

South Ayrshire Council

**Report by Chief Financial Officer
to Cabinet
of 18 February 2025**

Subject: Service Review - Benefits Services

1. Purpose

1.1 The purpose of this report is to seek Members' approval of the review of Benefits Services within the Revenues and Benefits Service.

2. Recommendation

2.1 It is recommended that the Cabinet:

2.1.1 approves the service review of Benefit Services (as detailed in [Appendix 1](#));

2.1.2 notes the implementation of the review will result in an annual cost saving of £0.156m; and

2.1.3 requests that the Service Lead - Revenues and Benefits now completes the implementation of the review.

3. Background

3.1 At its meeting on 15 February 2022, the Leadership Panel approved the second phase of a Benefits Services Service Review, the first phase of which had been approved on 19 January 2021.

3.2 Housing Benefit (HB) caseloads are continuing to reduce due to the ongoing migration of working age customers to Universal Credit (UC), however the Department for Works and Pensions (DWP) has again delayed the migration to UC of all working age customers to an anticipated date of December 2025. There also remains uncertainty as to how pension age customers will have their housing support benefits administered. It is therefore proposed to undertake this review on a phased basis to accommodate reducing HB caseloads with a further review anticipated once all existing HB customers have migrated to UC.

3.3 Alongside HB Benefit Services continues to administer Council Tax Reduction (CTR), Education Benefits (Free School Meals and Clothing Grants) and the Scottish Welfare Fund (SWF), Crisis Grants and Community Care Grants and Discretionary Housing Payments (DHP).

3.4 Benefits staff are continuing to work with colleagues in the Information and Advice Hub, Thriving Communities, and external partners to ensure those customers who are eligible for the range of supports offered locally are in receipt of the appropriate reliefs and grants.

4. Proposals

4.1 The Service Review is included as [Appendix 1](#).

4.2 The review includes an overview of the key activities of the Benefits Service plus further key considerations that formed part of the review deliberations as summarised below;

- i. The Benefits Service is currently split into two teams – one which processes HB, CTR and Education Benefits (Edbens), the other SWF Grants and DHP. The entitlement criteria and regulations governing the benefit schemes are entirely different with staff working to distinctly different performance targets. Whilst there is no requirement to change this set up, operationally more flexibility is required between the teams to allow staff to be transferred between teams to address fluctuating service demands. As such job descriptions have been reviewed to reflect this position. (Structures are attached at [Appendices 2a-c](#))
- ii. The Benefits Service team currently consists of 45 FTE posts. It is now proposed to delete 4.4 FTE vacant posts, reflected in the new proposed structures.
- iii. Whilst HB caseloads have fallen due to migration to UC, the DWP have now confirmed that full migration of the remaining legacy benefits is unlikely to happen until at least December 2025. Additional demands on CTR processing due to UC and uptake for Education Benefits means that staff resources will be directed to new areas of processing as well as addressing demands within the Scottish Welfare Fund.
- iv. Whilst demand for support from the SWF and DHP fund had increased substantially during the Covid Pandemic, volumes are now more in line with pre pandemic levels. However the value of awards has continued to rise each year with the Council allocating additional resources to supplement the Scottish Government funding with 121% of the Scottish Government budget spent during 2023/24. The proposed structures will ensure benefits staff continue to deliver local benefits support to residents, working with colleagues and partners to ensure appropriate reliefs are awarded to customers who are entitled to financial support.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Annual savings of £0.156m will be achieved through the implementation of these proposals.

7. Human Resources Implications

- 7.1 The proposed changes will be implemented in accordance with the Council's established Framework for Managing Workforce Change, however all posts being deleted are currently vacant. The staffing impact is as follows;

	Current	Proposed	Net Reduction
Benefits Team	45 FTE	40.6 FTE	4.4 FTE

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

- 8.2.1 There is a risk that rejecting the recommendations will result in a less effective Benefits Service for customers.

9. Equalities

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 3](#).

