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Annual Report on Decision Making and Financial Accuracy

1 January to 31 December 2019



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**Annual Report on Decision Making and
Financial Accuracy**

1 January to 31 December 2019

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.

23 April 2021

Contents

Foreword by the Standards Committee Chairperson	5
Introduction by the Deputy Secretary, Supporting people Group	10
Part 1 Background	12
Part 2 Measurement and Sampling Methodology	13
Part 3 Results - Decision Making	16
Employment and Support Allowance Decision Making	17
Jobseeker's Allowance Decision Making	18
Personal Independence Payment Decision Making	19
State Pension Decision Making	20
State Pension Credit Decision Making	21
Universal Credit Decision Making	22
Part 4 Results - Financial Accuracy	23
Part 5 Results - Overpayments and Appeals	25
Part 6 Department's Strategy to Reduce Error in Decision Making and Financial Accuracy	26
Glossary	28
Social Security Benefits	29
Key to Appendices	30
Appendix 1 Terms of Reference for the standards Committee	31
Appendix 2 2019 Decision making additional errors	32
Appendix 3 Clearance Times	33
Appendix 4 Extract from 'The Employment and Support Allowance Regulations (Northern Ireland) 2008(Legislation governing "persons from abroad" for the purposes of Employment and Support Allowance)	34
Appendix 5 Decision making standards versus benchmarks: 2018 and 2019	36
Appendix 6 2019 Type of decision making errors	37
Appendix 7 Estimated Monetary Value of Error Information 2019 for Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payment, State Pension, State Pension Credit and Universal Credit	38

Foreword by the Standards Committee Chairperson

The Northern Ireland Joint Standards Committee was established in 1999 on foot of the Social Security (Northern Ireland) Order of 1998. The Order transferred responsibility for monitoring and reporting on the standard of decision making, where there is a right of appeal, from the Chief Adjudication Officer to, in effect, the Chief Executives of the Social Security Agency and the Child Support Agency which subsequently became the Child Maintenance Service. In May 2016 the work of both bodies was incorporated into the new Department for Communities and responsibility for monitoring the standards of decision making now rests with the Deputy Secretary Supporting People Group. The shift in responsibility in 1998 replicated changes made in GB in the 1998 Social Security Act. During the debates on this legislation concerns were expressed with regard to the credibility and appropriateness of the new arrangements. To allay these, the Westminster government provided assurances that provision would be made to inject an independent element into the scrutiny of the quality of decision making with regard to social security and child support. In Northern Ireland the response to these concerns was the creation of the Joint Standards Committee with an independent chair and two other independent members. The full membership of the Committee is set out in Part 1 of the Report and our terms of reference can be found in Appendix 1.

The Committee has three main tasks. Our core responsibility is to provide assurance that robust procedures are in place to monitor

the quality of decision making with regard to specified benefits and child support. Secondly, we are charged with reporting on the standard of decision making, identifying any weaknesses and making recommendations to secure improvement. Thirdly, we are required to provide assurance that the results of monitoring are fed back to decision makers to promote continuous improvement.

With regard to benefits, the day to day work of checking the quality of decisions is undertaken by the Standards Assurance Unit (SAU) of the Department and, on the basis of all of the work completed this year, I am satisfied that the procedures in place are robust and effective. With regard to the standard of decision making, as the report indicates, the performance of decision makers has been satisfactory this year with small percentage variances from the benchmarking. It should be noted that monitoring of Universal Credit was only implemented during 2019 and targets have not yet been set for benchmarking purposes. This will change in the coming years.

Some of the percentage variances from the benchmarking will be attributed to small sample sizing as evidenced in the number of State Pension cases checked where even a very small number of errors can create a noticeable variance. I can however provide assurance that procedures to secure on-going improvement of the service are in place and I would like to commend all the staff who contributed to this performance.

As indicated in last year's report the sample size has increased with the introduction of the Universal Credit monitoring in 2019.

The work of the Committee in 2019

As our terms of reference require, we have had four full Committee meetings this year. As well as reviewing the statistical material presented by the Standard Assurance Unit, the Committee has considered a wide range of issues which are relevant to effective service delivery. There has been continued discussion of the substantial programme of work required to implement the Welfare Reform (Northern Ireland) Order 2015 and the Report of the Welfare Reform Mitigations Working Group. Other matters raised at Committee have, for example, related to appropriate staff recruitment and retention, staff training to give better support to claimants, particularly to claimants where mental health is an issue.

We are aware that the Department for Communities started to monitor Universal Credit in 2019 and the decision making and financial accuracy results can be found on pages 22 and 23 of this report. As previously mentioned, since the benefit is still at an early stage of implementation, targets have not yet been set. It should be pointed out however, that at the time of writing we have had some experience of the increase in applications as a result of the global pandemic Covid-19 and to this end the Department and the Independent Standards Committee will be considering the implications of this surge in applications on the 2020 and 2021 targets.

Throughout 2019, the Committee attended meetings with staff responsible for delivering the Job Seekers Allowance, Employment and Support Allowance and Personal Independence Payment. Additionally, we visited the Holywood Road, Newry and Ballymoney Jobs and Benefit Offices and reviewed the implementation process for Universal Credit. We also visited the Pension Centre in Derry and met with the staff of the Decision Making Service.

As usual, we have been impressed with the commitment and expertise of all of those who provide such important support to the people of Northern Ireland. We have also had discussions with the voluntary sector and the Northern Ireland Audit Office.

