

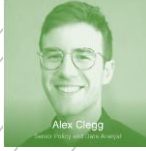
Revenues and Benefits Discussion Group

18 September 2023



In
Partnership
with

LA Directories
Limited



Meet the panel

(not everyone is available every week)

- Naomi Armstrong, Benefits Cambridge City Council
- Laura Bessell, Benefits Manager, Oxford City Council
- Kirsty Brooksmith, London Borough of Hammersmith & Fulham
- Alex Clegg & Tylor-Maria Johnson, Policy in Practice
- Nicki Duckworth, EntitledTo, Marshalling
- Malcolm Gardner, Visionary Network, Chair
- Paul Howarth, Independent Consultant
- Gareth Morgan, CEO Ferret Information Systems
- Megan Shepherd, Mid-Sussex District Council
- Kevin Stewart, Erewash Borough Council
- Bob Wagstaff, PSPS (Boston, South Holland, East Lindsey)
- Liz Whitehead-Davis, Hexagon Housing



In Partnership with

LA Directories
Limited

Any comments made by panellists are their own personal views and do not necessarily reflect the positions of their organisations.

(c) 2023 Visionary Network Ltd. All Rights Reserved

Discussion Points



Is Fraud No Longer A
Risk?



In
Partnership
with

LA Directories
Limited



VISIONARY NETWORK
The Independent Revenues and Benefits Discussion Group

Welcome to a
new era of
council tax
deduction
schemes

[Bristol City
Council Case
Study](#)

“
**COUNCIL TAX REDUCTION
CLEAR & CONCISE**
Let us make it simple for you
”

Save money, improve efficiency,
help your vulnerable citizens,
build trust.

<http://www.visionarynetwork.co.uk>



Finding the
right
information
has never been
easier with



The law and practice relating to Welfare Benefits is complex, detailed, open to interpretation and endlessly dynamic

LA Directories Ltd is here to help professionals across England, Wales, Scotland and Northern Ireland correctly and efficiently identify and understand the ever-changing law and guidance that governs the calculation of entitlement to Housing Benefit, Rates (Northern Ireland), Universal Credit, Council Tax Reduction and Discretionary Housing Payment.

LA Directories Ltd takes the law and guidance relating to Housing Benefit, Rates, Universal Credit, Council Tax Reduction and Discretionary Housing Payment then interprets and consolidates it into three product ranges...

- The Benefits Directory a web-based knowledge management solution
- The Training Directory provision of open and in-house training courses at all levels
- Consultancy services

Local authorities across England, Wales and Scotland are using our services as well as the Northern Ireland Housing Executive.

E-mail services.enquiries@ladirectories.com

Peter Davis, Marketing & Account Management

E: peter.davis@ladirectories.com

M: 07807 009 959

Ferret Information Systems Ltd



Ferret Information Systems was established in 1987 and is the largest company in Europe in the field of law dealing with welfare benefits and similar areas of determinative, compliance, and regulatory law.



our training services:

Ferret is well placed to provide training services and its team of specialists have wide experience of benefits and housing grant legislation. We also provide consultancy to organisations, companies and government on the impact of legislative and policy changes.



our products:

Ferret produces a wide variety of systems, designed to provide support tools for advice workers, and also to provide information and advice directly to the public. Ferret specialises in a holistic assessment of financial circumstances relating to welfare benefits and tax credits entitlement, coupled with software development methodology which offers a high level of flexibility and rapid updating to reflect rule changes.



our platforms:

Systems supported include network, desktop, laptop, mobile devices, Internet and Intranet systems, and a public access system in multi-lingual, multi-media form for touch screen kiosks and public access PC's.



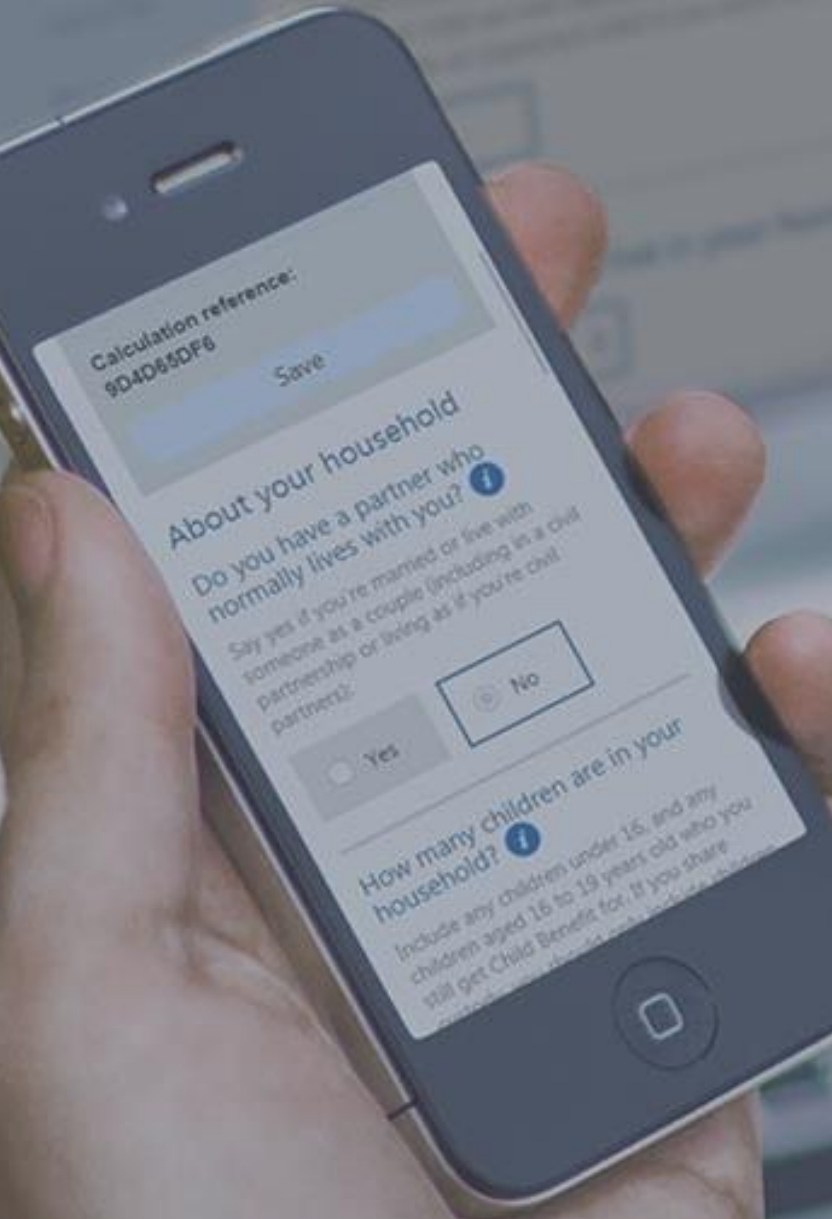
our customers:

Users of Ferret systems include government departments, local authorities, housing associations, CABx, HIA's and other advice agencies, universities, social welfare organisations, libraries, solicitors and financial advisers.

<https://www.ferret.co.uk/>

entitledto

independent | accurate | reliable



Our mission is to help everyone to access the benefits they're entitled to.

Since 2000 we have used our in-depth knowledge of the UK's social security system to build a range of authoritative and accurate calculators to help you and your clients understand their legitimate benefits entitlement.

Our tools are designed to be quick, simple and easy to use, so your staff and clients feel empowered to deal with the benefits system with confidence.

In response to evolving business needs and ongoing local and national policy changes, we will continue to work with and for our clients to develop new features and functionality.

Our goal is to assist your teams in adapting to legislative changes and welfare reform so you can help more people find out what benefits they are entitled to, thereby improving their circumstances and those of their families.



Ascendant Solutions
data management

Barnet Council has become the first local authority to launch the Ascendant apply4.online application form, designed to support residents with the rise in cost of living.

The InBest benefits calculator has been integrated into Ascendant's apply4.online support application, to make it easier for people who are experiencing financial difficulties to find out what support is available to them.

It includes information on benefits such as Universal Credit, Pensions Credit, Attendance Allowance and Personal Independence Payment, as well as local financial support initiatives including council tax support and the residents support fund.

Barnet Council Leader, Cllr Barry Rawlings said: "The cost-of-living crisis is affecting us all, and we want to ensure Barnet residents know what financial support is available to them and how they can access these services.

"It is very positive to see Barnet is the first local authority to launch this free tool, and we hope to see many other local councils doing the same to help their residents."

To find out what financial support is available to help with the cost-of-living visit [Barnet Council Benefits Calculator](#)



Apply4.Online®

End

Malcolm Gardner, Visionary Network Consultant

07946800171

mg@malcolmgardner.com

Book a meeting with Malcolm <https://bit.ly/VNMGTime>



In
Partnership
with

LA Directories
Limited

Join the discussion

Each Monday lunchtime, a panel of professionals leads a discussion on revenue and benefits administration issues. The panel consists of council & housing officers, policy advisors, and analysts.

It is a free service that is well attended. Attendees make good contributions; everyone gets a chance to speak. Attendees includes senior managers, team leaders, suppliers, and support staff

You can join in the discussion during the week (and start some new ones) by joining our WhatsApp group: <https://bit.ly/3Qjrkqe>

Links to the recordings and the slide packs plus other relevant documents will be posted into both the WhatsApp group and in the Teams Channel and emailed to those who attended and subscribers to the group.

To sign up just email malcolm@visionarynetwork.co.uk with your name, organisation and email address. We are inclusive because sharing information and good practice is essential. You don't have to attend every session; recordings will be available.



In Partnership
with

LA Directories
Limited



Main Discussion Points

Is Fraud No longer a Risk?



General Information



Fraud Landscape



Crime Survey



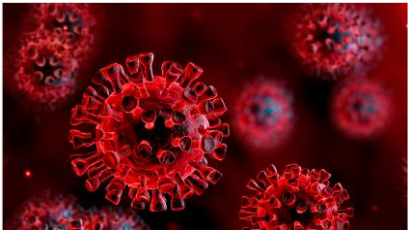
Benefit Fraud



Insurance Fraud



Tax Evasion



Covid Grant Fraud



Shoplifting

Intro

- Demands on the household budget (essential to non-essential need)
- Off-set by Income
- Risk of minor breaches to obtain goods or additional income are balanced by
 - (Income minus demands) divided by (risk of getting caught * impact of penalty)
 - In that calculation "impact" is the lowest consideration
- The big question is what does the individual morally consider to be petty theft?

