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Dame Meg Hillier MP
Chair Public Accounts Committee
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Sent electronically

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Dear Dame Meg

FRAUD AND ERROR TARGET

Further to my letter on 11 May, I am writing to update you on the progress made against the Government's commitment to publish a fraud and error target.

National Statistics published on 11 May showed that the Monetary Value of Fraud and Error (MVFE) had fallen across the benefit system, including in Universal Credit. The reduction was less significant than the OBR forecast at Spring Budget 2023 and volatility in these forecasts persists.

I remain confident that the MVFE is the best metric to set a long-term target, but its continuing volatility means that I do not have enough certainty to be able to set a target based on this metric this year. To make this possible in the future, we are working to understand what the latest statistics tell us and how they impact on the forecasts. We have committed in the Annual Report and Accounts to revisit setting an MVFE target next year.

I share the view of the National Audit Office and Public Accounts Committee that there is merit in setting a fraud and error target. Having discussed these factors with the Secretary of State, we remain committed to meeting the ask of the Public Accounts Committee for transparency. I am therefore setting a detect AME Savings target of £1.3bn in 2023-24 aligned to the activity funded by HM Treasury. This represents a significant improvement on last year's performance and demonstrates a continued focus on driving down fraud and error in the benefits system.

Published this morning, there is further detail on our fraud and error target within the Department's Annual Report and Accounts (ARA). I look forward to giving evidence about this and the wider ARA when I appear before the Public Accounts Committee on 17 July.

Yours sincerely
 Peter Schofield

Peter Schofield CB
Permanent Secretary