C&AG's Report, para 2.3

16 Q 2

2 Improving the Department's knowledge of its client base

5. The Department collects a significant amount of information on customers but does not have a sophisticated risk profile to attach weights to different groups of customers and has been unable to work out respective rates of return. It has been slow to develop customer risk profiles.¹⁷ It has undertaken limited customer profiling, but the effectiveness of debt recovery across different debtor profiles, including age, sex, size of debt and debtor history, has not been measured or monitored by the Department.¹⁸ Other organisations categorise debtors by risk, for example we recommended, at least five years ago, that HM Revenue and Customs should develop scoring techniques to categorise debtors by risk.¹⁹

6. Risk profiling has helped other organisations significantly improve their performance. We have recently taken evidence, for example, from HM Revenue and Customs regarding an energy supplier who used customer-level data to produce scoring models, segmented customers into groups, and tested alternative recovery strategies on different groups.²⁰ The organisation reported reductions in total debt of 8% and in debt greater than six months old of 28%. Similarly, a debt collection agency reported improvements, ranging from 15% to 40%, in the amount collected for different debtor groups following the introduction of risk scoring.²¹

7. The absence of a government-wide register of debts and debtors resulted in duplication of effort across central and local government. Though such a register would be expensive to create, it may be possible to develop systems that run across agencies which could provide information on total debts to government. This would require the accurate identification of individuals in the same way as the private sector credit rating agencies operate, to share information more widely across government and so develop more collaborative debt management and recovery procedures.²²

17 Q 4

18 C&AG's Report, para 2.13

19 Committee of Public Accounts, Forty-ninth Report of Session 2003–04, *The recovery of debt by the Inland Revenue*, HC 584

20 Committee of Public Accounts, Twenty-sixth Report of Session 2008–09, *HM Revenue and Customs: management of tax debt*, HC 216

21 C&AG's Report, para 2.14

22 Q 88

3 Setting realistic targets to improve debt collection and minimise write-off

8. The Department has a particular problem in recovering money from ‘off-benefit’ debtors. If a debtor is in receipt of benefit (an ‘on-benefit’ customer), the debt may be recovered by deduction from future benefit payments. Debts owed by those no longer claiming benefits must be recovered by direct payments from the customer. In 2007–08, the Department recovered £272 million, of which £106 million was through deductions from benefit.²³ The Department acknowledged it had been poor at managing the process of debtors moving on and off benefits. Consequently, it is introducing a Combined Single Work Queue that allows any member of its debt recovery team to have access to the detail, the information and the technology needed to recover the debt.²⁴

9. The repayment rate from ‘off-benefit’ debtors—those no longer claiming benefits—has been low, with just 24% making payments for the year ending 30 September 2008.²⁵ The Department does not have a target for obtaining regular payment from ‘off-benefit’ debtors. This rate of repayment is unacceptable. While we acknowledge that the Department is faced with a number of challenges, such as identifying and communicating with people no longer in receipt of benefit, we believe there is considerable scope for improvement in this performance.²⁶ The Department has not benchmarked its performance with other organisations in this respect.²⁷

10. The Department’s policy has been to write off debts which it believed it has no prospect of recovering cost-effectively.²⁸ For example, it writes off most debts which are less than £65, unless they have arisen as a result of fraud. Prior to 2007–08, it established a financial threshold of £40 below which it deemed debts to be uneconomic to pursue. With Treasury agreement, the Department increased the threshold to £65 for 2007–08 because of rises in the costs of administration. Whilst the Department has considered the value for money implications of pursuing debts below the current threshold of £65, small overpayment write-offs accounted for £9.2 million in 2007–08.²⁹

23 C&AG’s Report, Figure 14

24 Q 18

25 C&AG’s Report, para 3.7

26 Q 75

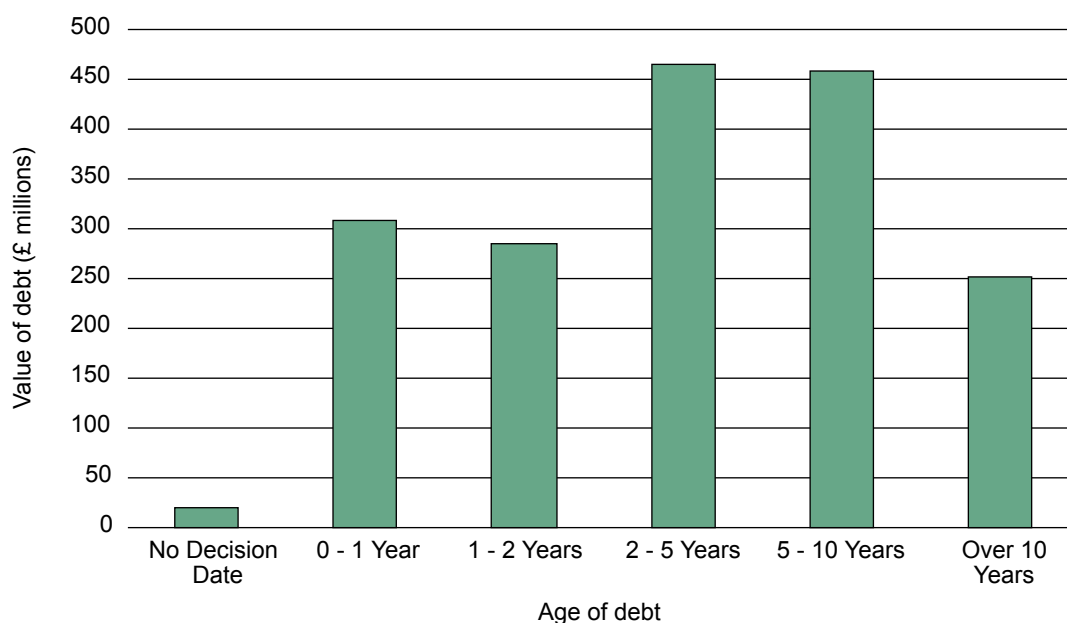
27 Q 14

28 Q 5

29 C&AG’s Report, para 3.28

11. At 31 March 2008, 40% of the £1.78 billion owed to the Department from overpaid benefits had been registered as a debt more than five years previously, including £252 million recorded over ten years ago (**Figure 3**).³⁰ An analysis of the debt profile by age, however, indicated that the total value of debt of £1.85 billion as at 31 March 2009 was depreciating and that it was now worth some £700 million (39% of its face value). Thus the real value of the debt has been falling significantly each year.³¹

Figure 3: An analysis of outstanding debt by age as at 31 March 2008



Source: C&AG's Report, Figure 8

12. The Department was conducting an internal review of debt management which would include an assessment of its policy on writing-off old and doubtful debt. It was also considering the feasibility of selling off part or all of its debt stock.³² This would entail the sale of some or all of its debt book to a more specialist organisation for a proportion of the total value of the book. This proposal had been considered before without demonstrating a good business case, but the Department told us it intended to look at it again.³³ Where necessary, the Department has taken enforcement action, some 500 enforcement orders being issued during the course of the last year.³⁴

13. The Department has been slow to engage with other organisations and the private sector to benchmark its own performance. It has only a limited understanding of how it compares with its private sector agents and others and acknowledged its limited success in benchmarking.³⁵ The Department was also unable to supply us with data on a regional debt profile. To date, it has made various attempts to benchmark debt recovery and has held

30 C&AG's Report, para 2.7

31 Q 86

32 Q 28

33 Q 86

34 Q 75

35 Q 20

discussions with New Zealand, Irish, Australian and Canadian counterparts. It has been unable, however, to obtain real value because it feels the systems are so different. It has also looked at other organisations in the public sector. The Department is working more closely than ever before with HM Revenue and Customs. In 2007, it commissioned a consultancy, Atos, to benchmark the Department's processes at a high level against utility companies and some finance organisations, mainly insurance companies, but again without much success.³⁶

Formal Minutes

Monday 8 March 2010

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon

Mr Ian Davidson

Nigel Griffiths

Mr Austin Mitchell

Rt Hon Don Touhig

Draft Report (*Department for Work and Pensions: Management of Benefit Overpayment Debt*), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 13 read and agreed to.