With regard to the meeting with the voluntary sector, we took the opportunity to review the work of the Independent Standards Committee with representatives from the sector and we were pleased to receive some positive feedback on the service provided. The exchange of information also proved positive, enabling specific issues to be raised and fed into the system to be addressed. With regard to meeting the Northern Ireland Audit Office, I would like to say that it provides a useful opportunity to address issues that arise throughout the year and it can be once again noted that the work they undertake is supportive of the departmental assurances I have given above.

Monitoring performance

As Part 2 of the report indicates, the standard of decision making is assessed using samples of cases drawn from across

the live load. These cases are checked for financial accuracy: the correctness of the payments being made. Within this process, all cases where a decision has been made in the preceding 12 months are identified and checked for decision making accuracy using four criteria:

- sufficiency of evidence,
- determination of questions,
- findings of fact and
- correct application of legislation.

Two observations can be made on this methodology. First, in line with procedures in GB, an error is recorded for decision making only where there is a financial consequence. It was agreed some time ago, that, for the sake of completeness, the Annual Report for Northern Ireland should include data on all errors and this is provided in Appendix 2.

Secondly, the methodology used can result in very small numbers of cases being checked for decision making as has occurred again this year in the case of the State Pension.

The standard of decision making and financial accuracy in 2019

Part 3 of the report deals with decision making accuracy. The table on page 16 of the report details the performance of staff with regard to decision making for the six benefits monitored this year: Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payments, State Pension, State Pension Credit and Universal Credit. From this it can be seen that staff exceeded the accuracy benchmarks set for four out of five benefits for which targets were set in 2019. In the case of Universal Credit, the Decision Making accuracy rate stands at 91%

and the Committee is keen to see how this progresses when targets are introduced in the coming years.

As I mentioned earlier the percentage variance from the benchmarking will be attributed to small sample sizing as evidenced in the number of State Pension cases checked where even a very small number of errors can create a noticeable variance. Given the agreed sample sizes we are confident that this is a satisfactory outcome.

I can also report that in this, the second year of monitoring the decision making and financial accuracy for Personal Independence Payment both have again exceeded their benchmark targets as can be seen in the table on pages 19 and page 23 respectively.

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

In Part 4 of the report financial accuracy is dealt with. The table on page 23 shows that the Department has been successful in ensuring that the expenditure on these benefits is correctly disbursed. Of the six benefits monitored in 2019, Personal Independence Payment, State Pension and State Pension Credit exceeded the targets set and Employment and Support Allowance and Jobseeker's Allowance missed their targets by

1% and 1.2% respectively an improvement on last year. In the case of Universal Credit, the financial accuracy rate stands at 93.3% and the Committee is keen to see how this progresses when targets are introduced in the coming years.

Supplementary issues

Part 5 of the report provides information on the standard of decision making for overpayments and appeals. Decision making for overpayments has improved slightly in relation to the 2018 figure. It should be noted that, unlike the previous few years, SAU now include PIP in the measurement and reporting on overpayments and appeals.

The standard of decision making for appeal submissions, also on page 25, has improved on the 2018 figure, although Appendix 3 indicates that there has been some slippage in the targets set for clearance times across Attendance Allowance, Disability Living Allowance and ESA Appeals.

Further information provided in Part 6 of the Report details the estimated monetary value of error and is indicative of the level of activity undertaken by the department. It is also a healthy corrective to much of the discussion which surrounds social security. The Report indicates that around £5.8billion was paid out in benefits in 2019 (£4.63billion of which is incorporated in the six monitored benefits). The data is derived from the numbers of cases handled by staff throughout 2019 including 170,002 new claims and 746,664* changes of circumstances.

(*this figure does not include Universal Credit Claims)

Within this, as is evidenced in Appendix 7, the loss to the public purse as a result of overpayments in the six monitored benefits is just over £32.5million and this represents 0.7% of total expenditure. Moreover, the loss to the public purse via overpayments is offset by underpayments which total almost £32.8 million.

Conclusion

In light of the number of benefits being monitored and the implementation of Universal Credit, I am pleased to be able to present a good assessment of the standard of decision making achieved this year. I would, however wish to raise some issues for consideration by the Department and Committee. There continues to be increased pressure on staff and in some cases difficulties in the recruitment of appropriate staff and where staff are recruited the time taken for training. The Department continues to deliver existing benefits, manage cuts to these, manage the transitions to new benefits and implement the measures to alleviate the hardship caused by all of this. While the roll out of Universal Credit has been managed to date the Standards Committee are aware that the implementation of migration, when it takes place, will place further pressures on the service. To avoid a decline in decision making standards, and, reduce strain and anxiety amongst staff, continued new thought will need to be given to the timetabling and resourcing of change. At the time of writing this had been further exacerbated by the impact of Covid-19. Finally, I would like to express my particular thanks for the support provided to me by the rest of the members of the Standards Committee, the officials who have attended the meetings and visits arranged throughout

the year and the staff of Benefit Security, Business Support who have provided secretarial and administrative support to the Committee. In particular, I would like to thank Ursula O'Hare and Kevin Higgins for sharing their experience as Independent members of the Committee with me. Their breadth of knowledge and experience of social security legislation and policy continues to be an invaluable asset to me and the Standards Committee generally.

A handwritten signature in black ink, appearing to read 'Marie', written in a cursive style.

Marie Cavanagh
Chairperson of the Standards Committee

Introduction by the Deputy Secretary, Supporting people Group

I am pleased to introduce the Department for Communities Annual Report on Decision Making and Financial Accuracy prepared for the Joint Standards Committee (the Standards Committee). Throughout the Covid-19 pandemic the Department has worked collectively to deliver key public services to some of the most vulnerable in society, ensuring they receive the essential services on which they depend. This vital work has impacted on the timing of this publication.

