

Department for Work and Pensions

**Secretary of State's report on the standards of
decision making in Jobcentre Plus, The Pension
Service, Disability and Carers Service and the
Child Support Agency in 2002 and 2003**

HC 1090

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Report by the Secretary of State for Work and Pensions on the standards of decision making in Jobcentre Plus, The Pension Service, Disability and Carers Service and the Child Support Agency 2002 and 2003

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Section 1

INTRODUCTION

- 1.1 New arrangements for making decisions and handling appeals on social security and child support matters were introduced by the Social Security Act 1998. Under the Act, all such decisions are made on behalf of the Secretary of State. Section 81(1) of the Act states:

“The Secretary of State shall prepare, either annually or at such times or intervals as may be prescribed, a report on the standards achieved by the Secretary of State in the making of decisions against which an appeal lies to an appeal tribunal constituted under Chapter 1 of Part 1” (of the Act).

- 1.2 This is the third such report. It covers decisions made in Jobcentre Plus, The Pension Service and Disability and Carers Service during the period 1st January 2002 to 31st December 2003 and the Child Support Agency for the period 1 April 2002 – 31 March 2004.
- 1.3 The standard of decisions was tested by using independent checking teams. For Income Support, Jobseeker's Allowance, Social Fund, Incapacity Benefit, Severe Disablement Allowance, Maternity Benefit, Retirement Pension, Bereavement Benefit and Widows Benefit, examinations of decisions were undertaken by the Agencies Quality Support Team. For Disability Living Allowance, Attendance Allowance, Invalid Care Allowance, Child Benefit, Guardians Allowance, Industrial Injuries Benefits and Pensions and Overseas Benefits, examinations were undertaken by independent teams within the Central Benefit Directorates that administered these benefits.
- 1.4 The volume of decisions examined was determined with the advice of statisticians from the Department's Information Directorate. The results in Table 1 were independently tested by the Department's Internal Audit Service, using a methodology designed by experts in the measurement of decision making standards.
- 1.5 The testing of the correctness of Child Support decisions was the responsibility of the Agency's Monitoring and Guidance Unit (MAGU). The volume of decisions examined was determined with the advice of statisticians from the Department's Information and Analysis Directorate.
- 1.6 For the first time the report includes information on applications for revision and data on appeals. This information has been provided in response to the suggestions made by the Comptroller and Auditor General in the 2000/2001 report. This information is taken from standard information gathering sources from within the Department. It is intended to give a wider, more informative picture of decision making within the Agencies.
- 1.7 Section 5 outlines the steps being taken by the Agencies to improve standards of decision making. They reflect the importance that the Agencies attach to this key area of their work. Reducing the level of error across the

benefits system is a prime objective of the Department and improving the standard of decision making is key to achieving that goal.

The decision making process explained

- 1.8 The decision maker on receipt of a claim for benefit will consider whether the information and evidence presented satisfied the conditions of entitlement for the benefit claimed. If it does a decision is made by the Secretary of State (in practice on his behalf by Agency decision makers) to award benefit.
- 1.9 When the decision is notified the customer is told the following: what to do if he doesn't understand the decision; or if he wants a detailed written explanation of the decision; or if he wants the decision maker to look again at the decision, that is, to reconsider and revise the decision; of his right of appeal to an independent appeal tribunal.
- 1.10 If the customer applies for a revision, a decision maker will reconsider the decision. At the end of that process he will either revise the decision or leave it unchanged. If it is the latter the customer is told that he has the right of appeal to an independent tribunal.
- 1.11 If the customer appeals, the decision will first be reconsidered with a view to revising it and lapsing the appeal – this will only be done if the revision is in the customer's favour. If the decision is not revised the appeal will proceed to hearing.
- 1.12 If there is an advantageous change in the customer's circumstances after the decision has been made, the decision will be superseded, that is changed from the date of change (subject to certain time limits being met).