10. Sustainable Development Implications

- 10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

13.3 Consultation has taken place with the relevant Trade Unions and there are no issues outstanding.

14. Next Steps for Decision Tracking Purposes

14.1 If the recommendations above are approved by Members, the Chief Financial Officer will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Implement service review structure changes	30 April 2025	Service Lead - Revenues and Benefits

Background Papers **Report to Leadership Panel of 15 February 2022 – [Service Review Phase 2 – Benefits Services](#)**

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Date: 11 February 2025

Benefits Service Review

1. Introduction

- 1.1 This report outlines the findings and recommendations of the Service Review of Benefits Services, incorporating Housing Benefits, Council Tax Reduction, Education Benefits processing, the Scottish Welfare Fund (Crisis Grants and Community Care Grants) and Discretionary Housing Payments. Whilst a full review of the Benefits Service was approved by the Leadership Panel on 15 February 2022 a further review is now required to accommodate the continued impact of the UK Governments Welfare Reform agenda, in particular the migration of existing legacy benefits customers to Universal Credit, which has now been ongoing over a number of years.

2. Background

- 2.1 The Benefits function forms part of the operational activity with the Revenues and Benefits Service, managed by the Service Lead, Revenues and Benefits who reports to the Chief Financial Officer, Finance and Procurement.
- 2.2 The current Benefits Structure was approved by the Leadership Panel on 15 February 2022. At that time some resources were redirected to address the increased demand on the Scottish Welfare Fund and 4.00 FTE were deleted. The Benefits Services team currently consists of 45 FTE permanent posts with a budget of £1.63m. Current and proposed staffing structures are detailed in [Appendices 2a-c](#).
- 2.3 The Council's Benefits Service is responsible for a range of benefit activities some of which are delivered on behalf of the Department for Work and Pensions (DWP) and the Scottish Government (SG). These are summarised as follows;
- 2.3.1 Processing of Housing Benefit (HB) applications with a 2024/25 budget of £22.5M for both public sector and private sector tenants and Council Tax Reduction (CTR) with CTR totalling almost £9.1m credited to Council Tax accounts to date for 2024/25.
- 2.3.2 Delivery of the Scottish Welfare Fund (SWF) which includes payment of Crisis Grants (CG) and Community Care Grants (CCG), with a total fund value, including local provision of £0.911m for 2024/25.
- 2.3.3 Processing applications for Discretionary Housing Payments (DHP's) (which provides customers in receipt of benefits with additional help to pay their rent) with a budget of £1.838m in 2024/25 which includes full mitigation for the 'bedroom tax'.
- 2.3.4 Processing of Education Benefits (Free School Meals and Clothing Grants) on behalf of Education Services with approximately 2,700 applications processed during the school year ended May 2024.

Verifying entitlement to both Free School meals and paying almost £0.400m in Clothing Grants.

- 2.4 The Benefits Service is currently split into two teams – one which processes HB, CTR and Education Benefits (Edbens), the other SWF Grants and DHP. The entitlement criteria and regulations governing the benefit schemes are entirely different with staff working to distinctly different performance targets. Whilst there is no requirement to change this set up, operationally more flexibility is required between the teams to allow staff to be transferred between teams to address fluctuating service demands. As such job descriptions have been reviewed to reflect this position.

3. Key Considerations

3.1 Housing Benefit (HB), Council Tax Reduction (CTR) and Education Benefits (Edbens)

- 3.1.1 HB caseloads have been gradually reducing since the introduction of UC in South Ayrshire in February 2018, however CTR caseloads remain relatively stable, and CTR cases where UC is being claimed have continued to increase with a 36% increase from Apr 2022 – Sep 2024. CTR cases with UC take longer to process as detailed claim information requires to be provided directly by the claimant, where previously the DWP would have provided information in relation to both HB and CTR claims, much of this in automated data files. Benefits staff are now proactively contacting UC customers to ensure they make a claim for CTR and where necessary can also signpost customers to the Information and Advice Hub for a full Benefits check.

Caseloads

Total Caseload	As at 31/03/2022	As at 31/03/2023	As at 31/03/2024	As at 30/09/2024
HB	5,394	4,949	4,656	4,289
CTR non UC	6,919	6,417	6,023	5,689
CTR with UC	2,977	3,441	3,762	4,038
CTR overall	9,896	9,858	9,785	9,727

- 3.1.2 In anticipation of most working age customers migrating to UC, a number of vacant posts in Benefit Services have remained unfilled. The DWP initially anticipated a further reduction of HB caseloads during 2024/25 of 21%, however this has not yet been realised, with a reduction this year by September of only around 8%. The DWP are now advising that Employment and Support Allowance (ESA) migration is now expected to be completed by the end of December 2025. On this basis it is proposed to undertake a phased approach to this service review with a

further update proposed when the final position with regards to UC migration is known.

