



DfC

Department
for Communities
www.communities-ni.gov.uk

Decision Making and Financial Accuracy

Annual Report for the period
1 January to 31 December 2016

Department for Communities
Annual Report on Decision Making
and Financial Accuracy
1 January to 31 December 2016

*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.*

29 November 2017



© Crown Copyright 2017

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence v.3. To view this licence visit:

www.nationalarchives.gov.uk/doc/open-government-licence/version/3/

or email: psi@nationalarchives.gsi.gov.uk

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is also available to download from our website at www.communities-ni.gov.uk

Any enquiries regarding this document should be sent to us at:

Standards Assurance Unit, 1st Floor, 43–45 Falls Road,
Belfast BT12 4PD

Phone: (028) 9013 8128

Fax: (028) 9013 8102

Email: sau.reportingteam@nissa.gsi.gov.uk

Contents

Foreword by the Standards Committee Chairperson	6
Introduction by the Deputy Secretary	9
Part 1 Background	12
Part 2 Measurement and Sampling Methodology	14
Part 3 Results – Decision Making	18
Employment and Support Allowance	19
Income Support	20
Jobseeker’s Allowance	21
State Pension	22
State Pension Credit	23
Part 4 Results – Financial Accuracy	26
Part 5 Results – Overpayments and Appeals	30
Part 6 Department’s Strategy to Reduce Error in Decision Making and Financial Accuracy	32
Glossary	36
Social Security Benefits	37
Key to Appendices	38
Appendix 1 Terms of reference for the Standards Committee	39
Appendix 2 Decision making additional errors	40
Appendix 3 Clearance times performance at 31 March 2017	41
Appendix 4 Extract from the Income Support (General) Regulations (Northern Ireland) 1987 (Legislation governing “persons from abroad” for the purposes of Income Support)	42
Appendix 5 Decision making standards versus benchmarks: 2015 and 2016	44
Appendix 6 Types of decision making errors	45
Appendix 7 Estimated monetary value of error information for Employment and Support Allowance, Income Support, Jobseeker’s Allowance, State Pension and State Pension Credit	46

Foreword by the Standards Committee Chairperson

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 of Work and Inclusion 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. In essence, 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 very satisfactory this year. I can also provide assurance that procedures to secure on-going improvement are in place. I would wish to commend all of the staff who have contributed to this very successful performance.

The work of the Committee in 2016

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 on-going 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 staff training to give better support to claimants

with mental health problems, the difficulties which may occur with zero hours contracts and the excellent work being done to support Syrian refugees. The Committee has also given thought to the work which will be required to discharge the responsibilities it will have over the coming years with regard to the new sanctions regime which will accompany the introduction of Universal Credit.

Across the year, the Committee has had meetings with staff responsible for delivering the Employment and Support Allowance, benefits for carers and those with disability and benefits relating to bereavement and retirement. Additionally, we have visited the Shaftesbury Square Jobs and Benefits Office 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 former, we were pleased to receive some very positive feedback on the service provided – particularly in connection with the Employment and Support Allowance – and sorting out difficulties raised. With regard to the latter, it can be noted that the work they undertake is supportive of the 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. This was the subject of some discussion by our Committee some years ago. It was agreed 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 this year in the case of the State Pension. It should be noted, however, that, where there are grounds for concern with regard to sample size, the Committee can require that a special exercise be conducted to ensure the data presented can be relied upon. We have made use of this option in the past and found it to be an effective way of addressing this issue.

The standard of decision making and financial accuracy in 2016

The table on page 18 of the report details the performance of staff with regard to decision making for the five benefits monitored this year: Employment and Support Allowance, Income Support, Jobseeker's Allowance, State Pension and State Pension Credit. From this it can be seen that staff exceeded the accuracy benchmarks set for four out of five benefits. This is a very good outcome. I do nevertheless have two concerns. Firstly, in consequence of the closure of Disability Living Allowance (DLA) to people of working-age, monitoring of this benefit has ceased. I understand the reasons for this but it should be remembered that DLA will continue in payment for qualified older claimants. Moreover, this benefit is still open to children with disability for whom it is a critical source of support. On this basis, I recommend the Committee continues to engage with DLA and supports staff in maintaining the high

standards of decision making achieved over the past number of years. My second concern relates to State Pension Credit (SPC). The table indicates that in 2016 decision making accuracy for SPC slipped to 92%. Moreover, when the data from Appendix 2 is taken into account, it is clear that improvement is required. I recommend the Committee monitor the steps being taken over the coming year to secure this.