Shoplifting: March 2023 Surge in UK Shoplifting Amid Cost-of-Living Crisis

- **Key Factors:** Soaring grocery prices have led to an increase in shoplifting in the UK, more so than in other European countries.
- **Data Points:**
 - Grocery price inflation hit a record high in March; supermarket inflation at 17.5%.
 - Typical family's annual grocery bill £837 higher than last year.
 - Shoplifting up 22% year-to-year; cost the UK economy £660m in 2021-22.
- **Security Measures:** BP stores employing more security and using body cameras.
- **Additional Info:** Food inflation at 15%; fresh food prices 17% higher than last year; Unite union blames food firms and retailers for passing on price hikes.

Shoplifting: May 2023 Anti-Shoplifting Measures in UK Supermarkets Amid Rising Costs

- **Current Situation:** Shoplifting back to pre-pandemic levels; 33,000 incidents recorded in March, a 30.9% increase YoY.
- **Anti-Theft Strategies:**
 - Security tags on high-value items like steaks and cheese.
 - Dummy jars for coffee.
 - Limiting the number of items on shelves.
- **Retailer Investment:** Heavy spending on anti-crime measures; individual stores implementing specific strategies based on theft rates.
- **Public Perception:** Photos on social media showcase extreme measures; steaks described as "packaged like gold bars."

Shoplifting: July 2023 Universal Credit

- "I was on universal credit. If I didn't shoplift I'd only have been able to afford packet noodles."
- Ash (not their real name) is a 25-year-old south London resident "living pay cheque to pay cheque".
- During the pandemic, Ash wasn't eligible for furlough. They lost their job and their shoplifting habit began.
- "The cost of living started my shoplifting," says Ash, adding that food prices have only gone up since.
- Shoplifting is a criminal act which can land you in prison. Yet figures suggest the number of people doing it, like Ash, is increasing.

Shoplifting: September 2023 Escalating Shoplifting Crisis in UK Retail

- **Trends & Impact:**
 - Shop thefts doubled in 3 years, costing £953m/year.
 - 8m incidents in 2022; affecting large and small retailers.
 - Co-op reports 1,000 incidents/day; highest-ever levels of retail crime.
- **Aggressive Behavior & Crime Nature:**
 - Shoplifters use razors, knives, screwdrivers, etc.
 - Described as "organized looting"; items resold just yards away from stores.
 - Police failed to respond to 71% of serious retail crimes.

Shoplifting: September 2023 Escalating Shoplifting Crisis in UK Retail

- **Security Investments:**
 - Over £200m spent by Co-op alone.
 - Use of body-worn cameras, undercover guards, and “dummy” packaging.
- **Staff & Community Impact:**
 - 850+ incidents of violence/abuse against staff daily.
 - Potential closures of unviable stores.
- **Authorities & Policy Gap:**
 - Ineffective police response; as low as 20% for apprehended shoplifters.
 - Increased theft partially blamed on the cost-of-living crisis and insufficient policing.

Benefit Fraud

- The total rate of benefit expenditure overpaid in FYE 2023 was 3.6% (£8.3bn), compared with 4.0% (£8.7bn) in FYE 2022 which was the highest recorded level of overpayments.
- The total rate of benefit expenditure underpaid in FYE 2023 was 1.4% (£3.3bn), the highest recorded level, compared with 1.2% (£2.6bn) in FYE 2022.

Fraud

Claims where all three of the following conditions apply:

- the conditions for receipt of benefit, or the rate of benefit in payment, are not being met
- the claimant can reasonably be expected to be aware of the effect on their entitlement
- benefit payment stops or reduces as a result of the review

Claimant Error

The claimant has provided inaccurate or incomplete information, or failed to report a change in their circumstances, but there is no evidence of fraudulent intent on the claimant's part.

Official Error

The benefit has been paid incorrectly due to a failure to act, a delay or a mistaken assessment by DWP, a local authority or HMRC, to which no one outside of that department has materially contributed, regardless of whether the business unit has processed the information.



In Partnership
with

LA Directories
Limited

Source ONS

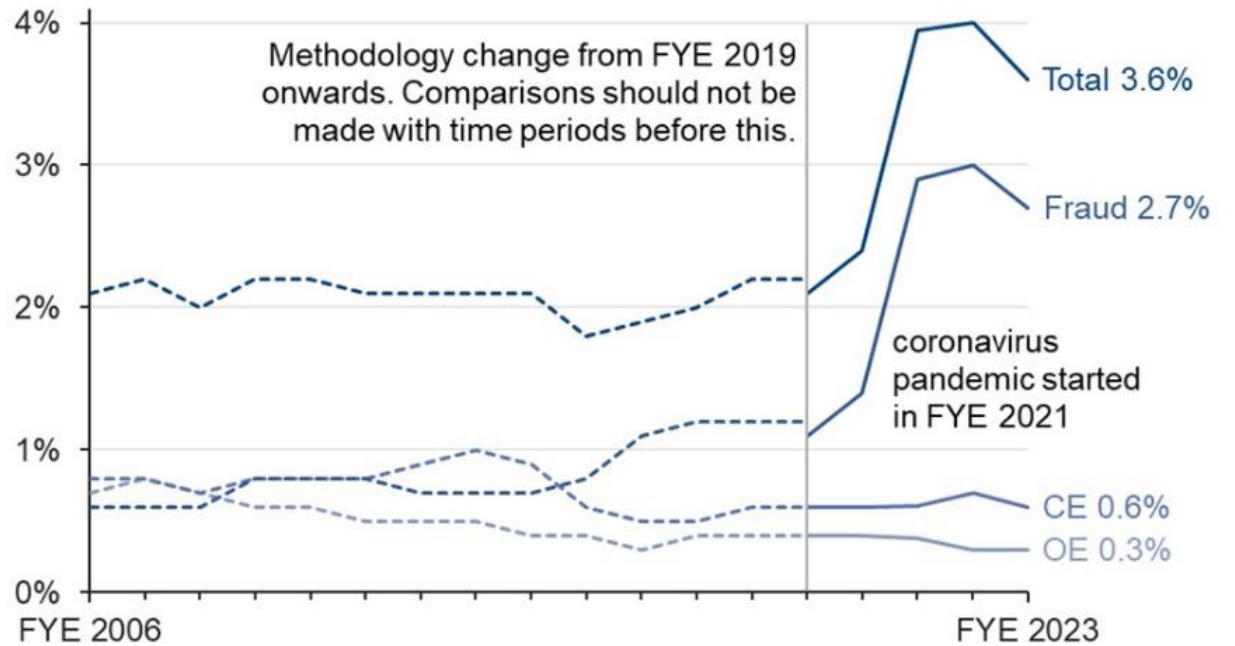
Total expenditure all benefit expenditure

- Total benefit expenditure increased from £215.8bn in FYE 2022 to £233.8bn in FYE 2023.
- This was an increase of £18.0bn (8.3%) which was due to:
 - State Pension expenditure increasing by £5.2bn (5.0%), from £104.5bn in FYE 2022 to £109.7bn in FYE 2023
 - Universal Credit expenditure increasing by £3.0bn (7.5%), from £40.4bn in FYE 2022 to £43.4bn in FYE 2023
 - Personal Independence Payment expenditure increasing by £2.6bn (17.3%), from £15.1bn in FYE 2022 to £17.7bn in FYE 2023
- Cost of Living Payments expenditure of £8.4bn, paid for the first time in FYE 2023. This accounted for almost one-half of the total benefit expenditure increase between FYE 2022 and FYE 2023

Source ONS

Total estimates of fraud and error across all benefit expenditure

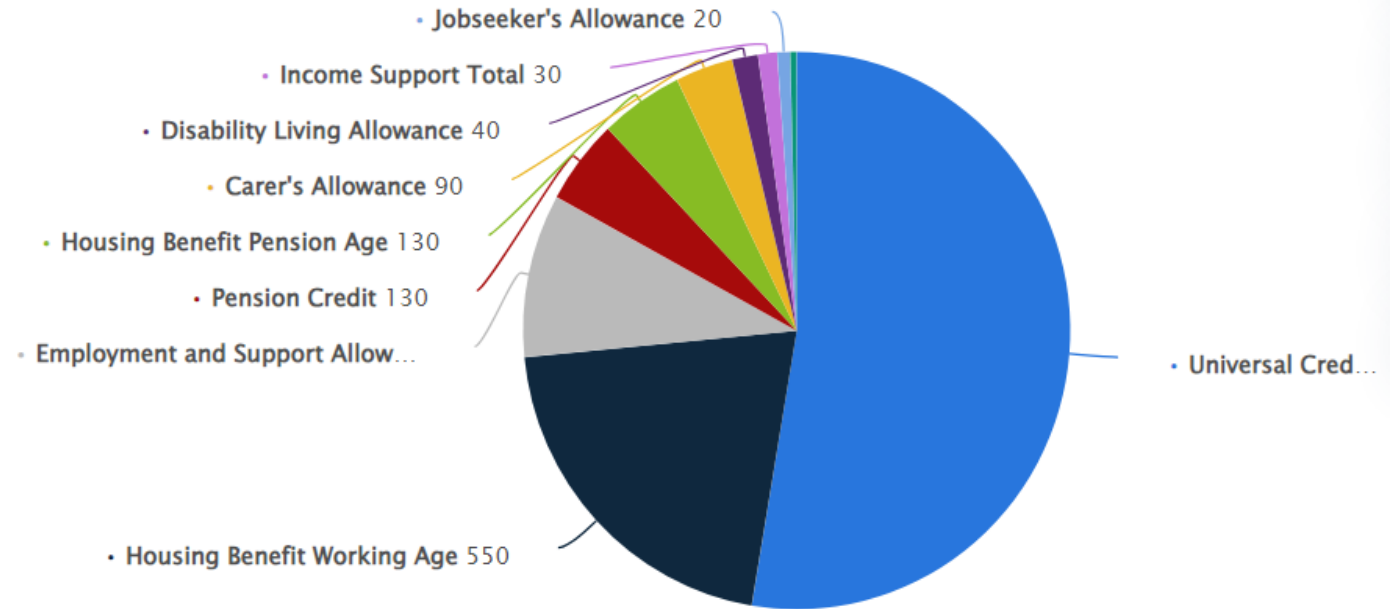
Rate of benefit expenditure overpaid, by Fraud, Claimant Error (CE) and Official Error (OE), FYE 2006 to FYE 2023



Source Statsica

Total estimates of fraud and error across all benefit expenditure

Benefit fraud in Great Britain from 2019 to 2020, by type *(in million GBP)*



Source ONS

Total estimates of fraud and error across all benefit expenditure

- Overpayments due to Fraud were 2.7% (£6.4bn) in FYE 2023, compared with 3.0% (£6.5bn) in FYE 2022 which was the highest recorded level.
- Overpayments due to Claimant Error were 0.6% (£1.4bn) in FYE 2023, compared with 0.7% (£1.5bn) in FYE 2022.
- Overpayments due to Official Error remained at 0.3% in both FYE 2023 (£0.6bn) and FYE 2022 (£0.7bn).
- Cost of Living Payments were included for the first time in FYE 2023. If we exclude this expenditure, to give a better comparison to FYE 2022, then the total overpayment rate would have been 3.5%, compared with 4.0% in FYE 2022.

