



DfC

Department
for Communities

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Decision Making and Financial Accuracy

Annual Report for the period
1 January to 31 December 2018



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Department for Communities
Annual Report on Decision Making
and Financial Accuracy
1 January to 31 December 2018

*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.*

20 December 2019



Contents

Foreword by the Standards Committee Chairperson	6
Introduction by the Deputy Secretary	11
Part 1 Background.....	13
Part 2 Measurement and Sampling Methodology	15
Part 3 Results – Decision Making	19
Employment and Support Allowance.....	21
Jobseeker’s Allowance.....	22
Personal Independence Payment	23
State Pension	24
State Pension Credit	25
Part 4 Results – Financial Accuracy	27
Part 5 Results – Overpayments and Appeals	31
Part 6 Department’s Strategy to Reduce Error in Decision Making and Financial Accuracy	33
Glossary	37
Social Security Benefits	39
Key to Appendices	40
Appendix 1 Terms of reference for the Standards Committee	41
Appendix 2 Decision making additional errors.....	42
Appendix 3 Clearance times performance at 31 March 2018.....	43
Appendix 4 Extract from The Employment and Support Allowance Regulations (Northern Ireland) 2008 (Legislation governing “persons from abroad” for the purposes of Employment and Support Allowance).....	44
Appendix 5 Decision making standards versus benchmarks: 2017 and 2018	46
Appendix 6 Types of decision making errors	47
Appendix 7 Estimated monetary value of error information for Employment and Support Allowance, Jobseeker’s Allowance, Personal Independence Payment, State Pension and State Pension Credit	48

Foreword by the Standards Committee Chairperson

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 of Supporting People Group. The shift in responsibility in 1998 replicated changes made in 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.

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 (SAU) of the Department and, on the basis of all of the work completed this year, I am satisfied that the procedures in place are robust and effective. With regard to the standard of decision making, as the report indicates, the performance of decision makers has been satisfactory this year with small percentage variances from the benchmarking.

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. I can however provide assurance that procedures to secure on-going improvement of the service are in place and I would like to commend all the staff who have contributed to this performance.

As indicated in last year's report the sample size has increased with the introduction of the Personal Independence Payment monitoring in 2018. We anticipate a further increase over the next couple of years with the introduction of Universal Credit monitoring.

The work of the Committee in 2018

As our terms of reference require, we have had four full Committee meetings 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 and the Report of the Welfare Reform Mitigations Working Group. Other matters raised at Committee have, for example, related to appropriate staff recruitment and retention, staff training to give better support to claimants, particularly to claimants where mental health is an issue. We are aware that while Universal Credit has been rolled out to new claimants throughout 2018 the migration of existing claimants will not now commence until 2020 and the Committee is keen to use this time to consider what will be required of us in the discharge of our responsibilities in relation to the decision making and financial accuracy and the sanctions regime which accompanies the implementation of this new legislation.

Throughout 2018, the Committee has had meetings with staff responsible for delivering the Job Seekers Allowance, Employment and Support Allowance, benefits for carers and those with disability and benefits relating to

bereavement and retirement. Additionally, we visited the Limavady Jobs and Benefit Office and reviewed the early implementation process for Universal Credit. We also visited Foyle Jobs and Benefits Office, the Pension Centre in Derry and met with the staff of the Decision Making Service.

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. We have also had discussions with the voluntary sector and the Northern Ireland Audit Office.

With regard to the meeting with the voluntary sector, while we were pleased to receive some very positive feedback on the service provided, some specific issues were raised and the meeting enabled these difficulties to be addressed. With regard to the Northern Ireland Audit Office, I would like to say that it 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, the standard of decision making is assessed using samples of cases drawn from across the live load. These cases are checked for financial accuracy: 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. First, 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 2018

Part 3 of the report deals with decision making accuracy. The table on page 20 of the report details the performance of staff with regard to decision making for the five benefits monitored this year: Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payments, State Pension and State Pension Credit. From this it can be seen that staff exceeded the accuracy benchmarks set for two out of five benefits, and were within one or two percentage points in two other benefits. As I mentioned earlier, 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. Given the agreed

sample sizes, we are confident that this is a satisfactory outcome.

As I indicated earlier statistical information has now become available for monitoring the decision making and financial accuracy of Personal Independence Payments. Decision making and Financial Accuracy have both exceeded their benchmark targets as can be seen in the table on page 20, and page 28 respectively. As this is the first year with any statistically viable findings we cannot compare at this stage with any previous activity but look forward to maintaining the current record moving forward.

As I mentioned in the previous report Disability Living Allowance continues in payment for qualified older claimants and this benefit is still open to children with disability. While we no longer statistically monitor these benefits the Committee has continued to engage with DLA and supports staff in maintaining the high standards of decision making achieved over the past number of years. I think it appropriate that we continue in an acknowledgement and support role at this level.

