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Annual Report on Decision Making and Financial Accuracy

1 January to 31 December 2023



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Annual Report on Decision Making and Financial Accuracy

For the year ended 31 December 2023

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 Wednesday 9 October 2024

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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 Debt Management, Benefit Security, & Make the Call Wraparound Service 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
PC	Pension Credit
UC	Universal Credit

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, Operational Delivery 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 and financial accuracy with regard to specified benefits and child support. Secondly, we are charged with reporting on the standard of decision making and financial accuracy, 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 Department for Communities Standards Assurance Unit. All six benefits reported on were checked for decision making accuracy and financial accuracy and on the basis of all of the work completed this year, I am satisfied that the procedures the Department has in place are robust and effective. I can provide assurance that procedures to secure ongoing improvement of the service are in place. I would, also, very much like to commend all the staff who contributed to this performance in what has once again been a challenging year.

The work of the Committee in 2023

In line with our terms of reference we carried out four full Committee meetings in 2023 and thankfully we were able to return to face to face meetings for the quarterly meetings and the site visits we attended this year. As well as reviewing the statistical material presented by the Standards 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 and the continuing implications of the Welfare Reform Mitigation measures. We have also been able to see how the Department has implemented the recommendations put forward in the Second Independent Review of Personal Independence Payment (PIP) which was carried out in 2020. We continue to be 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 ‘cost of living crisis’ continues to bite for those in receipt of benefits and on low incomes. The Department continues to face 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.

The Committee held meetings with staff responsible for delivering Jobseeker’s Allowance, Employment and Support Allowance and Personal Independence Payment, met with Holywood Road and Newry Jobs and Benefits Offices and reviewed the implementation process for Universal Credit. We also met with the Child Maintenance Service, the Pension Centre and with the staff of the Decision Making Services. As previously mentioned we were delighted to be able to meet face to face with everyone this year.

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 had a hybrid meeting 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 also met with the Northern Ireland Audit Office (NIAO) and it was good to meet Catherine O’Hagan who has taken over from Anu Kane. This meeting provides a useful opportunity to address issues that arise throughout the year. It provides additional assurance to Standards Committee members and it can be again noted that the work the Northern Ireland Audit Office undertakes is supportive of the departmental assurances I have given above.

Monitoring performance

As Part 2 of the report indicates the Department has its regular measurement programme and that all six benefits being monitored have been allocated benchmark targets for 2023. The standard of decision making is assessed using samples of cases drawn from across the live load. Due to staffing issues within SAU there was potential for some reduced sample sizes being tested throughout the year and the NIAO are monitoring the impact of this on both the validity of the sample selection and the resulting confidence intervals produced.

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 3. Secondly, the methodology used can result in very small numbers of cases being checked

for decision making as occurs each year in the case of the State Pension.

The standard of decision making and financial accuracy in 2023

In Part 3 of the report decision making accuracy is dealt with. The table on page 18 of the report details the performance with regard to decision making for the six benefits monitored this year. All of the six benefits monitored exceeded their benchmark targets.

In Part 4 of the report financial accuracy is dealt with. The table on page 25 shows that the Department has been successful in ensuring that the expenditure on these benefits is correctly disbursed. The table indicates that this year the six benefits monitored, all exceeded their benchmark targets.

As mentioned previously, due to staffing issues within Standards Assurance Unit there were some variations in sample sizes being tested throughout the year; most notably a reduction in the sample size for Personal Independence Payment and State Pension and slight increases in the sample sizes for Employment Support Allowance and Pension Credit. We are assured however, that these variations were prudent and necessary and the NIAO are monitoring the impact of this on both the validity of the sample selection and the resulting confidence intervals produced.

Supplementary issues

Part 5 of the report provides information on the standard of decision making for overpayments and appeals. The table on page 26 indicates that there has been a steady improvement in the decision making and financial accuracy for overpayments from 2021 through 2023. The table indicates a very slight decline in the appeal submissions from 100% standard of accuracy in 2022 to 99% in 2023. 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 the performance of social security.

The Report indicates that almost £8.4 billion was paid out in benefits in 2023 (£6.8 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 2023 including 184,116 new claims and 691,619 changes of circumstances notified by customers.

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 slightly in monetary terms this year at just over £20.4 million which still represents 0.3% of total expenditure. However, the loss to the public via underpayments has remained relatively similar in monetary terms to last year at almost £27.4 million still representing 0.4% of total expenditure.

