Annual Report on Decision Making and Financial Accuracy

1 January to 31 December 2022

Annual Report on Decision Making and Financial Accuracy

For the year ended 31 December 2022

The Report is laid before the Northern Ireland Assembly under Article 76 of the Social Security (Northern Ireland) Order 1998 by the Department for Communities.

Date 19 September 2023

Contents

Foreword by the Standards Committee Chairperson

Background and Introduction

The Northern Ireland Joint Standards Committee was established in 1999 on foot of the Social Security (Northern Ireland) Order of 1998. The Order transferred responsibility for monitoring and reporting on the standard of decision making, where there is a right of appeal, from the Chief Adjudication Officer to, in effect, the Chief Executives of the Social Security Agency and the Child Support Agency, which subsequently became the Child Maintenance Service.

In May 2016, the work of both bodies was incorporated into the new Department for Communities and responsibility for monitoring the standards of decision making now rests with the Deputy Secretary, Supporting People Group. The shift in responsibility in 1998 replicated changes made in Great Britain (GB) in the 1998 Social Security Act. During the debates on this legislation concerns were expressed with regard to the credibility and appropriateness of the new arrangements.

To allay these, the Westminster government provided assurances that provision would be made to inject an independent element into the scrutiny of the quality of decision making with regard to social security and child support. In Northern Ireland the response to these concerns was the creation of the Joint Standards Committee with an independent chair and two other independent members.

The full membership of the Committee is set out in Part 1 of the Report and our terms of reference can be found in Appendix 1.

Purpose of the Committee

The Committee has three main tasks. Our core responsibility is to provide assurance that robust procedures are in place to monitor the quality of decision making with regard to specified benefits and child support. Secondly, we are charged with reporting on the standard of decision making, identifying any weaknesses and making recommendations to secure improvement. Thirdly, we are required to provide assurance that the results of monitoring are fed back to decision makers to promote continuous improvement.

With regard to benefits, the day-to-day work of checking the quality of decisions is undertaken by the Standards Assurance Unit of the Department.

Following the disruption caused by the Pandemic in 2020 to the measurement programme we were able to return to some degree of normality for the 2021 measurement programme. All six benefits reported on were checked for decision making accuracy and financial accuracy. As mentioned in last year's report two of the benefits did not have benchmarks set for 2021. Carer's Allowance benchmarking lapsed during the pandemic and has now been re-established in 2021. As I mentioned last year monitoring of Universal Credit was only implemented during 2019 and as I indicated last year targets for benchmarking have now been established.

On the basis of all of the work completed this year, I am satisfied that the procedures in

place are robust and effective. I can provide assurance that procedures to secure ongoing improvement of the service are in place. As we move from one crisis to another, I would, also, very much like to commend all the staff who contributed to this performance in what has once again been a very trying year.

The work of the Committee in 2022

In line with our terms of reference we carried out four full Committee meetings in 2022 and we continued with the new remote and home working arrangements. I want to commend staff and my fellow committee members on their continued adaptability and resilience throughout this year. As well as reviewing the statistical material presented by the Standard Assurance Unit, the Committee has considered a wide range of issues which are relevant to effective service delivery. There has been continued discussion of the substantial programme of work required to implement the Welfare Reform (Northern Ireland) Order 2015, the continuing implications of the Welfare Reform Mitigation measures and the departmental response to the Second Independent Review of Personal Independence Payment (PIP) which was carried out with the Report and Recommendations being presented to the Department and Assembly in December 2020.

We have also been kept informed of the response by the Department to the NIPSO own initiative report into PIP and the further use of evidence delivered in June 2021.

The Committee continues to be aware of the potential long-term impact of the COVID-19 pandemic on the demand on services moving through 2022. The implications for sufferers of long COVID continue to have the potential to impact on Personal Independence Payment. The 'cost of living crisis' continues to bite for those in receipt of benefits and on low incomes. The Department is also facing the implementation of full migration to Universal Credit over the next few years and the pressures on departmental budgets have the potential to impact on the resources available to achieve this. To this end, matters that continue to be discussed at Committee have related to staff recruitment and retention, staff training and the implications for staff given the continued development of hybrid working conditions.

During 2022 we continue to rely on technology and the continued co-operation of the various staff teams to enable meetings to take place. The Committee held meetings with staff responsible for delivering the Jobseeker's Allowance, Employment and Support Allowance and Personal Independence Payment and met with Enniskillen and Foyle Jobs and Benefits Offices and reviewed the implementation process for Universal Credit, albeit that all meetings have still been taking place virtually.

We also met virtually with the Child Maintenance Service, the Pension Centre in Derry~Londonderry and with the staff of the Decision Making Services. As usual, we have been impressed with the commitment and expertise of all of those who provide such important support to the people of Northern Ireland.

The Committee were able to meet face to face with the voluntary sector and

this meeting always provides us with the opportunity to review the work of the Independent Standards Committee with representatives from the sector. The exchange of information also proved positive enabling specific issues to be raised and fed into the system to be addressed.

We were also able to meet virtually with the Northern Ireland Audit Office and this meeting provides a useful opportunity to address issues that arise throughout the year and it can be once again noted that the work they undertake is supportive of the departmental assurances I have given above.

Monitoring performance

As Part 2 of the report indicates, following the pandemic, the Department has returned to a regular measurement programme and that all six benefits being monitored have been allocated benchmark targets for 2022. The standard of decision making is assessed using samples of cases drawn from across the live load.

These cases are checked for financial accuracy or the correctness of the payments being made. Within this process, all cases where a decision has been made in the preceding 12 months are identified and checked for decision making accuracy using four criteria:

• sufficiency of evidence,

• determination of questions,

• findings of fact and

• correct application of legislation.

Two observations can be made on this methodology. Firstly, in line with procedures in GB, an error is recorded for decision making only where there is a financial consequence. It was agreed some time ago that, for the sake of completeness, the Annual Report for Northern Ireland should include data on all errors and this is provided in Appendix 2. Secondly, the methodology used can result in very small numbers of cases being checked for decision making as has occurred again this year in the case of the State Pension.

The standard of decision making and financial accuracy in 2022

In Part 3 of the report decision making accuracy is dealt with. The table on page 16 of the report details the performance of staff with regard to decision making for the six benefits monitored this year. Four of the six benefits monitored exceeded their benchmark targets. As in previous years State Pension and State Pension Credit came in below their benchmark targets but as is pointed out in the body of the Report this is attributed to the small sample sizing where even a small number of errors can create a noticeable or significant variance.