Part 4 of the report deals with financial accuracy. The table on page 28 shows that the Department has been successful in ensuring that the expenditure on these benefits is correctly disbursed. Of the five benefits monitored in 2018, Personal Independence Payment, State Pension and State Pension Credit exceeded the targets set and Employment and Support Allowance and Jobseeker's Allowance missed their targets by 1.4% and 1.8% respectively and were within their upper confidence levels. Given the fact that, this year, staff are dealing with

the implementation of Universal Credit, have produced the first statistically viable figure for Personal Independence Payment and are maintaining legacy benefit services these results compare well with last year's performance.

Supplementary issues

Part 5 of the report provides information on the standard of decision making for overpayments and appeals. Decision making for overpayments has slipped in relation to the 2017 figure, although it is noted on page 32 that, SAU only measure and report on overpayments and appeals for legacy benefits ... and with the cessation of some of these benefits over this period there has been an associated reduction in the numbers of these cases monitored.

The standard of decision making for appeal submissions, also on page 32, has slipped a little from the 2017 figure although Appendix 3 indicates that staff are hitting and, indeed, often exceeding, the targets set for clearance times across the service which is to be commended.

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 £5.46 billion was paid out in benefits in 2018 (£4.02 billion of which is incorporated in the five monitored benefits). The data is derived from the numbers of cases handled by staff throughout 2018 including 191,947 new claims and 935,416* changes of circumstances. (*this figure does not include Universal Credit Claims)

Within this as is evidenced in Appendix 7, the loss to the public purse as a result of overpayments is just over £17.6 million and this represents 0.44% of total expenditure. Moreover, the loss to the public purse via overpayments is more than offset by underpayments which total £25.5 million.

Conclusion

In light of the increase in the number of benefits being monitored and the implementation of Universal Credit, I am pleased to be able to present a good assessment of the standard of decision making achieved this year. I would, however wish to raise some issues for consideration by the Department and Committee. As I indicated last year 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 are aware that the implementation of migration in 2020 will place further pressures on the service. To avoid a decline in decision making and reduce strain and anxiety amongst staff, continued new thought will need 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. In particular I would like to thank Ursula O'Hare and Kevin Higgins for sharing their experience as Independent members of the Committee with me. Their breadth of knowledge and experience of social security legislation and policy is an invaluable asset to me and the Standards Committee generally.

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

Marie Cavanagh

Chairperson of the Standards Committee

Introduction by the Deputy Secretary, Supporting People Group

I am pleased to introduce the Department for Communities (formerly the Social Security Agency's) 20th Annual Report on Decision Making and Financial Accuracy prepared for the Joint Standards Committee (the Standards Committee).

This report focuses on two main areas; the level of Decision Making Accuracy in social security benefits and the level of Financial Accuracy. The purpose is to establish if the decisions to award claims to benefit are correct and also to provide robust estimates of the percentage of benefit expenditure which is paid correctly. Accuracy underpins the Department's commitment to ensure that customers are receiving the right benefit at the right time.

For decision making, 2 of the 5 benefits measured exceeded the benchmark target. Financial accuracy results have remained high during 2018 with 3 of the 5 main benefits, namely Personal Independence Payment, State Pension and State Pension Credit, exceeding their financial accuracy target. Employment and Support Allowance and Jobseekers Allowance missed their targets by 1.4% and 1.8% respectively but were within their upper confidence levels. It is gratifying to note the Chairperson's favourable comments that expenditure on the 5 major benefits has been correctly disbursed. She also mentioned that these results compare well with last year's performance given the fact that, this year, staff were dealing with

the implementation of Universal Credit; have produced the first statistically viable figure for Personal Independence Payment; and are maintaining legacy benefit services.

The Department for Communities has a wide remit under its common purpose of 'Supporting people, Building communities, Shaping places'. What we do across this Department affects the lives of every person in Northern Ireland. So what we do in designing and delivering public services really matters and is important to so many people on so many levels.

I would like to thank staff for their continued dedication and hard work throughout this busy year. The sustained excellent results outlined in this report clearly demonstrate that Departmental staff have retained their focus and commitment to deliver a first class customer service. They have also proven to be resilient and capable particularly during a period of wide ranging change within the benefit system.

I would like to pass on my sincere appreciation and thanks to Marie Cavanagh, Kevin Higgins and Ursula O'Hare on the Joint Standards Committee. The important role of the Committee in providing independent scrutiny and assurance to me on the standards of decision making and financial accuracy and making recommendations for improvement, where necessary, is highly valued by myself and the senior management team of the Department.

Deputy Secretary

Finally, I would also take the opportunity to thank staff involved in the preparation of this report.

A handwritten signature in black ink that reads "Jackie Kerr". The signature is written in a cursive, flowing style.