Conclusion

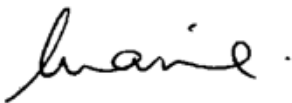
2023 has once again been a challenging one for the Department. In spite of this I am pleased to be able to present a good assessment of the standard of decision making achieved. There continues to be pressure on staff and in some cases difficulties in the recruitment of appropriate staff and where staff 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 continues to be aware that the implementation of migration, as it takes place, will place further pressures on the service, particularly in the ongoing climate of departmental budgetary constraints. While this has been an issue over the last few years 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 for sharing their experience with me. I would especially like to thank Kevin Higgins and Ursula O'Hare whose terms on the Committee finish in January 2024 and May 2024 respectively. Both have devoted a significant amount of their time and expertise to the work of the Committee and their

breadth of knowledge and experience of legislation and policy has been an invaluable asset to me and the Standards Committee generally.

I would also like to take this opportunity to welcome Owen McCloskey to the Standards Committee. Owen took up his position in November 2023 and I look forward to working with him as he brings a wealth of experience and expertise to the work of the Committee.

Like last year we will continue to ensure the safety of all in light of the COVID-19 recovery, and I think I speak for us all when I say that we are delighted to have been able to reinstate our face to face meetings both at Committee level and in our site visits with the various branches and their staff. These site visits provide an invaluable opportunity to see work at the coal face and we thank all of the teams for their hospitality.

A handwritten signature in black ink, appearing to read 'Marie' followed by a period.

Marie Cavanagh

Chairperson of the Standards Committee

Introduction by the Acting Director of Debt Management, Benefit Security and Make the Call Wraparound Service

I am pleased to introduce the Department for Communities Annual Report on Decision Making and Financial Accuracy for 2023.

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.

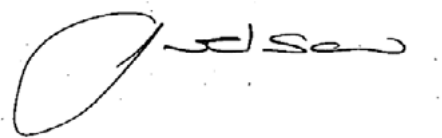
This report focuses on two main areas which are the level of decision-making accuracy in social security benefits and the level of financial accuracy in respect of benefit payments made. Its purpose is to provide an assurance on the accuracy of benefit decisions and also to provide robust estimates of the percentage of benefit expenditure which is paid correctly. High levels of accuracy continue to be key to meeting the Department's commitment to ensure that customers receive the right benefit at the right time.

I welcome the positive comments made by the Chairperson in her assessment of the Department's performance in 2023 in her foreword. I am pleased to note that all six of the decision making benchmarks have exceeded the standard set. Financial Accuracy performance during 2023 has also exceptional for all benefits monitored with the financial accuracy benchmarks for all six benefits measured also exceeded. Of particular note is the achievement of a 98.6% accuracy in Universal Credit which demonstrates an improvement on the 2022 performance of 98.2%. Given the challenges posed by the migration of remaining legacy customers to Universal Credit, this is a noteworthy achievement.

I would like to acknowledge the role staff play in achieving this excellent result, personally thanking them for their dedication and hard work throughout another difficult and busy year. I would also like to thank the teams involved in producing case samples and 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 learn from feedback and identify opportunities to make improvements in decision making and financial accuracy performance, seeking to sustain and build on high levels of accuracy performance in the future.

Finally, my thanks to Marie and the Committee for their continued support. I would particularly like to thank Kevin Higgins and Ursula O'Hare who have departed their role as independent members in 2024 and welcome Owen McCloskey who joined the Committee this year. I look forward to working with the Committee this year as it continues to play a valued and important role by providing constructive advice and assurance to the Department on its standards of decision making and financial accuracy. This contribution is highly valued as the Department continues to make every effort to deliver important services to all those in the community who rely on them.

A handwritten signature in black ink, appearing to read 'Julie Nelson', with a large, stylized initial 'J'.

Julie Nelson

Acting Director

Debt Management, Benefit Security and Make the Call Wraparound Service

Part 1 Background

This 2023 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, 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 published 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

Acting Director of Debt Management, Benefit Security and Make the Call Wraparound Service

Ros Agnew

Deputy Director, Child Maintenance Service, DfC

Michael Woods

Head of Audit, DfC

* Owen McCloskey replaced Kevin Higgins

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 2023 (the Report) summarises the results for standards of decision making and financial accuracy for social security benefits in 2023. 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 again 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 report 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 Analytics Division (AD) 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 AD before determining the required samples for the year ahead.