Conclusions and recommendations 1 to 9 read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Twentieth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 10 March at 3.30 pm

Witnesses

Wednesday 28 October 2009

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Sir Leigh Lewis KCB, Permanent Secretary, **Mr John Codling**, Finance Director General and **Mrs Carol Sheridan**, Head of Debt Management, Department for Work and Pensions

Ev 1

List of written evidence

Department for Work and Pensions

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Oral evidence

Taken before the Committee of Public Accounts

on Wednesday 28 October 2009

Members present:

Mr Edward Leigh, in the Chair

Mr David Curry
Mr Ian Davidson
Nigel Griffiths

Mr Austin Mitchell
Dr John Pugh

Mr Amyas Morse, Comptroller and Auditor General, **Mr Rob Prideaux**, Director Parliamentary Relations and **Ms Liane Hinds**, Director, National Audit Office, gave evidence.

Ms Paula Diggle, Treasury Officer of Accounts, HM Treasury, was in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL DEPARTMENT FOR WORK AND PENSIONS: MANAGEMENT OF BENEFIT OVERPAYMENT DEBT [HC 294]

Witnesses: **Sir Leigh Lewis**, KCB, Permanent Secretary, **Mr John Codling**, Finance Director General and **Mrs Carol Sheridan**, Head of Debt Management, Department for Work and Pensions, gave evidence.

Q1 Chairman: Welcome all to the Committee of Public Accounts. First of all, I would like to welcome the Comptroller and Auditor General of Zimbabwe who is in the audience; you are very welcome, Sir. Today we are considering the Comptroller and Auditor General's Report on the *Department for Work and Pensions: Management of Benefit Overpayment Debt*. We welcome back to our Committee Sir Leigh Lewis, who is the Permanent Secretary at the Department for Work and Pensions. The Report does show an improvement in the Department's performance in relation to debt management with recoveries increasing from £180 million in 2005–06 to £272 million in 2007–08. However, the total amount of debt owed by the Department's customers continues to rise. Sir Leigh, I want to try and press you further on how you think we are going to make more progress. Shall we look at the value of the debt stock; of course, it is enormous. To help us we can look at page 16, figure ten. You will see there, Sir Leigh, the total amount owed by customers has increased every year since at least 2003–04. What steps are you taking to bring this debt under control?

Sir Leigh Lewis: Thank you, Chairman. I do think it is right and fair to say, as the NAO acknowledged, that we have made very considerable progress in increasing the amount of debt recovered. You are absolutely right to say the debt stock has risen substantially over the last four or five years, though the rate of increase has slowed in the last year or so. There are some good reasons, if that does not sound slightly perverse, as to why the debt stock has risen, in particular because we have very substantially increased the number of referrals being made by our two main businesses within the Department—Jobcentre Plus and the Pension, Disability and Carers Service—to our debt recovery team in the centre, which Carol Sheridan heads. Debt referrals

have increased by 60% since 2005–06. In a sense, what we are doing is pouring more debt into the machine which seeks to recover it. Although we are doing well at recovering quite a significant proportion of that debt, one consequence is the debt stock rises because you do not ever recover or write-off 100% of that extra debt coming in. What are we going to do to try and make it better still? Continue the efforts we have put into this over recent years. We have seen productivity increase very substantially, we are using IT far better and I think we have got much more sophisticated tools and techniques. A lot more of the same is the answer.

Q2 Chairman: Let us try and talk this through because obviously there are still very large sums owing: £1.8 billion is a huge amount of money. Can you talk us through it? It seems to me you need to try and take action early on because you can only recover one debt at a time. Later on we can talk about multiple debts, debts which have been around for up to ten years. How are you trying to focus in on people early on? How are you going to try and determine what groups are particularly liable to build up debt, they may be in and out of jobs, that sort of thing? How are you making your systems more sophisticated so that you can spot a likely debtor?

Sir Leigh Lewis: The very first thing we are trying to do is to stem the flow into the pot, not by simply not identifying debt or referring it, quite the contrary, we are trying to ensure that we identify and refer the great majority of all debt. Debt only arises if we have error in the first place. Error can arise—we have discussed that in this Committee before—as a result of fraud, official error, customer error and so on. The very first point of reference is the very substantial efforts to reduce the amount of error that is being generated and which leads to debt. We are at our

 Department for Work and Pensions

lowest ever level of fraud and error as a proportion of the Department's expenditure. We are concentrating much more than we have done in the past on large debtors, for example. It is really interesting that of that total debt stock of £1.85 billion you have just referred to, a third of that is owed by those owing more than £10,000, despite the fact that they make up less than 3% of all debtors. Conversely, only about 8% of that debt, £155 million, is owed by those owing less than £500, though they make up in quantity 60% of all the debtors. You probably do not have to be a brilliant mathematician to work out that putting more effort in to those who owe you the most money is very worthwhile. One of the things we have done only recently but it is now in place, which was prompted by this Report, is to set up a large debtors unit specifically to focus on whether we can do more to recover from those relatively small numbers of people who owe us the most money.

Q3 Chairman: This target in paragraph 5 of £279 million, is that sufficiently stretching you? You are meeting it quite easily at the moment, are you not?

Sir Leigh Lewis: It has felt pretty stretching from inside and last year we did just beat it, we got £281 million. We are aiming this year for what may seem to the Committee only a very, very marginal difference on that, effectively a stand-still target. Our target for the current year is £282 million and we are slightly ahead of that. One reason why we did not set a more stretching target for this year, and we otherwise would have done so, is, as the Report brings out, because of the very substantial rise in unemployment. We have made available within our own Department up to 300 people at different periods of this year to go across and support Jobcentre Plus in handling that huge increased volume of claims. If it had not been for that, we would have set a substantially greater target. In one sense, if we achieve—and we look as if we will at the half-year point—this year's target of £282 million with that significantly reduced resource then in productivity terms it will be a further substantial increase.

Q4 Chairman: If you look at paragraphs 2.11 and 2.12, 'risk profiling of debts', you will see in 2.12 that we recommended HMRC develop scoring techniques to categorise debtors by risk. We will touch on this a bit more in a moment, but do you have the systems in place to perhaps discover where the debts are, where the real risks are? Are you satisfied that you cannot do more perhaps?

Sir Leigh Lewis: No, we are not satisfied that we cannot do more. We have got a lot of information, but have we got a really sophisticated risk profile which simply will attach weights to very different kinds of groups and have we got a mathematical model which really takes us down that road and works out the relative rate of return from very different groups; at the moment we are not at that level of sophistication, though we are doing pretty

well. We are certainly looking at that again in the light of this Report with a view to making substantial further progress.

Q5 Chairman: The writing off of debts is obviously quite worrying for us. You mentioned in paragraph 3.33 on page 23 of this Report: "Total debt written off in 2007–08 was over £205 million". Tell us how you are trying to minimise the writing off of debt?

Sir Leigh Lewis: First of all, what is our policy on the write-off of debts? It is almost the same policy which almost any commercial organisation employs and we have looked across the piece at that. Our policy, putting it simply, is to write off debts which we believe we have no prospect of recovering cost-effectively. For example, we write off most debts which are less than £65, unless they have arisen as a result of fraud. It is different if they have arisen as a result of fraud. We write off debts where they have arisen, sadly, after the death of a customer if they are less than £25. We write off some debts because of hardship; where we are persuaded that seeking to recover them further would create undue hardship for the individuals concerned. Then we have a final category where we believe upon examination that we simply have no realistic prospect of recovering that debt and there simply comes a point where that is a value-for-money judgment.

Q6 Chairman: Shall we look at the old debts now. If we look at page 15, figure eight, this is quite a worrying little figure. You have got a very large amount of debt which is at least ten years old. You are never going to recover this, are you?

Sir Leigh Lewis: It is quite interesting because we do recover substantial amounts of older debt. It is absolutely not true to say that we do not recover debt which is significantly older. For example, in 2008-09, of the total that we recovered of £281 million, 31% of that, £88 million, was more than ten years old. Although some of that debt is pretty aged, we certainly do not give up on it and we recover substantial amounts of it.

Q7 Chairman: If you look at the figure next door to it, you will see large numbers of people with multiple debts. There are 44,000 people with six to ten debts and 12,000 with 11 to 20 debts. Again, how are you going to try and target people with multiple debts? If you only recover one debt at a time, with these people you are recovering it at a snail's pace.

Sir Leigh Lewis: In a sense, we are inevitably inhibited by that where people owe us multiple debts because almost as a matter of fact you can only easily recover one debt at a time. As I am sure the Committee will know, Chairman, it is brought out in the Report, there are limits laid down by Parliament—although they change annually—as to the amount of debt we can recover, particularly from what is called in this area 'on-benefit debts', people who are still receiving benefits. There are limits for very good reasons, but they are relatively low limits and inevitably that does constrain the amount of debt we can recover.

