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Child Maintenance Service Annual Report On Decision Making

1 April 2018 to 31 March 2019



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

Department for Communities
Child Maintenance Service
Great Northern Tower
17 Great Victoria Street
Belfast BT2 7AD

Phone: (028) 2132 6410

Email: belfastcsac.nicmt@cms.gsi.gov.uk

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Child Maintenance Service Annual Report On Decision Making

1 April 2018 to 31 March 2019

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by the Department for Communities.

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Foreword by the Chairperson of the Standards Committee

Introduction

The Standards Committee for Northern Ireland was established in 1999. The terms of reference for the Committee is set out in Appendix 3 of this report. Put briefly, the background to the creation of the Standards Committee is as follows. 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 when concerns were raised at the credibility of arrangements whereby those responsible for service delivery would also be monitoring the standard of the service provided. To address these concerns the Westminster government provided assurances that further measures 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 17 of the report.

As I have mentioned, Appendix 3 sets out the broad terms of reference of the Committee. Primarily, the Committee has the task of providing assurance that the arrangements in place within the Department for Communities (DfC), including Child Maintenance Service (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 full Committee at its quarterly meetings considers the quarterly reports produced by the Case Monitoring Team (CMT) within CMS, which set out the most recent data on performance in detail 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 continue to be robust and note that this conclusion is supported by the work of the NIAO. I would therefore 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 continues to improve and is generally of a high standard.

Decision making performance in 2018/2019

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, 757 cases were selected for checking in 2018/2019.

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 in line with the correct application of the law.

Finally, for the 2012 Scheme, Chapter 4 identifies the findings for 2018/2019. Both cash value accuracy and decision making accuracy achieved the target of 97%. As always, there is some room for improvement with regard to both cash value and decision making accuracy but some issues should be borne in mind in assessing performance. For various reasons, a significant proportion of the work of CMS continues to relate to complex cases and the data above does not fully capture the effort required to reach and maintain the standards achieved. In addition, external forces such as changes in the labour market affect decision making. Appendix 1 again indicates that for the 2012 Scheme a major source of error continues to relate to earnings. Income assessment is clearly more difficult when new forms of employment, most obviously zero hours contracts, are emerging.

The broader context

Following its 25 years of operation, CMS has continued to achieve its targets in Financial and Decision Making Accuracy at 97%, and the transformation of the service is now almost complete. CMS 2012 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.

Our visits to the Child Maintenance Service allow us to gather feedback from staff and this continues to indicate that they are benefiting from the new system in terms of

the feedback they are receiving from users, in that they see their work delivering good outcomes for children. We would commend them for their continued efforts and commitments to those who use the service.

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. I would also like to thank my fellow independent and departmental colleagues on the Committee for their interest and insight into the work of the Child Maintenance Service.



Marie Cavanagh
Chairperson of the Standards Committee

Introduction by the Director of CMS

At the start of this reporting year, Child Maintenance Service marked its 25th birthday on 5 April 2018. It was the renowned local writer CS Lewis who said “isn’t it funny that day to day nothing changes, but when you look back, everything is different”. I think this perfectly captures the last quarter of a century for child maintenance. The last 25 years have seen significant challenges faced and seismic organisational changes introduced. We now look to the future as we work to deliver a continually improving child maintenance service fit for the next 25 years of supporting separated and separating families.

Two areas that have been a constant challenge through our journey are the accuracy of our decisions and getting and keeping cases paying. I am very pleased to report that during 2018/19, we delivered high levels of performance in both of these areas and across a range of other key measures.

This report will highlight that our Cash Value Accuracy in 2018/19 was 97% against our target of 97%. It will also record a 97% decision accuracy rate. Given the complexity of a child maintenance assessment and the degree of manual interventions still necessary, coupled with the fact that we have a minimum of two customers to every case, these are truly commendable results.

This is against a backdrop of improvements in the speed of our service delivery, with more than 85% of cases paying within 12 weeks of applying and over 90% of changes of circumstance actioned within 4 weeks.

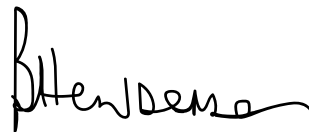
All of this has supported improvements in the number of cases paying, with more parents than ever taking financial responsibility for their children through child maintenance arrangements. Overall, our compliance is now sitting at 91.6%, meaning that more than 9 out of 10 parents are paying their child maintenance, providing much needed financial support to their children. During the year, Child Maintenance Service supported 16,000 children across Northern Ireland with £19m of child maintenance collected and arranged.

We have also continued with our programme of reform, successfully ending all liabilities on historic CSA cases and transferring clients to the ‘new’ 2012 Scheme where appropriate. We have also taken significant steps to address the complex and sensitive issue of longstanding unpaid maintenance from our 1993 and 2003 legacy schemes through the development and implementation of our NI Child Maintenance Compliance and Arrears Strategy. The Strategy also introduces additional measures to further improve compliance, which will limit the level of arrears on the 2012 Scheme.

While these are tremendous achievements, clearly we can never be complacent as we know that even one wrong case can negatively impact a family. So we will carry on putting children and families at the heart of everything we do. I would personally like to record my thanks and appreciation to all our people in CMS who have worked tirelessly through relentless change to achieve the results documented in this report – well done to each and every one of you!

This is the final year that CMS will have Cash Value Accuracy as its formal measure of accuracy. Following discussions with key stakeholders, CMS will be changing to reporting the Monetary Value of Error in 2019/20. As a measure, MVE provides a more granular insight by reflecting not just the volume but also the scale of any error in a maintenance calculation. As we make this change, it is particularly pleasing that Cash Value Accuracy finishes in such a positive position.