- 3.1.3 Whilst the working age HB caseload is gradually reducing as outlined above, the reduction in the associated workload for the overall HB caseload has been minimal. The volume of new HB claims calculated during 2023/24 has only reduced by 4.9% from 2022/23, the volume of HB changes calculated has reduced by 1.2% in the same period. Benefits Service continues to receive new HB claims from customers reaching Pension Age and those in Homeless/Temporary or Supported Accommodation. The nature of homeless and supported accommodation cases results in a higher turnover of claims throughout the year in comparison with other standard claims for HB
- 3.1.4 Processing performance had been improving up to the end of 2023/24 however the minimal reduction in HB workloads together with a number of unfilled vacancies has resulted in reduced performance during the first 6 months of 2024/25 both for processing of new claims and dealing with changes in circumstances. It is anticipated that once DWP benefits are fully migrated and the new structure is fully implemented that processing will stabilise, albeit the reduction in posts will mean that it is unlikely that the performance level will return to pre-service review levels.

Average speed of processing

	HB New Claims	HB Changes	CTR New Claims	CTR Changes
2022/23	12 days	4 days	15 days	4 days
2023/24	10 days	2 days	14 days	3 days
As at 30/09/2024	16 days	4 days	28 days	4 days

- 3.1.6 A key function of benefits processing is the requirement to review the HB and CTR caseload on an ongoing basis to mitigate against fraud, error and overpayments. The DWP have a range of data matching tools available to use to prevent and detect fraud, to cleanse HB caseloads and to award the right benefit to the right customer. Benefits continue to participate in DWP fraud and error initiatives including the Housing Benefit Accuracy Award (HBAA) and the Verification of Earnings and Pensions (VEP's). We will continue to review processes and participate in DWP initiatives to ensure we do all we can to minimise fraud and error.
- 3.1.7 During the 2023/24 academic year (which ended on 31 May 2024) benefits received 2,739 Education benefit applications from households for Free School Meal/Clothing Grants. Clothing Grant awards were made for 3,004 children totalling £399,030. The Scottish Government has also committed to the roll out of Free School meals from February 2025 for children in P6 and P7 who are in receipt of the Scottish Child payment.

3.2 Scottish Welfare Fund (SWF) - Crisis Grants (CG), Community Care Grants (CCG) and Discretionary Housing Payments (DHP's)

3.2.1 Demand for support from the Scottish Welfare fund rose substantially during the Covid Pandemic where South Ayrshire saw a 17% rise in Crisis Grant (CG) applications during 2020/21. The increased demand had remained stable post pandemic and it is only during 2023/24 that we have seen a reduction in CG applications, albeit demand for the scheme overall remains slightly higher than pre-pandemic levels. Cost of Living payments from DWP during 2023/24, which have now ceased, and the increased uptake of Scottish Child Payment may have attributed to the reduction in CG applications. South Ayrshire Council, like the majority of other Council's continues to allocate additional funding to the Scottish Government funding to meet customer demands, spending 121% of our Scottish Government funding in 2023/24.

Year	Crisis Grant Applications	Community Care Grant Applications	%age of budget spent
2019/20	3,851	1,356	97%
2020/21	4,514	1,288	65%
2021/22	4,943	1,130	91%
2022/23	5,118	1,579	117%
2023/24	3,668	1,572	121%

3.2.2 During 2023/24 staff awarded 97% of Crisis Grants within one working day, an improvement on the 2022/23 performance of 96% and better than the Scottish Average of 96%. 93% of Community Care Grants were processed within 15 days, an improvement on the 2022/23 performance of 88% and considerably better than the Scottish Average of 84%.

3.2.3 Demand for Discretionary Housing Payments (DHP) which provides additional financial assistance to help with rent from customers in receipt of Housing Benefit and UC continues to rise year on year. The additional room or 'Bedroom tax' DHP is fully funded by the Scottish Government alongside the 2 child Benefit Cap cases however we continue to provide additional support to private sector tenants in receipt of UC, where benefit is restricted to Local Housing Allowance rates. We will continue to provide proactive support particularly to UC claimants in this sector, as funding allows. Whilst demand for DHP continues to rise the additional work involved in gathering information where customers are in receipt of UC, will increase as more working age customers migrate to UC.