This report focuses on two main areas which are the level of Decision Making Accuracy in social security benefits and the level of Financial Accuracy. 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 4 out of the 5 benefits measured for decision making standards exceeded the benchmark target which is an improvement from last year when 2 of the 5 benefits exceeded the benchmark target.

Financial accuracy performance has remained high during 2019 with 3 of the 5 main benefits, namely Personal Independence Payment, State Pension and State Pension Credit, exceeding their financial accuracy target. Employment and Support Allowance and

Jobseekers Allowance missed their targets by 1% and 1.2% respectively. As a relatively new benefit, there was no target set for Universal Credit financial accuracy; measured for the first time in 2019 the result was 93.3% which is a strong result for a newly implemented benefit and a platform from which to build.

It is pleasing to note the Chairperson's favourable comments that expenditure on the 5 major benefits has been correctly disbursed and her recognition that the results are an improvement on last year's performance. This strong accuracy performance achieved demonstrates that the Department's approach to reducing error continues to be effective, with a targeted approach to error reduction activity, alongside staff training, accuracy improvement plans and other initiatives. Moving forward the Department will look to maintain the gains already made and seek to drive further improvement.

The Department for Communities has a very wide remit under its vision of 'Supporting people, Building communities and Shaping places', impacting the lives of every person in Northern Ireland. What we do in designing and delivering public services is important to all citizens and we will continue to strive to deliver the highest standard of service in everything we do.

Due to the pandemic, we had to change and adapt swiftly as a Department to continue delivering vital services. I would like to thank

staff for their remarkable resilience, dedication and hard work throughout this unprecedented year. The excellent results outlined in this report clearly demonstrate that Departmental staff are committed to delivering a first class customer service.

I would like to pass on my sincere appreciation and thanks to Marie Cavanagh, Kevin Higgins and Ursula O'Hare on the Joint Standards Committee. The Committee plays an important role in providing independent scrutiny and assurance to the Department on the standards of decision making and financial accuracy, making recommendations for improvement,

where necessary. This feedback is highly valued by myself and the senior management team.

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

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

Jackie Kerr
Deputy Secretary

Part 1 Background

The Deputy Secretary of Supporting People Group, within the Department for Communities (DfC) is responsible for categorising and reporting on decision making standards. They also report on the financial accuracy of payments for Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payment, State Pension, State Pension Credit and Universal Credit.* The standard of financial accuracy for these benefits along with Attendance Allowance, Bereavement Benefit, Carer's Allowance, Disability Living Allowance, Incapacity Benefit, Income Support, Industrial Injuries Disablement Benefit, Maternity Allowance, Social Fund, Universal Credit and Widows Benefit is also shown in the DfC Annual Report and Accounts.

* Universal Credit is a social security payment. It is replacing and combining six benefits for working-age people who have a low household income: income-based Employment and Support Allowance, income-based Jobseeker's Allowance, and Income Support; Child Tax Credit and Working Tax Credit; and Housing Benefit. The Department for Communities started to monitor Universal Credit in 2019 and the decision making and financial accuracy results can be found on Pages 22 and 23 of this report, respectively. A target has not been set, as yet, as this is a relatively new benefit.

Following the introduction of the Social Security (Northern Ireland) Order 1998 the requirement for the Chief Adjudication Officer to report on standards of adjudication was removed. To help ensure transparency, it was decided to have independent oversight, and in 1999, a Northern Ireland Joint Standards Committee (the Standards Committee) for both the Social Security Agency (SSA) and Child Support Agency (later renamed Child

Maintenance Service(CMS)) was set up to oversee monitoring arrangements and report on performance. Following the change in Government structures in May 2016, both the SSA and CMS were dissolved and their services were incorporated within the DfC. The Standards Committee includes an independent chairperson, together with two other independent members, and has terms of reference agreed by the DfC.

The Standards Committee members are:

Marie Cavanagh
Independent Chairperson

Kevin Higgins
Independent Member

Ursula O'Hare
Independent Member

John McKervill *
Director of Pensions, Disability, Fraud & Error Reduction, Department for Communities

Conrad McConnell *
Assistant Director of Benefit Security, Department for Communities

Jonathan Furphy
Case Monitoring Team, 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

* John McKervill and Conrad McConnell left the Standards Committee in 2020 and were replaced by Mickey Kelly and Julie Nelson respectively

Part 2 Measurement and Sampling Methodology

The DfC Annual Report on Decision Making and Financial Accuracy for the period 1 January to 31 December 2019 (the Report) summarises the categorising results for standards of decision making and financial accuracy for social security benefits in 2019. 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.

Categorising

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

- **Decision Making** - The categoriser checks if a decision has been made on the case within the last 12 months prior to the date the payment for the selected period was issued and if so, the case is used to measure the standard of decision making. The purpose of this check is to establish if the actual decision awarding a new claim to benefit or changing the rate of benefit

in payment is correct. A decision making error is only recorded where the incorrect decision also results in the payment being incorrect. The standard of decision making is expressed as a percentage. It is important to note that when Standards Assurance Unit reports on the standard of decision making it is only on decisions made by offices within the last 12 months so that the quality of current decision making can be assessed. It does not cover the full live load. Until 31 March 2002 the decision making and official error standards were checked in different ways but with effect from May 2002 the checks were brought into line with each other and a decision making error will only be reported if a payment error also exists. The errors which would have previously been reported as full decision making errors are noted as Additional Errors and shown in Appendix 2 to the Report. For revision and supersession decisions, the check is based on the last business event.

The decision making check continues to examine the 4 main areas as follows:

- evidence - is there enough evidence on which to base a decision?
- determination of questions - have all relevant questions been decided?
- findings of fact - have the correct facts been found from the evidence available at the time of the decision?