Jackie Kerr

Part 1

Background

The Deputy Secretary of Supporting People Group, within the Department for Communities (DfC) is responsible for categorising and reporting on decision making standards. They also report on the financial accuracy of payments for Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payment, State Pension and State Pension Credit. The standard of financial accuracy for these benefits along with Attendance Allowance, Bereavement Benefit, Carer's Allowance, Disability Living Allowance, Incapacity Benefit, Income Support, Industrial Injuries Disablement Benefit, 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
John McKervill	Director of Pensions, Disability, and Benefit Security, Department for Communities
Conrad McConnell	Assistant Director of Benefit Security, Department for Communities
Eileen Donnelly	Performance and Planning, Child Maintenance, Department for Communities
Lacey Walker	Head of Audit, Department for Communities

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 2018 (the Report) summarises the categorising results for standards of decision making and financial accuracy for social security benefits in 2018. Measurement of decision making and financial accuracy for social security benefits is carried out by Standards Assurance Unit. Decision making and financial accuracy checks are carried out using one common random sample of cases for each benefit.

Until 31 December 2014 a reduced sample of cases that had a decision made less than a year before the selected week were checked for decision making but from 1 January 2015 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.

Categorising

Standards Assurance Unit completes the following checks on a case in the common 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 Standards Assurance Unit reports on the standard of decision making it is only on decisions made by offices within the last 12 months so that the quality of current decision making can be assessed. It does not cover the full live load. Until 31 March 2002 the decision making and official error standards were checked in different ways but with effect from May 2002 the checks were brought into line with each other and a decision making error will only be reported if a payment error also exists. The errors which would have previously been reported as full decision making errors are noted as Additional Errors and shown in Appendix 2 to the Report. For revision and supersession decisions, the check is based on the last business event.
- 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 Analytical Services Unit who extrapolate the figures to estimate the likely 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.

Clearance Times

Appendix 3 sets out the standard in achieving clearance time benchmarks across the social security benefits.

Legislation Extract

Appendix 4 sets out an extract from The Employment and Support Allowance Regulations (Northern Ireland) 2008 (Legislation governing “persons from abroad” for the purposes of Employment and Support Allowance) to illustrate the complexity of the law.

Sample Size and Selection

Random Sample, Confidence Level and Confidence Intervals

On a monthly basis, statisticians provide Standards Assurance Unit 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 run

to the most recent. This is necessary to meet Northern Ireland Audit Office requirements to reflect the full live load. 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.

The overall sample size required to measure financial accuracy is based on a confidence level, a confidence interval and an estimate of the financial accuracy in the benefit population. Using the weekly monetary amounts paid in error, benefit expenditure and the appropriate statistical formula, the sample size required to measure financial accuracy in 2018, at the 95% confidence level, was calculated for each benefit.

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 more representative of the population being tested.** 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 by producing a sample which is more reflective of the benefit population as a whole.

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 5 to the Report with comparison to last year's result.

Appendix 6 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
Employment and Support Allowance	153	10	7%	93%	95%	-2%
Jobseeker's Allowance	257	6	2%	98%	95%	3%
*Personal Independence Payment	576	5	1%	99%	95%	4%
State Pension	25	3	12%	88%	97%	-9%
State Pension Credit	178	13	7%	93%	95%	-2%

*From 2018 SAU started the decision making check on Personal Independence Payment.

The results from the table above show that:

- 2 of the 5 decision making benchmarks has been achieved, with both exceeding their benchmark (JSA & PIP).

Additional Errors

Appendix 2 details the impact on the overall decision making standard if additional errors were included for all benefits. The additional errors are extremely important for the purposes of correct decision making and are given the same profile as full decision making errors for the purposes of continuous improvement.

Decision Making Performance

This part of the Report details the standard of decision making for Employment and Support Allowance, Jobseeker's Allowance, State Pension and State Pension Credit.

Employment and Support Allowance Decision Making

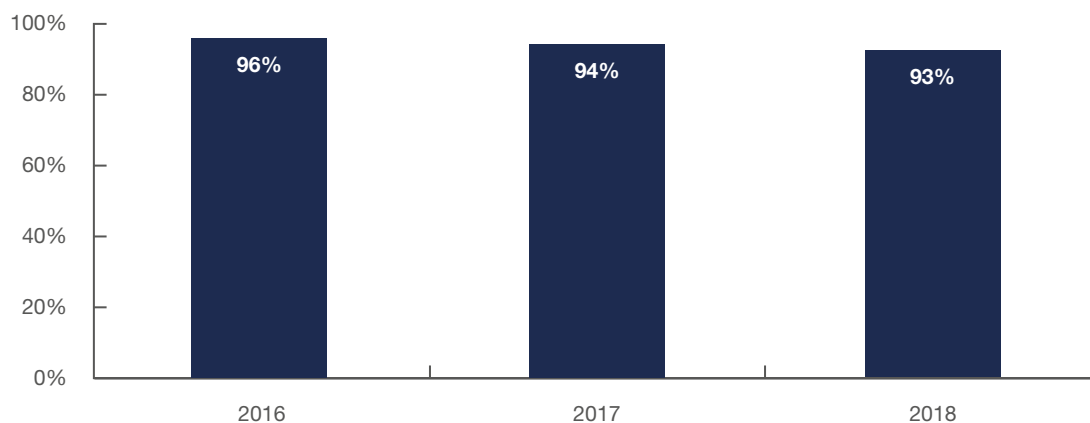
To find out the standard of decision making, 153 cases were examined and 143 cases (93%) were correct. The decision making

standard was 2 percentage points below 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	13	0	0%	100%	
Revisions	10	1	10%	90%	
Supersessions	128	8	6%	94%	
Uprating	2	1	50%	50%	
Overall Performance	153	10	7%	93%	+/- 4.0%

