

Control Savings

The Department of Social Protection has three main functions - (i) delivery of income support services (ii) activation of those of working age and (iii) control of fraud and abuse. The Department serves a wide and diverse group of clients including families, people in employment, unemployed people, people with illnesses and disabilities, carers and older people. It administers over 70 separate schemes and services, which affect the lives of almost every person in the State. In 2016, some 1.7 million applications for benefit, assistance and access to schemes were received and processed and over 82 million individual payments were made to people across all age groups and to employers.

The scale of its operations and expenditure demand that a robust and integrated range of control and anti-fraud measures are in place. Measures to prevent and detect fraud and enhance controls across the Department's various schemes are set out in the Compliance and Anti-Fraud Strategy which covers the period 2014 – 2018.

In 2016, the Department achieved overall savings of €506m as a result of control and anti-fraud measures. These savings are an estimate of the value of the various control activities (entitlement reviews and inspections) undertaken across the Department's various schemes – see appendix 1.

The overall control and anti-fraud savings figure is based on the assumption that, had the excess payment not been detected as a result of our control work, it would have continued for at least a set future period. The €506m figure therefore represents the value of future social welfare expenditure which was avoided, owing to proactive investigations and reviews.

Multipliers are used to determine the value of the annual savings for individual social welfare schemes – see appendix 2. The methodology underpinning the calculation of the savings was developed by the Department, in conjunction with the CSO and is similar to that used in other countries, such as the UK and Australia.

In 2016, the Department undertook almost 950,000 reviews of individual claims to determine on-going entitlement. The €506m in control savings does not include any cases where the customer voluntarily told the Department of changes in their means or circumstances which resulted in a reduction in the rate of payment or termination of the claim.

In summary, therefore, the value of the savings reported is an estimate of the value of future social welfare expenditure which was avoided owing to proactive inspections and investigations. Savings on jobseeker schemes (€172m) represent 34% of the overall total.

The overall control and anti-fraud savings figure is one of a number of indicators used by the Department to monitor and measure our control activities. Annual targets are set in line with commitments given in the *Compliance & Anti-Fraud Strategy 2014- 2018*.

APPENDIX 1: CONTROL SAVINGS REPORTED BY SCHEME AREA 2009-2016

Scheme	2009 €m	2010 €m	2011 €m	2012 €m	2013 €m	2014 €m	2015 €m	2016 €m
Jobseekers	€60.6	€57.4	€82.5	€91.0	€123.4	€136.4	€128.7	€171.7
Illness Schemes	€89.9	€94.6	€92.1	€87.6	€66.2	€64.2	€53.3	€45.2
Pension/Household Benefit & free travel	€84.2	€93.7	€167.4	€166.7	€140.5	€52.3	€52.6	€59.9
One parent family	€117.1	€88.4	€166.8	€172.5	€145.8	€114.7	€84.7	€76.8
Carers	€12.9	€17.4	€11.2	€19.3	€20.1	€14.8	€12.1	€8.9
Child Benefit	€89.1	€107.7	€87.6	€83.2	€76.5	€72.7	€72.7	€69.3
Family Income Supplement	€17.4	€8.7	€12.5	€21.1	€18.3	€19.0	€33.9	€42.0
SWA	€7.1	€11.6	€14.9	€21.0	€35.2	€27.0	€19.8	€25.6
PAYE/PRSI	€5.6	€3.7	€10.2	€6.9	€5.1	€3.2	€5.3	€6.2
Total	€483.9	€483.2	€645.5	€669.6	€631.6	€504.1	€463.4	€506.0

APPENDIX 2: MULTIPLIERS (weeks unless otherwise stated)

Scheme Area	Termination	Reduction in Payment	Means Review
Carer's Allowance	136	52	52
Carer's Benefit	36	52	
Child Benefit	34 (months)	12 (months)	
Domiciliary Care Allowance	13 (months)		
Family Income Supplement	52	52	
Fuel Allowance (Pensions)	68		
Household Benefits (Flat Rate)	€580		
Disability Allowance	136	52	52
Disablement Benefit	136	52	
Illness Benefit (IB Final Cert)	32		
Illness Benefit Suspensions (Factual)	9	52	
Invalidity Pension	136	52	
Occupational Injury Benefit	32	52	
MRA's (Injury Benefit/Unemployability Supplement cases)	24		
MRA's - Disability Allowance/Invalidity	136		
Living Alone Allowance	136		
Maternity Benefit	4		
One Parent Family Payment	136	52	52
State Pension Contributory	136	52	
State Pension Non Contributory	136	52	52
Estates; Widow(er)'s Non Contributory Pension; Deserted Wife's (Benefit/Allowance); Blind Pension; and OPFP2 (Type 80 Non Con Widows with Children)	136	52	52
Widow's, Widower's or Surviving Civil Partner's Contributory Pension	136	52	52
Jobseeker's Allowance	52	52	52
Jobseeker's Benefit	26	26	26
Back to Education & Back to Work Allowance	32		
Farm Assist	52	52	52
Part-Time Job Incentive Scheme	52	52	
Pre-Retirement Allowance (PRETA)*	136	52	
De Controlled Rent Allowance (Longford)	32	52	
Supplementary Welfare Allowance (32		
SWA (Rent & other Supplements)	52		
Fuel Allowance (BASI)	16		
Fuel Allowance (Long term schemes, Rent Supplement and Other Supplements)	26		