Part 4 of the report deals with financial accuracy. The table on page 26 shows that the Department has been very successful in ensuring that the expenditure on these benefits is correctly disbursed. Three benefits exceeded the target set of 99% and the two slight misses were within their upper confidence levels. The overall standard of financial accuracy for 2016 was 99.4%. This is an excellent result and on par with last years performance. Further information is provided in Appendix 7 which details the estimated monetary value of error and is a healthy corrective to much of the discussion which surrounds social security. The table indicates that just short of £3.6 billion is spent on five core benefits. Within this, the loss to the public purse as a result of overpayments is just under £15.4 million and this represents 0.4% of total expenditure. Moreover, the loss to the public purse via overpayments is almost offset by underpayments which total £14.8 million.

Supplementary issues

Part 5 of the report provides information on the standard of decision making for overpayments and appeals. Decision making for overpayments has been a matter of concern for some time and I am pleased to see, from the table on page 30, that the standard is moving in the right direction. It can also be noted, from the financial accuracy standard, that errors in overpayments decisions do less damage than might be expected. The standard of decision making

for appeal submissions, also on page 30, is a satisfactory 95% and Appendix 3 indicates that staff are hitting and, indeed, often exceeding, the targets set for clearance times across the service. Again, this is a good set of results.

Conclusion

I am pleased to be able to present a very positive 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. The very good results noted above have been secured in a context of unprecedented pressure on staff. The Department has had 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. At times I have felt that the pace of change was too fast and the push to introduce new provisions might undermine those that remained in place. To avoid a decline in decision making, and, reduce strain and anxiety amongst staff, fresh thought may need to be given to the timetabling and resourcing of change.

Finally, this is my last year as Chair of the Standards Committee for Northern Ireland. I would like to wish the new Chair well and thank my colleagues on the Committee for their support and contributions over the years. I am particularly grateful to the Independent members of the Committee – Kevin Higgins and Ursula O’Hare – and the staff of SAU who have provided secretarial and administrative support to the Committee.



Chairperson of the Standards Committee

Introduction by the Deputy Secretary, Work and Inclusion Group

I am pleased to introduce the Department for Communities (formerly the Social Security Agency's) 2016 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.

It is pleasing to note that decision making standards have continued to remain at a high level during this year, with 4 of the 5 benefits measured exceeding their benchmark target.

Financial accuracy results have also remained extremely high during 2016 with all of the 5 main benefits meeting their financial accuracy target either fully, or within their upper confidence level. Income Support, Jobseeker's Allowance and State Pension actually exceeded their targets with Employment and Support Allowance and State Pension Credit meeting within upper confidence levels.

During 2016 we have remained focused on the issue of performance in decision making accuracy for overpayments. It is good to note that the actions introduced to help improve results for overpayment decision making have been successful and the 2016 result shows that the Department is heading in the right direction.

I would like to thank staff for their continued dedication and hard work throughout this busy year of change which saw the dissolution of the Social Security Agency and its incorporation into the new Department for Communities. 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 Professor Eileen Evason, Kevin Higgins and Ursula O'Hare who comprise the Joint Standards Committee. I would also like to wish Professor Evason my very best wishes for the future following her retirement from the position of chair of 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.

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



Denis McMahon
Deputy Secretary



Part 1

Background

The Deputy Secretary of Work and Inclusion Group, within the Department for Communities (DfC) is responsible for monitoring and reporting on decision making standards. He also reports on the financial accuracy of payments for Employment and Support Allowance, Income Support, Jobseeker's Allowance, State Pension, State Pension Credit and Social Fund. The standard of financial accuracy for these benefits along with Attendance Allowance, Bereavement Benefit, Carer's Allowance, Disability Living Allowance, Incapacity Benefit, Industrial Injuries Disablement Benefit, Maternity Allowance 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:

Eileen Evason (CBE) Chair	Emeritus Professor in Social Administration, University of Ulster
Kevin Higgins Independent Member	Head of Policy, Advice NI
Ursula O'Hare Independent Member	Assistant Director (Policy & Communications) Law Centre (NI)
John McKervill	Director of Pensions, Disability, Fraud & Error Reduction, 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 2016 (the Report) summarises the monitoring results for standards of decision making and financial accuracy for social security benefits in 2016. 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 the 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.