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

ESA Standard of Decision Making



The 2 main areas of error were evidence, 5 errors (50%), and findings of fact, 4 errors (40%). The main type of error within both

areas related to income taken into account incorrectly (3 errors and 2 errors respectively).

Jobseeker's Allowance Decision Making

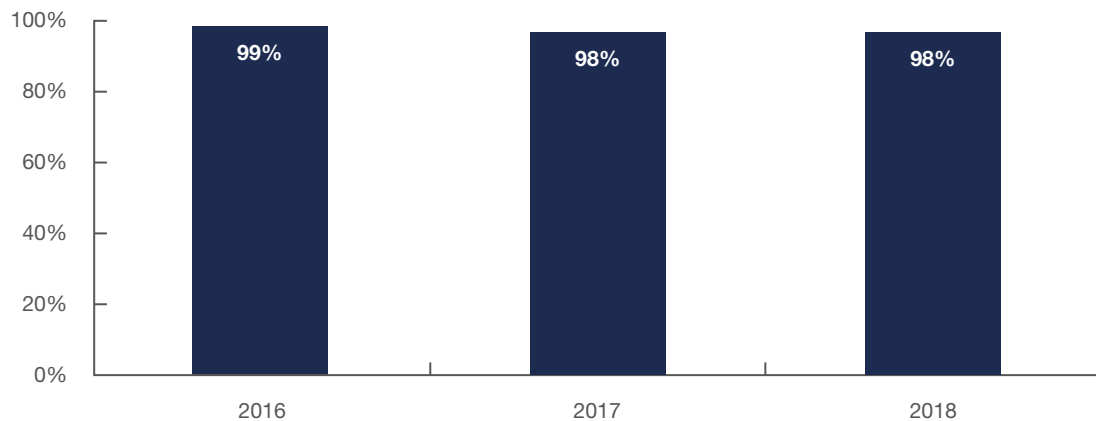
To find out the standard of decision making, 257 cases were examined and 251 cases (98%) were correct. The decision making

standard was 3 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

JSA Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	203	1	0.5%	99.5%	
Revisions	2	0	0%	100%	
Supersessions	52	5	10%	90%	
Overall Performance	257	6	2%	98%	+/- 1.7%

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

JSA Standard of Decision Making



The 2 main areas of error were interpretation and application of the law, 3 errors (50%), and evidence, 2 errors (33%). The main type of

error within both areas related to income taken into account incorrectly (2 errors each).

Personal Independence Payment Decision Making

To find out the standard of decision making, 576 cases were examined and 571 cases

(99%) were correct. The decision making standard was 4 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	573	4	1%	99%	
Revisions	1	1	100%	0%	
Supersessions	2	0	0%	100%	
Overall Performance	576	5	1%	99%	+/- 0.8%

There is no comparison with previous years as PIP reporting only commenced from January 2018.

The 2 main areas of error were interpretation and application of the law, 2 errors (40%) and evidence, 2 errors (40%). The types of error

within interpretation and application of the law related to the disability mobility component and the qualifying period being incorrect. The types of error within evidence related to the disability care component and accommodation type being incorrect.

State Pension Decision Making

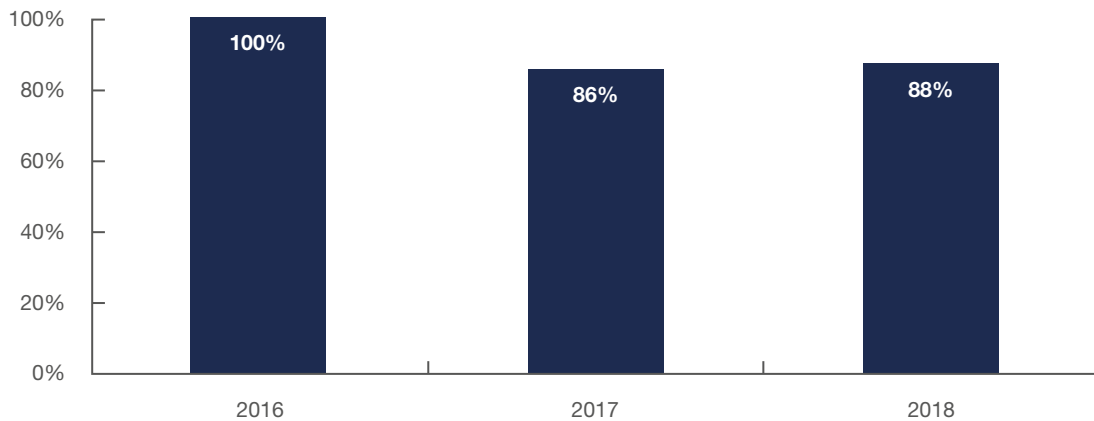
To find out the standard of decision making, 25 cases were examined and 22 cases (88%) were correct. The decision making standard

was 9 percentage points below 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	14	2	14%	86%	
Revisions	10	1	10%	90%	
Supersessions	1	0	0%	100%	
Overall Performance	25	3	12%	88%	+/- 12.7%