SECTION 2

Standards of decision making in the Jobcentre Plus, The Pension Service and Disability and Carers Service 1st January 2002 to 31st December 2003

NEW CLAIMS, REVISIONS AND SUPERSESSIONS

2.1 The standard against which decisions were checked was whether the decision examined met the tests of sufficient evidence, determination of questions, findings of fact and interpretation and application of the law. Table 1 shows the level of correctness in each benefit area for decisions satisfying all four tests plus the figures for the previous years.

Table 1: Estimates of the percentage of decisions that were correct, by benefit

Benefit	2003	2002	2001	2000
Income Support	75	71	62	59
Jobseekers Allowance	75	86	79	67
Short Term Benefits	90	80	64	91
Long Term Benefits	64	88	79	80
Attendance Allowance/Disability Living Allowance	94	92	55	61
Pension Credit	92	n/a	n/a	n/a
Minimum Income Guarantee	95	98	n/a	n/a
Child Benefit	n/a	99	77	57
Guardian's Allowance	n/a	100	98	99
Invalid Care Allowance/Carer's Allowance	98	95	84	85
Industrial Injuries Disablement Benefit	99	99	97	98
Pensions Overseas Directorate	99	97	81	86
Sure Start Maternity Grants	87	92	75	93
Social Fund Funeral Payments	54	69	75	76

See Appendix for table definitions.

Notes: *The figures are estimates of the percentages of decisions found to be correct, derived from both large scale sample checks and the follow-up independent audit checks. The figures for IS, JSA, STB & LTB have been adjusted to take into account the additional independent audit checks that were carried out to ensure that the methodology was consistent across the years.*

The results exclude those cases where not all the supporting evidence was available and so it was not possible to come to a conclusion about the accuracy of the decision making. These are known as 'decision in doubt' cases – see appendix for details.

Because the results are derived from samples they will be subject to statistical fluctuation.

2.2 A decision can be found to be incorrect for failing to meet one or more of the tests. The checks identify how well the tests were met at the time that the decision was made.

RECONSIDERATIONS¹

2.3 Table 2 shows the results of the monitoring of reconsideration decisions. Reconsideration is a key component of the decision making process. This is the first time the report has included these results.

Table 2: Percentage of reconsideration decisions found to be correct in 2002 & 2003

	2003	2002
Income Support	96	96
Jobseekers Allowance	97	97
Short Term Benefits	100	100
Long Term Benefits	96	96
Attendance Allowance & Disability Living Allowance	94	95
Child Benefit	Not available	91
Guardian's Allowance	Not available	100
Invalid Care Allowance/Carer's Allowance	98	98
Industrial Injuries Disablement Benefit	Not available	100
Pensions Overseas Directorate	100	100
Minimum Income Guarantee	91	98
Pension Credit	87	Not applicable

Note: Decision in doubt cases are excluded from the above calculations.

Note: The data has not been independently validated.

¹ Reconsideration is the name given to the process which decision makers undertake when considering an application for revision. The same methodology for checking is used as that for new claims etc.

REVISION

2.4 Table 3 shows the number of applications for revision and their outcome. Revision is the means by which a decision is altered from its original date or earlier if the date itself was incorrect. It is the end product of the reconsideration process. This is the first time that these results have been reported. They are included in response to the suggestion of the Comptroller and Auditor General.

Table 3

Benefit	Revisions Rec'd 2003	Decisions revised 2003	Revisions Rec'd 2002	Decisions revised 2002
Income Support	19090	8,558 (45%)	28,008	12,398 (44%)
Social Fund (Maternity and Funeral Payments)	18,761	13,293 (71%)	15,509	9,746 (62%)
Child Benefit	Transferred to HMRC April 03	----	7,282	4,320 (59%)
Long Term Benefits	1,377	413 (30%)	1,760	935 (53%)
Short Term Benefits	70,688	25,827 (36%)	73,694	26,442 (36%)
Jobseekers Allowance	43,408	17,099 (39%)	53,732	20,641 (38%)
Industrial Injuries Disablement Benefit	19,258	1775 (9%)	22,138	2,377 (11%)
Guardian's Allowance	Transferred to HMRC April 03	----	23	6 (26%)
Disability Living Allowance	102,817	35,016 (34%)	102,856	39,091 (38%)
Attendance Allowance	22,491	10,020 44%)	22,395	10,466 (47%)
Invalid Care Allowance/Carer's Allowance	1,407	911 (64%)	1,631	977 (60%)
	299,297	112,912 (38%)	329,028	127,399 (39%)