Finally, as ever, my thanks to Marie and the Standards Committee for the ongoing support and challenge they give us. They bring a wealth of experience to their role and we will continue to strive to meet the exacting standards they quite rightly expect from CMS.



Brenda Henderson
Acting 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 this monitoring accurately reflects the standard of decision making within CMS.

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 2018/2019 monitoring year was to achieve a Cash Value Accuracy level of 97% for the CMS 2012 Scheme. The target focuses upon the accuracy of the last decision CMS made on a case and is

Balanced scorecard

1.3 The CMS 2012 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 both 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 CMS 2012 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 will support clients whether they choose either the Collect and Pay or the Direct Pay service. The assessment service includes an automatic Annual Review; in addition to this either client can report various changes throughout the lifespan of the case and each decision made on the CMS 2012 system can be subject to a Mandatory Reconsideration, thus ensuring that either client can challenge any decision made by CMS. 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 During the reporting year 2018/2019, 757 cases were randomly selected for checking. The process used to derive this sample is set out below, and ensures that a statistically valid sample of cases are checked to provide assurance on the overall level of accuracy.
- 3.2 The total number of cases selected for checking is calculated for CMS by Analytical Services Unit, who are part of the Northern Ireland Statistics and Research Agency. For the CMS 2012 Scheme, this sample size is based on a confidence level of 95% with a tolerance level of +/- 1.5%. This means that the actual cash value accuracy rate could be up to 1.5% greater or less than the accuracy rate found by the case monitors.
- 3.3 All cases selected by the Case Monitoring Team (CMT) for assurance are taken from scans provided to CMT by a third party (Business Analytics Unit). An agreed random selection process is then used to determine the final selections, which ensures that all cases have an equal chance of being checked.
- 3.4 Using this method provides a robust and independent assurance on the selection process.
- 3.5 The types of decisions selected are those 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 CMT form the basis of monthly reports to the Senior Leadership Team and operational managers. Case Monitoring Team also provide quarterly reports to the Standards Committee. These reports detail performance against the Balanced Scorecard target, providing an analysis of results and identifying any trends and issues.

4. Monitoring Findings for CMS 2012 Scheme

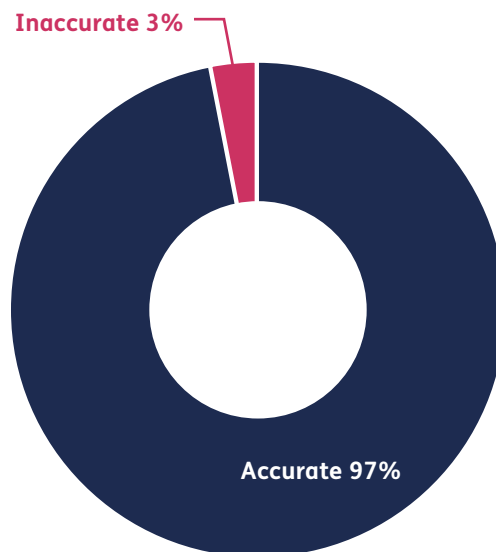
4.1 The CMT’s findings for CMS 2012 Maintenance Calculations in relation to Cash Value Accuracy and Decision Making are presented in this part of the report.

CMS 2012 Maintenance Calculations

CASH VALUE ACCURACY

4.2 Between 1 April 2018 and 31 March 2019 the Case Monitoring Team monitored 757 CMS 2012 Maintenance Calculation

decisions. The monitoring found that 736 were cash value accurate (97%) and 21 were cash value inaccurate (3%). The main errors affecting cash value accuracy were incorrect effective dates and income errors. This is the third consecutive year that CMS have met the cash value accuracy target of 97%.



DECISION MAKING ACCURACY

4.3 The same sample of 757 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 and variation decisions. 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 raised 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 757 decisions monitored, 26 were found to have had decision making errors relating **solely** to income or variations (3%). Decision making accuracy is therefore reported as 97% accurate.

- **Appendix 1** provides an analysis of **all** decision making comments including the income and variation decisions mentioned above, bearing in mind there could be more than one decision making comment within a decision.

Appendix 1

CMS 2012 Scheme Maintenance Assessment Comments

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

Maintenance Calculation Comments						
1 April 2018 – 31 March 2019						
	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 incomplete or inaccurate	
Jurisdiction	0	0	0	0	0	0
Effective Date	0	1	5	19	2	27
Shared Care	5	0	0	0	6	11
Earnings – Other	3	0	6	7	13	29
Earnings – Calculation	2	0	3	3	1	9
Earnings – Bonus	0	0	0	1	0	1
Pension Contributions	0	0	0	0	0	0
Benefit Income	0	0	2	1	4	7
Other Income	0	0	0	0	0	0
Notifications	0	0	0	0	0	0
Variations	6	4	1	4	9	24
QC/ROC/CIFBA*	9	0	2	2	5	18
Other	0	0	0	3	4	7
Total	25	5	19	40	44	133

*QC/ROC/CIFBA – Qualifying Child(ren)/Relevant Other Child(ren)/Child in Family Based Arrangement

Appendix 2

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.

Appendix 3

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	Independent Chairperson
Kevin Higgins	Independent Member
Ursula O'Hare	Independent Member
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	Business Support, Child Maintenance Service, Department for Communities
Lacey Walker	Head of Internal Audit Department for Communities

Appendix 4

Glossary

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 CMS 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 CMS 2012 Scheme.
CMS 2012	Scheme introduced in 2012 to replace the 1993 and 2003 Schemes.

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