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

SP Standard of Decision Making



The area of error was findings of fact, 3 errors (100%). All 3 errors related to incorrect award / rate of benefit.

State Pension Credit Decision Making

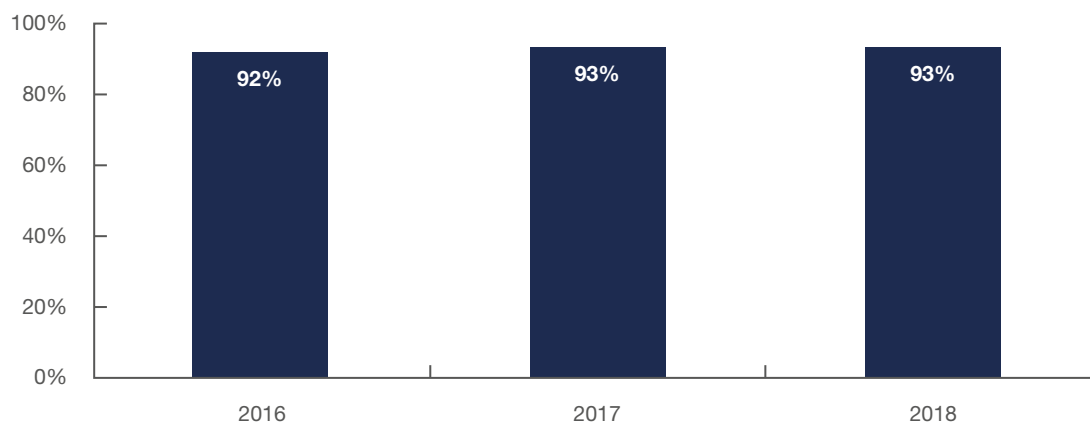
To find out the standard of decision making, 178 cases were examined and 165 cases (93%) were correct. The decision making

standard was 2 percentage points 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	71	5	7%	93%	
Revisions	3	0	0%	100%	
Supersessions	104	8	8%	92%	
Overall Performance	178	13	7%	93%	+/- 3.6%

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

SPC Standard of Decision Making



The areas of error were evidence, 5 errors (38%), findings of fact, 4 errors (31%) and interpretation and application of the law, 4 errors (31%). The main types of error within

evidence related to capital incorrect and income taken into account incorrectly (2 errors each).



Part 4

Results – Financial Accuracy

Financial Accuracy is the estimate of the percentage of the benefit paid correctly. From April 2003 a financial accuracy target (the targets for 2018 are shown in brackets) was introduced for Jobseeker’s Allowance (99%). From April 2004 financial accuracy for State Pension (99%) and State Pension Credit (98%) was introduced. From April 2010 financial accuracy for Employment and Support

Allowance (98%) was introduced and from January 2018 financial accuracy for Personal Independence Payment (95%) was also introduced. The table below shows the 2018 end of year performance against target for all the benefits and also a comparison with the 2017 end of year results. Appendix 7 details the estimated levels of financial error (Monetary Value of Error) for each of the 5 benefits.

*Benefit	2018 Target	2018 Financial Accuracy Result	2017 Financial Accuracy Result
Employment and Support Allowance	98%	96.6%	97.6%
Jobseeker’s Allowance	99%	97.2%	98.7%
*Personal Independence Payment	95%	99.5%	n/a
State Pension	99%	99.8%	99.9%
State Pension Credit	98%	98.6%	98.2%

*From Jan 2018 SAU started the financial accuracy check on Personal Independence Payment.

The results from the table above show that

- Of the 5 benefits PIP, SP and SPC exceeded their targets.
- ESA with a result of 96.6% (upper confidence level of 97.6%) missed its target of 98%.
- JSA with a result of 97.2% (upper confidence level of 98.8%) missed its target of 99%.

Analysis of the data used to calculate Financial Accuracy for 2018

The table below shows the number of cases used to calculate the 2018 Financial Accuracy results.

*Benefit	January–December 2018	
	Total Cases Checked	Total Cases in Error
Employment and Support Allowance	840	93
Jobseeker's Allowance	420	19
*Personal Independence Payment	672	7
State Pension	570	51
State Pension Credit	840	84

*From Jan 2018 SAU started the financial accuracy check on Personal Independence Payment.