According to TaxWatch You're 23 times more likely to be prosecuted for benefit fraud than tax fraud in the UK

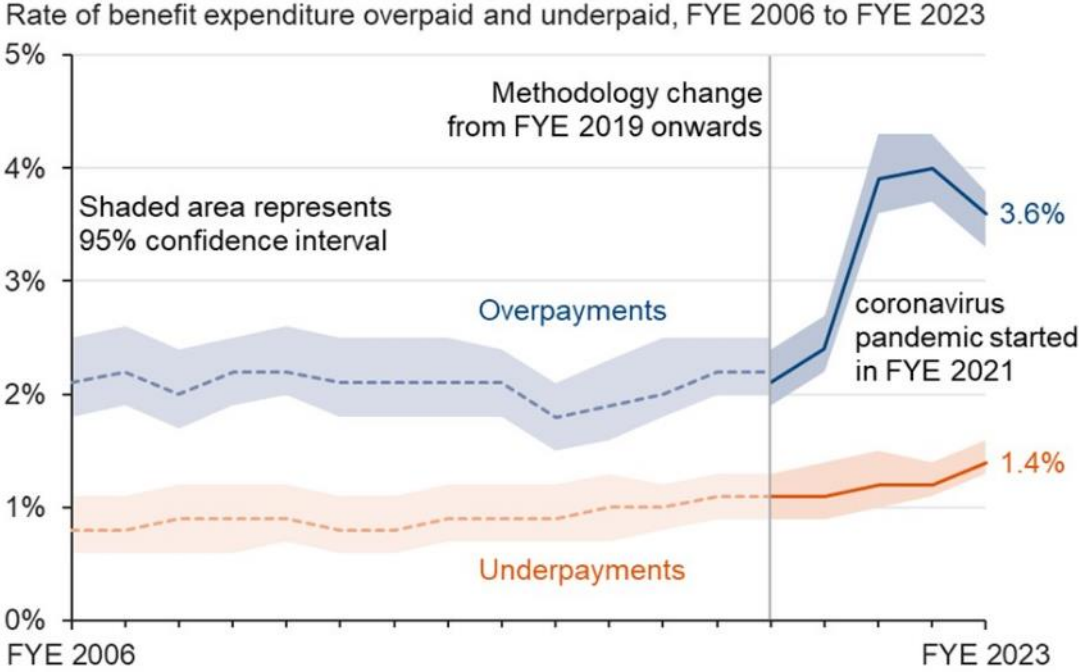
Source ONS

Total estimates of Underpayment fraud and error across all benefit expenditure

- Underpayments due to Claimant Error were 0.9% (£2.1bn) in FYE 2023, which was the highest recorded level, compared with 0.7% (£1.6bn) in FYE 2022.
- Underpayments due to Official Error remained at 0.5% in both FYE 2023 (£1.2bn) and FYE 2022 (£1.1bn).

Source ONS

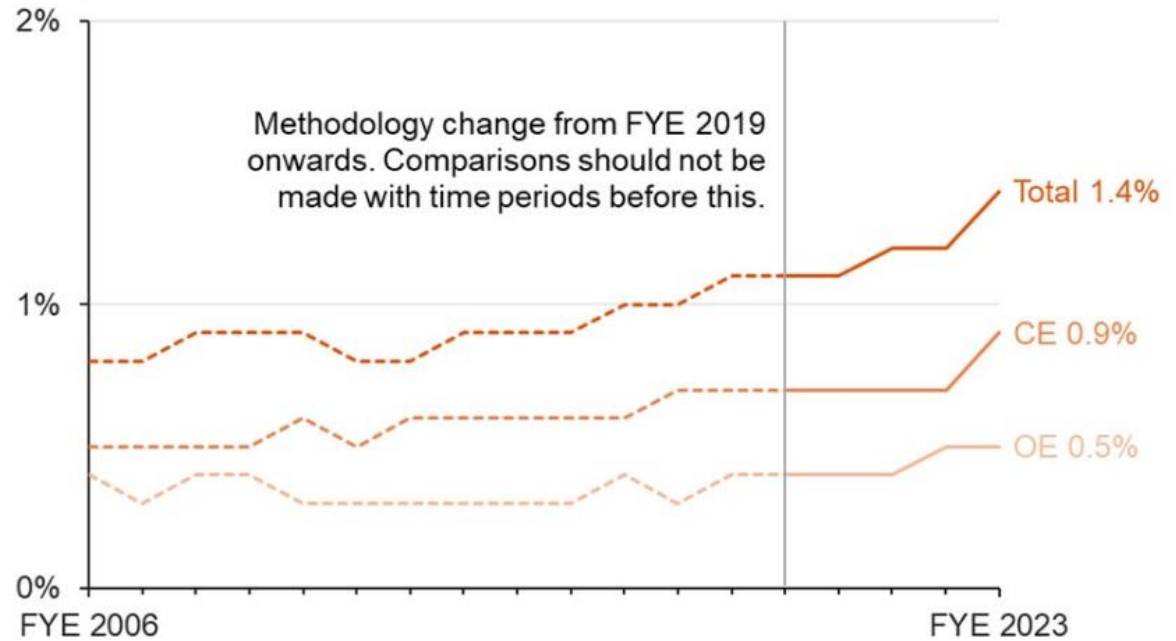
Benefit Overpayment



Source ONS

Benefit Under-payment

Rate of benefit expenditure underpaid, by Claimant Error (CE) and Official Error (OE), FYE 2006 to FYE 2023



Insurance

- UK car insurance premiums have experienced a significant increase of 20% during the past year, with motorists now paying an average of £6571.
- This rise has been observed for six consecutive quarters, with the first quarter of 2023 witnessing a 4% increase in premiums.
- The sharpest annual rise has been observed among drivers aged 17-20, with prices increasing by over £3001.

Insurance

- For consumers, predicted premium rate increases in 2023 on both motor and home policies will add, on average, £66 and £75 respectively to annual insurance spend
- Insurers are set for low premium income growth in 2023 due to rising interest rates and a weakening economic picture affecting pricing and demand
- Life premiums are forecasted to rise by 5% this year but then contract by 1% in 2023 due to inflation and economic uncertainty affecting pricing and demand.

Insurance

- According to Consumer Intelligence, which analysed quotes from Confused.com, Go Compare, Compare the Market, and MoneySuperMarket, the average insurance premium in the UK rose by 48% in the 12 months to June 2023
- This increase is the highest since the beginning of 2018

Insurance Fraud

- In 2021, insurers detected 89,000 dishonest insurance claims valued at £1.1 billion down 4% from 2020.
- The lowest since 2007
- This indicates that insurance fraud continues to be a concern for the industry.

Financial Industry Fraud

- 2022 OVERVIEW Overall fraud losses (both authorised and unauthorised) totalled £1.2 billion in 2022;
 - a decrease of eight per cent when compared to 2021.
- UK Finance members reported 2,988,705 cases of confirmed fraud, a reduction of 4% in the same period.
- Unauthorised financial fraud losses across payment cards, remote banking and cheques totalled £726.9 million in 2022,
 - a decrease of less than one per cent.
- Banks and card companies prevented £1.2 billion in unauthorised fraud in 2022.
 - This represents incidents that were detected and prevented by firms and is equivalent to 61.5p in every £1 of attempted fraud being stopped.
- In addition to this, there were 207,372 incidents of authorised push payment (APP) scams reported in 2022 with gross losses of £485.2 million,
 - compared with £583.2 million in 2021



In Partnership
with

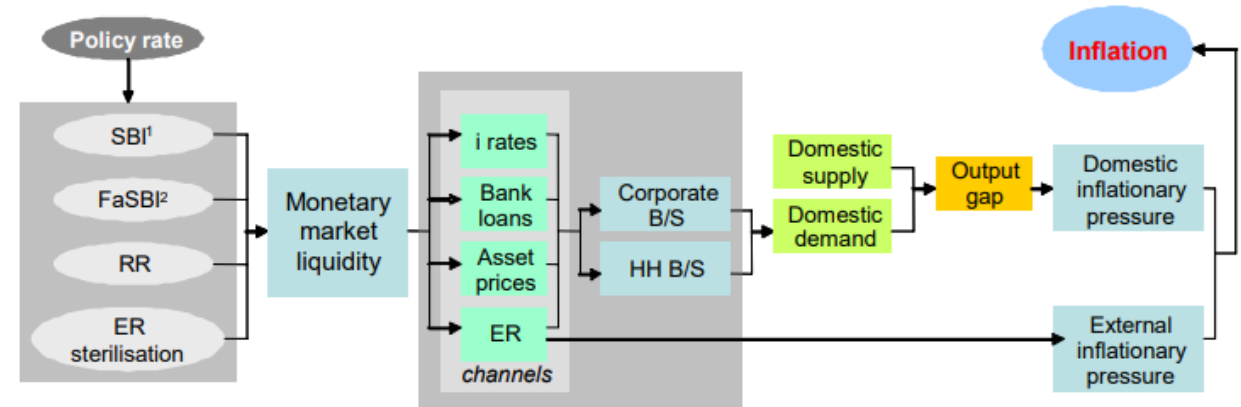
LA Directories
Limited

Overview of Fraud Landscape Post- Pandemic

- The end of the pandemic has reshaped the fraud landscape: some types of fraud have declined, while others increased.
- Criminals continue to focus on deceptive methods to obtain consumer's account details or personal information for fraudulent activities.
- Criminals employ various techniques such as social engineering to trick consumers into sharing personal and financial information.
- Platforms include social media, auction sites, and search engines.
- Social engineering is the key driver of both authorised and unauthorised fraud losses in 2022.
- 78% of authorised push payment (APP) fraud began online in H2 2022.
- Types of fraud requiring extensive personal information, like card ID theft, have seen an increase.
- Industry has adapted methods to prevent fraud earlier in the payment process.
- Measures include Confirmation of Payee, targeted warning messages, and public awareness campaigns like UK Finance's "Take Five to Stop Fraud."
- Prevented fraud appears to have decreased in 2022 due to these early intervention methods.