The table below details the level of DHP expenditure since 2020/21;

	2020/21	2021/22	2022/23	2023/24
DHP Expenditure	£1,545,546	£1,496,762	£1,709,621	£1,715,889

3.2.4 The February 2022 Service Review re-assigned resources to support the increased demand for support from the SWF and DHP funds. At that time all new telephone applications for Crisis Grants were moved from the Customer Services team to Benefits and accommodated within the available resources. This was the approach recommended by Scottish Public Services Ombudsman and allows the decision makers to access all information required at the earliest possible opportunity whilst providing a single point of contact for customers.

4. Human Resources Considerations

4.1 Current/Proposed Staffing

4.1.1 As noted in Para 2.2 the current structure consists of 45 FTE, with the proposed structures reducing this to 40.6 FTE with effect from 1 April 2025. Details of the structures are attached in [Appendix 2a](#) and [2b](#) and a summary of the changes in the staffing compliment is also attached at [Appendix 2c](#). The proposed structures are considered appropriate to meet customer demands, maintain performance and offer opportunities to promote take up for customers who are entitled to support but who do not make a claim, however a further review will be undertaken once the full impact of further UC migration is clearer.

4.1.2 Reductions in all posts can currently be met by the deletion of vacant posts.

4.1.3 All Job Descriptions have been reviewed, updated and have been evaluated using the Council's Job Evaluation process, with no changes proposed to the existing grades.

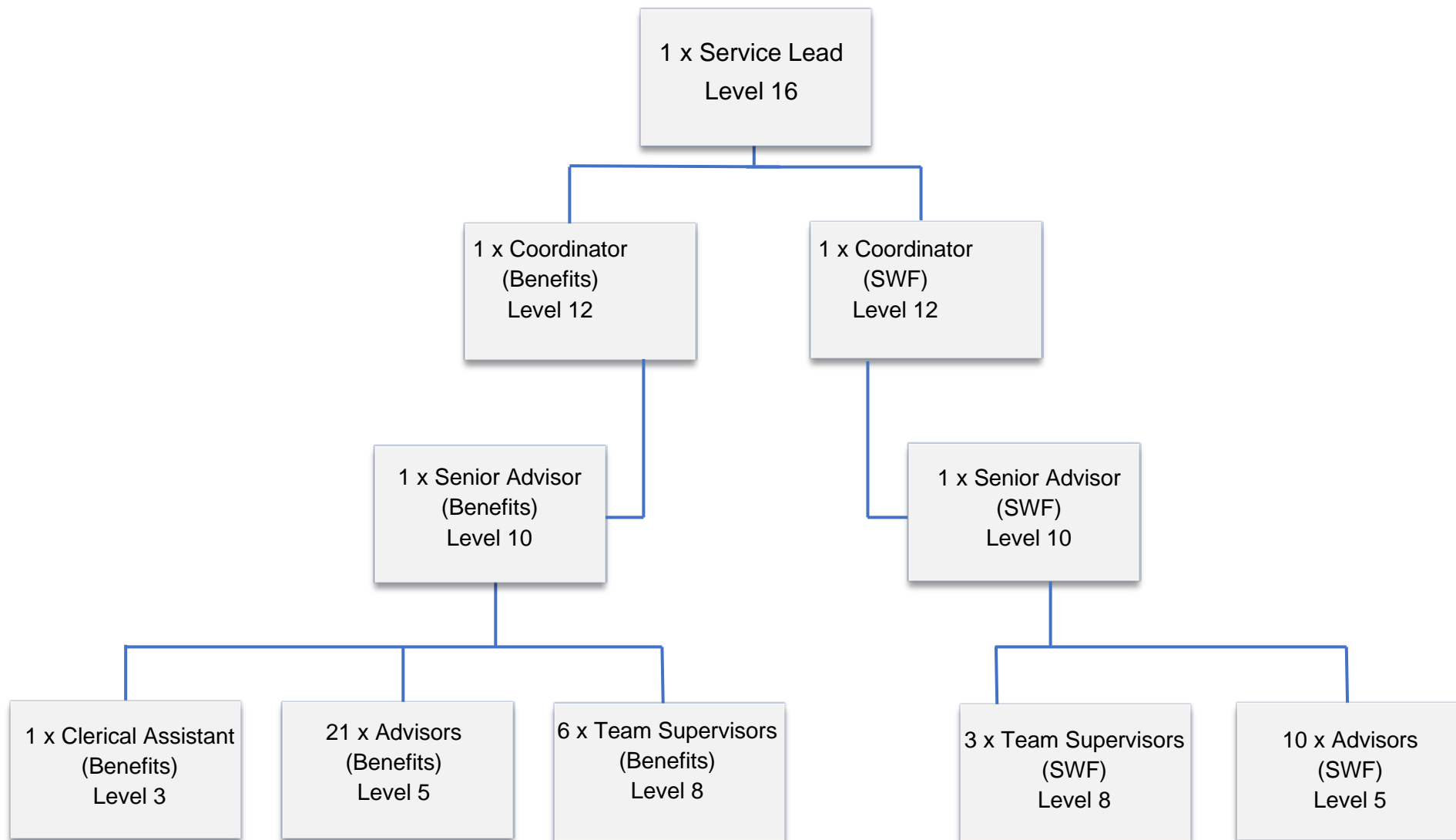
4.1.4 Consultation has been ongoing with staff and Trade Unions who have been provided with details of the proposals including the revised job descriptions and structures.