Part 5

Results – Overpayments and Appeals

Overpayment Decisions

A total of 172 cases were examined and 40 errors were raised resulting in an overall standard of 77%. The 2 main areas of error were findings of fact which accounted for 21 errors (53%) and evidence which accounted for 18 errors (45%). The main type of error within both findings of fact and evidence related to the amount of the recoverable

overpayment being incorrect (15 errors and 11 errors respectively).

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 3 years are shown in the table below.

Year	*Total Cases Checked	Number of Errors	Decision Making Standard	Financial Accuracy Standard
2018	172	40	77%	88%
2017	153	26	83%	94%
2016	369	51	86%	96%

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

Appeal Submissions

A total of 94 cases were examined and 6 errors were raised resulting in an overall

standard of 94%. The main type of error related to failure to summarise all facts of the case including disputed facts (3 errors).

Year	*Total Cases Checked	Number of Errors	Error Rate	Decision Making Standard
2018	94	6	6%	94%
2017	98	1	1%	99%
2016	150	7	5%	95%

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

N.B SAU only measure and report on overpayments and appeals for the legacy benefits and with the cessation of some of

these benefits over this period there has been an associated reduction in the numbers of these cases checked.

Part 6

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

The Departmental Benefit and Information Security Board steers the Department's strategic approach to reducing error in the social security benefit system. This Board, on which a number of senior Departmental officials sit, helps ensure a collaborative approach in securing high accuracy levels across the benefit system.

The Department's official error strategy is based around four key principles:

- **Prevention** – prevent new error entering the system;
- **Detection** – target and identify error that has already entered the system;
- **Correction** – correct all error detected; and
- **Learning** – educate and learn from error detected to reduce the likelihood of recurrence.

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 2018 around £5.46 billion was paid out in benefits. Across all benefits, staff handled **191,947** new claims as well as taking action on some **935,416*** 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.

*This figure does not include Universal Credit

Standards Assurance Unit

However, prevention on its own is not enough. To maintain accuracy we need to detect and correct error that is already in the system. The Department's Standards Assurance Unit undertakes random sample monitoring of live benefit cases and produces detailed information about the estimated level of error and error trends. Standards Assurance Unit data is analysed by Analytical Services Unit (ASU) statisticians and this information is used, by Benefit Security Division and business managers, as well as the independent Joint Standards Committee, to direct a broad range of prevention and detection activities.

Official Error

The latest overall figures across all social security benefits administered by the Department show an overall reduction in losses through official error overpayments – down from 0.8% of benefit expenditure in 2003–04 to 0.39% in 2018. The Department remains committed to doing all it can to reduce staff error and has a wide range of control mechanisms built into its system of benefit administration to ensure high levels of financial accuracy. These include extensive training and consolidation of training as well as a programme of regular checks and controls to prevent potential incorrectness and measure and report on the Department's performance within this area.

Error Reduction Division Activity

During 2018–19 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 2018–19, error reduction activity carried out by benefit areas amounted to 51,523 checks or case reviews, which led to the adjustment of benefit in 6,425 cases, with a total monetary value of £22.5 million and a VFM ratio of 8.1:1. This total included almost £15.4 million of adjustments to payments where Customers were entitled to additional benefits.



Glossary and Appendices

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.

Clearance Times

The Average Actual Clearance Time measures how quickly we process claims to the main benefits. It measures the average number of working days we take to process claims to benefit. The purpose of this target is to make sure that our customers' new claims to benefit are processed in a reasonable length of time.

The end of year level of performance against target is calculated by dividing the total cumulative number of days taken to process all claims by the total number of new claims actually processed.

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 and Benefit Security Directorate within the Department for Communities. Standards Assurance Unit provides a reliable and independent measure of decision making, financial accuracy and customer fraud and customer error 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

ESA	Employment and Support Allowance
JSA	Jobseeker's Allowance
PIP	Personal Independence Payment
SP	State Pension
SPC	State Pension Credit

Key to Appendices

- Appendix 1** Terms of reference for the Standards Committee
- Appendix 2** Decision making additional errors
- Appendix 3** Clearance times performance at 31 March 2019
- Appendix 4** Extract from The Employment and Support Allowance Regulations (Northern Ireland) 2008 (Legislation governing “persons from abroad” for the purposes of Employment and Support Allowance)
- Appendix 5** Decision making standards versus benchmarks: 2017 and 2018
- Appendix 6** Types of decision making errors
- Appendix 7** Estimated monetary value of error information for Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payment, State Pension and State Pension 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 Work and Inclusion 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 Work and Inclusion Group and to highlight those areas where improvement is needed
- make specific recommendations on any area considered appropriate
- provide assurance to the Deputy Secretary of Work and Inclusion Group that mechanisms are in place to feed back results to the Department to enable continuous improvement
- report to the Deputy Secretary of Work and Inclusion Group on the operation of

the decision-making process and where necessary to make recommendations for changes to it. The Deputy Secretary should be free to meet the Chairperson informally and discuss issues that may arise during the year

- provide the Deputy Secretary of Work and Inclusion Group with an annual assurance in the form of reports on the quality of decision making in Work and Inclusion Group and such other reports as the Deputy Secretary or the Standards Committee consider appropriate
- 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 Committee members.