- interpretation and application of the law
 - has statute law and case law (previous commissioner/court decisions) been correctly interpreted and applied?
- **Financial Accuracy** - The financial accuracy standard represents the estimate of the percentage of the benefit expenditure that is paid correctly. Financial accuracy is measured by considering the monetary value of each error, either overpayment or underpayment, identified during the official error check. The monetary value of each error identified is passed to Analytical Services Unit who extrapolate the figures to estimate the likely level of financial error in the live load for the benefit concerned.

All errors identified in the decision making and financial accuracy checks, including errors which do not cause a payment error, are reported back to operational managers and staff for the purpose of continuous improvement and to enable them to take corrective action. A further analysis of the financial accuracy results can be found in Part 4 of this report.

Clearance Times

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

Legislation Extract

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

Sample Size and Selection

Random Sample, Confidence Level and Confidence Intervals

On a monthly basis, statisticians provide Standards Assurance Unit with a random sample of cases from across each benefit live load. This means that the sample can contain a range of cases from the oldest in the live run to the most recent. This is necessary to meet Northern Ireland Audit Office requirements to reflect the full live load. The samples provided for each benefit aim to ensure that the results of the financial accuracy exercise are to a confidence interval of no more than +/- 1% for all benefits and the results of the decision making exercise expected to achieve a confidence interval of no more than +/- 5% for all benefits.

The financial accuracy (percentage of annual benefit expenditure paid correctly) of a social security benefit is estimated from random samples selected throughout the year.

The overall sample size required to measure financial accuracy is based on a confidence level, a confidence interval and an estimate of the financial accuracy in the benefit population. Using the weekly monetary amounts paid in error, benefit expenditure and the appropriate statistical formula, the sample size required to measure financial accuracy in 2019, at the 95% confidence level, was calculated for each benefit.

Stratification

The financial accuracy of each social security benefit was estimated from stratified random samples of benefit cases selected throughout the year. Stratification serves to ensure that the sample is distributed in the same way over 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.

Variability and Sample Size

The variability in the attribute being measured within the population is an important factor in determining the sample size required. The more variability in the population, the larger the sample size required to achieve a given confidence interval.

For example, the sample size needed to measure financial accuracy to a given confidence interval would depend on the proportion of cases paid correctly. If over 90% of cases were paid correctly, this indicates that the variability in the population is low i.e. a large majority of cases are paid correctly. However, if 50% of cases were paid incorrectly, this indicates a high level of variability in the population. This greater level of variability means that a larger sample size would be needed to achieve a given confidence interval.

Part 3 Results - Decision Making

The table below sets out the standard achieved against the decision making benchmarks for social security benefits. These results are also shown in the graph in Appendix 5 to the Report with comparison to last year's result.

Appendix 6 to the Report details the type of decision making errors made under the 4 main headings.

Benefit	Total Cases Checked	Number of Incorrect Cases	Error Rate	Decision Making Standard	Decision Making Benchmark	Variance
Employment and Support Allowance	160	3	2%	98%	95%	3%
Jobseeker's Allowance	266	13	5%	95%	95%	0%
Personal Independence Payment	250	3	1%	99%	95%	4%
State Pension	33	3	9%	91%	97%	-6%
State Pension Credit	190	10	5%	95%	95%	0%
Universal Credit	523	47	9%	91%	No target set	

The results from the table above show that:

- 4 of the 5 decision making benchmarks has been achieved, with 2 exceeding their benchmark (ESA & PIP).
- A benchmark has not been set for Universal Credit as it is a relatively new benefit.

Additional Errors

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

Decision Making Performance

This part of the Report details the standard of decision making for Employment and Support Allowance, Jobseeker’s Allowance, Personal Independence Payment, Universal Credit, State Pension and State Pension Credit.

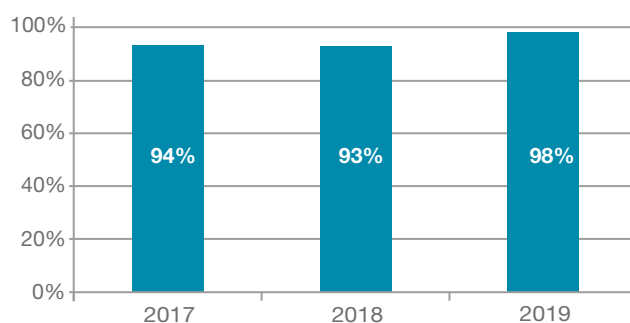
Employment and Support Allowance Decision Making

To find out the standard of decision making, 160 cases were examined and 157 cases (98%) were correct. The decision making standard was 3 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

ESA Type of Decision	Total Cases Checked	Number of Incorrect Cases	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	12	0	0%	100%	
Revisions	19	0	0%	100%	
Supersessions	127	3	2%	98%	
Upgrading	2	0	0%	100%	
Overall Performance	160	3	2%	98%	+/- 2.2%

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 2 errors (67%) with both relating to income taken into account incorrectly.