In Part 4 of the report financial accuracy is dealt with. The table on page 23 shows that the Department has been successful in ensuring that the expenditure on these benefits is correctly disbursed. With the reintroduction of benchmarking for Carers Allowance and the implementation of a benchmarking target for Universal Credit this year the six benefits monitored, all exceeded their benchmark targets.

Supplementary issues

Part 5 of the report provides information on the standard of decision making for overpayments and appeals. Following the suspension of monitoring that took place in 2020 due to the prioritisation implemented during the pandemic, the table on page 24 indicates that there has been an improvement in the decision making and financial accuracy for overpayments between 2021 and 2022 and appeal submissions for 2022 continued to achieve a 100% standard of accuracy.

Further information provided in Part 6 of the Report details the estimated monetary value of error and is indicative of the level of activity undertaken by the Department. It is also a healthy corrective to much of the discussion which surrounds social security. The Report indicates that around £7.5billion was paid out in benefits in 2022 (£6 billion of which is incorporated in the six benefits which fall within the monitoring programme). The data is derived from the numbers of cases handled by staff throughout 2022 including 177,485 new claims and 672,701* changes of circumstances notified by customers (*this figure does not include Universal Credit change of circumstances as there is no single measure to count change of circumstances transactions).

Within this, as is evidenced in Appendix 4, the loss to the public purse as a result of overpayments in the six monitored benefits has reduced significantly this year at just over £21.1 million which represents 0.36% of total expenditure. However, the loss to the public via underpayments has gone up this year to almost £27.5million representing 0.46% of total expenditure.
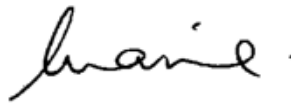
Conclusion

2022 has continued to be a difficult year given the outworking of the COVID-19 pandemic and the issues that the Department continue to face in light of this. In spite of this I am pleased to be able to present a good assessment of the standard of decision making achieved. I would, however, continue to raise some issues for consideration by the Department and Committee. There continues to be increased pressure on staff and in some cases difficulties in the recruitment of appropriate staff and where staff are recruited the time taken for training.

The Department continues to deliver existing benefits, manage cuts to these, manage the transitions to new benefits and implement the measures to alleviate the hardship caused by all of this. While the roll out of Universal Credit has been managed to date the Standards Committee is aware that the implementation of migration, when it takes place, will place further pressures on the service, particularly in the current climate of departmental budgetary constraints. I know I said this last year but it continues to be relevant that, to avoid a decline in decision making standards and reduce strain and anxiety amongst staff, considerable thought needs to be given to the timetabling and resourcing of change.

Finally, I would like to express my particular thanks for the support provided to me by the rest of the members of the Standards Committee, the officials who have attended the meetings and visits arranged throughout the year and the staff of Benefit Security Business Support who have provided secretarial and administrative support to the Committee.

Once again, I would like to thank Ursula O'Hare and Kevin Higgins for sharing their experience as Independent members of the Committee with me. It cannot be overstated how; the breadth of their knowledge and experience of social security legislation and policy continues to be an invaluable asset to me and the Standards Committee generally.

Marie Cavanagh
Chairperson of the Standards Committee

Introduction by the Director of Pensions, Disability, Benefit Security and Debt

I am pleased to introduce the Department for Communities Annual Report on Decision Making and Financial Accuracy for 2022.

As part of its statutory responsibility for benefit and child maintenance administration the Department must report annually on standards of decision making and financial accuracy. In order to do this, the Department delivers an established programme of measurement each year.
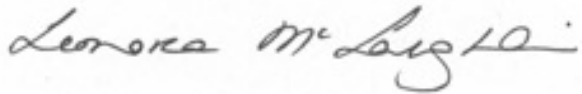
This report focuses on two main areas namely the level of decision making accuracy in the administration of social security benefits and the level of financial accuracy in respect of benefit payments made. Its purpose is to provide assurance on the accuracy of benefit decisions and to give robust estimates of the percentage of benefit expenditure which is paid correctly. High levels of accuracy continue to be key to the Department commitment to ensuring that customers receive the right benefit at the right time.

I am pleased to note that four of the six decision making benchmarks set have been exceeded. In addition, despite Universal Credit (UC) being a relatively new and complex benefit, the 97% decision making accuracy result achieved is very encouraging. We will continue to monitor this area carefully as the Department commences the planned migration of tax credit and legacy claimants to UC, known as the 'Move to UC,' which will begin on a phased basis in 2023.

Financial accuracy performance during 2022 has also been exceptional for all benefits monitored with benchmarks for all six benefits measured being exceeded. Of particular note is the achievement of a 98.2% accuracy in Universal Credit building on solid performance of 98% in 2021. Also of note is Carer's Allowance excellent financial accuracy result of 100% following its return to measurement in 2021. Overall Financial Accuracy across all benefits combined showed an upward trend, increasing to 99.3% from 99.1% in 2021.

I would like to record my personal thanks to colleagues across the Department's benefit business areas for their dedication and hard work throughout another challenging and busy year. My thanks also to the teams involved in deriving the case samples and completing the case examination. The excellent results outlined in this report clearly demonstrate that staff are committed to delivering high levels of accuracy in their work. We will continue to capture learning and to identify opportunities to make further improvements and build on the important work which is already underway in decision making and financial accuracy.

Finally, my thanks to Marie and the Committee for their insight and constructive advice to the Department on its standards of decision making and financial accuracy. The contribution of the Committee remains highly valued as the Department continues to make every effort to deliver critical support to those in our communities who rely upon our services.

Leonora McLaughlin
Director of Pensions, Disability, Benefit Security and Debt

Part 1 Background

This 2022 Annual Report on Decision Making and Financial Accuracy sets out the categorising and reporting on decision making standards within the Department for Communities (DfC). It also reports on the financial accuracy of payments for Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, State Pension, State Pension Credit and Universal Credit. The standard of Financial Accuracy for these benefits, along with Attendance Allowance, Bereavement Benefit, Disability Living Allowance, Incapacity Benefit, Income Support, Industrial Injuries Disablement Benefit, Jobseeker's Allowance, Maternity Allowance, Social Fund, and Widows Benefit, is also shown in the DfC Annual Report and Accounts.

Following the introduction of the Social Security (Northern Ireland) Order 1998 the requirement for the Chief Adjudication Officer to report on standards of adjudication was removed. To help ensure transparency, it was decided to have independent oversight, and in 1999, a Northern Ireland Joint Standards Committee (the Standards Committee) for both the Social Security Agency (SSA) and Child Support Agency (later renamed Child Maintenance Service (CMS)) was set up to oversee monitoring arrangements and report on performance. Following the change in Government structures in May 2016, both the SSA and CMS were dissolved, and their services were incorporated within the DfC. The Standards Committee includes an

independent chairperson, together with two other independent members, and has terms of reference agreed by the DfC. The Standards Committee members are:

Marie Cavanagh
Independent Chairperson

Kevin Higgins
Independent Member

Ursula O'Hare
Independent Member

Leonora McLaughlin
Director of Pensions, Disability, Benefit Security and Debt, DfC

Julie Nelson
Deputy Director of Benefit Security and Debt, DfC

Ros Agnew
Deputy Director, Child Maintenance Service, DfC

Gary Curran
Head of Audit, DfC

Appendix 1 sets out the terms of reference for the Standards Committee.

