

Written Ministerial Statement

Thursday 12th January 2012

THE DEPARTMENT FOR WORK AND PENSIONS

Welfare Reform Bill (Sanctions and Penalties Contingency Fund Advance)

The Minister of State, Department for Work and Pensions (Chris Grayling):

The Department for Work and Pensions has obtained approval for an advance, prior to Royal Assent, from the Contingency Fund of £1,000,000. The funding will allow for the development of the IT changes required to introduce new benefit fraud and claimant error sanctions.

A tougher fraud and error regime was set out in the “Tackling fraud and error in the benefit and tax credit systems” strategy published in October 2010 and changes to sanctions and penalties are included in the Welfare Reform Bill. They provide for the introduction of a Civil Penalty for claimant error and strengthen sanctions for benefit fraudsters. To enable their introduction changes to the Departments’ IT systems will be required. The contingency advance will enable the IT provider to begin work in January 2012 giving them sufficient lead in time to commence changes in 2012.

The advance from the Contingency Fund will allow essential work to commence on the detailed process design and IT changes.

Parliamentary approval for resources and capital of £ 1,000,000 for this new service has already been sought in the Main Estimate for the Department for Work and Pensions, subject to the passage of the Welfare Reform Bill. Pending approval of that Bill, urgent expenditure estimated at of £ 1,000,000 will be met by a repayable cash advance from the Contingencies Fund.