Jobseeker's Allowance Decision Making

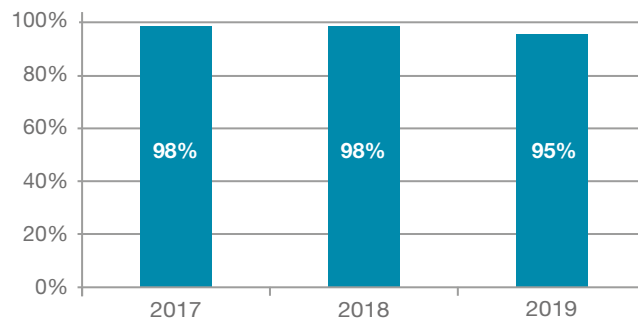
To find out the standard of decision making, 266 cases were examined and 253 cases (95%) were correct. The decision making

standard was the same as the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

JSA Type of Decision	Total Cases Checked	Number of Incorrect Cases	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	155	0	0%	100%	
Revisions	18	1	6%	94%	
Supersessions	93	12	13%	87%	
Overall Performance	266	13	5%	95%	+/-2.5%

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

JSA Standard of Decision Making



The 2 main areas of error were evidence 7 errors (54%) and findings of fact 4 errors (31%).

The main type of error within evidence related to premiums calculated incorrectly (3 errors).

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

Personal Independence Payment Decision Making

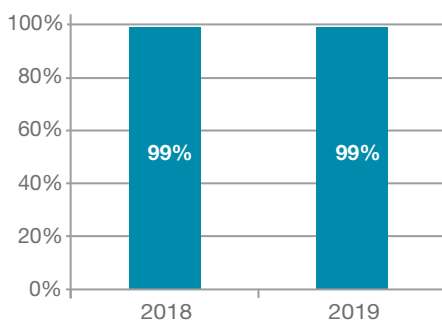
To find out the standard of decision making, 250 cases were examined and 247 cases

(99%) were correct. The decision making standard was 4 percentage points above the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

PIP Type of Decision	Total Cases Checked	Number of Incorrect Cases	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	246	3	1%	99%	
Revisions	2	0	0%	100%	
Supersessions	2	0	0%	100%	
Overall Performance	250	3	1%	99%	+/- 1.2%

The chart below compares decision making standard over the last 2 years (PIP reporting only commenced from 2018).

PIP Standard of Decision Making



The area of error was evidence 3 errors (100%). The errors related to disability / mobility incorrect (2) and outcome decision incorrect (1).

State Pension Decision Making

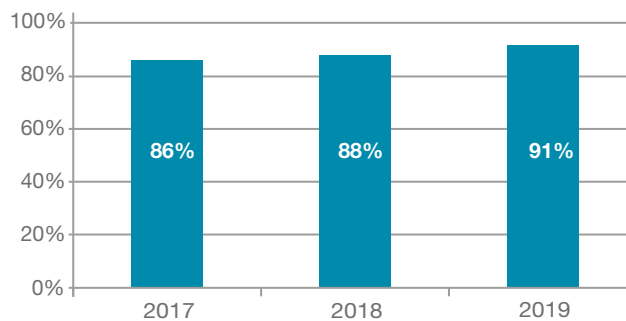
To find out the standard of decision making, 33 cases were examined and 30 cases (91%) were correct. The decision making standard

was 6 percentage points below the benchmark of 97%. The table below shows the breakdown of performance under each type of decision checked.

SP Type of Decision	Total Cases Checked	Number of Incorrect Cases	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	17	2	12%	88%	
Revisions	8	1	13%	88%	
Supersessions	8	0	0%	100%	
Overall Performance	33	3	9%	91%	+/- 9.7%

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

SP Standard of Decision Making



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

State Pension Credit Decision Making

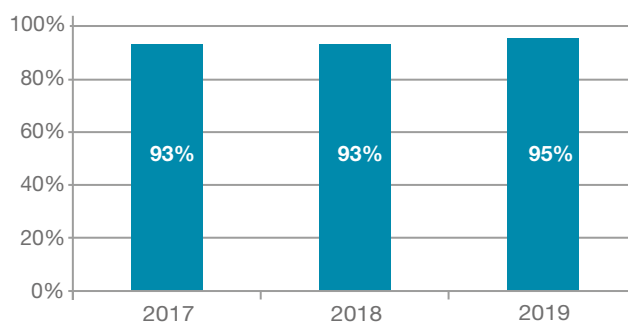
To find out the standard of decision making, 190 cases were examined and 180 cases (95%) were correct. The decision making

standard was the same as the benchmark of 95%. The table below shows the breakdown of performance under each type of decision checked.

SPC Type of Decision	Total Cases Checked	Number of Incorrect Cases	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	70	4	6%	94%	
Revisions	13	1	8%	92%	
Supersessions	106	4	4%	96%	
Up-rating	1	1	100%	0%	
Overall Performance	190	10	5%	95%	+/- 3.0%

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

SPC Standard of Decision Making



The main area of error was evidence 7 errors (70%). The main types of error within evidence related to capital incorrect and income taken into account incorrectly (3 errors each).

Universal Credit Decision Making

To find out the standard of decision making, 523 cases were examined and 476 cases

(91%) were correct. The table below shows the breakdown of performance under each type of decision checked. No target available.

UC Type of Decision	Total Cases Checked	Number of Incorrect Cases	Error Rate	Percentage of Decisions Correct	Confidence Interval
Claims	195	18	9%	91%	
Revisions	60	7	12%	88%	
Supersessions	268	22	8%	92%	
Overall Performance	523	47	9%	91%	N/A

No yearly comparisons available as UC DM measurement only commenced in 2019.

The 2 main areas of error were findings of fact 19 errors (40%) and evidence 15 errors (32%). The main type of error across these areas related to earnings.

Please note: Universal Credit runs a sample month behind the other benefits so all Universal Credit results (DM & FA) relate to the period Dec 2018 to Nov 2019.

