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Child Maintenance Service Annual Report On Decision Making

1 April 2016 to 31 March 2017

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Foreword by the Chairperson of the Standards Committee

Introduction

The Standards Committee for Northern Ireland was established in 1999. The background to the creation of the Committee is set out in Appendix 3 of this report. Put briefly, the Social Security (Northern Ireland) Order transferred responsibility for monitoring the standard of decisions against which there is right of appeal from the Chief Adjudication Officer to the Department. This responsibility was then delegated to the Chief Executives of the Social Security Agency (the Agency) and the Child Support Agency which subsequently became the Child Maintenance Service (CMS) within the Department for Communities. This rearrangement of responsibilities followed similar changes in Britain where concerns had been raised with regard to the credibility of arrangements whereby those responsible for service delivery would also be monitoring the standard of the service provided. To address these issues the Westminster government provided assurances that further measures would be taken to insert an element of independence into the oversight of the quality of decision making with regard to both social security and child support. As a result, in Northern Ireland, the Standards Committee was established with an independent Chair and two independent members.

The full membership of the Committee is set out on page 16 of the report.

Appendix 3 also sets out the fairly broad terms of reference of the Committee. First and foremost, the Committee has the task of providing assurance that the arrangements in place within the DfC including CMS to monitor decision making are effective and robust. Secondly, we are required to monitor and report on the standard of decision making. Following from this, we are required to highlight areas of weakness, make recommendations for improvement and report on the impact of measures taken to raise standards. Thirdly, we are required to provide assurance with regard to the mechanisms in place to feed back the results of monitoring and thus promote continuous improvement.

The Committee seeks to discharge its responsibilities via three layers of inquiry. The quarterly reports produced by the Case Monitoring Team (CMT) within CMS, which set out the most recent data on performance, are considered in detail by the full Committee at its quarterly meetings and there is on-going discussion of the methodology employed by the CMT. Additionally, there are formal and, where required, informal meetings with the staff of CMS to enable the Committee to

secure a full understanding of the work of CMS and matters which may affect decision making performance. Thirdly, we seek additional feedback on the standard of the service provided through discussions with, for example, the voluntary advice sector and the Northern Ireland Audit Office (NIAO). Further detail on performance is provided in the following paragraphs, but I am pleased to provide assurance, at the outset, that the arrangements in place to monitor decision making are robust and note that this conclusion is supported by the work of the NIAO. I would, therefore, wish to commend the staff of the CMT for the rigour and quality of their work and the contribution they make to driving up standards in what is a very important service in our society. Whilst there is always room for improvement, I can confirm that the quality of decision making has improved and is generally of a high standard. I can also provide assurance that, as para 3.7 of the report indicates, arrangements are in place to facilitate feedback and continuous improvement.

Decision making performance in 2016/2017

The methodology employed by the CMT to check performance is set out in Chapter 3 of the report. This indicates that, on the advice of statisticians, a total of 1,228 cases were selected for checking in 2016/2017.

CMS2012 appears to be working well and, as I discuss below, will form the basis for the arrangements which will be fully operational from 2018. Staff are well on the way to operating one scheme and their capacity to deliver is much improved. The second issue evident in Chapter 3 is the rigour and breadth of the monitoring of decisions by the CMT. Put briefly, performance is assessed using two main yardsticks. The first is the cash value accuracy of the most recent decision with regard to the assessment of maintenance. The second relates to the quality of the decision being checked. This is assessed using five criteria: for example, the correct application of the law. Finally, for the 2012 scheme, cash value accuracy was 97% and decision making accuracy 98%. There is clearly some room for improvement with regard to cash value accuracy but two issues should be borne in mind in assessing performance. First, for various reasons, a rising proportion of the work of CMS relates to complex cases and the data above does not, perhaps, fully capture the effort required to reach and maintain the standards achieved. Secondly, there is the impact of external forces: most obviously recent changes in the labour market. Appendix 1 indicates that for the 2012 scheme a major source of error relates to earnings. Income assessment is clearly more difficult when new forms of employment, most obviously, zero hours contracts, are emerging.

The broader context

CMS has made significant progress this year. Accuracy now stands at 97%. Arching over this is the transformation of the service which is due to be completed in 2018. The new structure has three distinct features. Firstly, there is the provision of impartial information, available to all separating parents, on the options available with regard to child support. Secondly, the options available are; family based arrangements, with no further CMS involvement; Direct Payments where CMS calculate the entitlement of the Receiving Parent but couples decide for themselves how this will be paid; and access to the collection, payment and enforcement service provided by CMS. It should be noted that Receiving Parents can move between these options. Thirdly, the 1993 and 2003 schemes are being closed down with parents being advised of the suite of options listed above which operate within the framework of the 2012 scheme. This will bring an end to years of confusing and, to many, incomprehensible arrangements and is a major step forward. I am happy to reiterate the previous Chair's

comments that the Ministerial decision that application fees would not be introduced in Northern Ireland is a helpful element in building the 2012 approach. From our discussions with staff this year, it would appear that good progress is being made to complete this major project on time and we commend staff for the effort and commitment they have brought to this important work.