Source: Management Information Statistics

Note: The information in table 3 is not validated before or after the information is collated.

APPEALS

2.5 Tables 4 & 5 provide information on benefit appeals lodged with the Department, the number of appeals heard by the Appeals Service, both oral and paper, and the number which were successful. It is the first time this information has been included in this report.

Table 4

2002

Benefit	Lodged	Heard	Successful
Income Support	22,900	13,600	4,700
Social Fund (Maternity & Funeral Payments)	3,500	2,100	300
Child Benefit	1,300	600	100
Long Term Benefits	2,900	1,800	200
Short Term Benefits	61,800	42,300	18,600
Jobseekers Allowance	18,500	7,900	2,100
Industrial Injuries Disablement Benefit	18,500	17,200	6,600
Disability Living Allowance	82,500	72,800	39,500
Attendance Allowance	10,500	8,400	4,000
Invalid Carer's Allowance/Carer's Allowance	1,400	700	200
Totals	223,800	167,400	76,300 (46% of heard)

Table 5

2003

Benefit	Lodged	Heard	Successful
Income Support	20,600	12,400	4,200
Social Fund (Maternity & Funeral Payments)	3,800	2,300	400
Child Benefit	1,300	500	100
Long Term Benefits	2,600	1,800	200
Short Term Benefits	64,900	47,000	22,300
Jobseekers Allowance	16,400	7,500	2,100
Industrial Injuries Disablement Benefit	16,400	14,800	5,800
Disability Living Allowance	87,500	69,800	36,800
Attendance Allowance	10,200	7,700	3,500
Invalid Carer's Allowance/Carer's Allowance	1,500	800	100
Totals	225,200	164,600	75,500 (46% of heard)

Source for both tables: Information Directorate
 Note: The data has not been independently validated.

APPEAL SUBMISSIONS

2.6 The measure of the standard of appeal submissions is designed to measure two things: first, whether the decision under appeal was correct i.e. did it satisfy the four tests (see appendix); second, did the appeal submission present the facts of the case to a sufficient standard that allowed the appeal tribunal to reach the right decision? Table 6 shows the 2002 & 3 results across all benefits. The table represents an overall figure for all benefits because the number of cases sampled per individual benefit is not big enough to allow a statistically valid result to be reported.

Table 6: Percentage of appeal submissions meeting required standards

2003	88 ²
2002	90 ³
2001	71
2000	77

Note: The data has not been independently validated.

DECISIONS ON RECOVERABILITY OF OVERPAYMENTS

2.7 Table 7 shows results across all the benefits of the decisions made on whether benefit has been overpaid and whether the overpayment is recoverable. The same four tests were applied to these decisions as to benefit decisions. The table represents an overall figure for all benefits because the number of cases sampled per individual benefit is not large enough to provide meaningful results at this level with reasonable confidence intervals.

Table 7: Percentage of overpayment recoverability decisions found to be correct

2003	67
2002	68
2001	38
2000	50

Notes: To produce the overall accuracy rate individual benefit level accuracy rates should be weighted in proportion to the number of decisions made for each benefit. As the Department does not have access to the total number of decisions made at benefit level, new debt volumes have instead been used to give an overall accuracy rate. Decision in doubt cases are excluded from Table 6.

Note: The data has not been independently validated.

