



Audit and Assurance Committee

Date of Meeting	16 May 2023
Subject	Debt Management Annual Report: 2022-23
Agenda No.	
Paper No.	
Prepared By	[Redacted]
Purpose	Monitor

Background

- 1.1 The attached report details Debt Management activities undertaken by Social Security Scotland's Fraud and Error Resolution Unit throughout the 2022-23 operational year.

Key Points

- 2.1 Work has been undertaken throughout 2022-23 to stabilise proactive recovery and reduce head of work caused by the suspension on proactive debt recovery for 2 years due to Covid pandemic.
- 2.2 The re-instatement of proactive recovery has identified continuous improvement opportunities for systems, processes, management information and guidance which have been progressed in 2022-23
- 2.3 Funeral Support Recharge as a percentage of the expenditure on the Funeral Support Payment benefit has risen from 2.2% in 2021-22 to 2.75% in 2022-23.

Conclusion/ Recommendation

- 3.1 The Committee is asked to review and comment on progress made during 2022-23.



Part 1: Recovery and Recharge Performance

During operational year 2022-23, the Recoveries Team gradually reinstated proactive debt recovery following a 2-year pause due to the pandemic. The experience for the team, who had experienced high turnover of staff, was akin to introducing this aspect of the service from a standing start. Some key points that we would like to highlight to Committee are shown below, with further detail provided within Annex A.

- Overpayment referrals for benefits in 2022-23 **doubled in volume to 3,380 and increased in value by more than 350% to £604,011.**
- Recoverable overpayment referrals for benefits accounted for **1,225 cases at £304,834 which is 50% of value and 33% of volume of total referrals.** This is in line with findings of Interventions team that Client Induced error is increasing.
- Referral volumes for potential recharge of Funeral Support Payment **increased by 4%**, with the **closing balance of potential recharge for 2022-23 being £125,480**, consistent with previous years.
- **Recharges from Estates for Funeral Support Payments equated to 2.75% of corresponding benefit expenditure**, an increase of £23,100 (10.5%) by value in comparison with 2021-22.
- **Inbound payment receipts for a total sum of £303,305 were received** by the team in 2022-23. Of this, £60,361 was recovered for benefit overpayments and £242,944 for recharge from estates.
- **Best Start Foods overpayments account for 37% of referral value received in 2022-23, with a total value of £358,117 [Redacted]**



Part 2: Building Capability and Capacity

Technology and Systems

Significant progress has been made in the development of system generated management information reports from the Debt Management System which will provide detailed breakdown of write off, recoveries and debt stock. Testing is ongoing and it is anticipated that the Quarter 1 report for 2023-2024 will be enriched with additional detail.

Quarter 4 of 2022-23 also saw further enhancements to the Debt Management System to improve caseload management, and included indicators for active recovery, completed affordability assessments and potential civil recovery cases.

Discovery work has commenced for updates to the SPM benefit system functionality for the November 2023 and Spring 2024 releases, which will reduce nugatory work undertaken by the Recoveries team:

- [Redacted]
- [Redacted]
- [Redacted]

The Recoveries Team are working with User Researchers to develop a survey to measure client views about their experience of the debt recovery process. It is hoped that the survey will be ready to issue to clients in Quarter 1, and will be sent when a debt account is settled. The survey will be issued for an initial 6 month period to allow the user researchers to determine whether response levels will be at a sufficient volume to merit continuing on a long term basis.

Recruitment and Training



During Quarter 4 the Recoveries Team recruited 4 additional Recoveries Officers, on a temporary basis, in order to bring our headcount up to target. Successful temporary candidates will join the team in April 2023.

[Redacted] The Programme team are now working with Content practitioners to refine and publish the guidance on the Internal Knowledge Management site throughout 2023. [Redacted]



Annex A

Recovery and Recharge Performance – Further Detail

Inbound Referrals

During 2022-23, a total of 3,380 referrals with a total monetary value of £604,011 were received for benefit overpayments, more than double the volume and 350% increase in value in comparison with 2021-22.

This was anticipated, due to increased corrective activity on overpayments within the Interventions team, the expansion of the caseload associated with Scottish Child Payment and a steadily increasing volume of routine changes in circumstances for ongoing benefit awards generating corresponding overpayments.

[Redacted]

[Redacted]

Analysis will be undertaken in Quarter 1 of 2023-24 to offer further insight into trends or peaks in overpayment referrals. The volume of overpayments written off [Redacted] has been impacted by the increases in Scottish Child Payment award in 2022-23, with only 2% of referrals written off for this reason, in comparison to 11% the previous year.

Inbound Payments

[Redacted]

[Redacted]. In Quarter 1 of 2023-24, the Error and Debt Service Design Team in Programme are collaborating with colleagues to complete the work on redetermination process for enforced deductions from ongoing awards, which will



allow the Recoveries Team to instigate recovery as a last resort where clients have repeatedly refused to engage. All clients are offered the opportunity to undertake an affordability assessment to determine their personal capacity to make payments toward their debts, or time to seek independent financial advice.

[Redacted]

Interventions referred 2,092 referrals valuing £403,655, while Client Services Delivery referred 1,545 referrals valuing £189,461. This includes 303 split liability referrals.

Recharge of Funeral Support Payment Awards to Estate of Deceased

The team received 1,202 recharge referrals during 2022-23, a 4% increase when compared to 2021-22.

[Redacted]

Best Start Foods

[Redacted]