Monitoring

Standards Assurance Unit completes the following checks on a case in the common sample:

- **Decision Making** – The monitor 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.
- **Decision Making** – The monitor 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 Income Support (General) Regulations (Northern Ireland) 1987 (legislation governing “persons from abroad” for the purposes of Income Support) 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 2016, at the 95% confidence level, was calculated for each benefit.

The process was repeated for decision making to calculate the sample size required to measure decision making in 2016 at the 95% confidence level and an expected confidence interval of no more than 5% 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 distributed over the sample in the same way as the overall benefit population. The sample therefore better reflects the population than it would have been likely to if it were selected entirely at random. For this reason, stratification acts to increase the precision of the estimates. For example, Jobseeker's Allowance and Income Support, the total benefit population was sub-divided by benefit processing centre. The benefit population within each benefit processing centre was further sub-divided by client group. A sample of cases was then selected randomly from each client group. Cases for each benefit were randomly selected on a monthly basis.

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 Monitored	Number of Incorrect Cases	Error Rate	Decision Making Standard	Decision Making Benchmark	Variance
Employment and Support Allowance	426	16	4%	96%	95%	1%
Income Support	276	4	1%	99%	95%	4%
Jobseeker's Allowance	608	8	1%	99%	95%	4%
State Pension	27	0	0%	100%	97%	3%
State Pension Credit	332	27	8%	92%	95%	-3%

*From 2016 SAU ceased the decision making check on Disability Living Allowance.

The results from the table above show that:

- 4 of the 5 decision making benchmarks have been achieved, with all of the 4 exceeding their benchmark.

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, Income Support, Jobseeker's Allowance, State Pension and State Pension Credit.

Employment and Support Allowance Decision Making

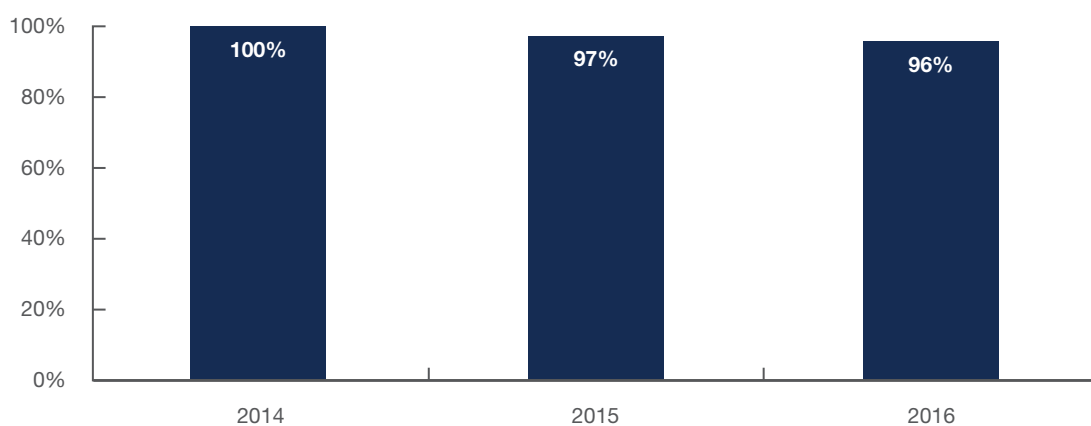
To find out the standard of decision making, 426 cases were examined and 410 cases (96%) were correct. The decision making

standard was 1 percentage point above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision monitored.

ESA Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	39	1	3%	97%	
IB-IS Reassessment	1	1	100%	0%	
Revisions	11	0	0%	100%	
Supersessions	375	14	4%	96%	
Overall Performance	426	16	4%	96%	+/- 1.8%

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

ESA Standard of Decision Making



The main area of error was findings of fact 13 errors (81%). The main types of error within findings of fact related to income taken into

account incorrectly (6 errors) and rate of award being incorrect (3 errors).