 Department for Work and Pensions

Q8 Chairman: To sum up what I have been asking you, because you can recover at such a slow rate, you are going to put a lot more emphasis on earlier recovery, are you, to make sure the debt does not build up in the first place, or not even recovery, just ensure you get the systems right in the first place so you do not overpay them.

Sir Leigh Lewis: Exactly. The first priority is to try and reduce the amount of error in the system which generates that debt. We have discussed that many times in this Committee, but we are doing better than we have ever done in the past on that. Secondly, it is to try and recover debt early because, as you say, the people you are trying to recover it from typically are there and relatively easy to reach. Thirdly, it is to try to employ slightly more sophisticated metrics of our debt book, if you would put it in that way, for example concentrating on those relatively few people who owe you the most.

Chairman: Thank you very much.

Q9 Nigel Griffiths: Can I draw your attention to page 19 and the off-benefit debtors, those who have come off benefit. What the Report shows is 76% of those debtors have not made any payment in the 12 months to September 2008 and 15% do not appear to have made any payment at all in the past three or four years to that period. Why is this?

Sir Leigh Lewis: Inevitably it is easier to recover debt from those who are on benefit than it is from those who are off-benefit, not least, self-evidently, for those who are on benefit we know where they are and we are in contact with them and because we are paying them money, subject to those rules I have just described, it is relatively easy to recover debt from them. Where somebody is off benefit, we may not know at all where they are, so we have to use tracing techniques, et cetera, to try and identify them.

Q10 Nigel Griffiths: This must be common in the private sector given that so many people are on credit.

Sir Leigh Lewis: Yes, it is.

Q11 Nigel Griffiths: Do you use their techniques?

Sir Leigh Lewis: We do.

Q12 Nigel Griffiths: Do you use them successfully?

Sir Leigh Lewis: We share their techniques. We do a lot of looking at what the commercial sector is doing and we use private sector debt agencies to seek to supplement our own efforts to recover some of that debt. We do all of those things. From what I have seen in preparing for this hearing, I think it is fair to say that no customer-facing organisation, public or private, which is in the nature of a business where quite substantial debts are incurred by some of its customers has a magic wand solution to this, debt recovery is quite hard.

Q13 Nigel Griffiths: What you must be benchmarking your 24% against is what other organisations in the private sector achieve. Is 24% a creditable figure or not?

Sir Leigh Lewis: It does not sound a figure that you should express huge credit for because by definition we would want it to be higher. About two-thirds of our entire debt book did make some payment last year and I think that is seriously creditable.

Q14 Nigel Griffiths: Let us stick to off-benefit debtors. What I think the Committee wants to know is what is the position out there in the non-benefit, non-government owed debt area? Is 24% the sort of figure that others are achieving or are they exceeding them? If they are exceeding them, what are you doing to match that?

Sir Leigh Lewis: The honest answer, and not for want of trying to find out, is we do not know. We have done quite a bit to try and benchmark ourselves against others in the private and public sector and it can be really quite hard to identify what others are recovering as a proportion of debt. Just to give you one example of where we really are trying to do better here: we are working more closely with HMRC than we have ever done because often the same people will owe HMRC debt and owe us debt in the DWP. It is quite often the case that one of those departments will have lost contact with that individual, simply not know where they are, but the other has still got contact. Within all the bounds of data protection and so on, we are now working much more closely together to trace debtors on behalf of one another than we have done before, which is one example.

Q15 Nigel Griffiths: Are you doing that with the private sector as well?

Sir Leigh Lewis: I might turn to Carol Sheridan in a moment and ask her to talk about that. I think we do use debt reference agencies to try and identify people with whom we have lost touch.

Mrs Sheridan: Yes, we do. We use certain debt reference agencies to try and trace people and also where we have not had any success, we do refer those cases to our private sector suppliers to see if they can also have success in tracing. They do have doorstep tracing agencies which we do not use internally, so we have a double success in that way.

Q16 Nigel Griffiths: Share your thoughts with me about whether you think it is possible to improve markedly on that 24% figure or whether that is the nature of the people who are in debt and manage to evade repaying it through moving or bogus names or whatever.

Sir Leigh Lewis: I do not think I want to take a stab at that, not because I do not want to try and help the Committee but I think there would be a risk that I would be almost conjuring a number from the air if I did so. I do not think that figure is good enough, just to be clear, we have got to believe we can do better.

Q17 Nigel Griffiths: The tougher question is what do you want to achieve, but I was kind of giving you a get-out clause.

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Sir Leigh Lewis: What I want to achieve is what we are achieving: I want to go on achieving an ever greater amount of debt recovered for the taxpayer at an ever more cost-effective ratio in terms of the resource we are putting into it. We have markedly improved over the last four to five years but, as colleagues, if you were sitting inside some of the meetings on this subject I take within the Department, no-one would think the Permanent Secretary is sitting there complacently saying, "Well, that is good enough then".

Mr Codling: In terms of private sector debt collection, we have something like 315,000 cases with private sector agents with a value of about £220 million as at August this year, but against that number of cases, in 2008-09 those private sector agents recovered about £5.25 million and in the first four months of this year they recovered £3.6 million. That is relatively modest, even compared with the sort of percentages you were referring to a few minutes ago.

Q18 Nigel Griffiths: I would like to move on to paragraph 2.8, which deals with the 100,000 people with four or more individual debts. It highlights one of the issues as people who move into work and out of work sequentially, which is bound to happen the more tolerant and encouraging we get of people with the sorts of disabilities which allow them to focus their time but then something catches up with them. What mechanisms are in place to try and help them as well as recover?

Sir Leigh Lewis: This is one area where absolutely we can do better and the Report brings out how we can do better. Simply, as we have traditionally organised this work—there were always good reasons for it at the time—we had one group of our staff recovering debts from people on benefit, another group of staff seeking to recover debts from people off-benefit and one of the difficulties of that is precisely as you say, people frequently move from one to another and, therefore, still now, but not for very much longer I hope, the work then has to be moved from one group of staff to another with all the attendant costs and diseconomies which that brings. We have now got a very firm intention that from the beginning of 2010-11, so from March of next year, we are going to have what Carol's team calls a 'combined single work queue', which means simply that any member of our debt recovery staff will have the detail, the information and the technology to go on recovering that debt, even if Mr Smith moves from benefit, off-benefit and back on again. That should help us very substantially. To respond to your question, it is one area where I continue to have an ambition to do a lot better than we are doing at the moment.

Q19 Nigel Griffiths: What techniques and mechanisms do you have to motivate your staff to tell you what improvements they think should be made?

Sir Leigh Lewis: We have got very good motivation and it is something we are doing, not just in the area of debt but right across the Department as part of what we rather unimaginatively call our 'change

programme'. That is that over recent years we have used the technique used by a number of major organisations called 'LEAN'. Lean basically says that rather than having people in the centre at senior level saying how it should be done, Lean basically starts exactly from the other end, it gives your staff the time and the techniques to work out how it can be better. One quick example of that is through Jobcentre Plus we have developed an electronic debt referral form, which means we are referring three times as many cases with half the staff.

The Committee suspended from 3.59 pm to 4.08 pm for a division in the House.

Chairman: We are now quorate. Mr Paul Burstow?

Q20 Mr Burstow: Thank you very much, Chairman. I just wanted to do two things. Firstly, I wanted to follow up on one of the questions that Mr Griffiths asked and then go on to some questions about understanding your customers and whether they are able to afford to pay back. The question that I just wanted to follow up on in respect of Mr Griffith's questions was about benchmarking. You acknowledged that you do not really have much in the way of benchmarking at the moment, and that is fine, but the thing that struck me was there is benchmarking with the private sector. Have you sought to benchmark with other public sector organisations in other countries where they are operating benefits systems?

Sir Leigh Lewis: Yes, we have made some attempts but I think it is fair to say without huge success because otherwise I would mislead the Committee. We have made various attempts to benchmark our debt recovery. We have discussed this with our New Zealand, Irish, Australian and Canadian counterparts, but we have not in a sense been able to get an awful lot of real value because systems are so different. I think it is probably fair to say—and I hope I am not doing a disservice to colleagues from other countries—that in a sense they seem to be more in listening mode rather than having a lot to put forward themselves. We have also looked at other major organisations ourselves in the public sector so we are working much more closely than ever before with HMRC. We also commissioned a consultancy, ATOS, in 2007 to benchmark our processes at a high level against utility companies and some finance organisations, mainly insurance companies, and they did make us a set of recommendations in April 2008, but they were actually largely based on doing things that we were already in train to do or had done, such as automating our input and deduction processes and moving more to e-referrals and so on. We have not given up on this. We want to undertake some further benchmarking next year and I remain anxious to see if we could do more to benchmark against major financial institutions in the private sector. It is fair to say that we have not so far found this as rich a vein as we might have hoped.