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

Appendix 2

2018 Decision making additional errors

Benefit	Total Cases Checked	No of Cases Incorrect	No of Additional Decision Making Errors	Total no of Errors	DM Benchmark	DM Standard % Achieved	DM Standard % Achieved if Additional errors were included
Employment and Support Allowance	153	10	7	17	95%	93%	89%
Jobseeker's Allowance	257	6	5	11	95%	98%	96%
Personal Independence Payment	576	5	7	12	95%	99%	98%
State Pension	25	3	0	3	97%	88%	88%
State Pension Credit	178	13	4	17	95%	93%	90%

Appendix 3

Clearance times

Benefit	Target 2018/2019	Performance 2018/19
AA (Claims)	25 days (PM)	24.2 days
AA (Special Rules)	4 days (PM)	2.5 days
AA (Appeals)	25 days (PM)	21.0 days
DLA (Claims)	25 days (BS)	27.0 days
DLA (Special Rules)	4 days (PM)	1.3 days
DLA (Appeals)	25 days (PM)	19.1 days
ESA (Claims)	14 days (BS)	12.2 days
ESA (Changes)	4 days (PM)	3.4 days
ESA (Appeals)	45 days (PM)	27.7 days
MA (Claims)	35 days (PM)	37.5 days
IIB (Claims)	55 days (PM)	45.3 days
IIB (Appeals)	90% in 90 days	100% in 90 days
CA (Claims)	20 days (PM)	18.8 days
IS (Claims)	10 days (BS)	11.3 days
IS (Changes)	4 days (PM)	2.8 days
IS/JSA/SF (Appeals)	40 days (PM)	24.8 days
JSA (Claims)	10 days (BS)	10.1 days
JSA (Changes)	4 days (PM)	2.8 days
State Pension (Claims)	95% on or before due date	99.06% on or before due date
State Pension Credit (Claims)	9 days (BS)	6.3 days
State Pension Credit (Changes)	5 days (PM)	3.3 days
IS/JSA Overpayment Processing	15 days (PM)	13.2 days
Budgeting Loans	14 days (PM)	7.0 days
Funeral Payments	14 days (PM)	13.6 days
Sure Start Maternity Grants	5 days (PM)	3.2 days
Social Fund Reviews	10 days (PM)	1.5 days

Appendix 4

Extract from ‘The Employment and Support Allowance Regulations (Northern Ireland) 2008’ (Legislation governing “persons from abroad” for the purposes of Employment and Support Allowance)

'Special cases: supplemental – persons from abroad'

70.—(1) "Person from abroad" means, subject to the following provisions of this regulation, a claimant who is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.

(2) A claimant must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the claimant has a right to reside in (as the case may be) the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland other than a right to reside which falls within paragraph (3).

(3) A right to reside falls within this paragraph if it is one which exists by virtue of, or in accordance with, one or more of the following—

(a) regulation 13 of the Immigration (European Economic Area) Regulations 2006(77);

(b) regulation 14 of those Regulations, but only in a case where the right exists under that regulation because the claimant is—

(i) a jobseeker for the purpose of the definition of "qualified person" in regulation 6(1) of those Regulations, or

(ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;

