



Audit and Assurance Committee

Date of Meeting	29 August 2023
Subject	Error Interventions Report – Quarter 1 2023-24
Agenda No.	5
Prepared By	[REDACTED]
Purpose	Monitor

Background

- 1.1 The attached report details error corrections and analysis undertaken by Social Security Scotland's Fraud and Error Resolution Unit throughout Quarter 1 of the 2023-24 operational year. (The report covers errors which have come to our attention only.)

Key Points

- 2.1 The monetary value of overpayments corrected [REDACTED] and underpayments corrected [REDACTED] this quarter.
- 2.2 Client Induced Error is the largest cause of overpayments, while Official Error (Human) is the largest cause of underpayments.
- 2.3 Preparations were made throughout Quarter 1 to support work to estimate levels of official error in the Scottish Child Payment caseload.

Conclusion/ Recommendation

- 3.1 The Committee is asked to review and comment on progress made during Quarter 1 of 2023-24.



Part 1: Error Performance

Key points for the Committee are shown below, with further detail provided within Annex A.

- Quarter 1 saw a [REDACTED] in the volumes of errors corrected - underpayments [REDACTED] and overpayments [REDACTED] in comparison with the previous quarter.
- Monetary value of underpayments corrected [REDACTED] and overpayments corrected [REDACTED] This was anticipated due in part to [REDACTED].
- Best Start Foods continues to have highest rate of error expressed as a percentage of benefit expenditure, but Scottish Child Payment is highest by total monetary value.
- Official Error (Human) classification was the largest cause of underpayments. Evidence suggests a lack of understanding on how to [REDACTED] has the anticipated effect on the SPM benefit system.
- Client Induced Error classification continues to be the largest cause of overpayments. Refinement of root cause analysis will allow us to share more detailed data with Case Maintenance and Change of Circumstances Work Streams.
- Payment exception – where manual intervention is required to process a successful payment – rate (including bulk exercises) was 0.19%

Error Interventions

During Quarter 1 a total of [REDACTED] error cases were identified and corrected by the Fraud and Error Resolution Unit, which represented [REDACTED] in both volume and monetary value compared with the previous quarter. All underpayments identified have been paid to clients.

[TABLE REDACTED]

The table below details corrected error rates, with the monetary value of corrections expressed as a percentage of benefit expenditure (and rounded to 1 decimal point.) Please note these are indicative only as benefit expenditure values have still to be finalised.

[TABLE REDACTED]

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Outbound Payment Error Resolution

A total of 1,600,801 payments were issued by Social Security Scotland in Quarter 1. Payment Resolution processed 2,177 individual payment exceptions, giving an exception rate of 0.14% by volume. In addition, bulk payment uploads in Quarter 1 for Adult Disability Payments (100 clients), Best Start Foods (110 clients) and Scottish Child Payment (727 clients) were completed, resulting in a total payment exception rate of 0.19% in Quarter 1.



Part 2: Building Capability and Capacity

Technology and Systems

During Quarter 1 we completed work with Programme colleagues to understand how we can utilise Debt Management System functionality to automate the collation of Management Information relating to Error Correction activities. This will be transferred into the Live Service in Quarter 2 and will be run alongside current manual processes for a period, to allow us to check the integrity of data provided by the Debt Management System. If this testing is successful, we plan to stop capturing manual data in Quarter 3.

Disability Benefits Error Response

A network group has been established and continues to meet regularly to identify opportunities for improvements and share expertise to support good management of Disability Benefit Payment Correction Cases.

Design development work is well underway with Programme colleagues for the Disability Benefit Error Service. Twelve Error Interventions Officers have been recruited with starts dates from July. Training is scheduled to be completed by August 2023 for Adult Disability Payment and September 2023 for Child Disability Payment. We have been liaising with Disability Client Services Delivery colleagues to arrange appropriate consolidation on live cases once their training is completed.

Recruitment and Training

Interventions Officer recruitment campaign is now complete and a further 22 Interventions Officers will join in Quarter 2. This includes recruitment for new teams specialising in Child Disability Payment and Adult Disability Payment errors respectively. The remaining colleagues are assigned to Low Income Benefit Error Intervention Teams. Training for new entrant Interventions staff will commence in Quarter 2 and will be delivered by Learning and Leadership colleagues using the new formal Learning Routeway.