Q21 Mr Burstow: I wanted to close that particular thread off. The Report talks about the risk the Department has around the evidence it collects

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about debtors and their ability to pay and the affordability of payment and the judgments that are arrived at based often on not a sufficient set of information. It says that on page 20, paragraph 3.12. Could you say a bit about what information provided by customers on financial commitments is specifically checked by the recovery staff?

Sir Leigh Lewis: I might ask Carol to answer that in slightly more detail.

Mrs Sheridan: We tend to have our telephony agents speak to the customers and in the first instance we will send out an income and expenditure form and ask them to complete that which will give details of their outgoings and from that we will have a conversation with the customer to see just how much money they have that is disposable which we could probably ask them to repay the overpayment from. That is if they are not receiving benefit. If they are receiving benefit and we can make automatic deductions we still go through a similar procedure because in some cases the deductions of £9.75 a week may place the people in difficulties and so again we will accept some non-standard deductions if we think that is fair and proper.

Q22 Mr Burstow: Having done all that what are the subsequent checks to satisfy yourselves that the customer has supplied all the information they could and what they have supplied is correct?

Mrs Sheridan: In the main we rely on the experience of our negotiators in telephone calls and certainly there are some obvious things around the standard cost of a television licence, for example, if people say they pay more than that, but in the main at the moment we do accept what people are telling us in good faith. However, we have commissioned a review of the whole income and expenditure activity and from that we will be looking at what else we need to do to actually verify the information.

Q23 Mr Burstow: So at the moment the system is very much reliant upon that human judgment and human honesty to be successful at recovering these debts?

Mrs Sheridan: Yes it is and it is based on the training that we give the negotiators in terms of understanding income and expenditure.

Sir Leigh Lewis: It is worth adding for a moment that I have listened into some of those calls on visits to debt centres and I have been quite impressed. There are lots of experienced staff in Carol Sheridan's area and I think they are quite good at probing away not aggressively but probing away quite hard to see whether the information they are being given feels right.

Q24 Mr Burstow: And apart from monitoring of that sort, which is obviously commendable and useful both for training and other purposes, can you say what are the targets you set around this to measure performance in terms of following through a case as to whether or not what was said actually turned out to be true? Are there any targets you have set?

Mrs Sheridan: Again at the moment we do not. We accept information in good faith and we then negotiate a deduction rate based on that. However, as a regular review of those cases we will go back to the individuals some months down the line and again review the information that they provide on income and expenditure.

Q25 Mr Burstow: What has triggered the review that you are now undertaking?

Mrs Sheridan: We have regular scans that will go through our debtor base and we will set BFs at times when the system will automatically present those cases to us again for review.

Q26 Mr Burstow: Sorry, I meant you referred to the fact that you were undertaking a review of the process and I just wondered what triggered that decision to commission that piece of work?

Mrs Sheridan: I think it was probably the discussions that we had with the National Audit Office.

Q27 Mr Burstow: So it is the NAO Report that has triggered that piece of work?

Mrs Sheridan: Yes.

Q28 Mr Burstow: What are you hoping now to get out of that piece of work?

Mrs Sheridan: We are looking first of all at what we should be looking at in terms of income and expenditure. We are then looking at whether we need to subsequently verify and whether that is cost-effective. We are also in contact through HMRC with the private sector data reference agencies and again we are starting to get information from them about what sort of things we should be looking for in terms of income and expenditure and whether that is the way to go or maybe we should be looking at the credit reference data which might perhaps give us a better picture of people's position in terms of the information we have across the board of their income and expenditure so, rather than dealing with the individual customer, looking through the credit reference agencies at the things that they have in chain.

Sir Leigh Lewis: Can I add to that because I hope you will find it helpful. As a result of the Report—and it is as a result of the Report and the work that we have done on the Report—I have set in hand a review which certainly includes all of those elements that Carol Sheridan has mentioned but it actually goes wider because I thought that the review brought to a head a number of questions which I did not think we had completely bottomed in the Department. John Codling is overseeing that review for me. I am asking us to look at our write-off policy. It feels not bad but are we really—this is the Chairman's question—writing off the right debts and not the wrong ones? How much are we using our private sector partners, too much or too little, in a kind of way as the law of diminishing returns? I think we could look at that. There were some slightly wider questions as well that I have asked myself and they did not all emerge from the Report but the

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consideration came from the Report: for example, should we sell debt in some circumstances? That is very typical in the private sector. At a certain point a private sector organisation typically will sell its debt for a proportion of its value to another organisation and it therefore takes in a given amount of money and if that organisation can recover more, they are doing well and they make a profit, or less, well, that is their risk. We do not do that. Should we think of doing that? One other one which I would quite like to look at is should we in a sense incentivise people, particularly those who are off benefit, for paying their debt off in one go? I do not think it is fanciful to say that you might offer somebody a discount on their debt of some figure if they pay it all here and now. I want us to think about some of those bigger questions and I have asked John Codling to lead a review for me on some of those questions.

Mr Burstow: We await with great interest the outcome of that particular work. That is my questions over.

Chairman: Thank you, Mr Burstow. Ian Davidson?

Q29 Mr Davidson: Am I right in thinking that things are getting worse in as much as the stock of debt is continuing to rise?

Sir Leigh Lewis: I do really think that is looking at the half empty bottle.

Q30 Mr Davidson: Fine, I just wanted to be clear that things are actually getting worse but there is a way of looking at it that says it is not nearly as bad as that and it depends really on whether or not you are buying or selling.

Sir Leigh Lewis: No, I am not going to sit here quietly and just let that go past me. On every objective test we are doing better. We are recovering more debt for the taxpayer by a substantial margin at a reduced cost and with greater efficiency than ever before. Although the debt stock is really important, and I absolutely understand the underlying point that you are making, one of the reasons why that debt stock is going up is precisely because we are doing better at identifying and referring for recovery debt that previously went completely unidentified in the Department.

Q31 Mr Davidson: Right, so things are getting better because the stock of debt is rising because you are no longer not identifying mistakes that previously went unnoticed?

Sir Leigh Lewis: Yes, I think that is basically fair. We do not believe and nor did the NAO when they came to look at that that we were systematically within our delivery businesses identifying all the potential debts that were out there. Some were undoubtedly being missed. We are now identifying a far higher proportion of all of those debts.

Q32 Mr Davidson: So things are even worse than the figures that we have in front of us because we do not know how deep the bottomless pit of debt potentially is because it has not all been identified?

Sir Leigh Lewis: I am afraid I am going to take slight issue with that as well.

Q33 Mr Davidson: Is any of that untrue?

Sir Leigh Lewis: Yes I think so. I do not think there is a bottomless pit.

Q34 Mr Davidson: How do you know it is not bottomless?

Sir Leigh Lewis: Because we have both our own auditors and the NAO's auditors who routinely as part of their annual audit sample a number of cases, so out of that sample you get a pretty robust—

Q35 Mr Davidson: Okay so how deep then is the pit? How much debt is there out there which you believe has not been identified and allocated to individuals?

Sir Leigh Lewis: Okay. We believe the target that we are seeking to meet this current year—and it is a target in a way set us by the NAO—is to identify 95% of all the debts there so that either recovery action is commenced on those debts or, if they are below a certain figure, that we write those off consciously. The number of referrals that we are aiming to make this year will be far higher than we have ever made before.

Q36 Mr Davidson: I understand the good news elements of it. How much of the debt is actually being pursued at the moment by payment plans in the sense if you say there is a whole raft of debt that is in the process of being cleared I am not aware of what percentage of the overall identified debt that is. Can you clarify that at all?

Sir Leigh Lewis: I will give you a headline figure and then I will ask Carol Sheridan who may have more expert information to give you. Of all the debts that we have in about two-thirds of the cases we recovered some money last year, if you see what I mean.

Q37 Mr Davidson: So unless people fled or died two-thirds of the debt would be recovered because you are in the process of recovering it?

Sir Leigh Lewis: No, not two-thirds of the debt, I do not think that is right. In two-thirds of the cases we are recovering some debt but that could be a very long process to try and recover all of it.

Q38 Mr Davidson: I understand that but in two-thirds of cases you are in the process of recovering the entire debt unless circumstances change, people die or go away and so on?

Sir Leigh Lewis: Yes, if you look at the people who have been on Debt Management's books for at least 12 months we think that between 60% and 65% of those customers made at least some repayment in the last year of that debt on the way to recovering it all.