Stratification

The financial accuracy of some social security benefits were estimated from stratified random samples of benefit cases selected throughout the year. Stratification serves to ensure that known cohorts are distributed over the sample in the same way as the overall benefit population. 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.

Since the annual estimates of errors rely on samples, they are subject to uncertainties. These uncertainties are presented as confidence intervals. The lower and upper confidence intervals associated with each estimate are based on a 95% confidence level. These define the range within which we could be 95% certain that the true value lies.

When reporting any estimated errors, based on a random sample, it is best practice to include the confidence intervals.

The confidence intervals for the decision making exercise, expected to be no more than +/- 5% for all benefits, are calculated using cases within the official error sample that have had a decision within the last 12 months.

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	75	0	0%	98%	100%	2%
Employment and Support Allowance	73	2	3%	95%	97%	2%
Personal Independence Payment	75	0	0%	95%	100%	5%
State Pension #	18	0	0%	97%	100%	3%
Pension Credit	111	2	2%	95%	98%	3%
Universal Credit	565	19	3%	93%	97%	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 all of the 6 decision making benchmarks have been achieved, with all 6 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.

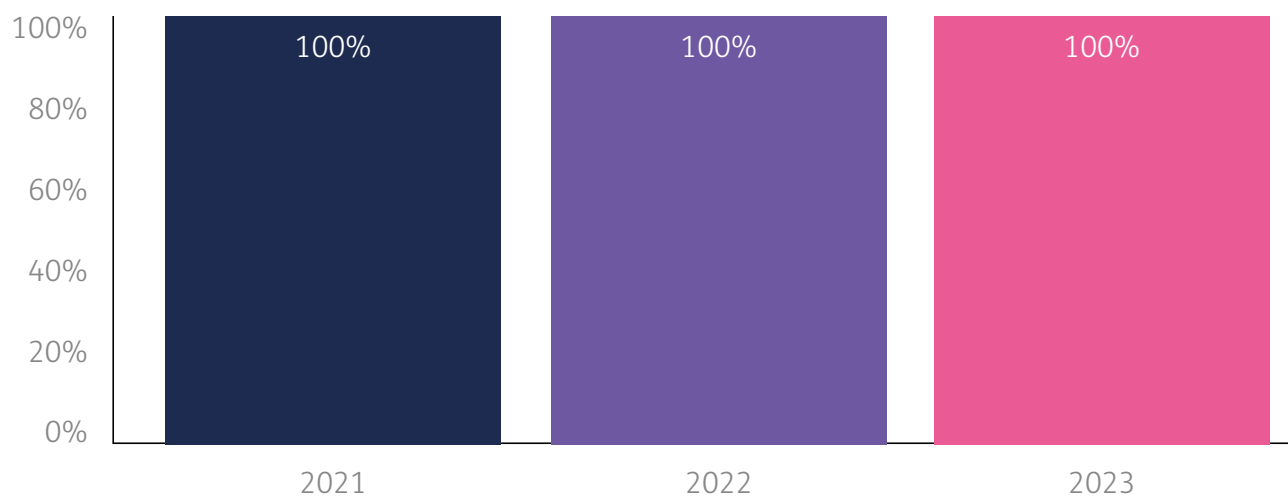
Carer’s Allowance Decision Making

To find out the standard of decision making, 75 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	66	0	0%	100%	
Revisions	4	0	0%	100%	
Supersessions	5	0	0%	100%	
Overall Performance	75	0	0%	100%	+/- 3.2%