Part 2 Measurement and Sampling Methodology

The DfC Annual Report on Decision Making and Financial Accuracy for the period 1 January to 31 December 2022 (the Report) summarises the results for standards of decision making and financial accuracy for social security benefits in 2022. Measurement of decision making and financial accuracy for social security benefits is carried out by Standards Assurance Unit (SAU). Decision making and financial accuracy checks are carried out using a random sample of cases for each benefit.

All cases from the official error sample that have had a decision made within the 12 months prior to the date the payment for the selected period was issued, are checked and recorded to measure the standard of decision making. This methodology can result in very small numbers of cases being checked for decision making as has occurred this year with State Pension.

Categorising

SAU completes the following checks on a case from the random sample:

Decision Making

The categoriser checks if a decision has been made on the case within the last 12 months prior to the date the payment for the selected period was issued and if so, the case is used to measure the standard of decision making. The purpose of this check is to establish if the actual decision awarding a new claim to benefit or changing the rate of benefit in payment is correct. A decision making error is only recorded where the incorrect decision also results in the payment being incorrect. The standard of decision making is expressed as a percentage. It is important to note that when SAU reports on the standard of decision making, it is only on decisions made prior to the date the payment for the selected period was issued, that the quality of current decision making can be assessed. It does not cover the full live load. For revision and supersession decisions, the check is based on the last change of circumstances which involved a change to the previous outcome decision.

The decision making check continues to examine the 4 main areas as follows:

- evidence – is there enough evidence on which to base a decision?

- determination of questions – have all relevant questions been decided?

- findings of fact – have the correct facts been found from the evidence available at the time of the decision?

- interpretation and application of the law – has statute law and case law (previous commissioner/court decisions) been correctly interpreted and applied?

Financial Accuracy

The financial accuracy standard represents the estimate of the percentage of the benefit expenditure that is paid correctly. Financial accuracy is measured by considering the monetary value of each error, either overpayment or underpayment, identified during the official error check. The monetary value of each error identified is passed to Professional Services Unit (PSU) who extrapolate the figures to estimate the level of financial error in the live load for the benefit concerned.

All errors identified in the decision making and financial accuracy checks, including errors which do not cause a payment error, are reported back to operational managers and staff for the purpose of continuous improvement and to enable them to take corrective action. A further analysis of the financial accuracy results can be found in Part 4 of this report.

Sample Size and Selection

Random Sample, Confidence Level and Confidence Intervals

On a monthly basis, statisticians provide SAU with a random sample of cases from across each benefit live load. This means that the sample can contain a range of cases from the oldest in the live load to the most recent. The samples provided for each benefit aim to ensure that the results of the financial accuracy exercise are to a confidence interval of no more than +/- 1% for all benefits and the results of the decision making exercise expected to achieve a confidence interval of no more than +/- 5% for all benefits.

The financial accuracy (percentage of annual benefit expenditure paid correctly) of a social security benefit is estimated from random samples selected throughout the year.

Overall sample sizes to measure financial accuracy are set by SAU. SAU consider several factors, including confidence levels, confidence intervals and available resource in their decision, consulting with PSU before determining the required samples for the year ahead.

Stratification

The financial accuracy of each social security benefit was estimated from stratified random samples of benefit cases selected throughout the year. Stratification serves to ensure that the sample is distributed over the sample in the same way as the overall benefit population. The sample therefore better reflects the population than it would have been likely to if it were selected entirely at random. For this reason, stratification acts to increase the precision of the estimates.

Variability and Sample Size

The variability in the attribute being measured within the population is an important factor in determining the sample size required. The more variability in the population, the larger the sample size required to achieve a given confidence interval.

For example, the sample size needed to measure financial accuracy to a given confidence interval would depend on the proportion of cases paid correctly. If over 90% of cases were paid correctly, this indicates that the variability in the population is low i.e., a large majority of cases are paid correctly. However, if 50% of cases were paid incorrectly, this indicates a high level of variability in the population. This greater level of variability means that a larger sample size would be needed to achieve a given confidence interval.

Part 3 Results – Decision Making

The table below sets out the standard achieved against the decision making benchmarks for social security benefits. These results are also shown in the graph in Appendix 2 to the Report with comparison to last year's result.

Appendix 3 to the Report details the type of decision making errors made under the 4 main headings.

Benefit	Total Cases Checked	Number of Incorrect Cases	Error Rate	Decision Making Standard	Decision Making Benchmark	Variance
Carer's Allowance	88	0	0%	100%	98%	2%
Employment and Support Allowance	47	2	4%	96%	95%	1%
Personal Independence Payment	189	5	3%	97%	95%	2%
State Pension #	39	3	8%	92%	97%	-5%
State Pension Credit	90	5	6%	94%	95%	-1%
Universal Credit	608	17	3%	97%	93%	4%

Some of the percentage variances from the benchmarking will be attributed to small sample sizing as evidenced in the number of State Pension cases checked where even a very small number of errors can create a noticeable variance.

The results from the table above show that 4 of the 6 decision making benchmarks have been achieved, with all 4 exceeding their benchmark.

Decision Making Performance

This part of the Report details the standard of decision making for Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, State Pension, State Pension Credit and Universal Credit.

Carer's Allowance Decision Making

To find out the standard of decision making, 88 cases were examined, and all cases (100%) were correct. The decision making standard was 2 percentage points above the benchmark of 98%. The table below shows the breakdown of performance under each type of decision checked.