Q39 Mr Davidson: Let us be clear about this. Making some payment on the way is not quite the point that I am trying to elucidate. What I am trying to clarify is whether or not there are two-thirds or a half who are actually on a process that will lead to repayment because under your categorisation somebody making one payment or one payment and then another payment nine months later would count as being "on the road". What I am seeking to

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clarify is were it not for the constraints which have been placed on you for understandable reasons about how much you can take off people at a time, how much of the debt would be recovered in the natural order of things?

Sir Leigh Lewis: I will pass over to Carol at this point. It is worth saying that for people on benefit typically we are recovering a given amount every week and for people off benefit unless they are willing to settle by a single payment, which sometimes they are, our aim is to arrive at an instalment plan. Carol?

Mrs Sheridan: If I may could I send you a note on that because I have not got the exact figures in front of me at the moment.¹

Q40 Mr Davidson: Okay. One of the issues that has always concerned us in this Committee is that the system is just too complicated. I am not clear from the figures that we have here in terms of the mistakes made by individuals first of all how many of the mistakes and what percentage of the debt is simply because people do not understand it. I have lots of my constituents who are in debt to yourselves. In some cases they are perhaps not as numerate as the rest of us and they have just got totally confused, they lead chaotic lives, and in other cases there are people who are rascals and who are clearly robbing the system blind at every opportunity. What is the balance between these different categories?

Sir Leigh Lewis: I can answer that I hope helpfully for you in figures that we have shared with the Committee before. If you take our latest figures, about 2% of the total amount that we pay in benefits is paid either fraudulently or in error. That breaks down relatively evenly between those three elements, so fraud, on the latest figures, is about 0.6%, customer error is 0.7% and official error is 0.6%. If you ask me why they do not sum to 2.0% rather than 1.9% it is in the rounding, if you see what I mean.

Q41 Mr Davidson: Can I be clear about this question of fraud then. How much of fraud is individual fraud and individuals filling in things wrongly deliberately and so on and how much of it is actually organised? If organised fraud is clever and sophisticated you are not necessarily going to know about it at the moment, are you?

Sir Leigh Lewis: I have not got those figures in my head. We did respond to an earlier NAO Report on fraud and I will certainly go back over that ground.

Q42 Mr Davidson: Maybe you could just give us a note about that?²

Sir Leigh Lewis: I will. Just to say, which may be helpful, we absolutely tackle both. We of course tackle the individual—

Q43 Mr Davidson: I understand that. Can I ask about organised fraud. I am led to believe that there are organised gangs who are not British who have come in from abroad and amongst a series of criminal activities are engaged in robbing the

benefits system blind. Is this correct? Can this be identified? Are there any particular nationalities that seem to succumb to this more than others?

Sir Leigh Lewis: I do not have any information that would enable me to answer that. What is certainly the case is that organised fraud against the benefits system is real. That is why we have a specialist part of our fraud investigation service which tackles organised fraud. It is absolutely dedicated to that. It is actually why with HMRC as part of our joint working we have established a joint unit.

Q44 Mr Davidson: Can I be clear then, do you have risk profiles and are there particular nationalities that are deemed to be a greater risk than any others?

Sir Leigh Lewis: I have not seen any such risk profiles broken down by nationality.

Q45 Mr Davidson: So you do not have risk profiles by nationality?

Sir Leigh Lewis: I do not want to say absolutely.

Q46 Mr Davidson: Can you give us a note then?³

Sir Leigh Lewis: I most certainly will.

Q47 Mr Davidson: I would be astonished actually if you were undertaking a risk profile structure that you did not make some assessment of nationalities. Having travelled in Africa, almost everybody in Africa will tell you which particular nationalities are more prone to fraud. Indeed I get emails from them all the time offering me opportunities to make huge amounts of money.

Sir Leigh Lewis: Indeed, I do not think anybody should let this Committee believe that only people from abroad ever commit organised fraud.

Q48 Mr Davidson: I am aware of those.

Sir Leigh Lewis: I will drop you a note⁴ most certainly. We do also work with the Serious and Organised Crime Agency (SOCA) precisely to ensure that we share intelligence on those kinds of organised frauds.

Q49 Mr Davidson: Can I ask about the breakdown of why things are written off. I can understand completely that if people die their debts are written off since you do not have a method of collection, but in terms of disappearance can I seek clarification about circumstances of disappearance because again in my own constituency I am aware of people who have disappeared back off to Eastern Europe and some other lands who are owing debts to housing associations and others. I want to clarify whether or not you monitor this in any way and whether or not there is any particular pattern there that you can identify?

Sir Leigh Lewis: I have not got that information. We certainly do write off debts where we think there is no realistic prospect of recovering them but I wonder if either John Codling or Carol Sheridan can help you further in that.

¹ Ev 13

² Ev 13

³ Ev 13

⁴ Ev 13

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Mrs Sheridan: No.

Mr Codling: No.

Sir Leigh Lewis: I think we had better add that to the note we promised to send you.⁵

Q50 Mr Davidson: In terms of the geographical distribution of debt across the UK, is there more debt in Yorkshire than in Wales or in Cornwall than in Scotland? Is there a pattern?

Sir Leigh Lewis: I do not know. That is a really interesting question. That is not covered in the NAO Report either. Carol, is there any geographical pattern that you are aware of?

Mrs Sheridan: We have not done any analysis around that. We just deal with debtors as individuals. It is possible that we could.

Q51 Mr Davidson: Word about how to work the system spreads in communities, as I am sure you are aware, and therefore I would have thought that identifying patterns would be part of your risk management strategy and therefore knowing that one particular part of the country has a disproportionate number of cases involving a particular type of fraud or a particular type of error would be an essential management tool.⁶

Sir Leigh Lewis: I think it is a very good question and as part of the work that I have already said we are engaged on to see if we can improve risk profiling, first of all I will go back and see whether we do have or can manufacture and create any information that does give some kind of geographical breakdown of debt. I just want to take notice of the question because I think it is a good one and I think we should follow it up.

Mr Davidson: You are here for your own good! Thank you, Chairman.

Chairman: I am sure that any study will show that the Scots, particularly Glaswegians, are much more honest than everybody else. Is that not right, Mr Davidson?

Mr Davidson: Especially my voters.

Chairman: Dr Pugh?

Q52 Dr Pugh: Can I size up the problem first. I understand that you have made progress. It is not altogether an unfavourable Report. You have gone from £1.67 billion of acknowledged debt and recovering £180 million of that to a larger sum of acknowledged debt and you are recovering a higher percentage of it. Mr Davidson has probed you sufficiently about how reliable this acknowledged figure of debt is and how it can be tested. None of us can be certain about that. Am I right in thinking the bulk of the debt is related to income support. Is that correct? Is it something like 70%? I have seen a figure of 40% somewhere.

Sir Leigh Lewis: Yes, I think that is right.

Q53 Dr Pugh: The bulk of your debt is on income support and of that those people who come off income support on to other benefits account for 40% of the debtors as well. Is that right?

Sir Leigh Lewis: John and Carol, I wonder if you can help on the exact distributions.

Mrs Sheridan: I think you are right. The latest figure I have seen is that 70% of the debt stock is income support related.

Q54 Dr Pugh: They are your big problem, are they not? All the other forms of debt are relatively small and in some cases quite insignificant. We must presuppose in some cases, for example the pensioners' Christmas bonus, that there is no element or possibility of very much fraud unless one is claiming to be older than one actually is. The big problem really is getting this figure of debt over income support down to an even more acceptable level. The figures show that something like 30% of all the people who are in that category and have come off benefit—and I will just talk about the off benefit people not the people who remain on benefit—are not paying anything at all within any reasonable timescale. Am I right in thinking that?

Sir Leigh Lewis: I think one of the issues there is that often those people who are in that category of debtors owe other debts to the system and there is, as the Report makes clear, a priority order in which deductions are made from those benefits, so for example housing costs, rent arrears, fuel and water charges and so on are taken from any benefit before there is a possibility of recovering debt. We are talking for good reasons of levels which Parliament has laid down for recovery of maximum amounts from benefit which are relatively low, so one of the difficulties there for that group, and they typically in many cases do exactly as you say, cycle on and off benefit, is that even when they are on benefit there are other calls that we have to allow to be made on their benefit before we can recover any debt from them.

Q55 Dr Pugh: Are you stalled by the category of what you might call benefit problems for you where people are just essentially acknowledging they have the debt and not denying they have got it, they are not in any sense trying to defraud you but basically standing there and saying we are not in a position to pay it.

