

Fraud and error account for £3.5 billion loss on furlough scheme



The government believes it may have paid out £3.5 billion in wrong or fraudulent claims for the Furlough scheme. Permanent secretary at HMRC, Jim Harra, told the Public Accounts Committee (PAC), that staff believe that between 5% and 10% of the money may have gone to the wrong place.

The scheme has provided 80% of worker's wages for those placed on leave since March – up to a maximum of £2,500 per month. The PAC estimates that £30 billion in tax was lost due to fraud or error in 2019. The government has paid out £35.4 billion for furlough so far. So, if the error or fraudulent rates is correct, this will amount to between £1.75 and £3.5 billion being paid out incorrectly.

It was always expected there would be fraud related problems due to the speed at which the scheme was rolled out in the crisis circumstances. HMRC expect employers to check their claims and pay back any excess amounts, though the focus will be on pursuing those who have deliberately set out to commit fraud and abuse the system.

Some 27,000 “high risk” cases, where it is believed a serious error has been made in the claim, are being looked into. There have been 8,000 calls to the HMRC fraud hotline. Employees can fill out a form obtained from the HMRC website, if they believe an employer has been fraudulently claiming furlough funds. This would include, when funds claimed, have not been passed onto the employee.

Furlough will end next month. However, there will be a £1,000 payment for those employers, who bring back staff that remain in work at the end of January.

By 16 August, 9.6 million staff had been put on furlough, with 1.2 million employers claiming the support. Another 2.7 million self-employed people have claimed £7.8 billion in support from the government.

Unions and opposition parties have been arguing for an extension of the furlough scheme, concerned that a sudden withdrawal could see huge rises in unemployment, catapulting the country into an ever deeper recession.

There have also been calls for an examination of how more part-time working could be used to ease the crisis. The resurgence of the Covid-19 virus that has seen more localised lockdowns being imposed, creating further hardship.

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Law Commission says hate crime legislation should protect women

The Law Commission says there is overwhelming evidence, including online abuse targeted at women MPs, to justify adding sex or gender as protected characteristics under hate crime laws.

The commission has unveiled several proposals to improve hate crime laws, which it says in practice are complex, spread across different statutes and use multiple overlapping mechanisms. Hate crime refers to existing criminal offences, such as assault and harassment, where the victim is targeted on the basis of hostility towards one or more protected characteristics – currently race, religion, sexual orientation, disability and transgender identity.

Considering evidence of criminal behaviour against women, the report says that in the six weeks before the 2017 general election, 45% of all abusive tweets sent to female MPs were directed at Labour's Diane Abbott, the UK's first black female MP.

The commission concludes that 'there is overwhelming evidence that women and girls are targeted for certain crimes, and arguments which link this targeting to prejudice or hostility towards women's gender. We therefore consider that the demonstrable need criterion is very convincingly satisfied in relation to women, and by extension, to the characteristic sex or gender.'

However, to explore the risk of unintended consequences, the commission has also asked questions about the implications of the proposal in the context of sexual offences and domestic abuse, where there are already well-established laws and practices designed to protect victims. The commission is also consulting on whether other characteristics and groups, such as age, sex workers,

homelessness, alternative subcultures and philosophical beliefs should be protected.

'Stirring up' offences would be extended to cover incitement of hatred towards disabled and transgender people, and hatred on the grounds of sex or gender.

The commission says racist chanting at football matches should remain a distinct criminal offence but proposes extending the offence to cover chanting targeting a person's sexual orientation. The commission also asks whether the offence should be extended to cover other behaviour such as gestures and throwing missiles, and conduct when entering or leaving a ground or travelling to the game.

The consultation closes on 24 December.

TRIBUNAL CHANGES

The government has announced a series of changes to the employment tribunal system ostensibly to help speed things up and give more flexibility, following the impact of the coronavirus (COVID-19) pandemic.

One of the changes being made will allow the judiciary the option of deploying non-employment judges into employment tribunals but only "if certain criteria on suitability are met". The government claims this change will help the employment tribunal system deal with demand, reducing unnecessary delays.

The government is also changing employment tribunal rules to allow more flexibility over virtual hearings. The change will reduce the need for physical hearings in the future making it easier for claimants and respondents, who, for example, will not need to pay travel costs.

Other changes being implemented include:

- allowing legal officers to carry out administrative tasks currently performed by employment judges (a proposal that was made some time ago and is finally being implemented);
- refining the early conciliation and employment tribunal rules to allow greater flexibility in handling minor errors; and
- changing the employment tribunal rules to allow multiple claimants and respondents to use the same forms where reasonable at the employment tribunal stage, to avoid multiple forms and time limits in what is essentially the same dispute.

The measures for the employment tribunal rules, use of legal officers and cross-deployment of judges will come into force on 8 October. The measures on early conciliation will come into force 1 December.

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