Households & Monetary Policy

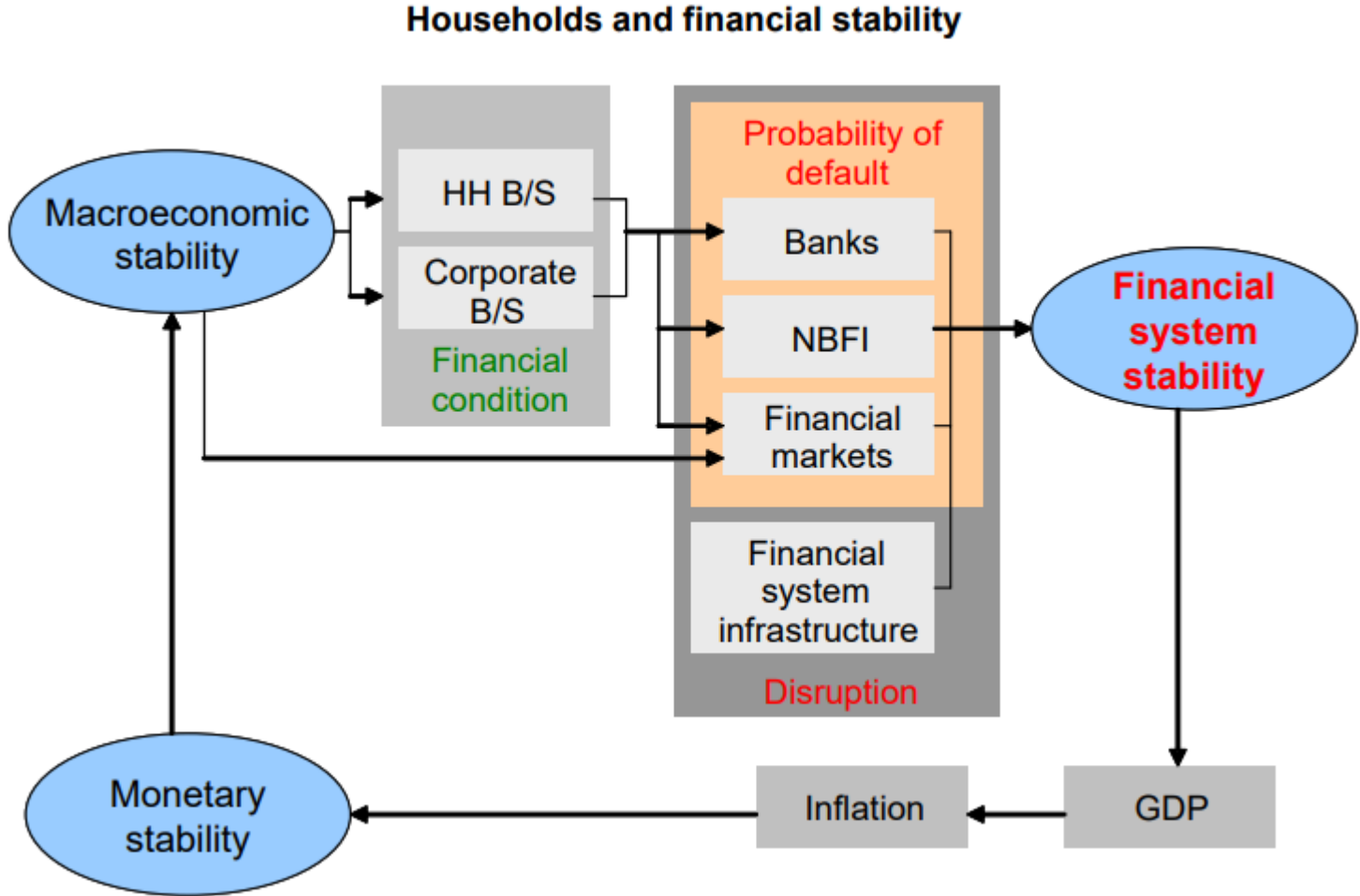
Households and monetary policy



¹ BI Certificate. ² Fine tune interest rate instrument.

- **The interest rate channel.** When the central bank lowers interest rates, households may shift their portfolio investments into non-interest bearing assets and have an incentive to increase consumption and borrowing. This, in turn, generates demand, thereby stimulating supply. As a result, the production sector will need more financing.
- **The credit channel.** Households may cut their expenditures when banks raise the interest rates on loans (bank lending channel) in response to tighter monetary policy. Higher interest rates reduce households' access to bank lending, creating a credit crunch.
- **The exchange rate channel.** In an open economy with a non-fixed exchange rate regime, expansionary monetary policy affects exchange rates since lower interest rates make deposits denominated in domestic currency less attractive. Depreciation makes domestic goods cheaper than imported goods and stimulates domestic demand, which in turn leads to an increase in aggregate output. However, deep local currency depreciation sharply increases the debt burden of companies whose borrowings are denominated in foreign currency, affecting these companies' ability to expand, or even forcing them to scale back their operations. This situation affects incomes and wages, dampening domestic demand for goods and services.
- **The wealth channel.** A rise in the prices of assets (both financial assets, such as equities, and real estate) improves household and corporate balance sheets. As their net worth rises, both households and firms have more collateral to borrow against to finance consumption (households), investment (households and firms) and operational expansion (firms). Strong corporate growth also benefits households, who will likely see an improvement in their incomes or wages.

Households & Financial Stability



Source ONS

An advance-fee scam is a form of fraud and is one of the most common types of confidence tricks. The scam typically involves promising the victim a significant share of a large sum of money, in return for a small up-front payment, which the fraudster claims will be used to obtain the large sum

Crime Survey for England and Wales: Fraud Statistics Year Ending March 2023

- **Total Fraud Offences:** 3.5 million, similar to pre-COVID levels (3.7 million in 2020).
- **Bank/Credit Account Fraud:** Decreased by 14% (2.5M to 2.1M).
- **Advance Fee Fraud:** Increased substantially from 60,000 to 391,000.
- **Behavioral Changes:** Fraud patterns suggest exploitation of pandemic-related behavior.
- **Previous Trends:** TCSEW showed an increase in fraud during COVID; now returned to pre-COVID levels.
- **Data Consistency:** No significant differences between CSEW and TCSEW, confirming trends are likely genuine and specific to the pandemic period.

TCSEW Telephone-operated Crime Survey England & Wales
CSEW Crime Survey England & Wales



In
Partnership
with

LA Directories
Limited

Domestic Abuse Statistics: England & Wales, Year Ending March 2023

- **Overall Prevalence:** 4.4% of people 16+ years experienced domestic abuse in the last year.
- **16 to 59 Age Group:** 5.1% experienced abuse, down from 6.1% in March 2020 (pre-COVID).
- **Police Records:**
 - Total Offences: 889,441, stable since 2022 but up 14% from 2020.
 - Violence Against Person: 702,604 offences, up 15% from 2020.
 - Sexual Offences: 32,721, up 32% from 2020.
- **Notes:**
 - Increase may be due to higher victim reporting.
 - Data excludes Devon and Cornwall Police.

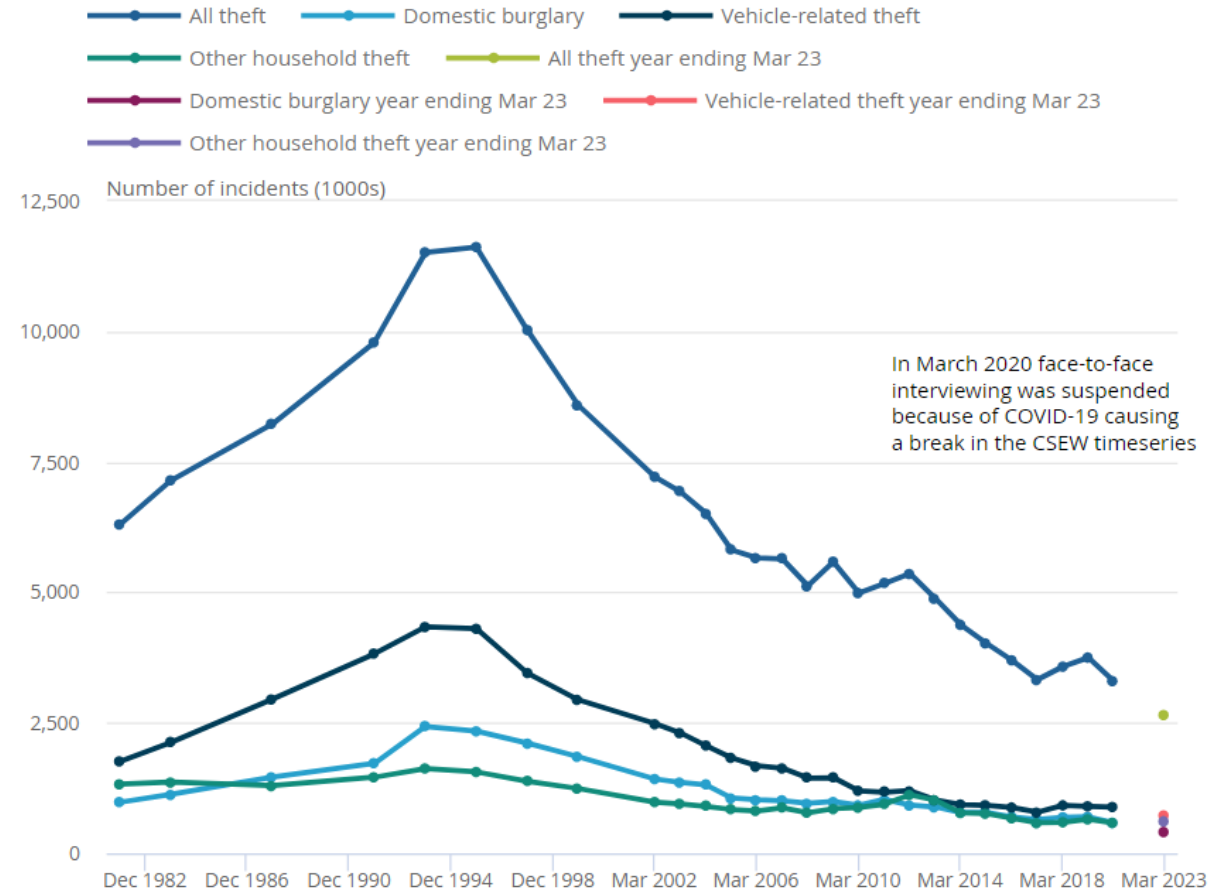
CSEW Theft & Neighbourhood Crime Statistics: Year Ending March 2023

- **Data Reliability:** CSEW is reliable for long-term trends; police data better for short-term trends.
- **Overall Theft Incidents:**
 - 2.7 million in 2023, down 20% from 3.3 million in 2020 (pre-COVID).
- **Sub-Category Changes:**
 - Theft from the Person: Down 33%
 - Other Theft of Personal Property: Down 31%
 - Domestic Burglary: Down 30%
 - Vehicle-Related Theft: Down 18%
- **Neighbourhood Crime:**
 - Includes robbery, theft from the person, domestic burglary, vehicle-related theft.
 - Down 26% compared to 2020.