Income Support Decision Making

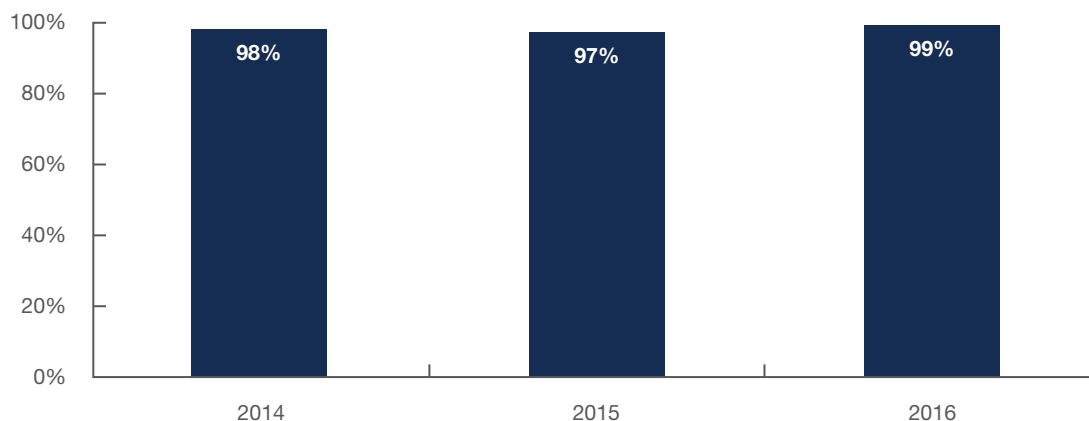
To find out the standard of decision making, 276 cases were examined and 272 cases (99%) were correct. The decision making

standard was 4 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision monitored.

IS Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	95	0	0%	100%	
Revisions	8	0	0%	100%	
Supersessions	173	4	2%	98%	
Overall Performance	276	4	1%	99%	+/- 1.2%

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

IS Standard of Decision Making



The main area of error was findings of fact 2 errors (50%). The types of error within findings of fact related to income taken into

account incorrectly and capital incorrect (1 error each).

Jobseeker's Allowance Decision Making

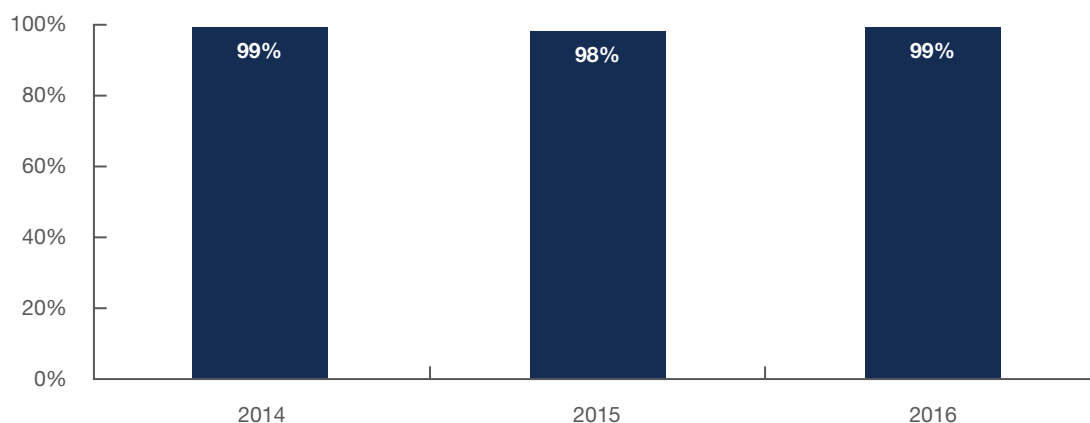
To find out the standard of decision making, 608 cases were examined and 600 cases (99%) were correct. The decision making

standard was 4 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision monitored.

JSA Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	468	3	1%	99%	
Revisions	14	1	7%	93%	
Supersessions	126	4	3%	97%	
Overall Performance	608	8	1%	99%	+/- 0.8%

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

JSA Standard of Decision Making



The areas of error were evidence 4 errors (50%) and findings of fact 4 errors (50%). The main type of error within evidence related to

mortgage/housing costs (3 errors). The main type of error within findings of fact related to income taken into account incorrectly (3 errors).