² This figure excludes 'decision in doubt' cases and has a confidence interval of +/-2%

³ This figure excludes 'decision in doubt' cases and has a confidence interval of +/-2%

Section 3

Standards of decision making in the Child Support Agency

- 3.1 The accuracy measure examined all the elements of a maintenance assessment. Table 8 provides the % figure for old scheme Maintenance Assessments decision found to be correct in all respects.

Table 8: Percentage of Old Scheme Child Support Maintenance Assessments found to be correct

2003/4	2002/3	2001/2	2000/1
80	75	72	67

- 3.2 The measurement process establishes whether the assessment of a new application or revision/supersession results in the correct outcome. Both measures test whether the evidence is sufficient, whether questions have been determined correctly, whether the findings of fact are correct and whether the law has been interpreted and applied correctly.

Appeal submissions

- 3.3 The Child Support Agency measures whether appeal submissions were correct. The measure tested whether the submission presented the case to a sufficient standard to allow the tribunal to reach the right conclusion or decision. Table 9 shows the results and provide previous years for comparison.

Table 9: Percentage of Child Support appeal submissions found to be correct⁴

2003/4	2002/3	2001/2	2000/1
73	60	78	74

⁴ Correct means:

- i. No errors
- ii. Minor comments on drafting issues
- iii. Minor comments on technical issues

Incorrect means:

- iv. Significant comments on technical issues
- v. Serious technical and procedural errors.

The estimates in Table 9 are based on small sample sizes and as such have large confidence intervals surrounding them. Because of this care should be taken when making year on year comparisons as differences between years are unlikely to be significant.

Section 4

Labour Market Decisions⁵

- 4.1 Prior to the creation of Jobcentre Plus in 2002, the Employment Service's decision makers were responsible for labour market decision making. The Chief Executive had a responsibility to ensure that decision makers were sufficiently trained, their guidance was comprehensive and robust and, ultimately, that their decisions were accurate. He put in place a system to monitor the standards achieved.
- 4.2 When the Employment Service became part of Jobcentre Plus the new Agency's Chief Executive took on responsibility for decision making standards. This included the labour market element of decisions on JSA.
- 4.3 The effect of this change is that there are no meaningful results available for the period of this report. National checking did take place in the first half of 2002. Since then local checking has continued to monitor the standards.
- 4.4 A revised monitoring regime has been developed and was introduced in 2005 to provide the next set of DMA results.

⁵ A labour market decision is a determination which forms part of the entitlement decision on Jobseekers Allowance. It is not an appealable decision in its own right. Labour market determinations include: Leaving Voluntarily without just cause, availability for work and whether someone is actively seeking employment. The decision maker's conclusion on these will ultimately decide whether the jobseeker satisfies the labour market requirements of JSA entitlement and payability.

Section 5

Action to improve decision making standards in Jobcentre Plus, The Pension Service, Disability & Carers Service and the Child Support Agency

Towards the end of the period covered by this report the National Audit Office published its report into decision making: “Getting it right, putting it right: improving decision-making and appeals in social security benefits”. In response the Agencies have put in place a variety of action plans and initiatives designed to improve standards across the board.

Jobcentre Plus

The DMA Action Plan

The DMA Action Plan is the JCP response to the NAO Report. The Plan covers all aspects of decision making, including:

- developing a communication framework for raising the profile of decision-making within the organisation and engaging staff in improvement activities
- developing essential performance management standards, and learning and development requirements
- reviewing and improving decision-making processes, in conjunction with development of the Standard Operating Model – see below
- initiatives to improve customer literature and decision notifications
- improving performance on reconsideration;
- working closely with the Appeals Service to drive up performance
- ensuring management information is fit for purpose.

Standard Operating Model

The Standard Operating Model defines the business process for Jobcentre Plus offices, including benefit delivery centres, call centres and jobcentres. It also defines the job roles required to successfully deliver the above business process. It provides links from appropriate activities to guidance and supporting information that exists on the Jobcentre Plus Intranet and defines the handoffs between job roles.