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

CA Standard of Decision Making



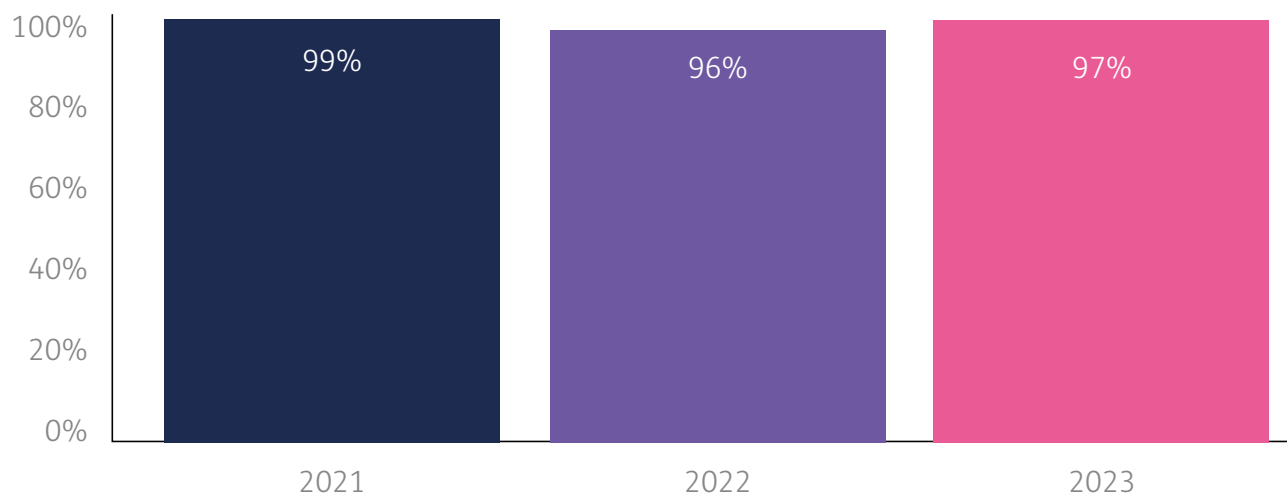
Employment and Support Allowance Decision Making

To find out the standard of decision making, 73 cases were examined, and 71 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.

ESA Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	9	0	0%	100%	
Revisions	5	0	0%	100%	
Supersessions	56	2	4%	96%	
Uprating	3	0	0%	100%	
Overall Performance	73	2	3%	97%	+/- 3.7%

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

ESA Standard of Decision Making



The area of error was

- Evidence with 2 errors, both related to income taken into account incorrectly.

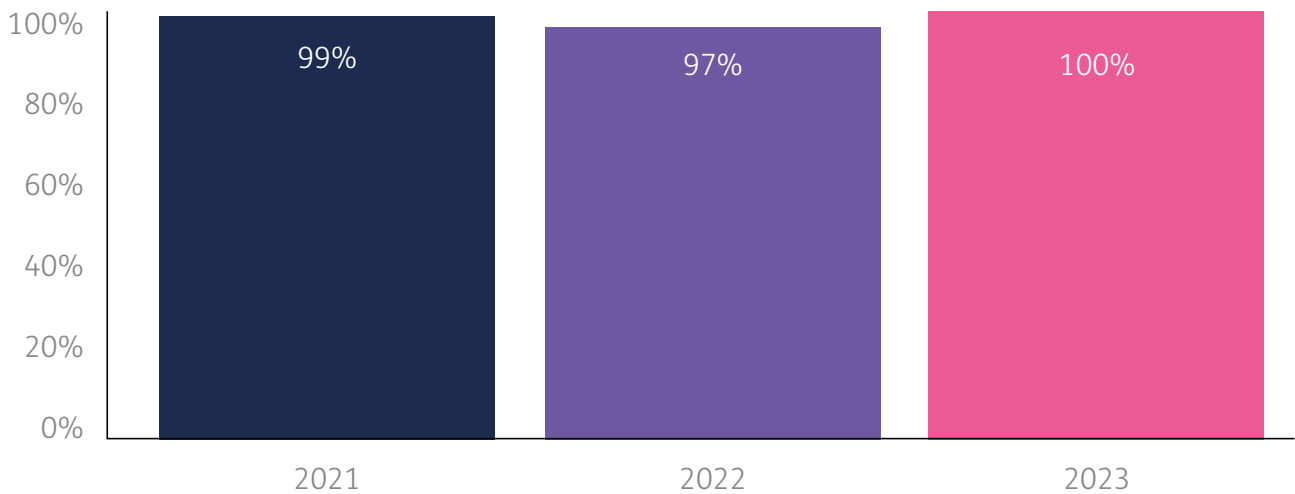
Personal Independence Payment Decision Making

To find out the standard of decision making, 75 cases were examined, and all cases (100%) were correct. The decision making standard was 5 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	50	0	0%	100%	
Supersessions	25	0	0%	100%	
Overall Performance	75	0	0%	100%	+/- 3.2%