CSEW Theft & Neighbourhood Crime Statistics: Year Ending March 2023

Figure 9: The CSEW shows long-term reductions in theft offences

England and Wales, annual estimates



CSEW Computer Misuse Offences: Year Ending March 2023

- **Data Source:** CSEW better reflects actual volume than police reports due to underreporting.
- **Overall Offences:** 745,000 in 2023, statistically similar to 876,000 in 2020 (pre-COVID).
- **Computer Virus Offences:** Sharp 66% decrease to 123,000 in 2023 from 360,000 in 2020.
- **National Fraud Intelligence Bureau (NFIB):** 8% decrease in offences referred by Action Fraud (26,024 in 2023 vs 28,189 in 2022).
- **Pandemic Influence:** Any real increase in computer misuse during pandemic likely temporary, as per CSEW data.

Declining Public Confidence in UK Police: YouGov Poll Findings

- **Overall Trust in Police:**
 - "No Confidence" rose from 7% to 9% (March 1-29).
 - "Very Much Confidence" decreased from 31% to 34%.
 - "Fair Amount of Confidence" fell from 46% to 43%.
- **Sexual Assault Perception:**
 - 68% believe police don't take it seriously enough, up from 54% in Oct.
 - Only 19% believe police treat it with the right seriousness, down from 29%.
- **Context:**
 - Decline follows Sarah Everard case & controversial handling of protests.
 - Criticisms also relate to Police, Crime, Sentencing and Courts Bill.
- **General Job Performance:**
 - Good Job: 64%, down from 67%.
 - Bad Job: 28%, up from 23%.

Covid Support Scheme Fraud

- Government Position 2022
- The Government introduced nearly £400bn in support schemes during Covid-19.
- Schemes protected tens of millions of jobs and millions of businesses.
 - Unemployment at 4.1%, far lower than the predicted 12%.
- Fraud Prevention Measures Initially Taken
 - Rigorous checks and automated controls were built into schemes.
 - £2.2bn in potential fraud was stopped in the Bounce Back Loan Scheme.
 - 100,000+ ineligible or mistaken claims were prevented.

Covid Support Scheme Fraud

- Government Position 2022
- Ongoing Efforts to Reclaim Stolen Funds
 - £100m Taxpayer Protection Taskforce with 1,200 HMRC staff deployed.
 - So far, £743m of overclaimed grants recovered in 20/21.
 - Expected to recover up to £1.5bn by end 22-23.
- Enforcement & Legal Measures
 - 49 arrests related to Bounce Back Loan Scheme by NATIS.
 - 106 director disqualifications, 48 bankruptcy restrictions.
 - £6m invested in NATIS for tackling fraud in Covid loan schemes.

Covid Support Scheme Fraud

- Public Accounts Committee Position 2022
- Financial Impact & Estimates
 - £129bn in loans and guarantees provided during the pandemic.
 - Fraud and error losses estimated between £12.4bn and £20.1bn; central estimate is £15.7bn.
 - £21bn in loans expected to be written off due to inability to pay.
- Schemes Most Affected
 - Furlough scheme losses estimated at £5.3bn.
 - Bounce Back Loan Scheme losses estimated at £4.9bn.
- Government & Oversight Response
 - Treasury minister Theodore Agnew quit over lack of action to recover funds.
 - Public accounts committee describes losses as "unacceptable" and calls for end-of-year estimates.
 - Government funded a "taxpayer protection taskforce" but faces criticism for inadequate funding.
- Political & Future Implications
 - Losses attributed to lack of preparedness and systemic weaknesses.
 - Dame Meg Hillier calls for continued accountability for Covid-19 spending.
 - Treasury rejects report claims, emphasizing economic recovery.

Covid Support Scheme Fraud

- Sept 2023
- Suspected fraud in government-backed COVID-19 loans: £1.69bn, up 43% since March.
- Total government-backed loans distributed by banks: £77bn
- Rise in suspected fraud levels reported as of June 30, up from £1.18 billion at the end of March.
- Increase observed as banks scrutinise maturing COVID-19 loans.
- Government guarantees cover majority of loan values.
- Taxpayers potentially face large bill due to fraud.
- Banks can claim for unpaid loans under certain conditions.

Tax Gaps

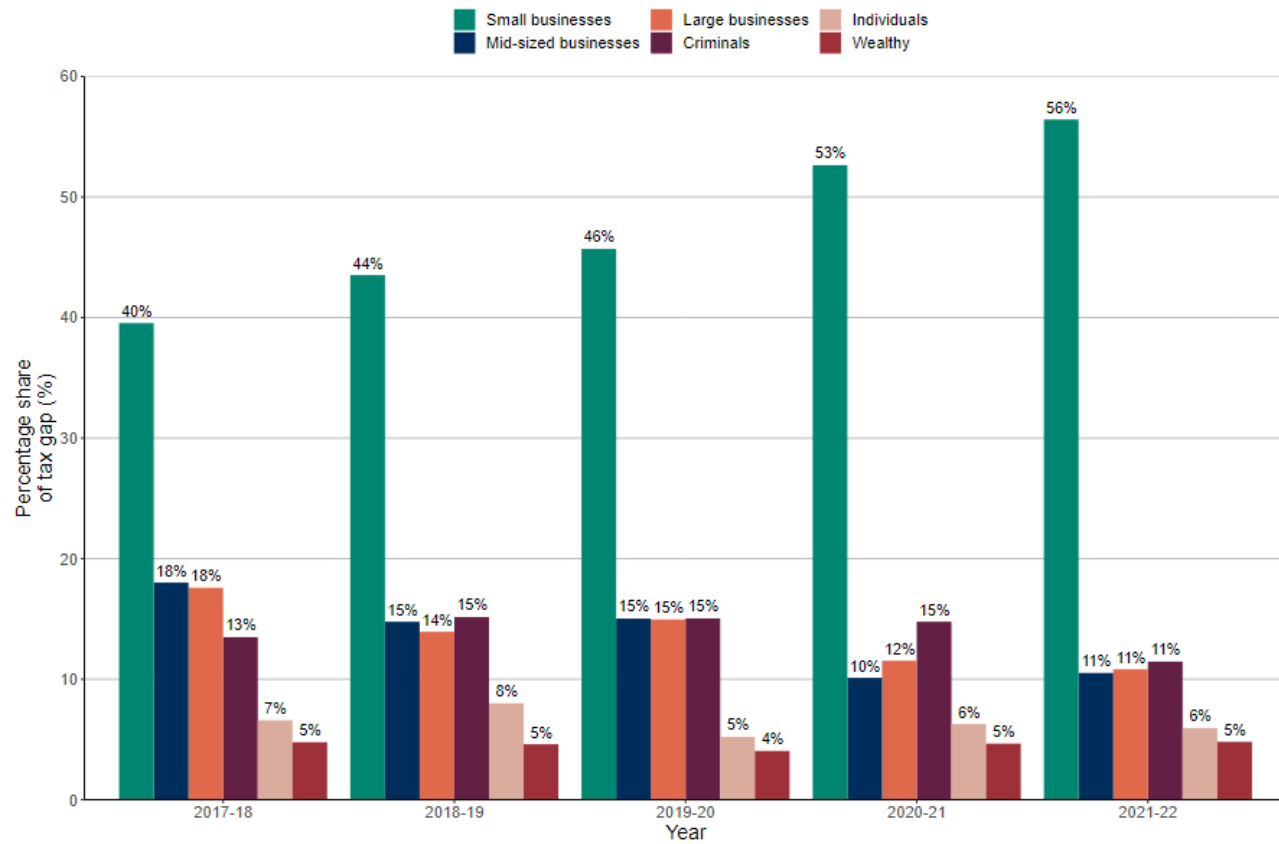
- The UK tax gap in 2021 to 2022 is estimated to be 4.8% of total theoretical tax liabilities, or £35.8 billion in absolute terms, which means HMRC collected 95.2% of all tax due

Tax Gaps

- There has been a long-term reduction in the tax gap as a proportion of theoretical liabilities: the tax gap reduced from 7.5% in the tax year 2005 to 2006 to 4.8% in 2021 to 2022 – remaining low and stable between the years 2017 to 2018 and 2021 to 2022
 - In 2021-2022, the VAT tax gap decreased from 14.0% to 5.4%
 - The Income Tax, National Insurance contributions, and Capital Gains Tax gap has been reduced from 4.5% in 2005 to 2006 to 3.0% in 2021 to 2022
 - Corporate tax gap is 13.3% in 2021-2022, up from 11.4% in 2005-2006
 - From 2005 to 2006, the excise duty tax gap was 8.3%; by 2021 to 2022, it was 6.1%
 - Tax gap by tax type is dominated by Income Tax, National Insurance contributions and Capital Gains Tax at 35%, followed by Corporation Tax at 30% and VAT at 21%.
 - Small businesses make up 56% of the tax gap by customer group in 2021 to 2022, while individuals and the wealthy make up 6% and 5% respectively.