CA Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	82	0	0%	100%	
Revisions	1	0	0%	100%	
Supersessions	5	0	0%	100%	
Overall Performance	**88**	**0**	**0%**	**100%**	**+/- 2.9%**

The chart below compares decision making standard over the last 2 years (CA decision making measurement only recommenced in 2021).
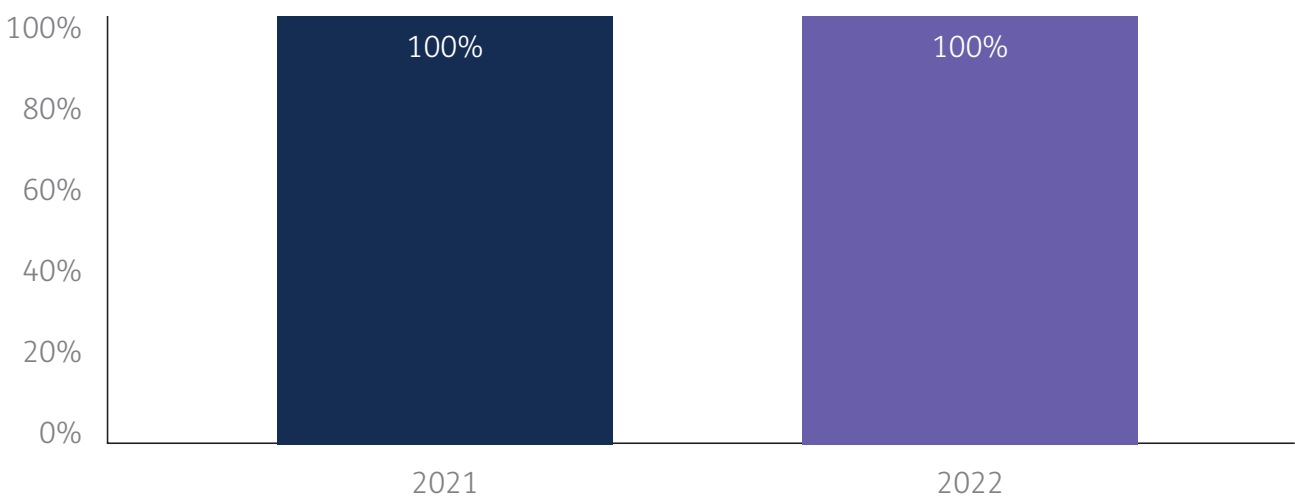
CA Standard of Decision Making

Employment and Support Allowance Decision Making

To find out the standard of decision making, 47 cases were examined, and 45 cases (96%) were correct. The decision making standard was 1 percentage point above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

ESA Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	5	0	0%	100%	
Revisions	7	0	0%	100%	
Supersessions	35	2	6%	94%	
Overall Performance	**47**	**2**	**4%**	**96%**	**+/- 5.8%**

The chart below compares decision making standard over the last 2 years (no 2020 result due to the coronavirus pandemic disruption).

ESA Standard of Decision Making

The 2 areas of error were

- Evidence with 1 error; and

- Findings of fact with 1 error

Both errors related to income taken into account incorrectly and incorrect conditions of entitlement, respectively.

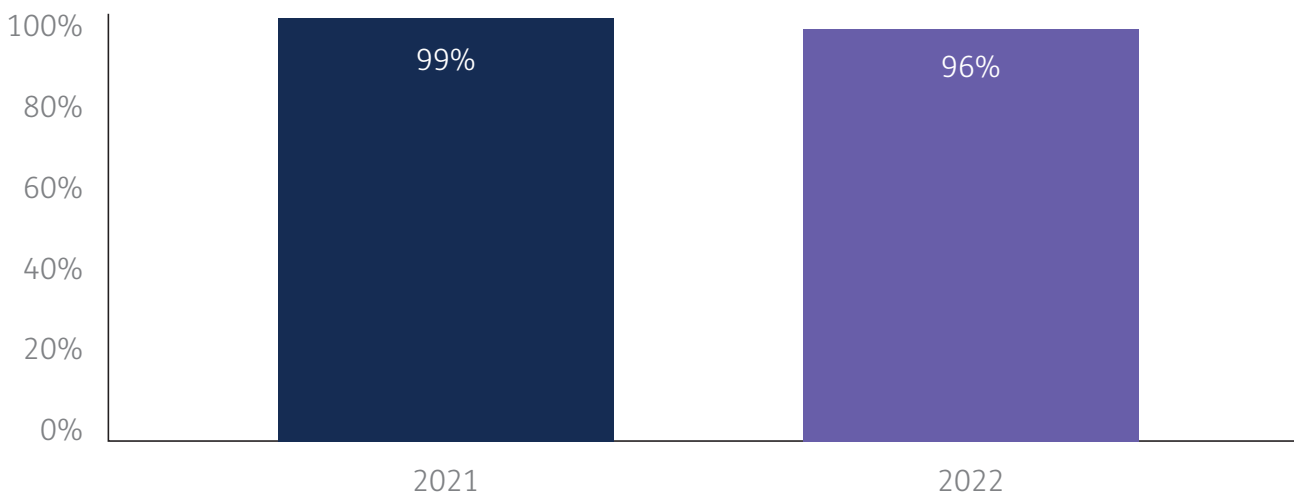## Personal Independence Payment Decision Making

To find out the standard of decision making, 189 cases were examined, and 184 cases (97%) were correct. The decision making standard was 2 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

PIP Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	173	4	2%	98%	
Supersessions	16	1	6%	94%	
Overall Performance	**189**	**5**	**3%**	**97%**	**+/- 2.3%**

The chart below compares decision making standard over the last 2 years (no 2020 result due to the coronavirus pandemic disruption).

PIP Standard of Decision Making

The area of error was

• evidence with 5 errors (100%)

The 2 main types or error related to disability care/mobility (2 errors) and outcome decisions being treated incorrectly (2 errors)

State Pension Decision Making

To find out the standard of decision making, 39 cases were examined. Although only a relatively small number of errors were identified (3), this equates to a decision making accuracy result of 92% due to the sample size. The table below shows the breakdown of performance under each type of decision checked.

SP Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	21	1	5%	95%	
Revisions	15	2	13%	87%	
Supersessions	3	0	0%	100%	
Overall Performance	**39**	**3**	**8%**	**92%**	**+/- 8.3%**

The chart below compares decision making standard over the last 3 years.