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

PIP Standard of Decision Making



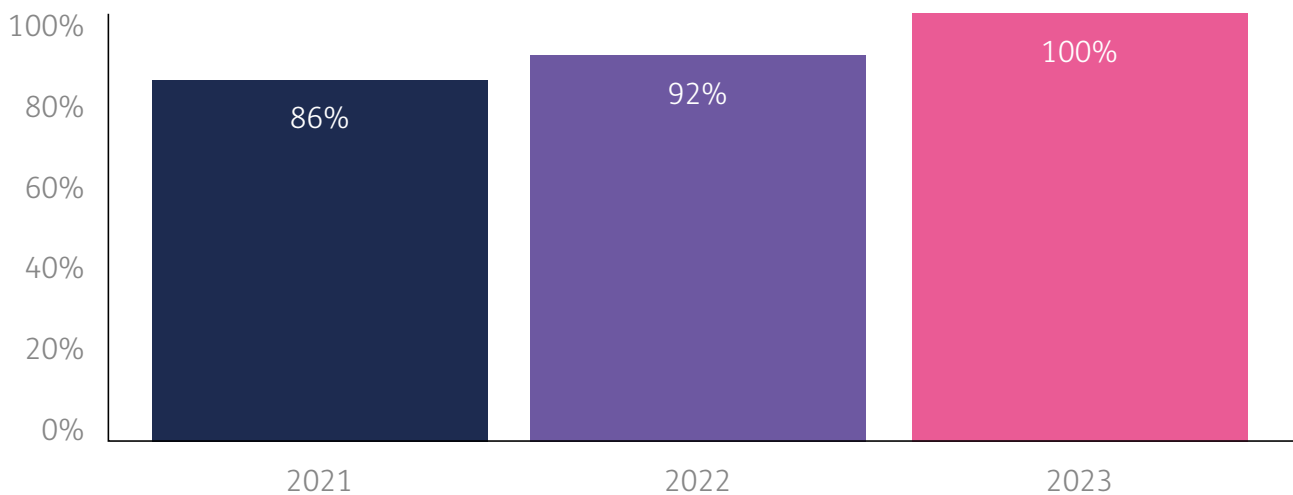
State Pension Decision Making

To find out the standard of decision making, 18 cases were examined, and all cases (100%) were correct. The decision making standard was 3 percentage points above the benchmark of 97%. 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	11	0	0%	100%	
Revisions	7	0	0%	100%	
Overall Performance	18	0	0%	100%	+/- 6.5%

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

SP Standard of Decision Making



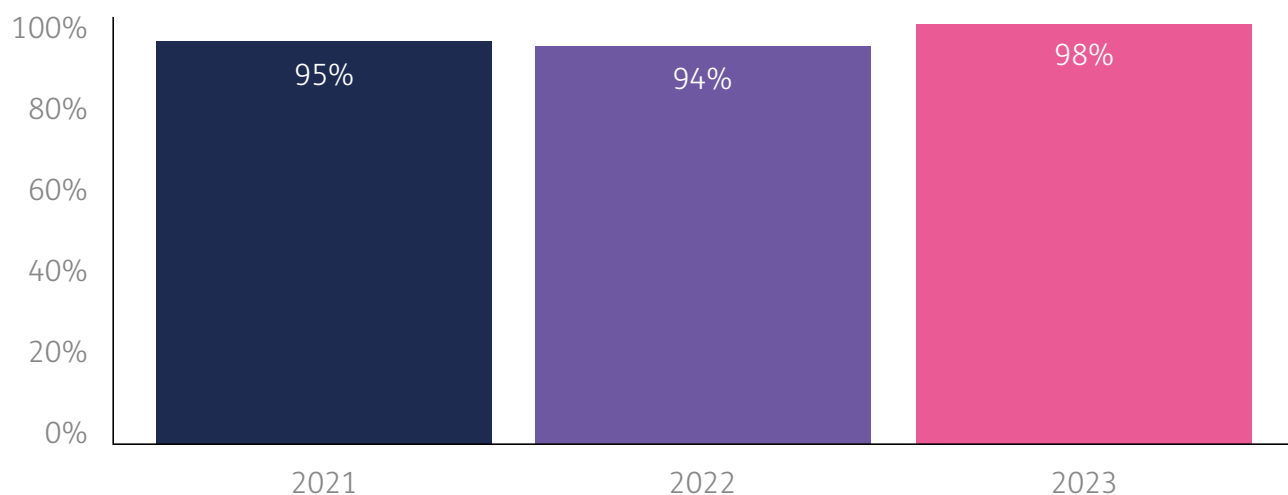
Pension Credit Decision Making

To find out the standard of decision making, 111 cases were examined, and 109 cases (98%) were correct. The decision making standard was 3 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

PC Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	44	0	0%	100%	
Revisions	18	0	0%	100%	
Supersessions	49	2	4%	96%	
Overall Performance	111	2	2%	98%	+/- 2.4%

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

PC Standard of Decision Making



The 2 areas of error were

- evidence with 1 error (50%) and:
- findings of fact with 1 error (50%)

Both errors related to income taken into account incorrectly.