Tax Gaps

Figure 1.4 Tax gap by customer group – share of tax gap



Tax Evasion

- Failure to take reasonable care accounts for 30% of the tax gap in 2021 to 2022, up from 24% in 2019 to 2020.
- Error accounts for 15% of the overall tax gap in 2021 to 2022, while evasion accounts for 13%.
- Tax gaps due to criminal attacks decreased from 15% in 2019 to 2020 and 2020 to 2021 to 11% in 2021 to 2022.
- The tax gap due to non-payment also decreased by 3 percentage points from 12% in 2020 to 2021 to 9% in 2021 to 2022. Legal interpretation accounts for 12% of the tax gap.
- In 2021 to 2022, tax avoidance accounted for 4% of the overall tax gap, while hidden economy accounted for 6%.



Other news

Number of benefit claimants too ill to work passes a million

- **Increase in Benefit Claimants:** Number of people claiming universal credit due to limited work ability has increased from 1.4 million to 1.8 million within a year.
- 1.2 million are deemed too ill to work, an increase of 300,000.
- **Cost Implications:**
 - Incapacity benefits cost £26 billion/year, up 62% over a decade.
 - Approval rate for incapacity is now 80%, doubled in the last decade.
- **Comparison Before and After Pandemic:** Over 2/3 of claimants in June were judged unfit to work, compared to less than half before the pandemic.

Number of benefit claimants too ill to work passes a million

- **Government Concerns:** Ministers are alarmed at the increasing cost and fear the system is trapping people in welfare.
 - Reforms in place to cut income by up to £4,680/year for those who can't find work.
- **Public Criticism:** Critics argue the government lacks detailed understanding of the health issues involved, making it hard to address the problem.
- **Charity Viewpoint:** Charities see the changes as a "cynical attempt to reduce benefits payments".
- **Government's Position:** Focus shifted from accusing claimants to incentivising work. Reforms aim to help claimants "fulfil their potential" by finding suitable work.

Cash Makes a Comeback in the UK

- **Increase in Cash Payments:** For the first time in a decade, cash payments rose by 7%, reaching 6.4 billion payments in 2022.
- **Total Payments Rise:** Overall payments (all methods) increased to 45.7 billion in 2022, up from 40.4 billion in 2021.
- **Impact of Cost of Living:** The resurgence in cash usage is attributed to the cost-of-living crisis, prompting people to use "tangible" physical money for budget management.
- **Consumer Behavior:** Rise in total payments partially due to smaller, frequent supermarket visits and value shopping.

Cash Makes a Comeback in the UK

- **Debit Cards Dominate:** 50% of all payments were made using debit cards in 2022; contactless payments jumped by 30% to 17 billion.
- **Cashless Population:** The number of people living "largely cashless lives" decreased to 21.6 million in 2022, down from 23.1 million in 2021.
- **Future Outlook:** While cash usage may decline again after inflation falls, UK Finance now forecasts 3.3 billion cash payments in 2032, making up about 7% of total payments.
- **Buy Now, Pay Later (BNPL):** Growth seems to be plateauing, with 12% of the UK population using it in both 2021 and 2022; however, usage among those 65-plus doubled to 8%.

UK Pensions Triple Lock Debate

- **Division Among Tories:** Conservative MPs are split on the future of the "triple lock" policy, which ensures pensions rise by the higher of average earnings, inflation, or 2.5%.
- **Political Uncertainty:** Chancellor Rishi Sunak refused thrice to commit to retaining the triple lock in the next Conservative manifesto.
- **Intergenerational Concerns:** Pressure is mounting to address unfairness towards younger voters, while others advocate for retaining older voter support.
- **Financial Sustainability:** Critics, including former officials and think tanks, argue that the policy is increasingly unsustainable, especially with pensions expected to rise faster than wages by April 2024.
- **Political Sensitivity:** Nigel Mills, chair of the cross-party parliamentary group on pensions, deems the triple lock "sacrosanct," saying its removal would be "politically impossible."
- **Potential Changes:** Discussions on a one-off break could save £1bn by preventing an 8.5% state pension increase next year. Calls for an independent review after the next election are growing.

UK Poverty Strategy Commission's Interim Report

- **State of Poverty:** Independent cross-party report says UK's social contract has collapsed, leaving millions in unacceptable levels of poverty.
- **Lack of Progress:** Relative poverty rates have remained between 21% and 24% for two decades, with increases in "deep poverty" (31% of those in poverty).
- **Cost of Reduction:** £36bn annual cost estimated to significantly reduce poverty—equivalent to £6,000 per year for 6 million families through benefits, wage increases, and investment in housing, energy, and health.
- **Political Urgency:** Report seeks to make poverty a key issue for the next general election, citing a lack of urgency from the main political parties.



In
Partnership
with

LA Directories
Limited

UK Poverty Strategy Commission's Interim Report

- **Interim Recommendations:** Suggests a 5% uplift in benefits and wages for people in poverty, separate from inflation. Emphasizes need to address housing, childcare, energy, and travel costs.
- **Political Involvement:** Commission led by Tory peer Lady Philippa Stroud; includes members from Conservative, Liberal Democrat, and Labour parties, think tanks, charities, and experts.
- **Collective Will:** Miatta Fahnbulleh of the New Economics Foundation calls for collective will to address root causes—low wages, inadequate social security, high housing costs.
- **Government Response:** Work and Pensions Secretary Mel Stride claims 2 million people have been lifted out of absolute poverty since 2010, looking forward to the commission's full report.

Birmingham City Council's Financial Crisis

- **Section 114 Notice:** Issued on September 5 due to an in-year financial gap of £87m and outstanding equal pay claims worth up to £760m. Requires halt of all non-essential spending.
- **Challenges:** City Solicitor Janie Berry said defining "essential spend" and "council statutory functions" is extraordinarily difficult due to broad legislation.
- **Common Known Functions:** Food safety, child protection, and adult social care are examples of well-known statutory functions.
- **Finance Committee Meeting:** During a meeting on September 7, Committee Chair Cllr Jack Deakin asked for a list of statutory functions, highlighting the need for interpretation.
- **Evolving List:** Berry said the council is working on an evolving list of statutory functions, scrutinizing directorates' priorities.
- **Legal & Finance Involvement:** List under rigorous examination from the legal department and finance to develop comprehensive guidance.
- **Daily Evaluation:** Risk analysis and evaluations being done almost daily to decide what is genuinely essential spend.
- **Example:** Posting a letter is considered statutory if linked with a legal function.

Rising Local Authority Financial Risks

- **Risk Factors:** Falling commercial property prices, high inflation, and increased service demand exacerbating local authority (LA) budget gaps.
- **Moody's Report:** Published on 7 Sep, days after Birmingham City Council issued a section 114 notice noted audit backlogs.
- **Commercial Investment:** LAs spent £7.6 billion since 2016; 14% of the sector (49 LAs) accounted for 80% of spending.
- **Borrowing Flexibility:** Central government increased flexibility in 2003 and 2011 to offset reduced funding. Rules have since tightened in 2020.
-

Rising Local Authority Financial Risks

- **Audit Backlog:** Only 12% of fiscal audits completed by the 2022 statutory deadline; substantial lack of capacity for local audits.
- **Impacts:** Three out of five councils (Thurrock, Woking, Croydon) issuing section 114 notices since 2021 impacted by poor property investments.
- **Overly Optimistic Projections:** Lack of internal and external scrutiny led to bad investments.
- **Transparency Issue:** Many LAs lack audited accounts for multiple years, leading to undetected major accounting misstatements.

Youth Mobility and Regional Disparities in the UK

- **Survey by Social Mobility Foundation:** 85% of 16-18 year-olds feel they need to move for better opportunities.
 - 95% in East of England
 - 91% in North-East
 - 90% in Yorkshire
 - 88% in North-West
- **Individual Experiences:** Lack of local opportunities in fields like computer science leading youth to consider moving, often to London.
- **Political Response:**
 - Lisa Nandy (Labour) advocates for sustained growth across the UK.
 - A Department for Levelling Up spokesperson cites plans for local investment and devolution of power.
- **Expert Take:** Prof. Lee Elliot Major warns of "extremely worrying" trends, says redistribution of job opportunities is crucial to prevent societal unraveling.

Council's Role in Homes for Ukraine Scheme Fraud Prevention

- Key Responsibilities:
 1. **Prevention:** Exercise authority to prevent fraud related to 'thank you' payments in line with counter-fraud practices.
 2. **Recovery:** Use best endeavors to recover funding through usual counter-fraud and debt collection practices.
 3. **Reporting:** Ensure fraudulent or erroneous cases are not included in claim for funding.
 4. **Cost Coverage:** Costs for counter-fraud activities are covered within the scheme's tariff.

Council's Role in Homes for Ukraine Scheme Fraud Prevention

■ How to Report:

1. **Jira Platform:** Use for suspected cases of fraud involving immigration crime, organizations, traffickers, and fraudulent sponsors.
2. **DLUHC:** Report details of multiple guests without suitable accommodation.
3. **DWP-related Fraud:** Report online at "Report benefit fraud" for allegations related to DWP benefits.

■ Contact Information:

- National Benefit Fraud Hotline:
 - Telephone: 0800 854 440
 - Textphone: 0800 328 0512
 - Mail: Mail Handling Site A, Wolverhampton, WV98 2BP

Universal Credit Work Capability Assessment, April 2019 to June 2023



In
Partnership
with

LA Directories
Limited

Caseload (number of people on UC health)

- at June 2023, 1.8 million people were on UC health compared to 1.4 million a year earlier, of these:
- 240,00 (13%) had acceptable medical evidence of a restricted ability to work pre-WCA
- 320,000 (18%) were assessed as limited capability for work (LCW)
- 1.2 million (69%) were assessed as limited capability for work and work-related activity (LCWRA)
- at June 2023, 52% of claimants were female; of these, 37% were aged 50 plus and 10% aged under 25
- of all claimants on UC health, 38% were aged 50 plus and 11% aged under 25

Proportions of Universal Credit claimants

- in June 2023, more than a quarter (29%) of people on UC were on UC Health – up 4 percentage points from June 2022.
- within England, the region with the highest proportion of UC health cases relative to overall Universal Credit claimants is North-East (35%), followed by North-West (32%) and South-West (32%) – and the lowest is London (23%)

UC WCA Decisions (in the period April 2019 to May 2023)

- 2.1 million UC WCA decisions have been made. 16% of decisions found claimants had no limited capability for work and hence no longer on UC health, 19% limited capability for work (LCW), and 65% limited capability for work and work-related activity (LCWRA)
- within England, the region with the highest proportion of LCWRA decisions was Northwest (69%) and the lowest the Northeast (59%)

DWP Employer Survey 2022



In
Partnership
with

LA Directories
Limited

Key Findings Overview

- Health and Disability at Work
 - Larger employers more inclusive, use government initiatives.
 - Common barriers: Lack of capital (33%), lack of time/staff (29%).
- Older Workers
 - Flexible work policies prevalent, most value experience (80%).
 - Challenges: Potential retirement (20%), physical limitations (20%).