Estimating the Monetary Value of Fraud and Error – Official Error in Scottish Child Payment

Ten Interventions Officers and 2 Interventions Team Managers were temporarily released during Quarter 1 to support the establishment of the new Monetary Value of Fraud and Error Team and to participate in the first pilot exercise to test the methodology. Once the pilot is concluded staff will return to Error Interventions.

As a result, other activities such as reviewing older Payment Correction Cases and other housekeeping activities were suspended. Work continues to complete analysis and report on the findings of this first pilot, and more detail will be provided in our Quarter 2 report.

Carer Support Payment

We are engaging with Programme Colleagues to understand and articulate Error risks associated with Carer Support Payment and impact on flow of work into Error Interventions Teams. Discussions with Insights and Analysis colleagues scheduled for July to understand any resourcing impacts.

Off-System Payments

Work to stabilise our position with regard to off-system special payments (ex-gratia, ex-statutory and manual payments) has progressed, and we are now establishing our operational policy. This should reduce demand for authorisation by senior leaders, and ensure a fair and consistent approach is applied.



Annex A

Detected Error Performance – Further Detail

In Quarter 1 the head of work of error cases awaiting correction [REDACTED]. This is in part due to housekeeping activities in Client Services Delivery Teams to identify and progress older Payment Correction Cases. The throughput of the team was also impacted due to 10 Interventions Officers and 2 Interventions Team Managers being released to support preparations for the pilot exercise to estimate the monetary value of official error as previously mentioned.

New colleagues joining the team means we expect to be able to increase error correction throughput in Quarters 2 and 3.

Underpayment Errors

The volume of underpayments corrected [REDACTED] clearance can be attributed to the growing experience of Interventions Officers and more efficient approval processes now embedded as business as usual.

[GRAPH REDACTED]

By referral volume, Scottish Child Payment accounts for [REDACTED] of all underpayment corrections made by Interventions Team. Best Start Food referral volumes have remained stable over the last 3 quarters.

[GRAPH REDACTED]

Analysis of Detected Underpayments – Classifications and Root Cause

[GRAPH REDACTED]

Official Error (Human) remains the error classification which generates the greatest number of underpayment errors, and has increased slightly since the last quarter. Scottish Child Payment Phase 2 introduced some improved functionality which we will continue to monitor progress in the next Quarter.

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User research undertaken by Case Maintenance Programme colleagues on change of circumstance has been completed and recommendations are being made to help address the prevalence of Client Induced Error, in the main because of undeclared changes of circumstances.

[GRAPH REDACTED]

The top underpayment root cause in Quarter 1 was '*Processing error – evidence updated incorrectly*' [REDACTED]. This remains high despite revisions to guidance and upskilling sessions. Evidence suggests [REDACTED]. Work to be undertaken through Error Control Working Group Stakeholders to consider further ways to improve this.

Overpayment Errors

[REDACTED].

[GRAPH REDACTED]

[REDACTED]

[GRAPH REDACTED]

[REDACTED]

Analysis of Detected Overpayments – Classifications and Root Cause

[GRAPH REDACTED]

[REDACTED]

[GRAPH REDACTED]

We have increased the detail of data we gather where clients have failed to report a change a change in circumstances in good time. This now includes what the nature

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of the change was; for example, loss of qualifying benefit, or change in residency; and we are also beginning to collate detail on how 'late' a delayed report was. Previously all instances were simply reported on as 'Undeclared Change of Circumstances'. This additional detail can assist by providing insight into what kinds of changes clients are not reporting, for use by Programme Case Maintenance colleagues who are considering how to improve client reporting as mentioned previously.

[REDACTED]

Outbound Payment Errors

Manual payments where payments cannot be issued through the system due to case faults or user error and are referred to Payment Resolution for team to resolve.

In Quarter 1, the vast majority of manual payments were due to system (91) and procedural (302) errors, which is reflective of the figures from last reporting year.

Demand was impacted by greater than expected volumes of returned payments for Winter Heating Payment, we believe this was due to the duration of the gap between DWP providing data and payments being issued.

Analysis of System and Procedural errors from Quarter 1 that resulted in manual payment requests show that the majority were due to issues with Scottish Child Payment and incorrect payment correction cases being generated. A future system release which includes the ability to net over- and underpayments should result in a reduction in these cases during Quarter 3. Some system functionality has also been released in the system for Disability Benefits which means the requirement for bulk upload should reduce from Quarter 2.

[GRAPH REDACTED]