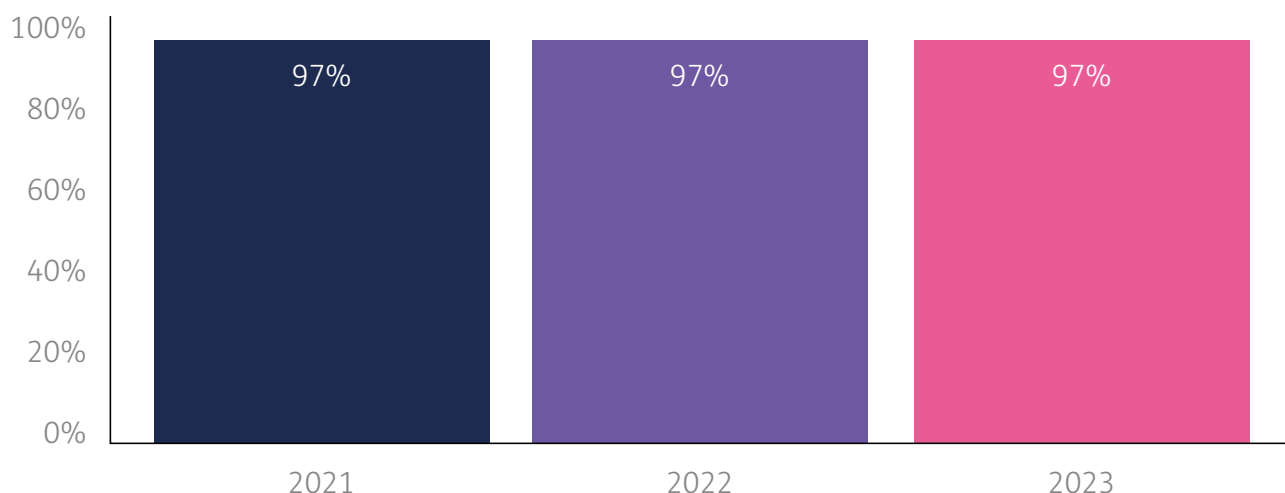
Universal Credit Decision Making

To find out the standard of decision making, 565 cases were examined with 546 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	68	1	1%	99%	
Revisions	56	2	4%	96%	
Supersessions	441	16	4%	96%	
Overall Performance	565	19	3%	97%	+/- 1.5%

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 (42%). These mostly related to incorrect earnings (2 errors) and child incorrectly included in assessment (2 errors)
- evidence with 4 errors (21%)
- determination of questions with 4 errors (21%)
- interpretation and application of the law with 3 errors (16%)

Part 4 Results - Financial Accuracy

Financial Accuracy is the estimate of the percentage of the benefit paid correctly from an official error perspective. The table below shows the 2023 end of year performance against targets.

Benefit	2023 Target	2023 Financial Accuracy Result
Carer’s Allowance	99%	99.8%
Employment and Support Allowance	98%	99.1%
Personal Independence Payment	95%	99.1%
State Pension	99%	99.7%
Pension Credit	98%	99.0%
Universal Credit	93%	98.6%

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

Analysis of the data used to calculate Financial Accuracy for 2023

The table below shows the number of cases used to calculate the 2023 Financial Accuracy results.

	January – December 2023	
Benefit	Total Cases Checked (January – December 2023)	Total Cases in Error (January – December 2023)
Carer’s Allowance	488	1
Employment and Support Allowance	959	23
Personal Independence Payment	414	8
State Pension	435	30
Pension Credit	641	23
Universal Credit	759	47

Part 5 Overpayments and Appeals

Overpayment Decisions

A total of 120 cases were examined and 11 errors were raised resulting in an overall standard of 91%. The 2 causes of error related to the amount of the recoverable overpayment being incorrect (8 errors) and the period of the recoverable overpayment being incorrect (3 errors). Within this, the types of errors related to evidence, accounting for 4 errors (36%), findings of fact accounting for 4 errors (36%) and

interpretation & application of the law accounting for the remaining 3 errors (28%).

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. The overpayment standards for the past 3 years are shown in the table below.