SP Standard of Decision Making
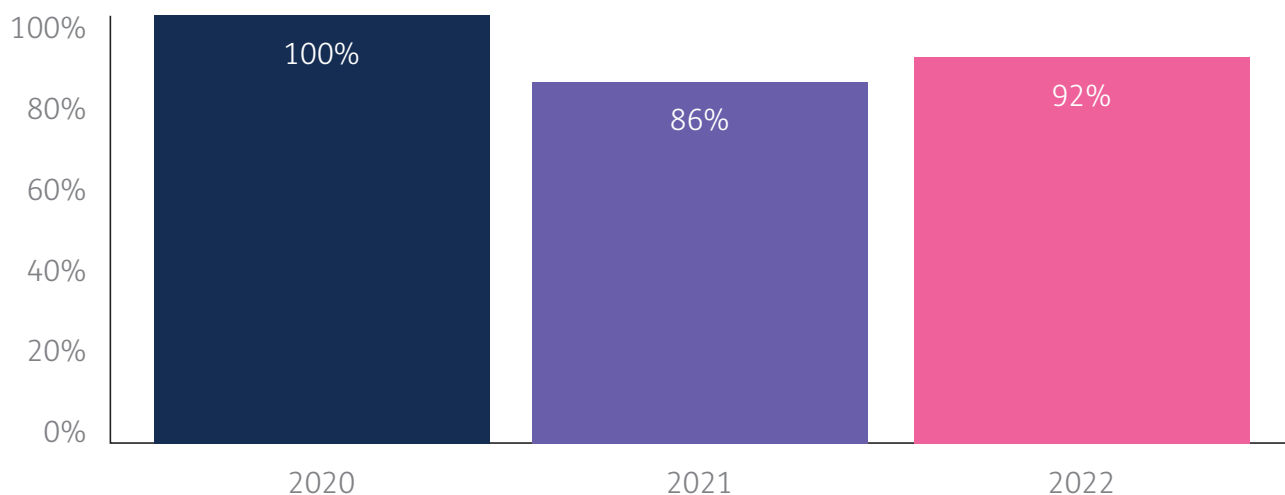
The 2 areas of error were

- evidence with 2 errors (67%) and;

- findings of fact with 1 error (33%)

All 3 errors related to incorrect awards or rate of benefit

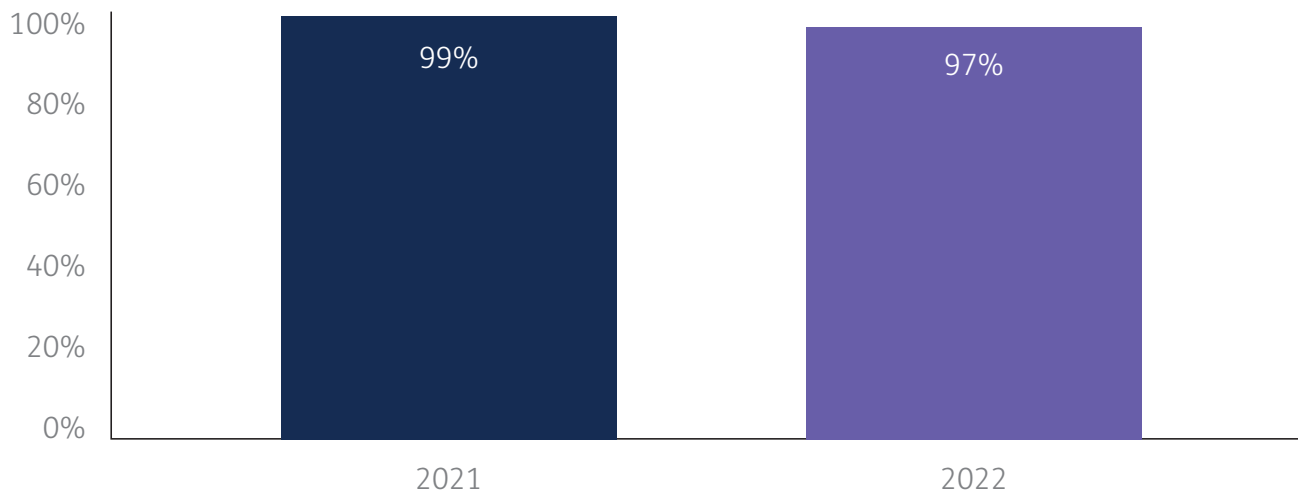## State Pension Credit Decision Making

To find out the standard of decision making, 90 cases were examined, and 85 cases (94%) were correct. The decision making standard was 1 percentage point below the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

SPC Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	28	1	4%	96%	
Revisions	16	2	13%	88%	
Supersessions	41	1	2%	98%	
Uprating	5	1	20%	80%	
Overall Performance	**90**	**5**	**6%**	**94%**	**+/- 4.7%**

The chart below compares decision making standard over the last 2 years (no 2020 result due to the coronavirus pandemic disruption).

SPC Standard of Decision Making

The main areas of error were

- findings of fact with 4 errors (80%) relating to income taken into account incorrectly; and
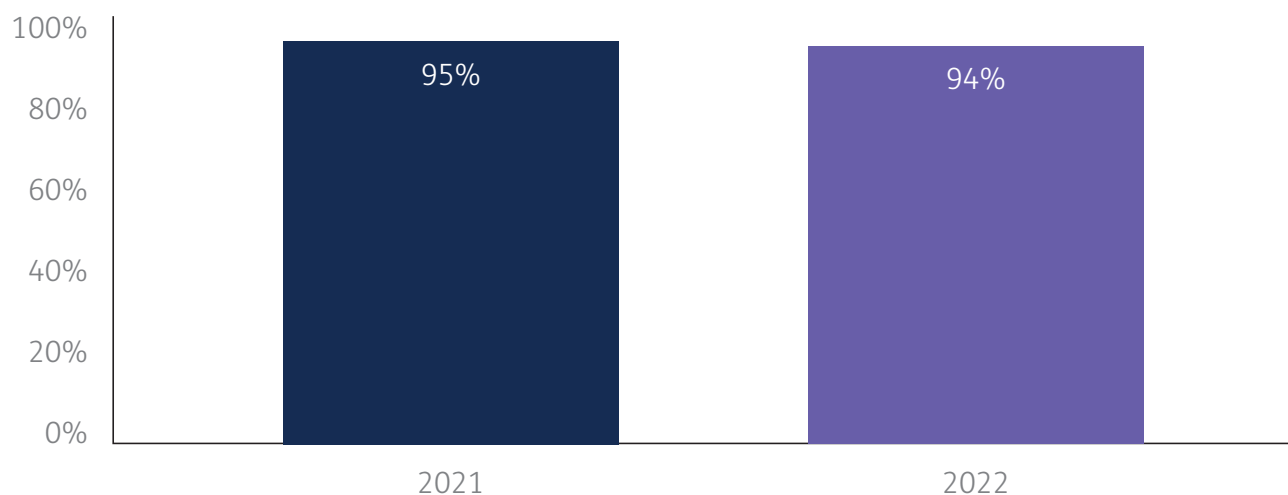
- 1 evidence (20%)

Universal Credit Decision Making

To find out the standard of decision making, 608 cases were examined with 591 cases (97%) correct. The decision making standard was 4 percentage points above the benchmark of 93%. The table below shows the breakdown of performance under each type of decision checked.

UC Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	80	4	5%	95%	
Revisions	47	1	2%	98%	
Supersessions	481	12	2%	98%	
Overall Performance	**608**	**17**	**3%**	**97%**	**+/- 1.3%**

The chart below compares decision making standard over the last 3 years.