Conclusion

I am pleased to be able to present a positive assessment of the work and progress of CMS this year. I am grateful to the staff for their comprehensive presentations and responses to issues raised by the Committee. As I am new to the position of Chair of the Standards Committee this year I wish to thank my predecessor Eileen Evason for her assistance in the presentation of this report, for all her hard work and wish her well in her retirement.



Marie Cavanagh
Chairperson of the Standards Committee

Introduction by the Director of CMS

I would like to begin by welcoming Marie Cavanagh into her new role as Chair of the Standards Committee. Marie brings a wealth of experience from 30 years in the Voluntary and Community Sector with her. As a former Director of Gingerbread, I have no doubt Marie will be particularly interested in our own work here in the Child Maintenance Service. My colleagues and I look forward to working with Marie and the Standards Committee as we look to further embed our new systems and deliver better outcomes for our customers.

It would be remiss of me not to pay tribute to Professor Evason who previously chaired the Committee for 13 years. Throughout her time in office, Eileen understood the often complex and challenging nature of the work our people undertake. I wish her well in her new chapter.

I am pleased to report that since the new Statutory Scheme was launched in 2012 we met our accuracy standard for the first time in 2016/17. Indeed we were the only child maintenance service across the UK to achieve this so I am immensely proud of our people who worked so hard to deliver this. However that does not mean job done, target met. This is a challenging target to say the least given the complexity and level of manual interventions necessary. With more of our legacy cases moving onto the new system this year those cases will get even more complex so, whilst thrilled at our success

in 2016/2017, I am conscious of the challenges we face in the year ahead.

However, we have developed a robust checking regime based around risk and our Case Monitoring Team offer an invaluable coaching and advice service to our operational checkers looking to learn lessons from cases they pick up on monitoring.

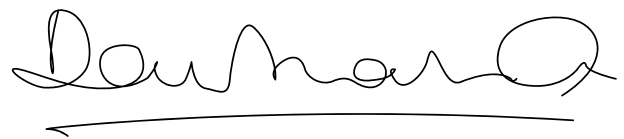
The appointment of Subject Matter Experts within Northern Ireland operations also helped push up accuracy levels as staff had a local point of contact to offer assistance. The Training and Development Unit also played a significant role by creating bespoke training products that met the developmental needs of staff rather than generic training courses. This collaborative approach paid dividends.

Finally, whilst not an issue for this report in terms of adjudication, I am delighted with the progress we are making to fully implement our Programme of Child Maintenance Reform. During 2018 we will end liability on all existing cases and have conversations with those clients to explain their choices. One option is for parents to work together and pay their maintenance directly to one another. This has two real benefits. Firstly it means both parents avoid paying charges altogether. Secondly and more importantly, we know that in terms of outcomes for the child, when both parents can agree on their child

maintenance, they are likely to agree on other issues affecting their children who will usually have better and more frequent contact with both parents. Improving outcomes is a key challenge all of us face in the delivery of Public Services and I am delighted over 65% of our clients on the new Statutory Scheme are now availing of our Direct Pay facility.

Finally, my thanks as always to our people who provide this fantastic service so many

parents rely on. It is a pleasure to lead such a committed and enthusiastic team and they are the reason why this report makes such good reading.

A handwritten signature in black ink, appearing to read 'David Malcolm', written in a cursive style. Below the signature is a horizontal line with a small arrowhead pointing to the left.

David Malcolm
Director, Child Maintenance Service

1. Summary

1.1 This report provides assurance to the Director of CMS that effective monitoring procedures are in place and that monitoring accurately reflects the standard of decision making within CMS.

and is decided by the examination of the pre-determined statistically valid sample of decisions. The measure of correctness requires the last decision to be cash value accurate to the nearest pound.

1.2 The Balanced Scorecard target for the 2016/2017 monitoring year is to achieve a cash value accuracy level of 97% for the CMS2012 scheme. The target focuses upon the accuracy of the last decision