Customer Management System (CMS)

CMS supports the process for making a new or repeat claim to working age benefits. By allowing claims to be made by telephone (although this is not compulsory) this

process is designed to ensure comprehensive evidence-capture to support accurate decision-making and also to deliver a work focused service.

CMS is an evolving system with enhancements being introduced as problems in running are identified.

LIMA (Logic Integrated Medical Assessment)

Atos Origin Medical Services, who provide medical assessments of people claiming Incapacity Benefit (IB), has in conjunction with the Department developed an evidence based medicine process for carrying out the Personal Capability Assessment (PCA). It is known as Logical Integrated medical Assessment or LIMA.

It is based on fully researched, up to date and reliable medical opinion on the disabling conditions most commonly seen in people undergoing the PCA. The medical protocols cover musculoskeletal, mental health, heart and lung conditions, which together represent around 70% of claims for IB.

Doctors carrying out the PCA interview the customer and carry out formal and informal observations, as they have always done. The doctor then feeds this information into a computer, and the software programme uses it to guide the doctor in making an appropriate choice of PCA descriptors, which will give appropriate scores. The programme is designed to prevent doctors from making an illogical descriptor choice that does not fit with the information they have about the customer.

The system produces a report, using the doctors input, to outline the activities examined and the scores attached to the activity under examination. This will cover both mental health scoring as well as the physical conditions.

LIMA has already :

- a. removed the need for a lot of rework where previously decision makers were unable to fully comprehend the doctor's report
- b. helped to clearly identify the relevant issues for decision makers
- c. provided quicker access to relevant information needed by decision makers
- d. reduced storage costs and lost case documentation issues
- e. streamlined the process and made it visibly compliant
- f. introduced a more transparent quality assurance process.

Disability and Carer's Service

Customer Case Management (CCM)

CCM is designed to increase the consistency and quality of Disability Living Allowance decisions.

It provides a common process for dealing with claims and delivers consistent, comprehensive and up to date comprehensive medical advice and guidance.

The system does not make decisions – these still have to be made by properly trained decision-makers – but it will help decision makers to make more consistent and better quality decisions.

Testing of CCM started on 26 September 2005 at Manchester and Bootle Disability Benefit Centres.

The system will deliver fast access to appropriate medical advice and guidance, and provide decision-makers with guidance about the likely effects of disabilities. It will replace old fashioned limited paper-based advice manuals.

CCM should result in claimants getting a better more detailed letter explaining how the decision in their case was made. It is hoped that this may reduce the number of occasions when the person finds it necessary to question the decision made in their case.

Decision Makers Accreditation System

Disability and Carers Service (DCS) aims to improve the professionalism of its decision makers (DMs) in Disability Living Allowance (DLA) and Attendance Allowance (AA) and their line managers through the introduction of an externally validated accreditation system.

Accreditation is a means of officially recognising, both inside and outside the workplace, that DMs have reached a certain professional standard through training and assessment, resulting in them attaining a certificate of competency.

The University of Chester, who has been appointed as the external accreditation academic partner. It will define the scheme and carry out independent validation. This will include a mixture of assessment of individual performance and approval of learning materials and delivery methods.

Through accreditation, DCS will improve the quality of its service and will better respond to customer needs. Right decisions and improvement evident in the consistency and professionalism of DMs will reduce the number of disputed decisions and increase the level of customer satisfaction.

Accreditation will be rolled out over a period of time starting in 2006 with trialling and testing of the key design principles, followed by an accreditation pilot with line managers.

Reconsideration pilot

A pilot was held in Bristol in 2005 which tested a much more proactive engagement with the customer (who has disputed the decision made on his claim/application for benefit). The aim was to ensure that the decision maker had all the relevant evidence pertaining to the claim. If the decision can be changed (revised) at this stage of the process it benefits the customer. The alternative is that the customer appeals and has to wait. At the same time, where the decision is not changed on reconsideration a bespoke written explanation of the decision was sent to the

customer so that he fully understood why the decision had been made and had not been changed.