State Pension Decision Making

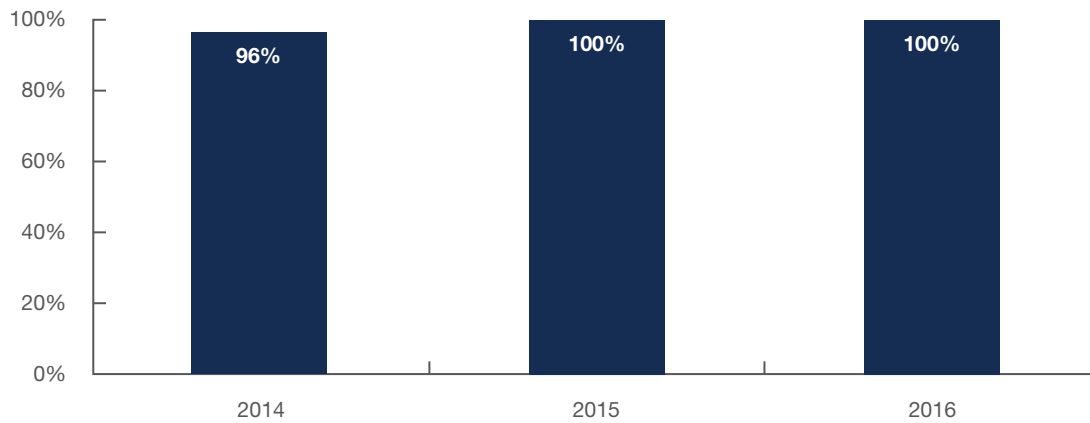
To find out the standard of decision making, 27 cases were examined and all cases (100%) were correct. The decision making

standard was 3 percentage points above the benchmark of 97%. The table below shows the breakdown of performance under each type of decision monitored.

SP Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	17	0	0%	100%	
Revisions	5	0	0%	100%	
Supersessions	5	0	0%	100%	
Overall Performance	27	0	0%	100%	N/A

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

SP Standard of Decision Making



State Pension Credit Decision Making

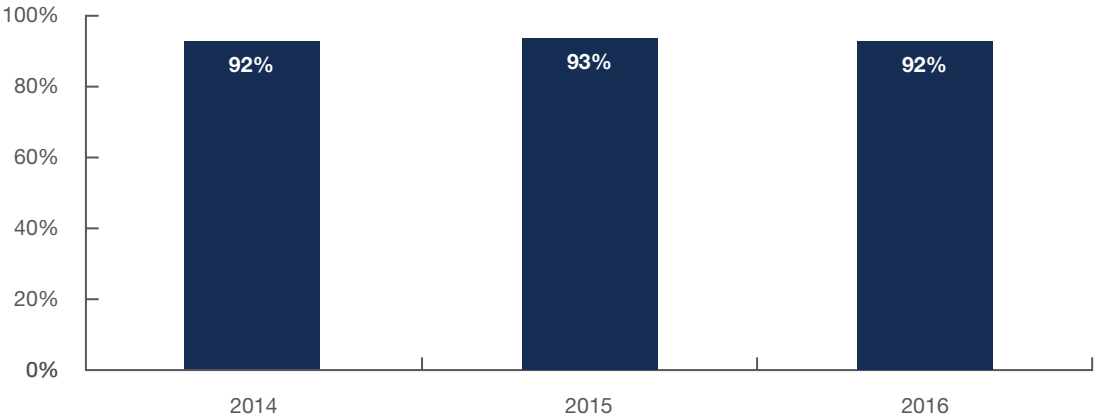
To find out the standard of decision making, 332 cases were examined and 305 cases (92%) were correct. The decision making

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

SPC Type of Decision	Total Cases Checked	Number of Cases Incorrect	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	150	9	6%	94%	
Revisions	9	2	22%	78%	
Supersessions	173	16	9%	91%	
Overall Performance	332	27	8%	92%	+/- 2.7%

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

SPC Standard of Decision Making



The main areas of error were evidence 12 errors (44%) and findings of fact 11 errors (41%). The main type of error within evidence related to capital incorrect (4 errors). The main

types of error within findings of fact related to income taken into account incorrectly and capital incorrect (4 errors each).



Part 4

Results – Financial Accuracy

Financial Accuracy is the estimate of the percentage of the benefit paid correctly. From April 2003 financial accuracy targets (the targets for 2016 are shown in brackets) were introduced for Income Support (99%) and Jobseeker's Allowance (99%). From April 2004 financial accuracy for State Pension (99%) and State Pension Credit (98%) was introduced and from April 2010 financial

accuracy for Employment and Support Allowance (98%) was also introduced. The table below shows the 2016 end of year performance against target for all the benefits and also a comparison with the 2015 end of year results. Appendix 7 details the estimated levels of financial error (Monetary Value of Error) for each of the 5 main benefits.