Sir Leigh Lewis: It is not so much that they are standing there saying that they are not in a position to pay it but the rules by which we operate mean there is a maximum amount which we are able to take from their benefit of £9.75 per week so we are bounded by that amount. That is where people are on income-related benefits. If they are on contributory benefits we can recover up to a third. We cannot take even that £9.75 if they are already having deductions made from those benefits for other reasons which take precedence over the debt recovery.

Q56 Dr Pugh: So if we look at this 30% of what you might regard as awkward customers of one form or another you are giving the impression that they are going in almost a revolving door of benefits and other forms of income, coming off benefits and going back on them and so on. There must be a percentage

⁵ Ev 14

⁶ Ev 14

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of them who go off to employment or self-employment. Are they easier to track down and get money off?

Sir Leigh Lewis: Again I will ask Carol to comment in a moment. In one sense there is an advantage because if they are back in employment then, all other things being equal, one might think they are in a better position to pay debt and that there is no automatic limit which constrains the amount which we can recover and many people do pay back their debt in full. I think our largest single payment last year was nearly £70,000 so in some cases we can recover rather large sums. On the other side of that coin however, while they are in the benefits system by definition we are in contact, we know where they are. Once people leave the system they can move, we can lose touch with them and then you are trying to trace someone before you can try and recover.

Q57 Dr Pugh: So if we were to take this 30% of incorrigible difficult customers, what percentage of that 30% are what you might call “revolving door” clients who are caught in benefit traps of all kinds and what percentage are people who have simply gone through the system, left with a debt and basically cleared off to other things?

Sir Leigh Lewis: I do not have that figure but just to quote a slightly different figure that helps and which I think is not irrelevant. If you take the rise in the claimant count last month, which went up by around 20,000 more or less, the on-flow, and this is something that people often do not appreciate more widely, of people coming on to jobseeker’s allowance in that month was somewhere around 350,000 and the number of people flowing off jobseeker’s allowance in that month was 330,000, net 20,000, and that becomes the increase in the claimant count. Those figures give you some idea of the order of magnitude of flows on and off the system; they are big.

Q58 Dr Pugh: Just picking up on the order of magnitude and returning to this issue of the size of the problem, can I ask you about the mechanics of it. In section 1.3 it explains that initially you are alerted to a problem of overpayment by the paying agencies, which are scattered throughout the country I would have thought, but then is it the case that any case that is worth pursuing goes to a client referral centre to be pursued?

Sir Leigh Lewis: Yes it does, subject to the fact that if it is below the minimum threshold which is £65 where I believe—and Carol will correct me if I am wrong—the paying agency can write it off without it having to go into the centre.

Q59 Dr Pugh: So is there an attrition process whereby you get many more cases notified by the paying agencies which are not pursued by the client referral centres?

Sir Leigh Lewis: We have had some problem which we are absolutely addressing of the letter “not arriving”, if you see what I mean. I say that in inverted commas because it is not actually done in that way, but the client referral centre ought to be

registering and making sure that every one of those debts referred by one of our businesses—Jobcentre Plus or the Pension, Disability and Carers Service—is on the system and therefore we are going to attempt recovery. Carol?

Mrs Sheridan: That is absolutely correct. Every referral is entered on our system.

Q60 Dr Pugh: Every referral is followed through so there is no “we will not look into this” or “we are not bothering with this” or “we will cut it down a bit to make our work more manageable” or anything like that?

Mrs Sheridan: Every referral is calculated as an overpayment. Decisions are made whether it is recoverable or not and the ones that are recoverable we pursue.

Q61 Dr Pugh: I want to ask a question rather similar to Mr Davidson’s, with a different intent really. Clearly there are going to be differences from one paying agency to another. In certain areas there will be more referrals than in other areas and presumably there is a geographical distribution in this that we could actually look at and you could supply. Is that the case?

Sir Leigh Lewis: We do not have that information to hand and it is not in the Report to be plucked from it so we will try to see if we can give the Committee some information on the geographical distribution of our debtors.⁷

Chairman: Thank you, Dr Pugh. Austin Mitchell?

Q62 Mr Mitchell: I see from 3.20 that there are some 214,000 debts to the value of £205 million placed with private sector collection agencies. Why do you use private sector collection agencies? Are they nastier than you or more efficient than you or more competitive?

Sir Leigh Lewis: We certainly do not believe that either we or they are nasty and we ensure that the standards that they follow are ones which we would absolutely want them to follow and are acceptable. As John Codling said when he gave some figures for the amounts they have recovered, there is no huge differential between their relative performance and ours, so why do we use them?

Q63 Mr Mitchell: What is the point?

Sir Leigh Lewis: The point is they are recovering extra debt. That is the first thing.

Q64 Mr Mitchell: You mean you are giving them ones you have failed on?

Sir Leigh Lewis: Yes exactly. What we do is at a certain point we conclude that we are not having success in recovering this debt. We may not be having success in even identifying the location of the debtor and we pass many of those debts to the private sector. If you just look at the period since 2004–05 they have recovered just over £30 million in that period, not a vast amount but a significant amount worth having at a cost of around £7 million

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so it is clearly a net benefit. As I said to the Chairman, one of the things I want to do in the review that I have described is to look at whether we are using them too much or not enough, because I am not sure that I am persuaded yet that we have got the balance exactly right.

Q65 Mr Mitchell: You must be coming to the conclusion more frequently that you are not going to get the money when you pass it on to them because on table 15 the number of recoveries they undertook went up from 2.7 million in 2005-06 to 8.7 million in 2006-07. You give them a lot more cases. Why is that? Are you coming to the conclusion more frequently that you cannot do the job?

Sir Leigh Lewis: I know it may be becoming a slightly repetitive theme but we are doing the job increasingly effectively. This is an area where I just do not believe that we should be trying to do it entirely on our own. Again from what we know of the financial and retail sector the pattern is quite common that an internal debt operation will seek to recover debts but the organisation will also use private sector organisations for cases where they just believe that they have got to the end of the road.

Q66 Mr Mitchell: How do you decide what is to be passed on to them? Is it a block of work? Do you say we have reached the end of the road on this and passed that lot on? Are they under contract—success or no payment—or whatever?

Sir Leigh Lewis: We have five but we are going shortly to be reducing to four providers. They are absolutely paid on an outcome basis so their payment depends on the amount of debt they recover. The basic test, although I am going to pass over to Carol Sheridan in a moment, is where we believe we are unlikely to be able to make much further progress ourselves that we will move to put those debts in the hands of a private organisation.

Mrs Sheridan: Yes, that is correct. We try and work the debt as far as possible in terms of contacting people or negotiating with them. If we do not have that success then there is a point in our process where we pass them over to our private sector suppliers.

Q67 Mr Mitchell: You should come to a deal with them. This is the only sector of employment that is going to be increasing in the next year. Why not tell them you will give them more business if they will take on more of your cases—employ them I mean. That is a joke. Do not bother to answer it. Why are there over 100,000 people with four or more debts? How can that arise?

Sir Leigh Lewis: I think it can arise because just going back to what some colleagues have already said, we have a very complex benefits system and people cycle on and off that benefits system so the opportunities to get into debt are not simply once in a lifetime, if you see what I mean. People may accumulate debt at a number of stages during their time on the benefits system.

Q68 Mr Mitchell: Of that 100,000 what proportion is in the process of recovery? You must be initiating action to recover some of the earlier debts from those who are accumulating later debts?

Sir Leigh Lewis: We basically seek to recover the oldest debts first. I wonder if Carol can help on that.

Mrs Sheridan: We have a single debtor view so for people with more than one debt we have a total but in terms of accounting for that debt into the system we offset repayments against the oldest debt first.

Q69 Mr Mitchell: Okay. When and how is debt discovered? At what stage in the process does it come to light, “Oh my God, we have overpaid these people”?

Sir Leigh Lewis: It can vary hugely. At one complete end of the spectrum which of course does sadly happen many, many times, somebody dies and if they are on a pension, almost by definition—

Q70 Mr Mitchell: It sounds very accidental!

Sir Leigh Lewis: Almost by definition that goes on in payment for a period until we are notified of the death and so that is at one end. The other is where we simply identify through all of the checks in the system, and there are huge numbers of them, that a case includes an error, and at that point normally we seek to recover that error. It is as simple as that.

Q71 Mr Mitchell: Is that the stage at which you also discover underpayments?

Sir Leigh Lewis: Yes, absolutely.

Q72 Mr Mitchell: Are they more numerous than overpayments?

