



## Audit and Assurance Committee

Date of Meeting	19 November 2024
Subject	Debt Management Report: Quarter 2 - 2024-25
Agenda No.	5
Paper No.	29.4c
Prepared By	Recoveries and Recharge Team
Purpose	Monitor

## Background

- 1.1 The attached report details Debt Management and Payment Resolution activities undertaken by Social Security Scotland's Fraud and Error Resolution Unit throughout Quarter 2 of the 2024-25 operational year.

## Key Points

- 2.1 Referrals processed in Quarter 2 2024-25 have seen a 67% increase in comparison to Quarter 2, due to increased headcount and revised approach to workflow management.
- 2.2 There has been a 48% increase in the volume and a 43% increase in the value of payments received for recovery of benefits.
- 2.3 Ongoing recruitment to achieve target headcount of 26 modelled by Insight and Analysis Colleagues, has lead to a 43% increase in Recoveries Officers in Quarter 2

## Conclusion/ Recommendation

- 3.1 The Committee is asked to review and comment on progress made during Quarter 2.

## Part 1: Recovery, Recharge and Payment Resolution Performance

## Key Highlights

[REDACTED]

- An additional 7 staff were onboarded and trained in Quarter 2, a 43% increase in Recoveries officers, but still 3 short of target headcount for 2024/25 modelled by Insight and Analysis colleagues.

## Performance Summary

Referral volumes continued to increase in Quarter 2 as colleagues in Error Interventions and Disability clear their heads of work.

[REDACTED GRAPH]

During Quarter 2, the Recoveries Team onboarded an additional 7 team members which impacted performance due to resources required to train and consolidate the learning of new colleagues. In addition, the types of cases cleared were also affected as new staff moved through the consolidation. However, a new performance management and revised workflow approach achieve increased clearance despite these challenges.

[REDACTED GRAPH]

As debt caseload grows, increasing resource is required for caseload maintenance such as managing inbound telephony to facilitate receipt of payments and reports of change in; work to negotiate new payment arrangements; and management and monitoring of existing payment plans.

[REDACTED GRAPH]

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This impacts on activity to process new overpayment referrals and engage unresponsive clients. The system initiatives that will reduce resource requirements in Claims Maintenance are detailed in Part 2: Technology and Systems.

In Quarter 2, the new entrant staff have focused on upskilling on write-off cases resulting in Best Start Foods making up 68% of referrals processed. In Quarter 3, new staff are being upskilled on Low Income Benefits recoverable cases. As the majority of cases in head of work are Low Income Referrals, it is expected that we will be able to make a significant reduction in outstanding due to increased clearance in Recoveries Team and a slowing of overpayment referrals from Low Income Benefits Interventions team.

## **Inbound Payments**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Work is still ongoing by the Error and Debt Service Design Team in Programme in collaboration with agency colleagues to complete the redetermination process for enforced deductions from ongoing awards. However, there has been a 60% increase in the volume of voluntary Deductions following the introduction of key messages to support staff encouraging clients to use this method of payment.

[REDACTED TABLE]

[REDACTED]

[REDACTED GRAPH]

The volume of overpayments written off due to being below threshold of £65 has decreased, from 10% in Quarter 1 to 7% in Quarter 2. This is expected to reduce as older overpayment which had a lower weekly rate are cleared.

[REDACTED GRAPH]

[REDACTED]

This total figure is greater than the number of referrals received reflected in the previous table due to some overpayments having a “split liability” i.e. it is partially recoverable and partially to be written off.

Recent volumes of Best Start Food overpayments have been high due to Low Income Benefits Interventions focusing on clearing of these cases. This combined with new Recoveries Officers clearing Best Start Food referrals as first stage of their consolidation has led to an 83% increase in these cases being actioned. Volumes are expected to decrease again during Quarter 3 as recoveries officers move onto Scottish Child Payment.

[REDACTED]

The revised workflow approach in Quarter 2 also prioritised the clearance of Funeral Support Payment recharges leading to the substantial rise in cases treated. However, previous changes in benefit entitlement criteria have resulted in a lower percentage of cases where estates have sufficient liquidity to recharge from.

[REDACTED TABLE]



## **Part 2: Building Capability and Capacity**

### **Technology and Systems**

[REDACTED]