5. Service Review Proposals and Next steps

5.1 Taking into account the key considerations in Section 3 and the HR considerations in Section 4 the following actions are proposed;

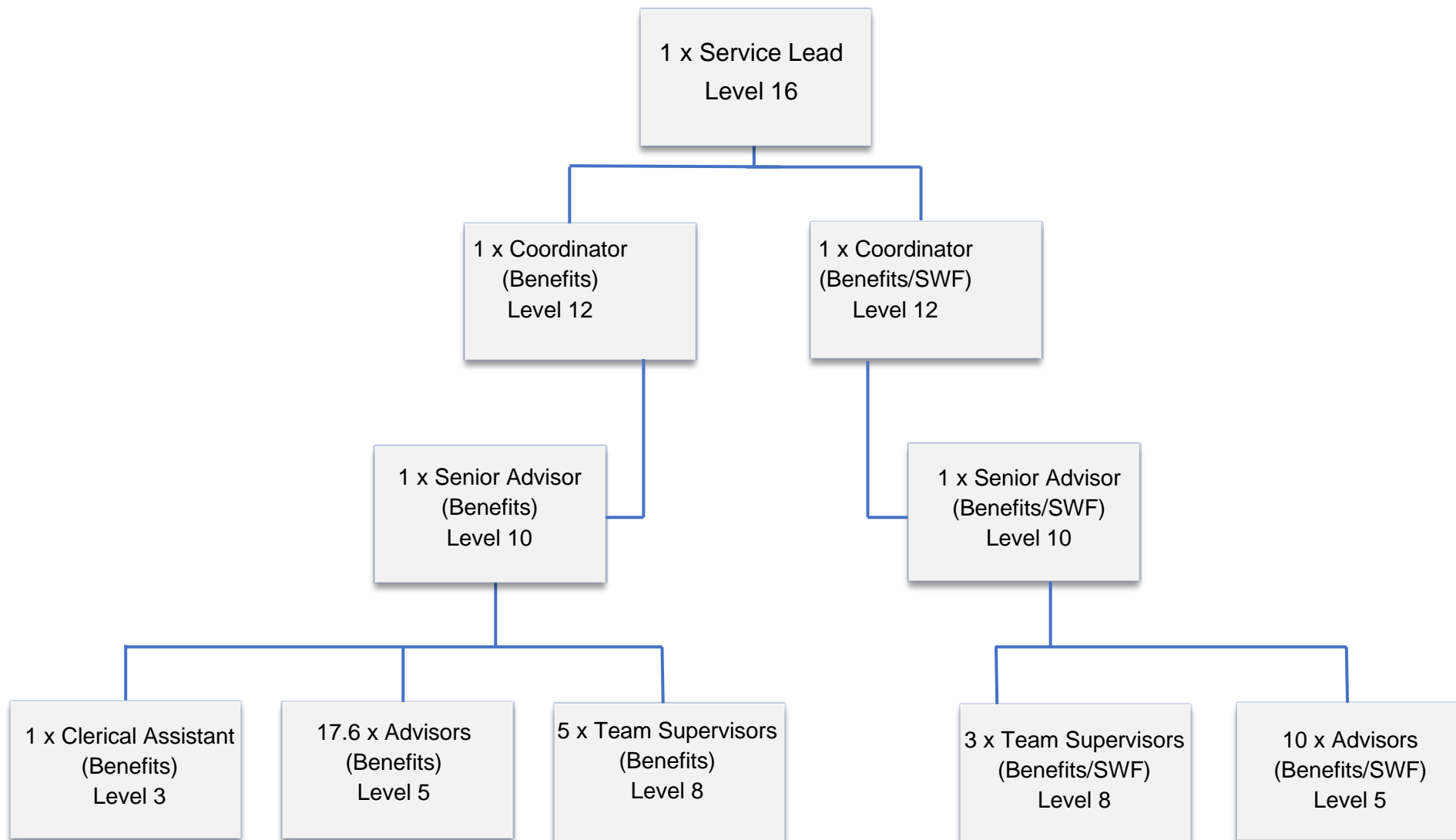
5.1.1 Implementation of the proposed structure as detailed in [Appendix 2b](#) which will ensure the appropriate resources are in place to provide a robust and reactive service in both the Benefits Processing and the Scottish Welfare Fund teams.