Sir Leigh Lewis: No, again within the overall bounds of our work on fraud and error we know the level of underpayment in the system and while it is about 2% of benefits being overpaid either through fraud and error—and I will check this figure out and I will write to the Committee⁸—from memory it something under 1% that is being underpaid, but it is absolutely the case that if our checks of all kinds reveal an underpayment we will not only put that right but we will seek to pay any arrears that we owe.

Mr Mitchell: Okay. What are we to expect in the coming months? The economy is going to get worse, unemployment is going rise, there are going to be more claims. Is this going to cause a bigger debt problem for you?

Chairman: Is this an official announcement?

Dr Pugh: You are not on message!

Q73 Mr Mitchell: I am not on benefit either! You can imagine that people are going to be strapped for cash and will therefore find more difficulty in repaying debt. You can also imagine that since they will be on benefit for longer periods the process of recovery is going to be easier because you can recover it more easily from people who are on continuous benefit.

Sir Leigh Lewis: One thing we are certainly beginning to see is that the amounts that we are able to recover have become somewhat smaller over the

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last 12 months on average. That may indicate that more people are finding it harder to manage with the monies they have, if you see what I mean.

Q74 Mr Mitchell: So you expect the debt situation to get worse, do you?

Sir Leigh Lewis: Even with that we are still aiming to recover more debt this year than last year. We are still aiming to recover our highest level of debt ever. In the first six months of this year we have recovered up to the end of September about £143 million, that is ahead of the comparable period last year, largely because we are being successful—a theme we have covered a number of times—in getting a much higher proportion of those debts that exist referred to us and into the recovery process.

Q75 Mr Mitchell: I see that while 24% of benefit debtors made a payment—and Mr Davidson has covered this issue—61% of off benefit customers with a debt at 21 September 2008 have never made a payment at all since the debt management scheme was introduced. Why is that?

Sir Leigh Lewis: I think it reflects that this is hard, if you see what I mean. Again I will turn to Carol Sheridan in a moment. Where you have people who are off benefit you have got to do a number of things. You have got to be able to actually identify them, be in touch with them, contact them, trace them and then you need to seek to arrive at a repayment agreement with them either in a single payment or over a period which they repay. We do take enforcement action. We took out some 500 enforcement orders during the course of the last year, so we certainly will be tough where we can be, but this is quite difficult in a society of our complexity.

Q76 Mr Mitchell: I see that you raised the write-off level from 40 quid to 65 quid. Is that likely to be raised again in the near future? It corresponds presumably to your costs in recovery and those must be rising?

Sir Leigh Lewis: It had been a fair amount of time, subject to correction, since we had looked at that limit so it was the first time we had raised it for a while.

Q77 Mr Mitchell: Would it not be more straightforward to increase that level and concentrate your efforts on the third of debt which is over £10,000 per person?

Sir Leigh Lewis: Two things on that. Firstly, I think we should, absolutely, and that is why, stimulated by this Report, we have set up within the team a Large Debtors Recovery Unit because I think that makes sense to do. Actually because we think that £65 is about the dividing line above £65 we do think it is cost-effective to seek to recover those debts.

Mr Mitchell: Okay, thank you.

Chairman: I think Mr Davidson has a couple of supplementaries.

Q78 Mr Davidson: Can I just ask about take-up rates because one of the difficulties again is the question of people not taking up benefits. To what extent does the campaigning particularly against fraud and the publicity around that actually reduce take-up?

Sir Leigh Lewis: I very much hope not actually because the whole set of our anti-fraud campaigns is absolutely not directed at people—

Q79 Mr Davidson: I understand that. I just wondered whether or not there was any evidence where maybe you have been pursuing particular anti-fraud strategies in particular areas as distinct from others and noticed that there was a difference in take-up rates that followed on from particular initiatives?

Sir Leigh Lewis: Certainly because we have evaluated all of our anti-fraud campaigns very thoroughly and I do not have that information literally to hand—

Q80 Mr Davidson: Fine. If you let us have a note on that.⁹

Sir Leigh Lewis: Just one thing of course to say because I think it is so important I must say it: we do devote huge energy to increasing take-up.

Q81 Mr Davidson: I understand that. I just wanted to clarify whether or not there is any cross-fertilisation. The other point is about appeals. I am somewhat surprised at the fact you do not seem to methodically monitor what happens at appeals and the extent to which you lose judgments. Maybe you could give us a note indicating what information you have about that.¹⁰ I am particularly interested in clarifying the extent to which the result of an appeal depends upon who was representing the individual and whether or not people were represented by a CAB or another agency. I do not know whether Legal Aid has managed to get into this area and whether or not there are any records of that and whether or not somebody who is unrepresented from a modest educational background really gets a much worse deal in terms of their appeals than anybody else. That would be helpful.

Sir Leigh Lewis: In preparing for this hearing I did actually go into this and the truth is we do not have as good information on appeals as I think we should have so it is one of the things I am asking the team to address.

Q82 Mr Davidson: The final point I wanted to make and I mentioned it earlier on, every time your Department comes in front of us it does seem to be populated by normal people in contrast to the Foreign Office which is full of people from public school and Oxbridge. Can you give us any explanation as to why that might be?

Sir Leigh Lewis: Having come from a grammar school and Liverpool University, I am not sure that I want desperately to get into this. I do not have those figures to hand. Look, I am a Permanent Secretary of some standing across the Civil Service and I think

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we have left some of those things behind, Mr Davidson. What we value in the Civil Service today right across the Civil Service is people with ability who can do the job that the Government wants them to do completely irrespective of their background.

Q83 Mr Davidson: You think you have left these things behind. Maybe you could give me a note¹¹ because I have asked for the same note from the Foreign Office of what percentage of your top board, say the top ten or top 20, were Oxbridge and public school just so that I can compare it and see the extent to which they are similar or different and the extent to which the Foreign Office has left these things behind,

Sir Leigh Lewis: I will try and do that.

Chairman: Which is worse, Oxbridge or public school?

Mr Davidson: It is a toss up really, is it not, but if you have got both of them then really!

Q84 Chairman: You remember I asked you earlier about this target and I said it was rather an easy target. In January 2009 you took a decision to redeploy 300 of 1,900 Debt Management staff for a six-month period. Presumably as you achieved this target with 300 people missing next year's target should be proportionately higher, should it not?

Sir Leigh Lewis: Yes, I absolutely believe that it should because the target this year would have been higher if we had not taken a decision, which I absolutely believe was the right decision incidentally, to enable Jobcentre Plus to use up to those 300 staff temporarily. It is worth saying that between them we estimate they have taken over a third of a million claims to Jobseeker's Allowance. One of the reasons we have been able to keep absolutely on top of the very large growth in numbers is because as a department we did take very early decisions to shift our resources where they were absolutely needed. The basic answer to your question is yes, all of those staff will be back at the end of this month and we are at the 28th today and of course when we come to look at next year's target we will be looking at a full complement of staff again.

Q85 Chairman: Have you ever considered charging interest on long-term debt to incentivise early payment as other debt collection agencies do?

Sir Leigh Lewis: I just wonder, Chairman, whether you have been sat in my room and I did not notice because it is a good question that I have asked in preparing for this hearing and it is one of the things I have asked that our review should cover. We do not at the moment but I think it is a very good question.

Mr Codling: We presently do not have the legislative power to do that.

Q86 Chairman: You were asked earlier about selling debt. Could you just go into that a bit because a lot of other organisations do that.

Sir Leigh Lewis: I do not want to present myself as a great expert on debt recovery in the private sector because I am certainly not, but a lot of other organisations, retailers and others, which by their nature end up with people owing them money at a certain point, will sell some or all of their debt book to a more specialist organisation for something in the pound, so they will sell that debt for whatever it is in the pound. That has the advantage for them of giving them a definite figure. It is not the 100 pence in the pound that they are owed but it is something, and then that organisation, if it does well, recovers more than that amount, and if it does not it recovers less and it takes the risk. I think that is something that is worth us looking at.

Mr Codling: We have looked at that before, Chairman, a couple of years ago without it demonstrating a good business case, but I think we should look at it again.

Mr Morse: It just occurs to me as you look at the aging debt the net present value of that book must be quite low, so every year—

Mr Codling: About 700 million. The balance sheet value of our £1.8 billion debt when it is impaired and discounted is £700 million compared to the £1.8 billion.

Mr Morse: I am now doing a very simple and totally wrong bit of arithmetic, but if you think about it there is an annual impairment of the book of debt because it is sitting there every year and having long-term debt, although it is not having a cash charge, is actually costing a very significant amount each year in the depreciation of the value of the debt book. I know you are not disagreeing with me about that but what I am saying therefore is if you are making a business case for doing something with the debt book it is not difficult to find one side of the equation which is the very considerable degradation in the value of the debt that you have on your books.