Part 4 Results - Financial Accuracy

Financial Accuracy is the estimate of the percentage of the benefit paid correctly. From April 2003 a financial accuracy target (the targets for 2019 are shown in brackets) was introduced for Jobseeker's Allowance (99%). From April 2004 financial accuracy for State Pension (99%) and State Pension Credit (98%) was introduced. From April 2010 financial accuracy for Employment and Support Allowance (98%) was introduced

and from January 2018 financial accuracy for Personal Independence Payment (95%) was also introduced. The table below shows the 2019 end of year performance against target for all the benefits and also a comparison with the 2018 end of year results. Appendix 7 details the estimated levels of financial error (Monetary Value of Error) for each of the 5 benefits.

Benefit	2019 Target	2019 Financial Accuracy Result	2018 Financial Accuracy Result
Employment and Support Allowance	98%	97.0%	96.6%
Jobseeker's Allowance	99%	97.8%	97.2%
Personal Independence Payment	95%	99.5%	99.5%
State Pension	99%	99.6%	99.8%
State Pension Credit	98%	98.4%	98.6%
Universal Credit	No targets set	93.3%	-

The results from the table above show that:

- Of the 6 benefits PIP, SP and SPC met or exceeded their targets.
- ESA with a result of 97.0% (upper confidence level of 97.9%) missed its target of 98%.
- JSA with a result of 97.8% (upper confidence level of 98.8%) missed its target of 99%.
- As Universal Credit is relatively a new benefit a target was not set in 2019.

Note: Rather than assuming a deemed error as incorrect and potentially overstating the level of error, and equally to assume as correct and potentially understating the level of error, the Department has excluded such cases from the 2019 figures to ensure the estimates are as accurate as possible with the removal of uncertainty. This also brings the Department in line with the Department for Work and Pensions methodology and the year on year global estimates are still broadly comparable as the Department is providing a valid statistical estimate at a point in time.

Analysis of the data used to calculate Financial Accuracy for 2019

The table below shows the number of cases used to calculate the 2019 Financial Accuracy results.

January - December 2019		
*Benefit	Total Cases Checked	Total Cases in Error
Employment and Support Allowance	1008	82
Jobseeker's Allowance	840	28
Personal Independence Payment	667	10
State Pension	678	61
State Pension Credit	917	75
Universal Credit	520	90

Part 5 Results - Overpayments and Appeals

Overpayment Decisions

A total of 199 cases were examined and 38 errors were raised resulting in an overall standard of 81%. The 2 areas of error were findings of fact which accounted for 20 errors (53%) and evidence which accounted for 18 errors (47%). The main type of error within both findings of fact and evidence related to the amount of the recoverable overpayment

being incorrect (14 errors and 11 errors respectively).

In 2015 a new financial accuracy methodology was developed to put into context the financial consequences of decision making errors in relation to overpayment categorising. Both the Decision Making and Financial Accuracy standards for the past 3 years are shown in the table below.

Year	*Total Cases Checked	Number of Errors	Decision Making Standard	Financial Accuracy Standard
2019	199	38	81%	92%
2018	172	40	77%	88%
2017	153	26	83%	94%

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

Appeal Submissions

A total of 114 cases were examined and 1 error was raised resulting in an overall standard of 99%. The type of error related to failure to identify the appeals validity time or jurisdiction.

Year	*Total Cases Checked	Number of Errors	Error Rate	Decision Making Standard
2019	114	1	1%	99%
2018	94	6	6%	94%
2017	98	1	1%	99%

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

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

The Departmental Benefit Security Board steers the Department’s strategic approach to reducing error in the social security benefit system. This Board, on which a number of senior Departmental officials sit, helps ensure a collaborative approach in securing high accuracy levels across the benefit system. Against a backdrop of significant change within the benefit system including new

benefits and new methods of interaction with customers, the Department’s Fraud & Error Strategy is being refreshed to encompass Customer Fraud, Customer Error, Official Error, and Debt Recovery.

The strategy will be underpinned by four key principles; these are:

Prevent	Target	Correct	Recover
Minimise flow of fraud and error into the benefit system	Identify fraud and error early and stop it	Minimise over and under payments	Effectively recover overpaid benefit

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 2019 around £5.8 billion was paid out in benefits. Across all benefits, staff handled 170,002 new claims as well as taking action on some 746,664* changes of circumstances notified by customers. This large volume of activity has the potential to allow a significant amount of error into the benefit system.

* This figure does not include Universal Credit

Standards Assurance Unit

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

Official Error

The latest overall figures across all social security benefits administered by the Department show a slight increase in loss attributable to overpayments as a result of official error – up from 0.4% of benefit expenditure in 2018 to 0.6% in 2019. 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 2019-20 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 2019-20, error reduction activity carried out by benefit areas amounted to 33,929 checks or case reviews, which led to the adjustment of benefit in 5,055 cases, with a total monetary value of £20.5 million and a VFM ratio of 10.5:1. This total included almost £12.6 million of adjustments to payments where customers were entitled to additional benefits.

Glossary

Attribute

An attribute is a characteristic of the case being examined. The characteristic may refer to the category a case belongs to or a numerical measure. For decision making the attribute is whether the case is correct or incorrect. For financial accuracy the attribute is the amount of money paid in error.

Benchmarks

Benchmarks are standards set by senior management against which performance can be measured.

Clearance Times

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

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

Confidence Intervals

The confidence interval gives an indication of the degree of uncertainty surrounding the estimate obtained from the sample, by giving a range that the true value is likely to be within. The quoted confidence intervals are based on

a 95% confidence level, which means that we are 95% confident that the true value will lie within the specified range.

Decision Making

Decision making is carried out on behalf of the Department by decision makers. The decision maker must make a decision by considering all the evidence, establishing the facts and applying the law, including any relevant case law, in each case. Where legislation specifies or implies discretion, the decision maker's judgement must be reasonable and made on balance of probabilities with unbiased discretion. The decision making standard represents the percentage of cases in the sample found to be correct when checked by Standards Assurance Unit.