Year	*Total cases Checked	Number of Errors	Decision Making Standard	Financial Accuracy Standard
2023	120	11	91%	97%
2022	110	18	84%	99%
2021	139	24	83%	97%

*2023 Overpayments are made up of ESA, PIP, & PC cases (no SP Overpayments were available)

Appeal Submissions

A total of 78 cases were examined and 1 error was raised resulting in an overall standard of 99%. The decision making results for the past three years are shown in the table below.

Year	*Total cases Checked	Number of Errors	Error rate	Decision Making Standard
2023	78	1	1%	99%
2022	75	0	0%	100%
2021	75	0	0%	100%

**2023 Appeals are made up of ESA, PIP, & PC cases (no SP Appeals were available)

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

The Department's Benefit Security teams take the lead in driving activity to minimise fraud and error. This complements the work carried out by benefit operational branches to address error. Counter-fraud activities are overseen by the Benefit Security Board. Membership comprises a wide selection of internal stakeholders, guiding the Department's priorities to address the areas of highest risk. Ultimately responsible to the Departmental Management Board, they share the wider Departmental aim of providing assurance of effective counter fraud and error activities. Mitigating the losses from fraud and error is one of the Department's key priorities.

In May 2024, the Department published a new Benefit Fraud, Error, and Debt Strategy. The Strategy recognises previous success, what we currently do well whilst remaining aware of areas in which we can do better and respond in a rapidly changing environment.

The Strategy sets out five strategic objectives designed to minimise loss to the public purse. Our aim is to prevent fraud and 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 the five strategic objectives.



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 over and underpayment of benefit to customers.

The need for a strategic approach is emphasised by the scale of transactions handled by the Department. In 2023 almost £8.4 billion was paid out in benefits. Across all benefits, staff handled 184,116 new claims as well as taking action on some 691,619¹ 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 overall financial accuracy position for 2023 is 99.3%, equal to the 2022 result. Official error overpayments and underpayments have remained static at 0.3% and 0.4% of expenditure respectively.

Historically, financial accuracy has been maintained at around 99.3%, dipping for a few years with the introduction of Universal Credit in 2019 (98.8%) and 2020 (99.0%) before gradually returning to the high level of 99.3% by 2022. The financial accuracy result this year shows there is a high level of consistency achieved through a comprehensive checking regime.

Error Reduction Division Activity

During 2023-24 the Department's Error Reduction Division continued to direct dedicated resources within benefit offices to undertake an error reduction programme to identify and correct error. This resourcing, approved annually by Benefit Security Board to ensure best value for money, 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. This approach ensures maximum impact from targeted error reduction activity.

During the period, 1 April 2023 – 31 March 2024, 23,412 checks or case reviews were actioned, which led to the adjustment of benefit in 4,447 cases, with a total monetary value of almost £24.5 million.

¹ This figure does not include Universal Credit change of circumstances as there is no single measure to count change of circumstance transactions.