Mr Codling: It has already happened.

Mr Morse: Yes, but it continues to happen, does it not, every year?

Mr Codling: Yes.

Sir Leigh Lewis: I think this is a really interesting question. We would need to consult with our colleagues in the Treasury. It is not a decision that we should take alone. I am interested in this. The key question has to be, and I am sure the Comptroller and Auditor General would agree, does it represent value for money to the public? That has to be the key question.

Chairman: This has engendered another couple of questions from Mr Davidson.

Q87 Mr Davidson: Can I just clarify on this because I am a bit worried that going down this road might develop silo working. How many of the people whose debt might be sold on would already have multiple debts so they would be in debt to the council for council tax or rent and so on and to what extent would selling the debt on to perhaps more aggressive collectors simply allow your debt to leap ahead of other people's debt with no actual general benefit to the public purse but just simply a shuffle around, and

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to what extent would any business case be developed in consultation and co-ordination with other potential debtors?

Sir Leigh Lewis: I absolutely do not want to give you an impression that we have thought further about this than we have. All I have done is I have said that this is a question worth exploring and I think we should explore it. I think the kind of questions that you have put forward are all extremely pertinent ones that we should consider as part of that. I do think the question is worth exploring.

Q88 Mr Mitchell: This brings to mind nightmare visions of securitisation of debt, special purpose vehicles flogging it on and bringing about a big bubble like the banks. I suppose this is for the NAO: is there a register of debts owed to government? It is possible to conceive that somebody who is fiddling their taxes or has a tax debt or somebody who has a tax credit debt or somebody who has got a jobseeker's debt or whatever or housing fiddles are co-ordinated in a register of government fiddlers?

Mr Morse: I am not sure a fiddle register is something I recognise, Mr Mitchell. I think the truth is that it is possible to have systems running across agencies that would allow you to see what the total amount of debt was, if you can identify the individuals accurately, and that is a big "if". Do not under-estimate the cost of achieving that. It is a desirable place to get to, I think my colleagues in DWP would agree, but do not underestimate how hard it would be to get there. Yes, theoretically you should be able to say what are the total debts

someone has. Certainly you find in the private sector credit rating agencies do that sort of thing. Could we do it? I think we would find it quite difficult and costly but it might be somewhere we might reach ultimately. That is my best answer.

Mr Codling: We are doing some work with HMRC to identify mutual debtors and to see if we can assist in recovery on either side.

Ms Hinds: We would be interested in looking at that work because it is quite a new level of co-operation between two significant agencies and I think there will be a lot of learning out of that that may inform future developments.

Mr Mitchell: Of course after May we will all be on it as well!

Chairman: That concludes our hearing on a happy note. Thank you very much, Sir Leigh, as always, for the effective way you have sought to answer our questions. Undoubtedly you have now got a more efficient indication of debt but the fact is that your recovery is not keeping pace with overpayments. We now have a total debt owed by benefit recipients of the Department of £1.8 billion so as you are only recovering at a very slow pace obviously from people I am sure our report will focus on the urgent need for you to concentrate help and effort at the beginning of this process so that people do not build up debt. We have had a discussion about selling debt. I will not burnish my already right-wing reputation by saying as well as considering selling debt you should also consider selling your debtors into slavery. That is not a question.

Mr Davidson: I know he is not joking!

 Supplementary memorandum from the Department for Work and Pensions

Question 39 (Mr Davidson): *Debt that is in the process of recovery*

It is difficult to be precise given the constant by changing circumstances of our customers. However, as at 31 October 2009, 494,000 of our customers had a payment plan currently live. These plans will be where the customer is paying by instalments either by deduction from benefit or pension, or voluntarily through direct debit etc. The sum of the balances still to pay on those plans is £995 million, 54% of the debt stock. Therefore, if those plans stayed live throughout the currency of the repayment plan, that sum would be recovered.

Questions 41–42 (Mr Davidson): *How much fraud is actually organised?*

The Department does not estimate the amount of benefit fraud that is due to organised crime.

DWP organised fraud teams deal with cases where the fraud has been committed or facilitated by groups of two or more individuals who come together with the specific purpose of committing fraud. In 2008–09 DWP organised fraud teams dealt with 1796 referrals and achieved over 1200 sanctions, with 80% of offenders prosecuted receiving a custodial sentence.

Questions 44–46 (Mr Davidson): *Risk profiles and particular nationalities*

DWP does not record outcomes based on nationality or ethnic origin. However, intelligence from our own investigations and from key partners such as SOCA, HMRC and the Police indicates that most of those involved in organised crime against DWP are UK nationals.

Questions 46–47 (Mr Davidson): *Work with the Serious Organised Crime Agency*

DWP works closely and has a partnership agreement with the Serious Organised Crime Agency. The agreement sets out the underlying strategic principles to support and develop the relationship, with appendices setting out collaborative areas and agreed working practices relating to information sharing, joint operational activity and multi-agency working.

Question 49 (Mr Davidson): *Write offs*

We do not capture data on cases where we have written off debts due to people's disappearance or having gone abroad. We do record the classification of the debt, i.e. whether it is customer error or official error, as shown in table 16 on page 24 of the National Audit Office report.

Question 51 (Mr Davidson) and Question 61 (Dr Pugh): *Geographical Breakdown of debt*

We do not collate data on the geographical breakdown of debt. However, the following table provides information on the volumes of overpayments referred to Debt Management by different regions of Jobcentre Plus for the period from April to October 2009.

<i>Region</i>	<i>Actual Referrals Achieved Oct 09 YTD</i>	<i>%</i>
Centrally Managed	4,711	1.59%
East Midlands	13,918	4.69%
East of England	17,535	5.90%
FIS	26,342	8.87%
London	46,703	15.73%
North East	19,923	6.71%
North West	36,027	12.13%
Scotland	24,165	8.14%
South East	27,925	9.40%
South West	21,013	7.08%
Wales	14,791	4.98%
West Midlands	23,336	7.86%
Yorkshire & the Humber	17,725	5.97%
Other	2,874	0.97%
TOTAL:	296,988	100.00%

Question 72 (Mr Mitchell): *Level of underpayments in the benefit system*

In 2008–09 0.9% (£1.2 billion) of benefit expenditure was underpaid. This compares to 2.2% (£3 billion) of benefit expenditure which was overpaid during the same period.

Questions 78-80 (Mr Davidson): *Impact of benefit fraud campaign on benefit take-up*

The Department has run national campaigns to deter benefit fraud since 2002 targeted at working-age customers of Jobseeker's Allowance, Income Support and Housing/Council Tax Benefit who may be considering committing fraud, or are already committing it. Such campaigns are designed to deter people from claiming benefits they are not entitled to and are not, of course, aimed at the great majority of honest claimants or non-claimants.

We test all new campaigns with a range of benefit customers and the general public across Great Britain to ensure that they do not alienate honest customers or the general public and that they will achieve the objective of making potential fraudsters believe that they will be caught if they commit fraud. There is no evidence to suggest that the Department's fraud campaigns have had any impact on benefit take-up by genuine customers. However, the Department has commissioned some research in this area to understand better the impact, if any, of its fraud campaigns on benefit take-up.

Question 81 (Mr Davidson): *Appeals*

The following table gives details of the number of allowed appeals for the first half of 2009–10:

VOLUMES OF APPEALS AND PERCENTAGE ALLOWANCE RATE 1 APRIL 2009 TO 30 SEPTEMBER 2009

	<i>Total Appeals</i>	<i>Appeals Allowed</i>	<i>Appeals Allowed as % of Total</i>
Disability Living Allowance	27,317	11,452	41.9
Attendance Allowance	1,367	390	28.5
Carers Allowance	413	55	13.3
Pensions, i.e. Pension Credit and State Pension	1,487	152	10.2

The total number of appeals received by Jobcentre Plus across all benefits and all decision types during the period from April to September 2009. We do not have a breakdown of how many of those appeals related to debt or the number of appeals that were allowed. We are, however, implementing a mechanism to capture this information in future.

REPRESENTATION AT THE APPEAL

We do not have information from the Tribunal Service on the number of appeals where customers and/or their representatives attend the Tribunal hearing or the relative success rates where someone is represented. We, therefore, are unable to provide the comparison requested.

Question 83 (Mr Davidson): *How many senior DWP officials were Oxbridge educated?*

Of our 11 Executive Team members, 9 went to university of whom 4 went to either Oxford or Cambridge.

24 November 2009