Financial Accuracy

The financial accuracy standard represents the estimate of the percentage of the benefit expenditure which is paid correctly.

Standards Assurance Unit

Standards Assurance Unit is part of the Pensions, Disability, and Benefit Security Directorate within the Department for Communities. Standards Assurance Unit provides a reliable and independent measure of decision making, financial accuracy and customer fraud and customer error against benchmarks and targets and assists operational staff in the drive to improve accuracy in benefit administration.

Targets

Targets are attainable goals set by senior management for staff to achieve within an agreed timetable or to a set standard.

Variability

The variability within a population refers to the percentage of the population with/without the attribute or the range of values in the attribute being measured. The more varied the population the larger the sample size required to achieve a given confidence interval.

Social Security Benefits

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

Key to Appendices

Appendix 1	Terms of reference for the Standards Committee
Appendix 2	Decision making additional errors
Appendix 3	Clearance times performance at 31 March 2020
Appendix 4	Extract from The Employment and Support Allowance Regulations (Northern Ireland) 2008 (Legislation governing “persons from abroad” for the purposes of Employment and Support Allowance)
Appendix 5	Decision making standards versus benchmarks: 2018 and 2019
Appendix 6	Types of decision making errors
Appendix 7	Estimated monetary value of error information for Employment and Support Allowance, Jobseeker’s Allowance, Personal Independence Payment, State Pension, State Pension Credit and Universal Credit.

Appendix 1

Terms of Reference for the standards Committee

1 The Standards Committee will have an advisory rather than an executive role. Its objectives will be to:

- provide assurance to the Deputy Secretary of Supporting People 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 the Department to highlight areas where improvement is needed;
- make specific recommendations on any area considered appropriate;
- provide assurance to the Deputy Secretary of Supporting People Group that mechanisms are in place to feedback results to the Department to enable continuous improvement;
- report to the Deputy Secretary of Supporting People Group on the operation of the decision- making process and where necessary to make recommendations for changes. The Deputy Secretary of Supporting People Group should be free to meet the Chairperson informally and discuss issues that arise during the year;
- provide the Deputy Secretary of Supporting People Group with an annual assurance in the form of reports on the quality of decision making in the Department and other such reports as the Deputy Secretary of Supporting People Group or the Standards Committee consider appropriate; and
- provide assurance on the quality of decision making with the results of financial accuracy.

2 Standards Committee meetings will be held 4 times yearly to coincide with the reporting programmes and minutes will be taken and agreed by Committee members.

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

Appendix 2

2019 Decision making additional errors

Benefit	Total Cases Checked	No of cases Incorrect	No of Additional Decision Making Errors	Total no of Errors	DM Benchmark	DM Standard % Achieved	DM Standard % Achieved if Additional Errors were included
Employment and Support Allowance	160	3	1	4	95%	98%	98%
Jobseeker's Allowance	266	13	2	15	95%	95%	94%
Personal Independence Payment	250	3	2	5	95%	99%	98%
State Pension	33	3	1	4	97%	91%	88%
State Pension Credit	190	10	4	14	95%	95%	93%
Universal Credit	523	47	61	108	N/A	91%	79%

Appendix 3

Clearance Times

Benefit	Target 2019 / 2020	End of Year Performance 2019 / 2020
AA (Claims)	25 days (PM)	23.2 days
AA (Special Rules)	4 days	2.2 days
AA (Appeals)	25 days (PM)	27.1 days
DLA (Claims)	25 days (BS)	23.8 days
DLA (Special Rules)	4 days (PM)	1 day
DLA (Appeals)	25 days (PM)	30.6 days
ESA (Claims)	14 days (BS)	11.2 days
ESA (Changes)	4 days (PM)	2.4 days
ESA (Appeals)	90% in 45 days (PM)	81.90%
MA (Claims)	35 days (PM)	48.2 days
IIB (Claims)	55 days (PM)	45.4 days
IIB (Appeals)	90% in 28 days	100%
CA (Claims)	20 days (PM)	19 days
IS (Claims)	10 days (BS)	3.4 days
IS (Changes)	4 days (PM)	3.1 days
IS/JSA/SF (Appeals)	90% in 28 days (PM)	94.50%
JSA (Claims)	10 days (BS)	7.9 days
JSA (Changes)	4 days (PM)	2.9 days
State Pension (Claims)	95% on or before due date	97.90%
State Pension Credit (Claims)	9 days (BS)	5.5 days
State Pension Credit (Changes)	5 days (PM)	3 days
IS/JSA Overpayment Processing	15 days (PM)	8.8 days
Budget Loans	10 days (PM)	4.1 days
Funeral Payments	14 days (PM)	15.1 days
Sure Start Maternity Grants	5 days (PM)	2.8 days
Social Fund Reviews	5 days (PM)	1.9 days

Appendix 4

Extract from ‘The Employment and Support Allowance Regulations (Northern Ireland) 2008’

(Legislation governing “persons from abroad” for the purposes of Employment and Support Allowance)

‘Special cases: Supplemental - persons for abroad’