Balanced scorecard

1.3 The CMS2012 scheme cash value accuracy figure achieved for this monitoring year was 97%.

Balanced Scorecard Target	Percentage Accurate	Percentage Inaccurate
97%	97%	3%

2. Decision making process

- 2.1 Decision Makers calculate the amount of maintenance based on the Child Support legislation – the Child Support (Northern Ireland) Order 1991 and the Child Support Maintenance Calculation Regulations (Northern Ireland) 2012. Decision Makers are required to consider evidence provided by the Receiving Parent and the Paying Parent to establish the amount of maintenance required to maintain the qualifying children.
- 2.2 Decision Makers are required to obtain and document sufficient evidence to support their decisions. It is essential that all avenues be explored to ensure that every aspect of the decision has been investigated. In all cases this information is processed by the Siebel computer system which supports the CMS2012 scheme.
- 2.3 When an initial maintenance calculation has been made the Decision Maker can reconsider their decision by way of a supersession to take account of a change of circumstance or a Mandatory Reconsideration to correct an error.
- 2.4 Child Maintenance Service also provides a collection service in addition to the assessment service. The Decision Maker uses Siebel to set up accounts and payment schedules. These schedules take into account the paying parent's current liability as well as any underpayment or overpayment as a result of the new assessment.

3. Assurance

3.1 The number of cases randomly selected during the 2016/2017 monitoring year was 1,228 cases. This figure is based on a formula drawn up by the Department's statisticians.

3.2 For the CMS2012 scheme the monitoring quota is based upon a confidence level of 95% with a tolerance level of +/- 1.25%. This means that the actual cash value error rate could be up to 1.25% greater or less than the error rate found by the case monitors.

3.3 All cases selected by CMT for assurance are selected via scans that are provided to CMT by a third party (Business Analytics Unit). A random selection process is then used to ensure that all cases have an equal chance of being selected.

3.4 Using these scans provides a robust and independent assurance on the selection process.

3.5 The types of decisions selected are decisions where maintenance assessments have been completed together with decisions not to

assess where the tolerance level was not broken. These are:

- Initial Maintenance Calculations
- Supersessions
- Mandatory Reconsiderations
- Default Maintenance Decisions
- Variations

3.6 Decisions are monitored against 2 main criteria:

- Last decision cash value accuracy to provide independent assurance that decisions made are accurate in line with the requirements in the Child Maintenance Service (CMS) Balanced Scorecard
- Assurance on the quality of the decision making process.

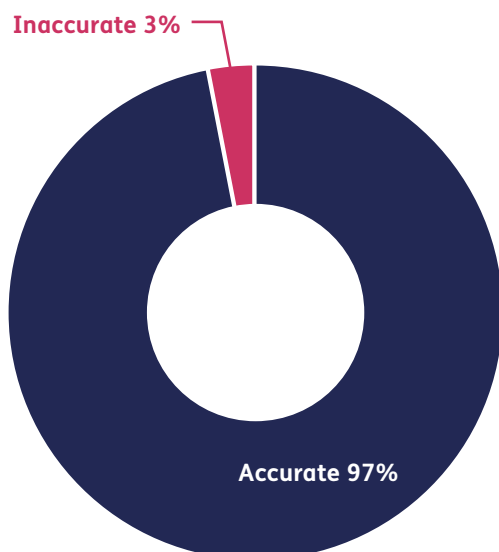
3.7 The findings of the Case Monitoring Team also form the basis of monthly reports to the Senior Leadership Team and operational managers. These reports detail performance against the Balanced Scorecard target, providing an analysis of results and identifying any trends and issues.

4. Monitoring findings for CMS2012 scheme

4.1 The Case Monitoring Team's findings for CMS2012 Maintenance Calculations in relation to Cash Value Accuracy and Decision Making are presented in this part of the report.

CMS2012 Maintenance calculations cash value accuracy

4.2 Between 1st April 2016 and 31st March 2017 the Case Monitoring Team monitored 1,228 CMS2012 Maintenance Calculation decisions. The monitoring found that 1,192 were cash value accurate (97%) and 36 were cash value inaccurate (3%). The main errors affecting cash value accuracy were incorrect effective dates and income errors.



Decision making accuracy

4.3 The same sample of 1,228 Maintenance Calculation decisions was also monitored for decision making accuracy. In this reporting year, with the agreement of the Standards Committee, CMT focused their attention on decision making relating to the use of income. Where a case is found to have a decision making inaccuracy, it does not necessarily follow that the last decision is cash value inaccurate. The case monitors raise a decision making comment under the following categories:

- There is insufficient evidence to support the decision
- The incorrect law is applied, or the law is applied incorrectly
- The Decision Maker makes a wrong finding of fact
- There is an incorrect calculation
- The record of decision/notification is incomplete or inaccurate

4.4 Of the 1,228 decisions monitored, 1,206 were found to be decision making accurate (98%) and 22 were found to have decision making errors relating to income (2%).

- [Appendix 1](#) provides an analysis of all decision making comments.