Improving appeals performance

The DCS/Appeals Service has created a Joint Steering Committee [JSC] to oversee joint working to improve appeals performance.

Glasgow Appeal Pilot

1. Background.

Due to high volumes of appeals being overturned, specifically within the Glasgow DBC area, a pilot scheme was introduced to improve the quality of appeal submissions to the Appeals Service (tAS).

Research indicated that many cases were being overturned due to insufficient medical evidence being obtained by the Department.

It was decided that all cases where a decision had been made on the basis of self assessment only, either with or without a telephone call to the customer / representative, would be referred for further medical evidence prior to their referral to the Appeals Service,

Also, cases where a factual report had been obtained and was the principle source of evidence, but the answers to the questions were stated as either 'not known'; 'don't know' or 'unsure' were all referred for further medical evidence.

2. Results too date

Overtured Cases

As a result of obtaining further medical evidence 24% of disputed decisions have been revised. Since April 2005, 20% of the appeals received have been revised prior to their referral to the Appeals Service.

In April 2005, the percentage of Disability Living Allowance (DLA) cases overturned was 40%. At the end of December 2005, this had reduced to 31%.

Adjourned Cases

Prior to April 2005, the monthly average for adjourned cases stood at 24%. By the end of December 2005, the adjournment rate had fallen to 12%.

THE PENSION SERVICE

Although The Pension Service was not directly involved in the NAO Report Getting It Right; Putting It Right, it has nevertheless put together a programme of activities to improve DMA performance.

Pre Payment Checking

The Pension Service has a VAT 2000 prepayment check set at 1.75% based on activity volumes. These checks are selected by individual centres to target their areas of weakness. Analysis of the results is undertaken locally and is used to target refresher training and individual support.

Decisions in Doubt

A major factor leading to the high number of "Decisions in Doubt" is the difficulty in retrieving documentation from the remote store at Heywood. A great deal of work has been undertaken to rectify the position. For example, Pension Control Points and Storage & Retrieval Officers have been provided with workshops, additional training and desk aids; targets have been set on missing cases in order to control and monitor the situation more closely; an audit trail has been pursued with pension centres to ensure the correct request procedures and escalation procedures are being followed

Impact of new procedures on DMA processes

The formation of the Business Design Directorate brought together Delivery Assurance and Pensions Programme Office. Delivery Assurance currently performs impact analysis when new processes and products are being designed and implemented. These combined units have formed a Centre of Excellence which strengthens the processes. At all stages, the legislative and operational teams provide key stakeholders to oversee and sign up to the Project's progress and products. There is a mandatory strand of the project which requires sign off of all legislative processes, which is where DMA sits.

Customer Survey

The questionnaire developed for The Pension Service Customer Survey 2003 had 3 questions about the decision making process. Following advice from the DMA Standards Committee, the 2005 Survey has included further questions to check that the customer is aware of the procedure for disputing a decision if he/she thinks it is wrong.

The Pension Service Customer Service Team works closely with colleagues in Learning & Development to ensure the key messages from the Customer Survey are embedded in new/revised training products.

Change of Circs Tool

Central Design Authority has introduced a change of circumstances tool that allows changes in circumstance to be taken via the telephone. The tool is scripted and prompts the agent to ask all relevant questions ensuring the correct information is gathered at the first point of contact and that all other impacts of the change are captured.

Mystery Shopping Results

In response to early mystery shopping results, the Customer Service Team worked with learning and development to produce a series of short team leader briefings covering key information on some of our key product areas. These briefs also remind staff of the best practices for handling telephone enquires.

Training

The Pension Service has developed and launched a Pension Credit Initiative package to all its staff. The initiative provides bite-sized chunks of training, desk aids, feedback loops and motivational slides to drive the accuracy/DMA agenda forward.