*Benefit	2016 Target	2016 Financial Accuracy Result	2015 Financial Accuracy Result
Main Benefits			
Employment and Support Allowance	98%	97.7%	98.4%
Income Support	99%	99.2%	98.3%
Jobseeker's Allowance	99%	99.6%	99.1%
State Pension	99%	99.8%	99.7%
State Pension Credit	98%	97.8%	97.6%
Other Benefits			
#Social Fund	No Target Set	99.5%	99.2%

*From 2016 SAU ceased the financial accuracy check on Disability Living Allowance.

#SF includes the discretionary aspects **only** i.e. Budgeting Loans, Community Care Grants and Crisis Loans. Due to the nature of its sampling methodology, the period for Social Fund is one month in arrears i.e. December 2015 to November 2016.

The results from the table above show that

- Of the 5 main benefits IS, JSA and SP exceeded their targets.
- ESA with a result of 97.7% met its target of 98% within the upper confidence level of 98.3%.
- SPC with a result of 97.8% met its target of 98% within the upper confidence level of 98.5%.

Analysis of the data used to calculate Financial Accuracy for 2016

The table below shows the number of cases used to calculate the 2016 Financial Accuracy results.

*Benefit	January–December 2016	
	Total Cases Checked	Total Cases in Error
Employment and Support Allowance	1344	99
Income Support	864	24
Jobseeker's Allowance	864	20
State Pension	456	39
State Pension Credit	1008	131
#Social Fund	648	21

*From 2016 SAU ceased the financial accuracy check on Disability Living Allowance.

#SF includes the discretionary aspects **only** i.e. Budgeting Loans, Community Care Grants and Crisis Loans. Due to the nature of its sampling methodology, the period for Social Fund is one month in arrears i.e. December 2015 to November 2016.



Part 5

Results – Overpayments and Appeals

Overpayment Decisions

A total of 369 cases were examined and 51 errors were raised resulting in an overall standard of 86%. The main area of error was findings of fact which accounted for 38 errors (75%). The main types of error within findings of fact related to the amount of the recoverable overpayment being incorrect (25 errors) and decision to recover being incorrect (10 errors).

In 2015 a new financial accuracy methodology was developed to put into context the financial consequences of decision making errors in relation to overpayment monitoring. The 2015 and 2016 results are shown in the table below.

Year	Total Cases Monitored	Number of Errors	Decision Making Standard	Financial Accuracy Standard
2016	369	51	86%	96%
2015	384	83	78%	92%
2014	384	74	81%	

Appeal Submissions

A total of 150 cases were examined and 7 errors were raised resulting in an overall

standard of 95%. The main type of error related to the submission defending an incorrect decision (6 errors).

Year	Total Cases Monitored	Number of Errors	Error Rate	Decision Making Standard
*2016	150	7	5%	95%
2015	215	6	3%	97%
2014	334	17	5%	95%

*From 2016 SAU ceased checking Disability Living Allowance Appeals.

Part 6

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

The Departmental Fraud and Error Reduction 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 2016 around £5.19bn was paid out in benefits. Across all benefits, staff handled 540,000 new claims as well as taking action on some 746,000 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.

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.

The Department works very closely with ASU, not only in developing risk models, but also specific scans targeting known areas of weakness, for example Severe Disability Premium cases for State Pension Credit.

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 0.33% in 2016. 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 2016–17 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 2016–17, error reduction activity carried out by benefit areas amounted to 67,600 checks or case reviews, which led to the adjustment of benefit in 8,315 cases, with a total monetary value of £21.6 million and a VFM ratio of 6.9:1. This total included almost £9 million of adjustments to payments where customers were entitled to additional benefits.

Implementation of the Department's fraud and error strategy

Throughout 2016–17 the Department continued to work towards the planned implementation of the Welfare Reform Programme as agreed under the Fresh Start Agreement.

Enhancements to the Department's counter fraud and customer error initiatives included the continued working with the Department for Work and Pensions (DWP) to utilise earnings and non state pension information via Her Majesty Revenue and Custom's Real Time Information system. Alongside the current range of activities, the new measures will ensure that the newly created Department for Communities maintains a strong focus on addressing benefit losses and underpayments, with the aim of maintaining or further improving, the current low levels of fraud and customer error in Northern Ireland.