Key to Appendices

Key to Appendices

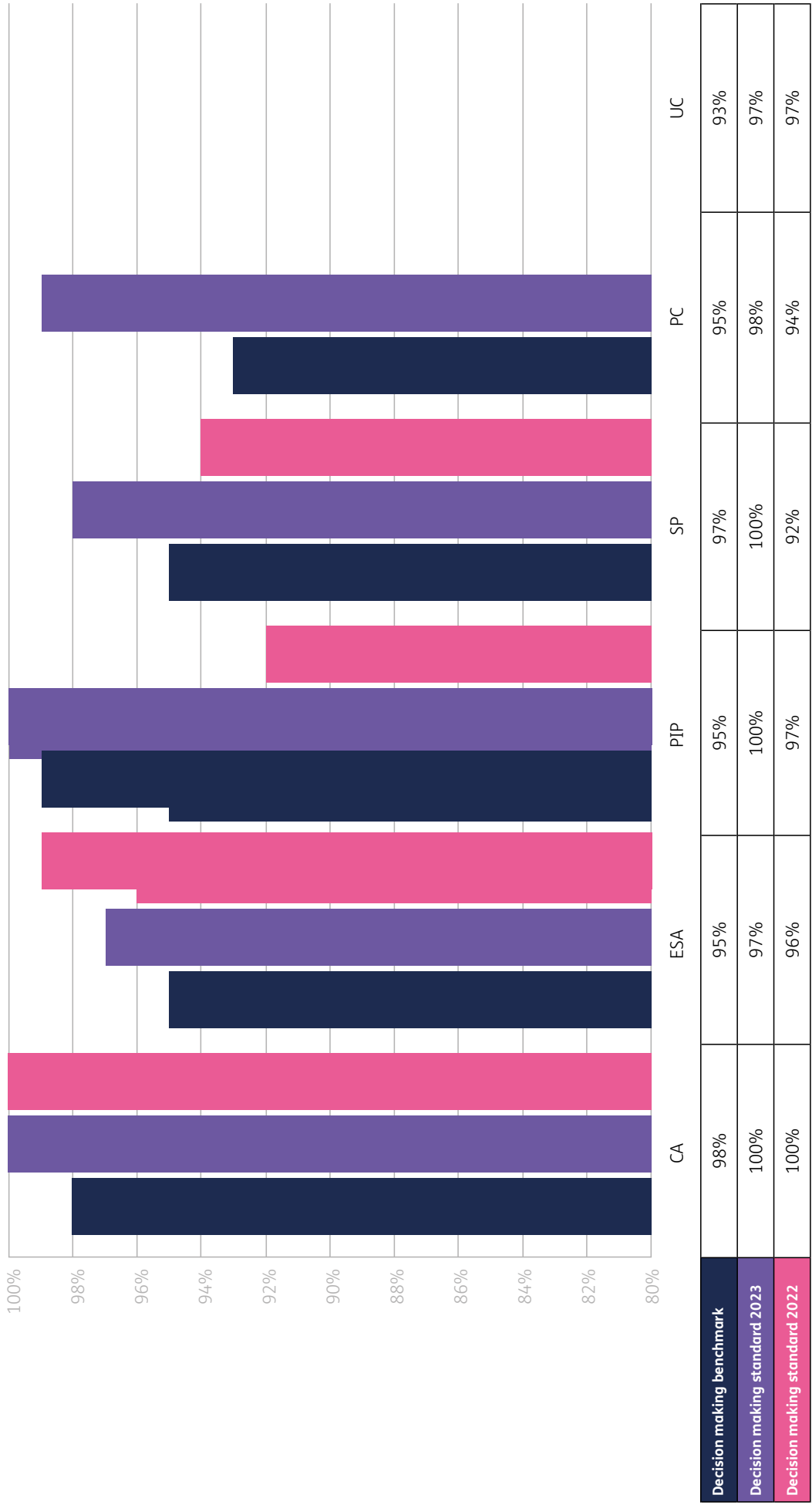
- Appendix 1** Terms of reference for the Standards Committee
- Appendix 2** Decision making standards versus benchmarks: 2022 and 2023
- Appendix 3** Types of decision making errors
- Appendix 4** Estimated monetary value of error information for Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, State Pension, Pension Credit & Universal Credit.

Appendix 1

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 Operational Delivery 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 Operational Delivery Group that mechanisms are in place to feed back results to the Department to enable continuous improvement;
 - report to the Deputy Secretary of Operational Delivery Group on the operation of the decision-making process and where necessary to make recommendations for changes. The Deputy Secretary of Operational Delivery Group should be free to meet the Chairperson informally and discuss issues that may arise during the year;
 - provide the Deputy Secretary of Operational Delivery 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 Operational Delivery 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: 2022 and 2023



2023 Type of decision making errors

Benefit	Evidence		Determination of Questions		Findings of Fact		Interpretation and Application of the Law		Total Number of Errors
	Decision making Comment Rate %	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	
Employment and Support Allowance	3%	2	100%						2
Pension Credit	2%	1	50%		1	50%			2
Universal Credit	3%	4	21%	4	8	42%	3	16%	19

Estimated Monetary Value of Error Information 2023 for Carer's Allowance, Employment and Support Allowance, Personal Independence Payment, State Pension, Pension Credit & Universal Credit

Benefit	Estimated Annual Monetary Value of Error	Overpayments	Underpayments	Total Expenditure	Estimated Financial Error Rate
Carer's Allowance	£414,657	£414,657	£0	£195,921,297	0.2%
Employment and Support Allowance	£7,348,021	£2,902,935	£4,445,086	£813,777,269	0.9%
Personal Independence Payment	£12,196,146	£1,352,618	£10,843,528	£1,374,206,252	0.9%
State Pension	£8,598,370	£304,759	£8,293,611	£3,013,688,544	0.3%
Pension Credit	£2,415,889	£1,686,750	£729,140	£246,233,979	1.0%
Universal Credit	£16,892,755	£13,830,252	£3,062,503	£1,212,216,733	1.4%

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