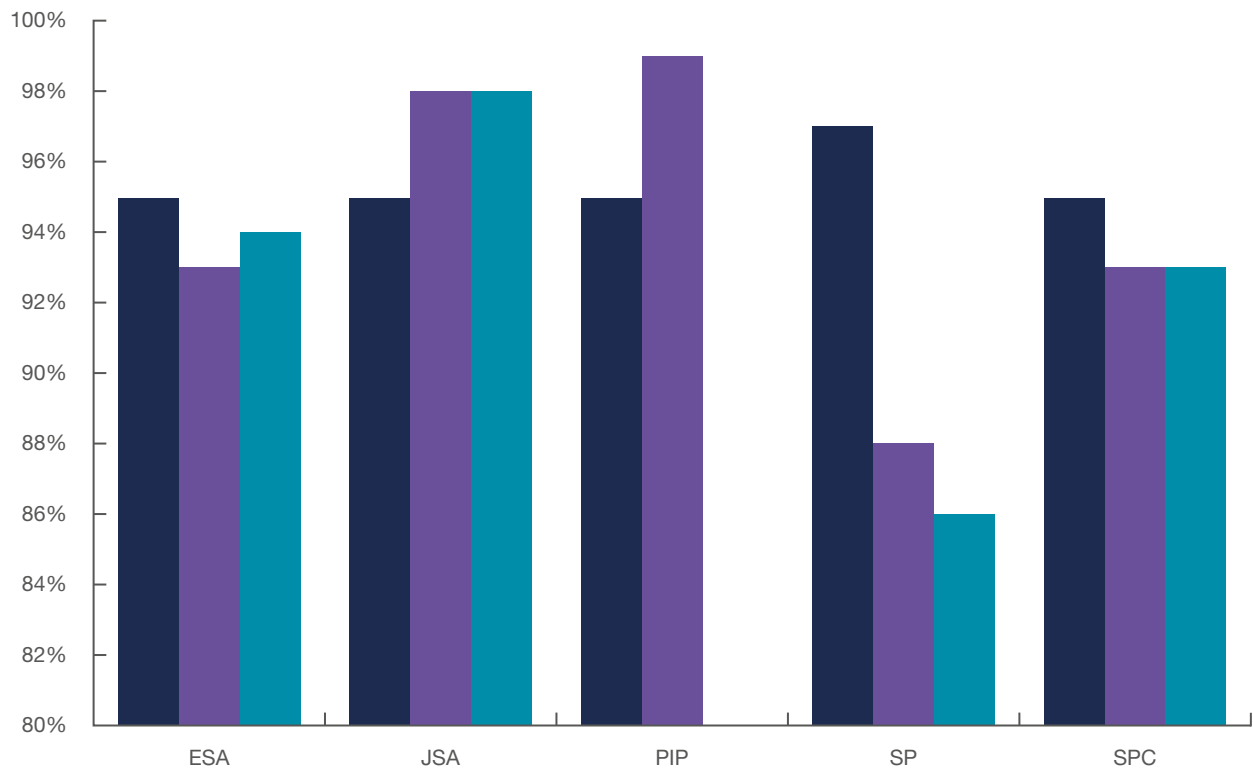
(c) Article 6 of Council Directive No. 2004/38/EC(78); or

(d) Article 39 of the Treaty establishing the European Community (in a case where the claimant is a person seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland).

- (4) A claimant is not a person from abroad if the claimant is—
- (a) a worker for the purposes of Council Directive No. 2004/38/EC;
 - (b) a self-employed person for the purposes of that Directive;
 - (c) a person who retains a status referred to in sub-paragraph (a) or (b) pursuant to Article 7 (3) of that Directive;
 - (d) a person who is a family member of a person referred to in sub-paragraph (a), (b) or (c) within the meaning of Article 2(2) of that Directive;
 - (e) a person who has a right to reside permanently in the United Kingdom by virtue of Article 17 of that Directive;
 - (f) a person who is treated as a worker for the purpose of the definition of "qualified person" in regulation 6(1) of the Immigration (European Economic Area) Regulations 2006 pursuant to—
 - (i) regulation 5 of the Accession (Immigration and Worker Registration) Regulations 2004(79) (application of the 2006 Regulations in relation to a national of the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia or the Slovak Republic who is an "accession State worker requiring registration"), or
 - (ii) regulation 6 of the Accession (Immigration and Worker Authorisation) Regulations 2006(80) (right of residence of a Bulgarian or Romanian who is an "accession State national subject to worker authorisation");
 - (g) a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951(81), as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967(82);
 - (h) a person who has exceptional leave to enter or remain in the United Kingdom granted outside the rules made under section 3(2) of the Immigration Act 1971(83);
 - (i) a person who has humanitarian protection granted under those rules;
 - (j) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act and who is in the United Kingdom as a result of deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom; or
 - (k) a person in Northern Ireland who left the territory of Montserrat after 1st November 1995 because of the effect on that territory of a volcanic eruption.

Appendix 5

Decision making standards versus benchmarks: 2017 and 2018



	ESA	JSA	PIP	SP	SPC
Decision making Benchmark	95%	95%	95%	97%	95%
Decision making Standard 2018	93%	98%	99%	88%	93%
Decision making Standard 2017	94%	98%		86%	93%

Appendix 6

2018 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	7%	5	50%			4	40%	1	10%	10
Jobseeker's Allowance	2%	2	33%			1	17%	3	50%	6
Personal Independence Payment	1%	2	40%	1	20%			2	40%	5
State Pension	12%					3	100%			3
State Pension Credit	7%	5	38%			4	31%	4	31%	13

Appendix 7

Estimated Monetary Value of Error Information 2018 for Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payment, State Pension and State Pension Credit

Benefit	Estimated Annual Monetary Value of Error	Overpayments	Underpayments	Total Expenditure	Estimated Financial Error Rate
Employment and Support Allowance	£30,093,901	£11,865,838	£18,228,063	£892,370,083	3.4%
Jobseeker's Allowance*	£2,308,636	£1,278,030	£1,030,605	£83,700,614	2.8%
Personal Independence Payment	£2,438,081	£1,031,037	£1,407,043	£470,016,471	0.5%
State Pension	£4,724,791	£1,104,439	£3,620,352	£2,328,477,562	0.2%
State Pension Credit	£3,533,658	£2,322,039	£1,211,619	£243,717,624	1.4%

*includes training monies

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