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, Fraud and Error Reduction 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

Main Benefits

- ESA Employment and Support Allowance
- IS Income Support
- JSA Jobseeker’s Allowance
- SP State Pension
- SPC State Pension Credit

Other Benefits

- SF Social Fund

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 2017
- Appendix 4** Extract from the Income Support (General) Regulations (Northern Ireland) 1987 (Legislation governing “persons from abroad” for the purposes of Income Support)
- Appendix 5** Decision making standards versus benchmarks: 2015 and 2016
- Appendix 6** Types of decision making errors
- Appendix 7** Estimated monetary value of error information for Employment and Support Allowance, Income Support, Jobseeker’s Allowance, 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 monitoring 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 feedback monitoring 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. The Deputy Secretary of Work and Inclusion Group 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 of Work and Inclusion 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 monitoring 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

2016 Decision making additional errors

Benefit	Total Cases Monitored	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	426	16	5	21	95%	96%	95%
Income Support	276	4	23	27	95%	99%	90%
Jobseeker's Allowance	608	8	17	25	95%	99%	96%
State Pension	27	0	0	0	97%	100%	100%
State Pension Credit	332	27	12	39	95%	92%	88%

Appendix 3

Clearance times performance at 31 March 2017

Benefit	Target 2016/2017	Year to date performance at March 2017	Variance against target March 2017
AA (Claims)	25 days (PM)	21	+4
AA (Special Rules)	4 days (PM)	2	+2
AA (Appeals)	35 days (PM)	25	+10
DLA (Claims)	35 days (BS)	32	+3
DLA (Special Rules)	4 days (PM)	2	+2
DLA (Appeals)	35 days (PM)	27	+8
ESA (Claims)	14 days (BS)	14	–
ESA (Changes)	4 days (PM)	3	+1
ESA (Appeals)	45 days (PM)	39	+6
IIB (Claims)	55 days (PM)	50	+5
IIB (Appeals)	90% in 90 days	94%	+4%
CA (Claims)	21 days (PM)	20	+1
IS (Claims)	8 days (BS)	9	-1
IS (Changes)	4 days (PM)	3	+1
IS/JSA/SF (Appeals)	40 days (PM)	32	+8
JSA (Claims)	11 days (BS)	10	+1
JSA (Changes)	4 days (PM)	3	+1
State Pension (Claims)	6 days (BS)	7	-1
State Pension Credit (Claims)	9 days (BS)	5	+4
State Pension Credit (Changes)	5 days (PM)	3	+2
IS/JSA Overpayment Processing	15 days (PM)	13	+2
Budgeting Loans	4 days (PM)	3	+1
Community Care Grants	12 days (PM)	8	+4
Crisis Loans	2 days (PM)	1	+1
Funeral Payments	11 days (PM)	8	+3
Sure Start Maternity Grants	5 days (PM)	3	+2
Social Fund Reviews	10 days (PM)	6	+4

Clearance times are reported in Actual Average Clearance Times for 2016/2017.

Key To Targets

PM=Performance Measures

BS=Balanced Scorecard Targets

Appendix 4

Extract from Income Support (General) Regulations (Northern Ireland) 1987 (Legislation governing “persons from abroad” for the purposes of Income Support)

Special cases: supplemental – persons from abroad

21AA – (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) No claimant shall be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless he 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 (c);

(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;

(bb) regulation 15A(1) of those Regulations, but only in a case where the right exists under that regulation because the claimant satisfies the criteria in regulation 5A(4A) of those Regulations;

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

(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): or

(e) Article 20 of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of the substance of their rights as a European Union citizen).

(4) A claimant is not a person from abroad if he is –

(za) a qualified person for the purposes of regulation 6 of the Immigration (European Economic Area) Regulations 2006(2) as a worker or a self-employed person;

(zb) a family member of a person referred to in sub-paragraph (za) within the meaning of regulation 7(1)(a), (b) or (c) of those Regulations;

(zc) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of those Regulations;

(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(b), as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967(c);

(h) a person who has been granted leave or who is deemed to have been granted leave outside the rules made under section 3(2) of the Immigration Act 1971 where that leave is –

(i) discretionary leave to enter or remain in the United Kingdom;