CMS2012 scheme maintenance assessment comments

This table records the type of errors found in the decision making process:

Maintenance Calculation Comments						
1 April 2016 – 31 March 2017						
	A	B	C	D	E	Total
	Insufficient evidence on which to decide	Incorrect law applied / law applied incorrectly	Wrong finding of fact / incorrect interpretation of fact	Incorrectly calculated	Record of decision / notification is complete or inaccurate	
Jurisdiction	0	0	0	0	0	0
Effective Date	11	0	0	0	7	18
Shared Care	0	0	0	0	0	0
Earnings – Relevant Week	0	0	0	0	0	0
Earnings – Calculation	5	0	0	0	9	14
Earnings – Bonus	0	0	0	2	0	2
Pension Contributions	0	0	0	2	0	2
Benefit Income	0	0	0	5	0	5
Other Income	0	0	0	0	0	0
Notifications	0	0	0	0	38	38
Variations	0	0	0	0	1	1
Qualifying Child	0	0	0	3	3	6
ROC/CIFBA	0	0	0	0	0	0
Total	16	0	0	12	58	86

The process of decision making

As part of the decision making process there are different steps which the individual Decision Maker must consider.

Errors in following the Decision Making process result in a decision making comment being included but do not necessarily impact on the outcome decision.

Comments include:

- Identifying that an assessment needs to be considered
- Calculating the effective date of the assessment
- Gathering the evidence
- Clarifying the evidence
- Deciding which evidence to use
- Recording the evidence onto the computer system
- Adjudicating

Elements taken into account when calculating a Maintenance Calculation

- Effective date of liability
- Household Members
- Earned Income – Employed, Self Employed, Occupational or Personal Pensions
- Benefit Income
- Shared Care of the Qualifying Child(ren)
- Relevant other children in household
- Child in Family Based Arrangement
- Other Child Maintenance Agreements
- Variations – Additional Income and Special Expenses

Terms of reference for the standards committee

1. The Social Security (Northern Ireland) Order 1998 removed the distinction between adjudication decisions made by adjudication officers and departmental decisions and introduced single status decision makers. This removed the statutory requirement for a Chief Adjudication Officer and by default, his responsibility for reporting on the standard of adjudication.
2. In addition to being responsible for the delivery of the decision making process and the standard of decisions made, the Department was made responsible for reporting on the standard of decisions against which there is a right of appeal. These responsibilities were delegated to the Chief Executives of the Social Security Agency (“Agency”) and the Northern Ireland Child Support Agency. From 1 April 2008 the Northern Ireland Child Support Agency became a division within the Department for Social Development called the Child Maintenance and Enforcement Division and was later renamed Child Maintenance Service (“CMS”) from 1 April 2013. From May 2016, following the reduction in Northern Ireland’s Departments from 12 to 9, both the Agency and CMS functions have been transferred to the Department for Communities under Work and Inclusion Group.
3. The responsibility for reporting on standards requires the Deputy Secretary of Work and Inclusion Group to have programmes in place to determine the standards which are to be reported. It has been recognised however, that to enhance this programme and its credibility and transparency with the public, some independent oversight of the arrangements is necessary. Accordingly a Joint (Northern Ireland) Standards Committee has been appointed with an independent chairperson, together with two other independent members, and having terms of reference agreed by the Deputy Secretary.
4. 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
 - to confirm legislation is properly applied

- to 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 considers appropriate
 - provide assurance on the quality of decision making with the results of financial accuracy
5. 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.
 6. An agenda will be prepared in advance of each meeting and circulated to the Committee Chairperson for consideration.

Committee membership

Marie Cavanagh	Northern Ireland Council for Voluntary Action
Kevin Higgins	Advice (NI)
Ursula O’Hare	Assistant Director (Policy & Communications) at Law Centre (NI)
John McKervill	Director of Pensions, Disability and Fraud and Error Reduction, Department for Communities
Conrad McConnell	Assistant Director of Benefit Security, Department for Communities
Eileen Donnelly	Performance and Planning, Child Maintenance Service, Department for Communities
Lacey Walker	Head of Internal Audit Department for Communities

Glossary	
Decision Maker	The officer making decisions on behalf of the Department
Decision Making	The process of applying the child support legislation and guidance to evidence supplied by clients
Insufficient Evidence	When a decision is made without gathering all the evidence required to make a comprehensive decision
Last Decision	The last assessment completed on the case selected for checking, taken from a random sample
Maintenance Calculation	Liability calculated under the 2012 Scheme
Paying Parent	A parent who has a liability to maintain a receiving parent's child(ren) but who lives apart from the receiving parent
Receiving Parent	A parent who is the primary carer of the qualifying child(ren)
Mandatory Reconsideration	A decision is revised where it is changed from the date of the original decision as a consequence of action or application arising within the acceptable period of revision
Supersession	A decision is superseded where there is a relevant change of circumstances changing the original decision from a later date
Variation	Where a parent has exceptional circumstances not covered by the basic procedures of the 2012 Scheme
CMS2012	Scheme introduced in 2012 to replace the 1993 and 2003 schemes

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