Recruitment, Retention & Progression

- Recruitment
 - 49% didn't recruit in last 12 months.
 - Common barriers: Lack of skilled applicants (58%).
- Retention and Progression
 - 85% had no issues retaining staff.
 - 68% monitor earnings progression, but only 40% have a clear pathway.

Government Engagement & Pensions

- DWP Engagement
 - 72% had no contact; most satisfied who did (44%).
 - Most aware of Apprenticeships (89%).
- Pensions
 - Most offer Defined Contribution scheme (42%).
 - Key factors for choice: Ease (48%), advice from professionals (44%).

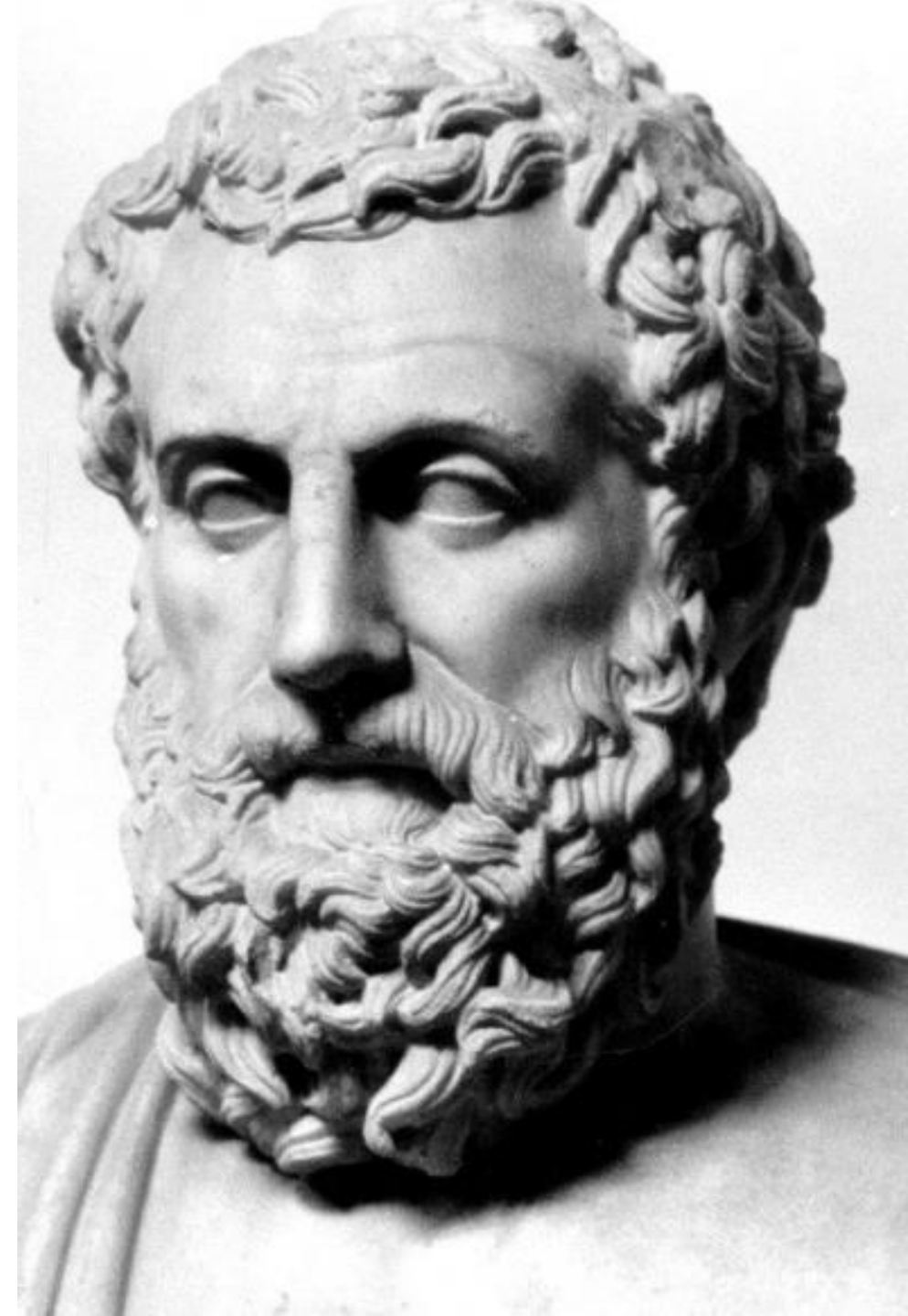
Diversity & Disadvantaged Groups

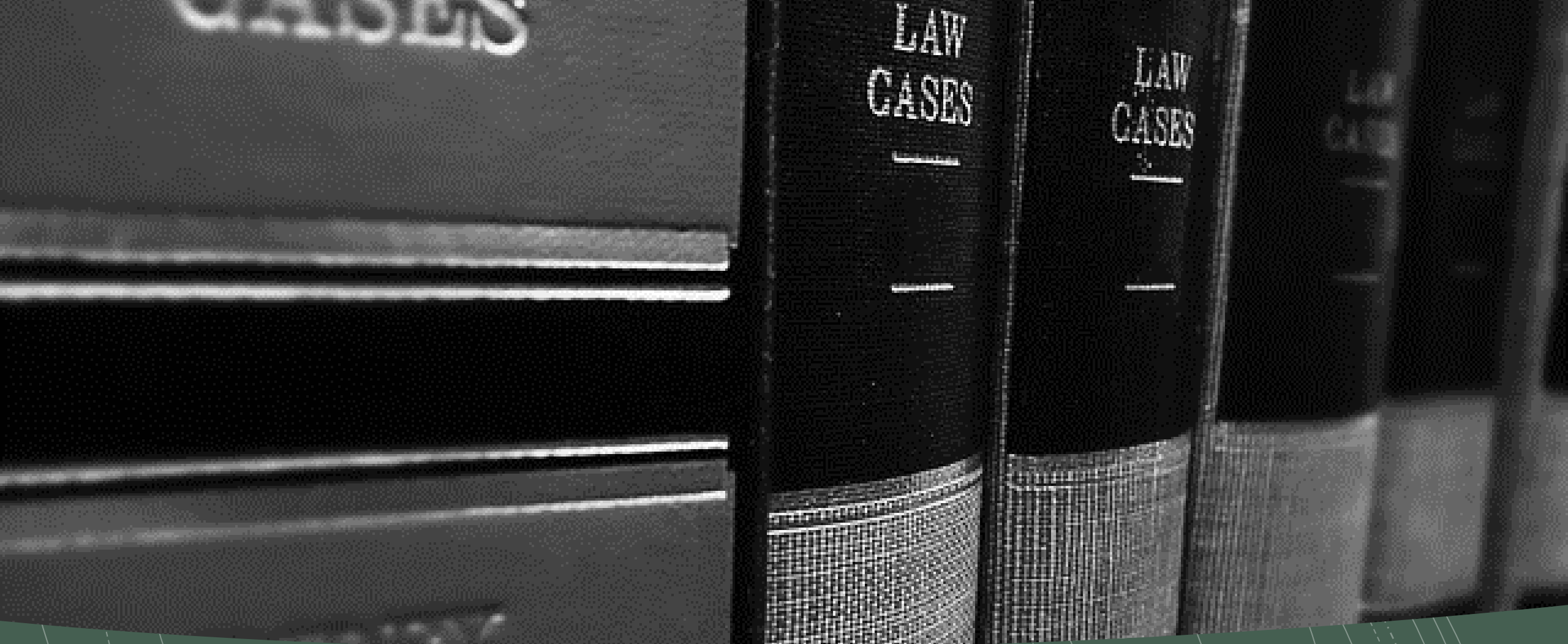
- Diversity Monitoring
 - 50% monitor workforce diversity.
 - Benefits: Improved culture (31%), wider talent pool (22%).
- Disadvantaged Groups
 - 21% employ from these groups.
 - Encouragement: Financial subsidy (34%), but 32% are not encouraged.

Quote of the Week

"Poverty is the parent of revolution and crime." -Aristotle

Aristotle was an ancient Greek philosopher and polymath, born in 384 BCE in Stagira, Macedonia, who studied under Plato at the Academy in Athens. He made significant contributions to a wide range of fields, including metaphysics, ethics, biology, politics, and aesthetics, and his works have continued to be studied and revered for their deep insight and analytical rigor for over two millennia.





Legal Issues of Note

Unlawful Access to Social Services Records

- **Individual:** Rachel Anderton, former family intervention officer at St Helens Borough Council.
- **Offense:** Unlawfully accessed 145 social services records between Jan 17 and Oct 17, 2019, without a business need.
- **Detection:** The Information Commissioner's Office reported an internal council audit discovered the breach.
- **Legal Proceedings:** Pleaded guilty on Sep 11, 2023, to unlawfully obtaining personal data, breaching s170(1) of the Data Protection Act 2018.
- **Penalty:** Fined £92, ordered to pay £385 in court costs, and a £32 victim surcharge.

[For more detail see nearby legal](#)

Davies v Benwell Road RTM Company Ltd (2023) UKUT 197 (LC)

- 1. Background:
 - Complex history between Mr. Davies (Mr D) and the Management Company in County Court and FTT.
 - FTT judge acting as County Court judge found Mr D must pay £8,500 in costs.
- 2. Limitation Defense:
 - £616 demand from May 2014 invalid as proceedings began only in 2021; exceeding the six-year limitation.
- 3. Costs of Proceedings:
 - Two sets claimed as administration charges.
 - 1st set (£2,400) not related to recovery of rent or service charges; shouldn't have been payable.
- Upper Tribunal (UT) Decision & Implications
 - FTT incorrectly assumed Management Company's full success.
 - Charges should be recalculated considering the £616 and £2,400 were not payable.
 - Only £840 for four debt collection letters should be payable.
 - FTT failed to address Mr D's application to reduce/extinguish administration charge for litigation costs.
 - County court lacked jurisdiction to make orders on Tribunal costs.
 - Separate county court application needed to set aside its order.
 - Procedural and jurisdictional confusion continues, requiring two appeals/applications for one decision.