(ii) leave to remain under the Destitution Domestic Violence concession, or

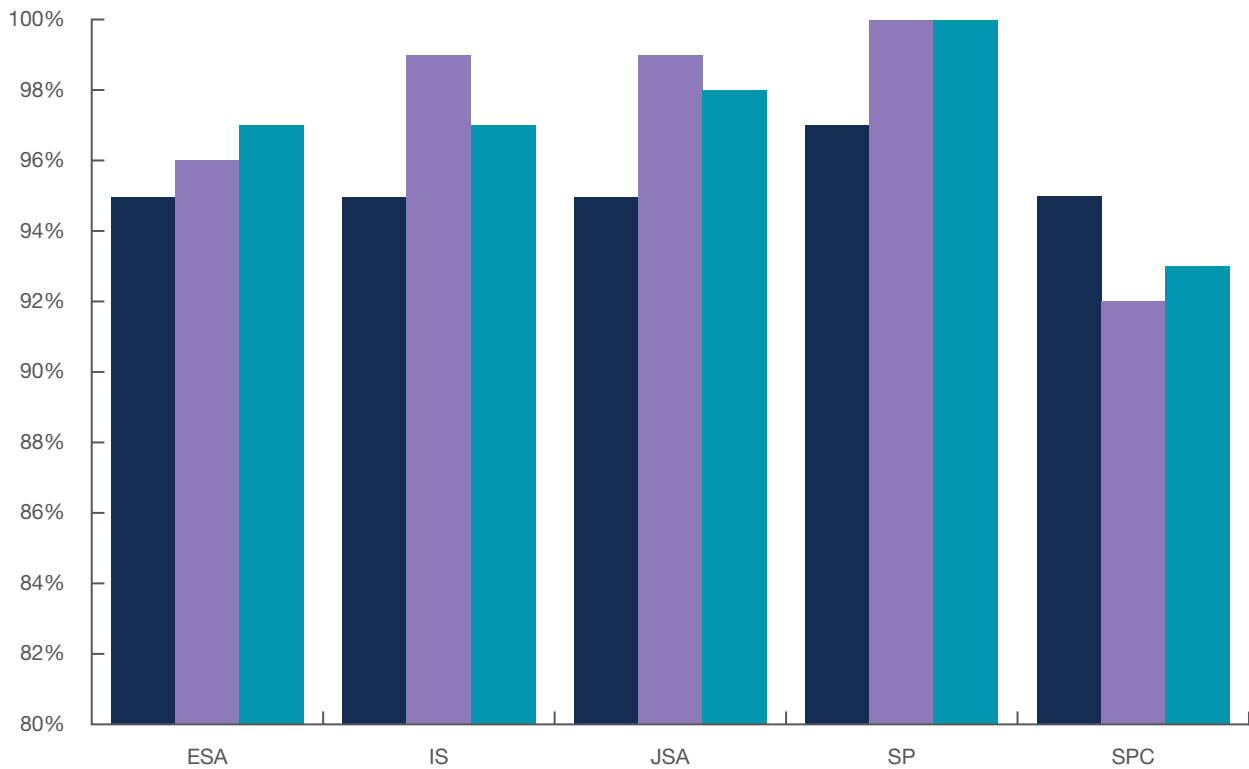
(iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005;

(hh) a person who has humanitarian protection granted under those rules;

(i) 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 his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom.

Appendix 5

Decision making standards versus benchmarks: 2015 and 2016



	ESA	IS	JSA	SP	SPC
Decision making Benchmark	95%	95%	95%	97%	95%
Decision making Standard 2016	96%	99%	99%	100%	92%
Decision making Standard 2015	97%	97%	98%	100%	93%

Appendix 6

2016 Type of decision making errors

Benefit	Decision making Comment Rate %	Evidence		Determination of Questions		Findings of Fact		Interpretation and Application of the Law		Total Number of Errors
		Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	Number of Errors	Percentage of Overall Errors	
Employment and Support Allowance	4%	1	6%			13	81%	2	13%	16
Income Support	1%	1	25%			2	50%	1	25%	4
Jobseeker's Allowance	1%	4	50%			4	50%			8
State Pension Credit	8%	12	44%	1	4%	11	41%	3	11%	27

Appendix 7

Estimated Monetary Value of Error Information 2016 for Employment and Support Allowance, Income Support, Jobseeker's Allowance, 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	£19,041,896	£9,001,393	£10,040,503	£840,829,736	2.3%
Income Support	£1,253,426	£925,101	£328,325	£152,555,530	0.8%
Jobseeker's Allowance*	£438,922	£366,983	£71,939	£125,279,056	0.4%
State Pension	£3,484,290	£733,535	£2,750,756	£2,202,006,855	0.2%
State Pension Credit	£6,019,296	£4,365,245	£1,654,050	£270,943,201	2.2%

*includes training monies



DfC

Department
for Communities

www.communities-ni.gov.uk