UC Standard of Decision Making
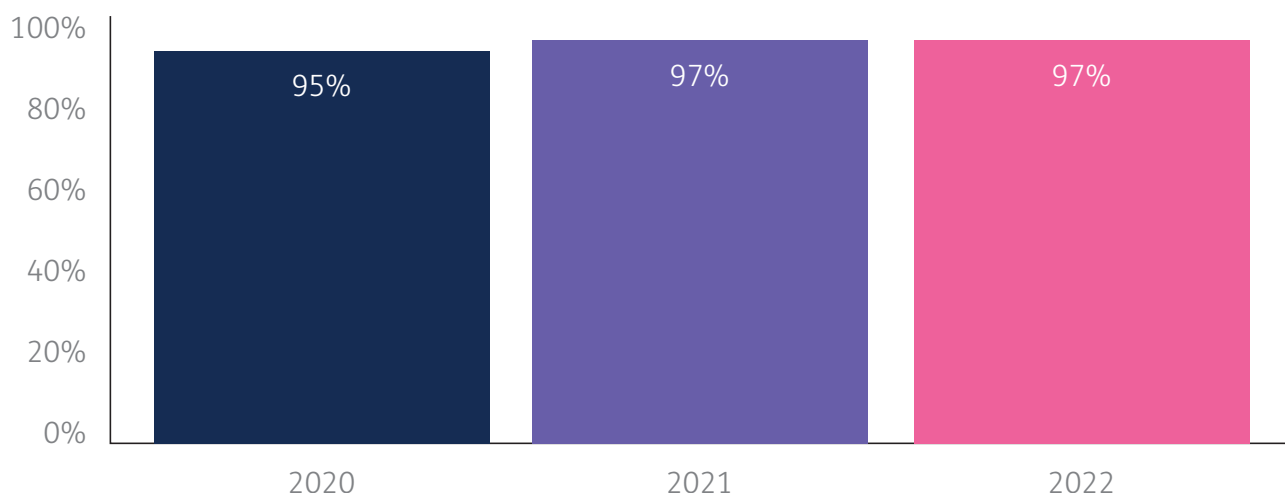
The main areas of error were

- findings of fact with 8 errors (47%). These mostly related to incorrect carer element (2 errors), rent amount (2 errors) and work capability element (2 errors)

- evidence with 6 errors

- interpretation and application of the law with 3 errors

Part 4 Results – Financial Accuracy

Financial Accuracy is the estimate of the percentage of the benefit paid correctly from an official error perspective. Financial accuracy targets for 2022 are shown in brackets. From April 2004 financial accuracy for State Pension (99%) and State Pension Credit (98%) was introduced. From January 2019 Universal Credit (93%) was introduced and from January 2021 Carer's Allowance (99%) was introduced (last measured in 2014). The table below shows the 2022 end of year performance against these targets. Appendix 5 details the estimated levels of financial error (Monetary Value of Error).

Benefit	2022 Target	2022 Financial Accuracy Result
Carer's Allowance	99%	100.0%
Employment and Support Allowance	98%	99.0%
Personal Independence Payment	95%	99.2%
State Pension	99%	99.7%
State Pension Credit	98%	98.6%
Universal Credit	93%	98.2%

The results from the table above show that all of the 6 benefits monitored exceeded their target set.

Analysis of the data used to calculate Financial Accuracy for 2022

The table below shows the number of cases used to calculate the 2022 Financial Accuracy results.

Benefit	Total Cases Checked (January – December 2022)	Total Cases in Error (January – December 2022)
Carer's Allowance	562	0
Employment and Support Allowance	696	17
Personal Independence Payment	948	23
State Pension	513	56
State Pension Credit	656	29
Universal Credit	792	63

Part 5 Overpayments and Appeals

Overpayment Decisions

A total of 110 cases were examined and 18 errors were raised resulting in an overall standard of 84%. The 2 main areas of error were findings of fact which accounted for 11 errors (61%) and evidence which accounted for 5 errors (28%). The main type of error within findings of fact related to the amount of the recoverable overpayment being incorrect (9 errors). The 2 main types of error within evidence related to the period (2 errors) and amount (2 errors) of the recoverable overpayment being incorrect.

Overpayment decisions were not monitored in 2020 as the measurement programme was suspended for a period of time due to the coronavirus pandemic and subsequently focused on the areas of highest risk and highest spend i.e. Universal Credit and State Pension.

In 2015 a new financial accuracy methodology was developed to put into context the financial consequences of decision making errors in relation to overpayment categorising. Both the Decision Making and Financial Accuracy standards for the past 2 years are shown in the table below.

Year	*Total cases Checked	Number of Errors	Decision Making Standard	Financial Accuracy Standard
2022	110	18	84%	99%
2021	139	24	83%	97%

*Overpayments are made up of ESA, PIP, SP & SPC cases.

Appeal Submissions

A total of 75 cases were examined and no errors were raised resulting in an overall standard of 100%. As with Overpayment decisions, Appeals Submissions were not monitored in 2020. The decision making results for the past two years are shown in the table below.

Year	*Total cases Checked	Number of Errors	Error rate	Decision Making Standard
2022	75	0	0%	100%
2021	75	0	0%	100%

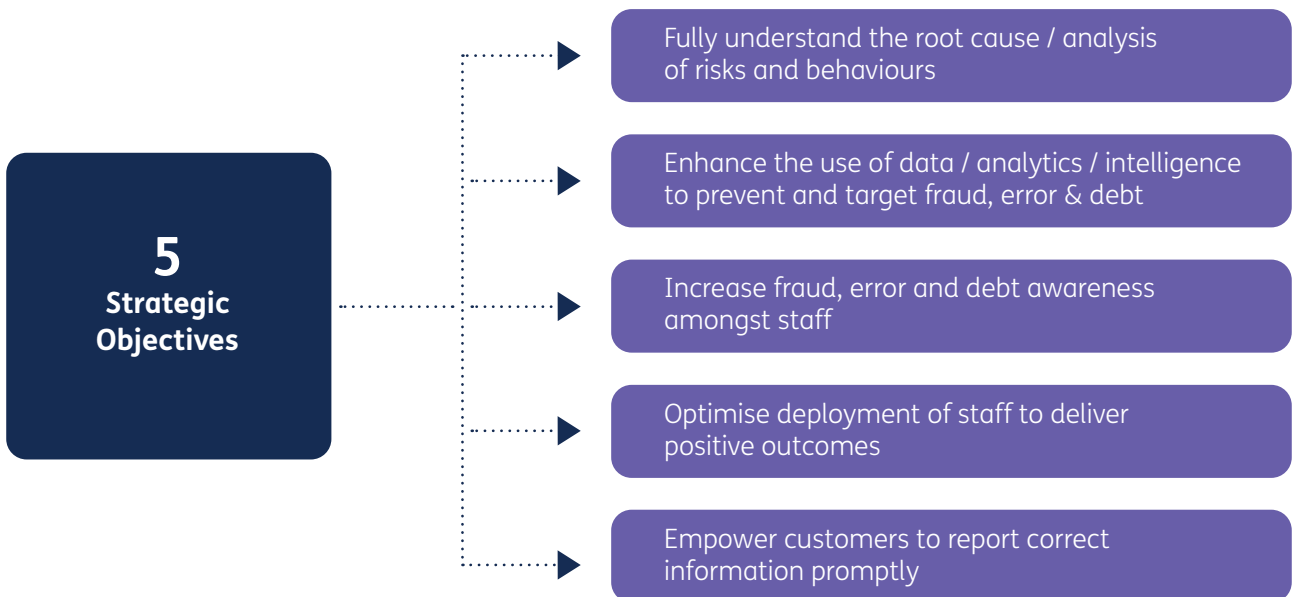*Appeals are made up of ESA, PIP, SP & SPC cases