South Ayrshire Council Benefit Services (45FTE – Excluding Service Lead Post)



South Ayrshire Council Benefit Services (40.6FTE – Excluding Service Lead Post)

(This structure for illustrative purposes as staffing across the 2 teams is subject to change to meet service requirements)



Benefits Service Review - Impact by post and grade

	Current			Proposed		
	Job Title	FTE	Narrative	Job Title	FTE	Narrative
Level 16	<i>Service Lead, Revenues and Benefits</i>	<i>For Info only</i>	<i>No Change</i>	<i>Service Lead, Revenues and Benefits</i>	<i>For info only</i>	<i>No Change</i>
Level 12	Benefits Co-ordinator	1.00		Co-ordinator – Benefits Services	2.00	Updated Job Title/Description
	Benefits Co-ordinator (SWF)	1.00				
Level 10	Senior Benefits Advisor	1.00		Senior Benefits Advisor	2.00	Updated Job Title/Description
	Senior Benefits Advisor (SWF)	1.00				
Level 8	Team Supervisor (Benefits)	6.00		Team Supervisor (Benefits)	8.00	Reduction in 1.00 FTE and Updated Job Title/Description
	Team Supervisor (SWF)	3.00				
Level 5	Benefits Advisor	21.00		Benefits Advisor	27.6	Deletion of 3.4 posts and Updated Job Title/Description
	Benefits Advisor (SWF)	10.00				
Level 3	Clerical Assistant	1.00		Clerical Assistant	1.00	No change
Total		45.00			40.6	
Variance					4.40	

South Ayrshire Council Equality Impact Assessment Scoping Template

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: [Equality Impact Assessment including Fairer Scotland Duty](#)

Further guidance is available here: [Assessing impact and the Public Sector Equality Duty: a guide for public authorities \(Scotland\)](#)

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. See information here: [Interim Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018.

1. Policy details

Policy Title	Benefits Service Review
Lead Officer (Name/Position/Email)	Nicola Gemmell, Service Lead, Revenues and Benefits nicola.gemmell@south-ayrshire.gov.uk

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls and boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – gender identity (issues specific to women and men or girls and boys)	-	-
Sexual Orientation – person's sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights and Children's Rights	-	-

3. What likely impact will this policy have on people experiencing different kinds of social disadvantage? (Fairer Scotland Duty). Consideration must be given particularly to children and families.

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

4. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
Eliminate unlawful discrimination, harassment and victimisation	Low
Advance equality of opportunity between people who share a protected characteristic and those who do not	Low
Foster good relations between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low

5. Summary Assessment

<p>Is a full Equality Impact Assessment required? (A full Equality Impact Assessment must be carried out if impacts identified as Medium and/or High)</p>	<p>_____ YES</p> <p>NO</p>
<p>Rationale for decision:</p> <p>This report updates Members on the Benefits Service Review. Their decision on this has no specific equality implications</p>	
<p>Signed : Tim Baulk, Chief Financial Officer Date: 16 Dec 2024</p>	