In
Partnership
with

LA Directories
Limited

[For more detail see nearby legal](#)

Douglas & Ors v RMB 102 Ltd & Anor (2023) UKUT 207 (LC)

- Appeal against FTT striking out leaseholders' challenge to insurance premiums' reasonableness.
- FTT Decision: Struck out the case, saying only the management company, not the freeholder (RMB), could be challenged under s.27A. Relied on *Berrycroft (1997)*.
- Upper Tribunal Ruling:
 - Appeal allowed; both freeholder and management company could be considered 'landlords' as per *Cinnamon Ltd v Morgan (2001)*.
 - No payment by leaseholders yet, but FTT could still scrutinize service charges under s.27A.
- Notable Points:
 - UT emphasized the broad scope of s.27A.
 - Leaseholders suspect inflated policy due to multiple layers of commission.
 - 180% premium increase compared to 17% in similar properties; UT found this "striking" and called for explanation.
- Outcome: FTT was wrong to strike out; matter remitted for determination.

[For more detail see nearly legal](#)

FirstPort Property Services Ltd v Various Leaseholders of Switch House (2023) UKUT 219 (LC)

- 1. Background:
 - FTT reduced a service charge of £69,136.85 by £3,161.85.
 - Issued a s.20C order preventing the landlord from recovering tribunal costs via service charge.
- 2. Key Concern: FTT highlighted landlord's failure to establish proper trust accounts for reserve funds.
- 3. Appeal Outcome:
 - Landlord appealed and won.
 - Trust account issue found irrelevant to the s.27A application and charge reasonableness.
 - Minimal reduction in charges did not warrant a s.20C order.

Job Adverts

Ben Moreton, Director, Business Smart Solutions
0204 529 1139 / 07807058828 www.businesssmartsolutions.co.uk



Your Revenues and Benefits Recruitment Partner

Empowering both clients and candidates to achieve their goals



Welcome to #TeamBSS

Your Public Sector Recruitment Partner

Expertise

Since we started back in 2018, we've been focused on public sector recruitment, and it's become our specialty! We're excited to bring our experience and know-how to the table when it comes to supporting public sector organisations by connecting them with amazing candidates.

Understanding the challenges

We truly "get" the unique needs and challenges faced by both clients and candidates in the public sector. This understanding allows us to provide solid support and guidance throughout the entire recruitment journey. Our expertise in handling the ins and outs of public sector hiring means that clients and candidates alike can trust us to make the right connections and contribute to the success of their organisations.

Matchmakers

Our agency is passionate about finding the perfect match between local government positions and top-notch professionals. We know that getting the right person for the job is crucial, and our expert recruiters go the extra mile to source and evaluate candidates who have the right mix of skills, experience, and personality to thrive in public sector roles.

Tailored solutions

We're all about offering customised solutions for both our clients and candidates. We understand that everyone has different needs, so we take the time to really listen and get to know what's important to each party. This way, we can create recruitment strategies that make everyone happy and lead to successful outcomes.



Benefits Team Leader (Capita One/Academy)

6+ Months | £35 ph Umbrella | Leicestershire

The Assignment

Our client in Leicestershire is looking for a highly experienced Benefits Team Leader who is proficient in Capita One (Academy) and the Enterprise@Work document management system for an initial 6 month contract role.

The successful applicant will be jointly responsible for managing a team of assessment officers alongside providing highly technical advice and guidance to the team.

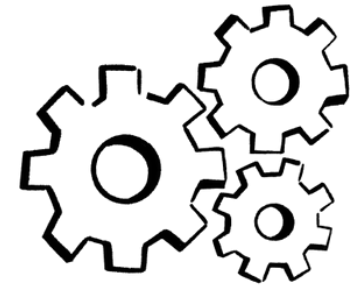
The contract will be for 6 months initially, and whilst home working will be an option, office attendance will be required as and when the needs arise, therefore commutable distance of Leicestershire is essential.

What we're looking for

We're looking for candidates who have 2 main skills/knowledge:

- 5 years experience of the Housing Benefit Regulations 2006 and the Decisions & Appeals Regulations 2001
- A strong Capita One (Academy) and the Enterprise@Work user

To find out more or to apply
[>> Click here to visit the full advert](#)



Housing Benefits Officer (Capita One / Academy)

3+ Months | £25.53 ph Umbrella | Remote

The Assignment

Our client in London is seeking an experienced Housing Benefits Assessor to work on the Housing Benefits Accuracy Award Initiative (HBAA).

This will be a mix of full claim & self-employed reviews.

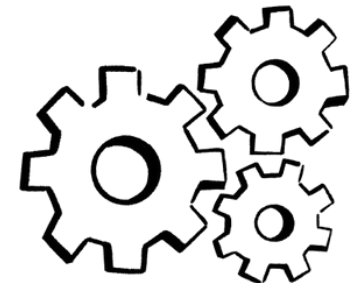
What we're looking for

We're looking for candidates who have 4 main skills/knowledge:

- Proven experience of processing all types of Housing Benefit/Council Tax Reduction claims
 - Extensive experience of Capita One (Academy) Benefits system
 - Up to date knowledge of Housing Benefit legislation and the ability to apply this accurately on a case by case basis
 - A proactive and customer-focused approach to resolving queries
- Work will be in all areas including : New claims and changes in circumstances, HBAA, Work on VEP, ATLAS and Universal Credit files

To find out more or to apply

[>> Click here to visit the full advert](#)



Housing Benefit Overpayment Recovery Officer (Academy)

3+ Months | £25 ph Umbrella | Remote

The Assignment

Our good client in the South-West is seeking a skilled Housing Benefit Overpayment / Corporate Debt Recovery Officer.

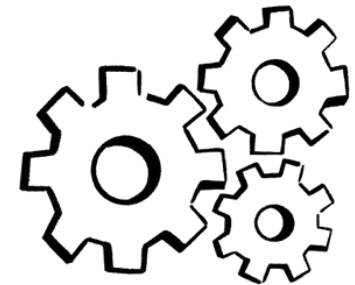
The successful candidate will need to be a HBOP Debt collection specialist or a Council Sundry Debt collection specialist. They will join the 'Invoiced debt collection team' which focuses on the collection of ALL invoiced debt.

What we're looking for

We're looking for candidates who have 2 main skills/knowledge:

- A minimum of 3 years experience of the Capita One (Academy) software
- Strong Housing Benefit Overpayment Recovery / Corporate Debt Recovery skills

To find out more or to apply
[>> Click here to visit the full advert](#)



Revenues Officer (Tax Base Project) - NEC

3+ Months | £23.26 ph Umbrella | Remote

The Assignment

Our London based client is looking for a skilled NEC (Northgate) trained Revenues Officer to assist with setting of the tax base. This is an ongoing project support role.

The ideal candidate will have strong financial skills as well as being a trained Council Tax / Business Rates Officer.

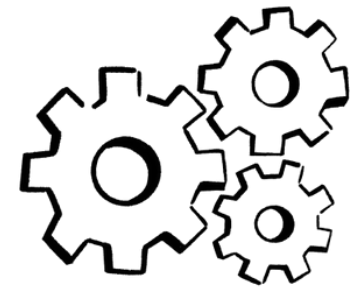
What we're looking for

We're looking for candidates who have 2 main skills/knowledge:

- A minimum of 3 years Revenues (Council Tax / Business Rates skills)
- 2 years NEC (Northgate) experience

To find out more or to apply

[>> Click here to visit the full advert](#)



Revenues Officer (Capita/Academy)

3+ Months | £25.52 ph Umbrella | London

The Assignment

Our good client in London is seeking a skilled Revenues Officer (Council Tax / Business Rates) to work within their billing and recovery team. Some phone / call centre work is involved with this role.

Office attendance is essential 2 days per week. The rest can be worked from home.

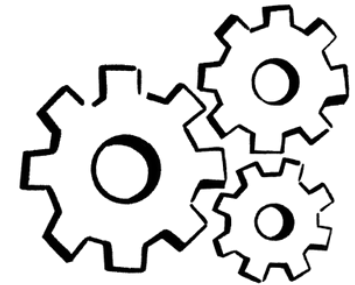
What we're looking for

We're looking for candidates who have 2 main skills/knowledge:

- 5 years Revenues Officer skills (billing & recovery)
- You must be a strong Capita One (Academy) user

To find out more or to apply

[>> Click here to visit the full advert](#)



Council Tax Recovery Officer (Academy)

3+ Months | £25 ph Umbrella | Remote

The Assignment

Our good client in the South-West is seeking a Council Tax Recovery Officer on a fully remote basis.

It is essential the applicant has experience of Capita One (Academy) processing system and post liability order arrangements/recovery.

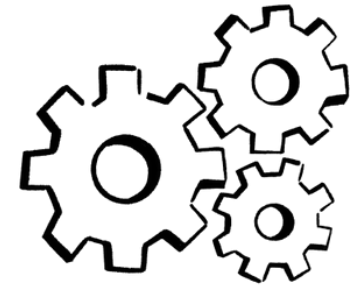
What we're looking for

We're looking for candidates who have 2 main skills/knowledge:

- 5 Years experience of Council Tax billing & recovery
- 3 years experience of Capita One (Academy)

To find out more or to apply

[>> Click here to visit the full advert](#)





Partner with #TeamBSS, achieve together

Visit: www.businesssmartsolutions.co.uk





Other Information

Previous Recordings



- 18 December 2023
- 25 December 2023
- 1 January 2024



Dates where
there will be
no sessions

Impact assessment calculator



- Help for policy officials to calculate figures for impact assessments.
 - From: Department for Business and Trade and Department for Business, Energy & Industrial Strategy
- https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fattachment_data%2Ffile%2F1150244%2Fimpact-assessment-calculator-april-2023.xlsx&wdOrigin=BROWSELINK

Visionary Network



- Visionary Network is a not for profit organisation, whose objective is to encourage thought leadership and good practice in the field of public service.
- We are independent and will draw on views, ideas and practices from any practitioner and/or organisation committed to public service.
- We encourage debate, and the fair exchange of ideas, viewpoints and philosophies.
- Any products we do produce will be for the betterment of society, public sector led and if costed will reflect our not for profit values.
- Our focus is on improving the knowledge, health, environment and lives of our citizens through better administration and access to services.

A nonprofit organization is a type of organization that is formed for a specific social or charitable purpose rather than for profit. Its primary goal is to serve the needs of a particular community, cause, or interest, and any profits or revenue generated are reinvested back into the organization to further its mission, rather than being distributed as profits to owners or shareholders.