Part 6 Department's Strategy to Reduce Error in Decision Making and Financial Accuracy

The Department's Benefit Security Division takes the lead in driving activity to minimise fraud and error. Its activities are overseen by a Benefit Security Board, whose membership comprises of a wide selection of internal stakeholders.

In November 2021, the Department published a Benefit Fraud, Error and Debt Strategy. This Strategy outlines the work to minimise fraud and error to ensure operational activities remain fit for purpose in the face of a rapidly changing environment.

The Strategy recognises previous successes and identifies what we currently do well whilst remaining aware of areas in which we can do better and those where we must adapt to changing conditions.

The Strategy sets out five objectives designed to minimise over and under payments within the benefit system. Our aim is to prevent error from occurring where we can and, if we are unable to, detect it early and take corrective action. Throughout the lifespan of this Strategy, we will achieve this aim through the delivery of five strategic objectives.

5 Strategic Objectives

- Fully understand the root cause / analysis of risks and behaviours
- Enhance the use of data / analytics / intelligence to prevent and target fraud, error & debt
- Increase fraud, error and debt awareness amongst staff
- Optimise deployment of staff to deliver positive outcomes
- Empower customers to report correct information promptly

Work to review and refresh the Strategy in preparation for a new three year term from April 2024, will commence in late 2023.

Prevention of error is fundamental to the success of the strategy. Preventing error entering the benefit system impacts on the amount of money lost through overpayment of benefit and minimises the risk of underpayment of benefit to customers.

The need for a strategic approach is emphasised by the scale of transactions handled by the Department. In 2022 almost £7.5billion was paid out in benefits. Across all benefits, staff handled 177,485 new claims as well as taking action on some 672,701* changes of circumstances notified by customers. This large volume of activity has the potential to allow a significant amount of error into the benefit system.

Official Error

The latest financial accuracy figures show an improvement which, at 99.3%, is up from 99.1% in 2021. This is attributable to official error overpayments reducing from 0.5% in 2021 to 0.3% in 2022 and underpayments remaining static at 0.7%.

A financial accuracy outcome of 99.3% matches the best result over the past decade and shows continued positive progress; Universal Credit again has improved upon its previous year's position, rising from 98.0%

(2021) to 98.2% (2022) and, equally positive, ESA improved on the 2021 result of 98% achieving a 99% accuracy result.

The Department remains committed to continuous improvement and has a wide range of control measures in place to ensure high levels of financial accuracy. This includes extensive training and consolidation complemented by a programme of regular checks and controls to prevent potential incorrectness.

Error Reduction Division Activity

During 2022-23 the Department's Error Reduction Division continued to direct dedicated resources within benefit offices to identify and correct error. This resourcing funds specialist teams across the Department to perform checks on cases which, through statistical analysis, are deemed to be at greatest risk of error. It also funds activity to remove anomalies identified by matching data from various information systems. Resources are allocated to each benefit based on the level of risk, and within each benefit all cases are targeted further using risk based selection models. This approach ensures maximum impact from targeted error reduction activity. During the period 23,232 checks or case reviews were actioned, which led to the adjustment of benefit in 4,251 cases, with a total monetary value of almost £20.7 million.

* This figure does not include Universal Credit change of circumstances as there is no single measure to count change of circumstances transactions.

Glossary

Attribute

An attribute is a characteristic of the case being examined. The characteristic may refer to the category a case belongs to or a numerical measure. For decision making the attribute is whether the case is correct or incorrect. For financial accuracy the attribute is the amount of money paid in error.

Benchmarks

Benchmarks are standards set by senior management against which performance can be measured.

Confidence Intervals

The confidence interval gives an indication of the degree of uncertainty surrounding the estimate obtained from the sample, by giving a range that the true value is likely to be within. The quoted confidence intervals are based on a 95% confidence level, which means that we are 95% confident that the true value will lie within the specified range.

Decision Making

Decision making is carried out on behalf of the Department by decision makers. The decision maker must make a decision by considering all the evidence, establishing the facts and applying the law, including any relevant case law, in each case. Where legislation specifies or implies discretion, the decision maker's judgement must be reasonable and made on balance of probabilities with unbiased discretion. The decision making standard represents the percentage of cases in the sample found to be correct when checked by Standards Assurance Unit.

Financial Accuracy

The financial accuracy standard represents the estimate of the percentage of the benefit expenditure which is paid correctly.

Standards Assurance Unit

Standards Assurance Unit is part of the Pensions, Disability, Benefit Security and Debt Directorate within the Department for Communities. Standards Assurance Unit provides a reliable and independent measure of decision making and financial accuracy against benchmarks and targets and assists operational staff in the drive to improve accuracy in benefit administration.

Targets   Targets are attainable goals set by senior management for staff to achieve within an agreed timetable or to a set standard.

Variability   The variability within a population refers to the percentage of the population with/without the attribute or the range of values in the attribute being measured. The more varied the population the larger the sample size required to achieve a given confidence interval.