- 70.** (1) “Person for abroad” means, subject to the following provisions of this regulation, a claimant who is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland
- (2) A claimant must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the claimant has a right to reside in (as the case may be) the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland other than a right to reside which falls within paragraph (3).
- (3) A right to reside falls within this paragraph if it is one which exists by virtue of, or in accordance with, one or more of the following:
- (a) regulation 13 of the Immigration (European Economic Area) Regulations 2006(77);
 - (b) regulation 14 of those Regulations, but only in a case where the right exists under the regulation because the claimant is -
 - (i) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
 - (c) Article 6 of Council Directive No. 2004/38/EC(78); or
 - (d) Article 39 of the Treaty establishing the European Community (in a case where the claimant is a person seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland).
- (4) A claimant is not a person from abroad if the claimant is:
- (a) a worker for the purposes of Council Directive No. 2004/38/EC;
 - (b) a self-employed person for the purposes of that Directive
 - (c) a person who retains a status referred to in sub-paragraph (a) or (b) pursuant to Article 7(3) of that Directive;
 - (d) a person who is a family member of a person referred to in sub-paragraph (a), (b) or (c) within the meaning of Article 2(2) of the Directive;
 - (e) a person who has a right to reside permanently on the United Kingdom by virtue of Article 17 of that Directive;

Appendix 4 (Continued)

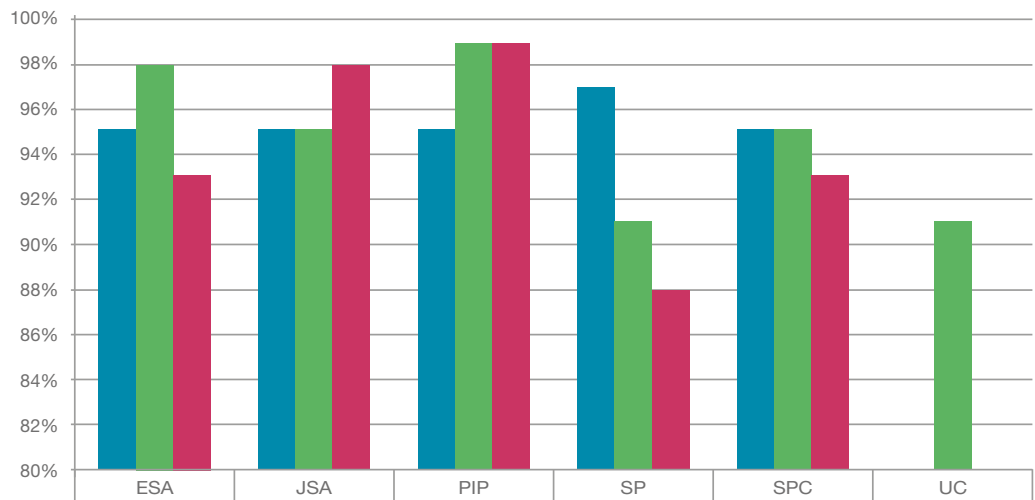
Extract from ‘The Employment and Support Allowance Regulations (Northern Ireland) 2008’

(Legislation governing “persons from abroad” for the purposes of Employment and Support Allowance)

- (f) a person who is treated as a worker for the purpose of the definition of “qualified person” in regulation 6(1) of the Immigration (European Economic Area) Regulations 2006 pursuant to:
 - (i) regulation 5 of the Accession (Immigration and Worker Registration) Regulations 2004(79) (application of the 2006 Regulations in relation to the national of the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia or the Slovak Republic who is an “accession State worker requiring registration”), or
 - (ii) regulation 6 of the Accession (Immigration and Worker Authorisation) Regulations 2006(80) (right of residence of the Bulgarian or Romanian who is an “accession State national subject to worker authorisation”);
- (g) a refugee within the definition in Article 2 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951(81), as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967(82);
- (h) a person who has exceptional leave to enter or remain in the United Kingdom granted outside the rules made under section 3(2) of the Immigration Act 1971(83);
- (i) a person who has humanitarian protection granted under those rules;
- (j) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 who is the United Kingdom as a result of deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom; or
- (k) a person in Northern Ireland who left the territory of Montserrat after 11 November 1995 because of the effect on that territory of a volcanic eruption.

Appendix 5

Decision making standards versus benchmarks: 2018 and 2019



	ESA	JSA	PIP	SP	SPC	UC
Decision making benchmark	95%	95%	95%	97%	95%	
Decision making standard 2019	98%	95%	99%	91%	95%	91%
Decision making standard 2018	93%	98%	99%	88%	93%	

Appendix 6

2019 Type of decision making errors

Benefit	Decision making Comment Rate %	Evidence		Determination of Questions		Finding 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	2%	1	33%			2	67%			3
Jobseeker's Allowance	5%	7	54%			4	31%	2	15%	13
Personal Independence Payment	1%	3	100%							3
State Pension	9%					3	100%			3
State Pension Credit	5%	7	70%	1	10%	2	20%			10
Universal Credit	9%	15	32%	7	15%	19	40%	6	13%	47

Appendix 7

Estimated Monetary Value of Error Information 2019 for Employment and Support Allowance, Jobseeker's Allowance, Personal Independence Payment, State Pension, State Pension Credit and Universal Credit

Benefit	Estimated Annual Monetary Value of Error	Overpayments	Underpayments	Total Expenditure	Estimated Financial Error Rate
Employment and Support Allowance	£26,777,850	£12,740,535	£14,037,315	£882,184,466	3.0%
Jobseeker's Allowance*	£1,032,232	£484,105	£548,127	£47,200,391	2.2%
Personal Independence Payment	£3,827,239	£1,494,767	£2,332,472	£782,176,758	0.5%
State Pension	£10,069,938	£857,240	£9,212,699	£2,386,120,045	0.4%
State Pension Credit	£3,750,080	£2,318,102	£1,431,978	£241,136,201	1.6%
Universal Credit	£19,883,294	£14,646,995	£5,236,299	£294,691,887	6.7%

* includes training monies



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