Social Security Benefits

CA   Carer's Allowance

ESA   Employment and Support Allowance

PIP   Personal Independence Payment

SP   State Pension

SPC   State Pension Credit

UC   Universal Credit

Key to Appendices

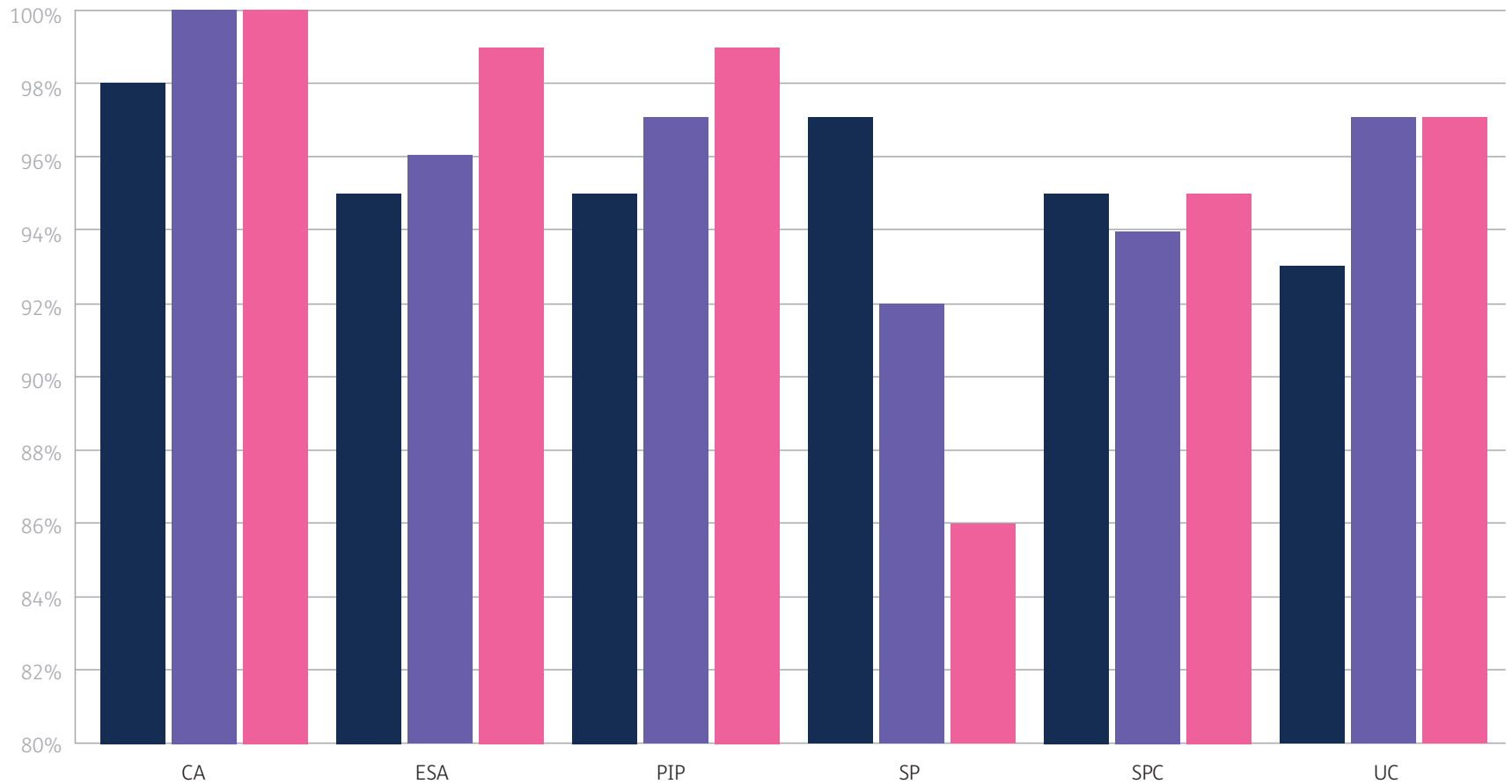**Appendix 1**   Terms of reference for the Standards Committee

Appendix 2   Decision making standards versus benchmarks: 2021 and 2022

Appendix 3   Types of decision making errors

Appendix 4   Estimated monetary value of error information for Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, State Pension, State Pension Credit & Universal Credit.

Terms of Reference for the Standards Committee

1 The Standards Committee will have an advisory rather than executive role. Its objectives will be to:

- provide assurance to the Deputy Secretary of Supporting People Group that effective decision making checking procedures are in place;

- confirm legislation is properly applied;

- monitor and report performance against quality targets;

- identify common trends relating to the quality of decision making in the Department and to highlight those areas where improvement is needed;

- make specific recommendations on any area considered appropriate;

- provide assurance to the Deputy Secretary of Supporting People Group that mechanisms are in place to feed back results to the Department to enable continuous improvement;

- report to the Deputy Secretary of Supporting People Group on the operation of the decision-making process and where

necessary to make recommendations for changes. The Deputy Secretary of Supporting People Group should be free to meet the Chairperson informally and discuss issues that may arise during the year;

- provide the Deputy Secretary of Supporting People Group with an annual assurance in the form of reports on the quality of decision making in the Department and such other reports as the Deputy Secretary of Supporting People Group or the Standards Committee consider appropriate; and

- provide assurance on the quality of decision making with the results of financial accuracy.

2 Standards Committee meetings will be held 4 times yearly to coincide with the reporting programmes and minutes will be taken and agreed by the Committee members.

3 An agenda will be prepared in advance of each meeting and circulated to the Committee members for consideration.

Decision making standards versus benchmarks: 2021 and 2022

	CA	ESA	PIP	SP	SPC	UC
Decision making benchmark	98%	95%	95%	97%	95%	93%
Decision making standard 2022	100%	96%	97%	92%	94%	97%
Decision making standard 2021	100%	99%	99%	86%	95%	97%

2022 Type of decision making errors

Benefit	Decision making Comment Rate %	Evidence		Determination of Questions		Findings of Fact		Interpretation and Application of the Law		Total Number of Errors
		Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	
Employment and Support Allowance	4%	1	50%			1	50%			2
Personal Independence Payment	3%	5	100%							5
State Pension	8%	2	67%			1	33%			3
State Pension Credit	6%	1	20%			4	80%			5
Universal Credit	3%	6	35%			8	47%	3	18%	17

Estimated Monetary Value of Error Information 2022 for Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, State Pension, State Pension Credit & Universal Credit

Benefit	Estimated Annual Monetary Value of Error	Overpayments	Underpayments	Total Expenditure	Estimated Financial Error Rate
Carer's Allowance	£0	£0	£0	£181,455,871	0.0%
Employment and Support Allowance	£8,090,960	£2,869,379	£5,221,581	£785,572,163	1.0%
Personal Independence Payment	£9,690,333	£2,213,995	£7,476,338	£1,146,821,526	0.8%
State Pension	£9,262,487	£2,703,643	£6,558,844	£2,687,718,372	0.3%
State Pension Credit	£3,240,123	£1,084,732	£2,155,391	£228,771,360	1.4%
Universal Credit	£18,302,157	£12,246,745	£6,055,412	£992,494,651	1.8%

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