The Appeals Process

The Pension Service has undertaken a full review of the appeals process following concern around non-achievement of the agreed internal targets. A proposal was made to centralise the management and preparation of State Pension and Pension Credit appeal submissions within International Pension Centre at Tyne View Park, Newcastle. The pilot identified a number of efficiency savings, improved productivity, target achievement and a standardisation of quality submissions all leading to an improved customer experience. Full implementation is expected during 2006/2007.

Programme Protection Strategy

The Pension Service has developed a comprehensive risk based programme protection strategy for 06/07 which is designed to drive out inaccuracies from both State Pension and Pension Credit as far as possible. An implementation plan to deliver the strategy outcomes is currently underway and is due to distribution by the end of February 06.

DMA Electronic Network Group

This network was set up towards the end of 2005 in order to heighten the profile of the DMA process within The Pension Service and specifically to support the implementation of recommendations put forward by the Standards Committee. One of its tasks will be to draw up an end to end DMA process for delivery to all pension centres.

Newsletters

The Pension Service produces 2 monthly newsletters on quality – one for all staff and one specifically for Pension Control Points. These newsletters contain advice and share good practice on how to reduce inaccuracies within the organisation.

Lead Pension Centre

A lead pension centre (Dundee) has been identified to champion DMA issues and spread good practice. They have undertaken a pilot exercise looking at the numbers of reconsiderations identified/undertaken by front line telephony staff.

Child Support Agency

5.4 The recommendations made by the Child Support Agency Standards Committee in 2002 included:

- That the Agency undertake a further review of the revised Advance Payments and Deduction of Earnings Order, with the aim of improving accuracy in the making of Advance Payments.
- That the Agency issue further guidance on actions to be taken when imposing a Deduction of Earnings order, with the aim of improving accuracy and the quality of customer service to clients and employers.

- That the Agency review the procedures and supporting guidance with the aim of reducing the length of time taken to recover debt in individual cases.

5.5 The Child Support Agency has responded to these recommendations. A review of both Advance Payments and Deduction of Earnings Orders was carried out by the Monitoring and Guidance Unit who then went on to produce additional guidance in these areas with a view to securing improved accuracy in both areas. Similarly, the unit also reviewed the procedures and guidance addressing the issue of debt recovery. The information gathered during this review was used to devise improved guidance that was subsequently disseminated throughout the Agency.

Section 6

Report by the Comptroller and Auditor General on the Secretary of State's report

Purpose of the Report

This report provides my conclusion on whether the information contained in the Secretary of State's report on the standards of decision making in the Department for Work and Pensions, that is, Jobcentre Plus. The Pensions Service, Disability and Carers Service and the Child Support Agency, for 2002 and 2003 is fair and balanced.

Responsibilities

The Social Security Act 1998, which made provision for new arrangements relating to decision making and appeals, requires the Secretary of State for Work and Pensions to report on the standards achieved in decision making in the Department. The Act does not specify the format or contents of the report but it is the Department's responsibility to ensure that the performance information that they report is reliable.

During the passage of the Social Security Act in April 1998, Ministers informed Parliament that there would be an independent monitoring of the new system for decision making and appeals to ensure public confidence in its integrity.⁶ To this end Ministers noted that the National Audit Office's role in this area would be extended. In taking on this role as head of the National Audit Office, I have interpreted my responsibilities as validating that the data systems set up by the Department to produce the information reported by the Secretary of State are sufficient to provide a fair and balanced view of the performance of the Department in decision making in 2002 and 2003.

Basis of Conclusion

I planned and performed my work so as to obtain all the information and explanation which I considered necessary to meet my responsibilities as set out above. This focussed on the governance arrangements applied by the Department to ensure that the information presented in the Secretary of State's report is robust.

Conclusion on Previously Reported Information

I am satisfied that data presented in Table 1 on page 4 of the Secretary of State's report and accompanying information is a reasonable representation of the quality of outcome decisions made by the Department in the period 2000 to 2003.

I am also satisfied that Table 8 and 9 on page 9 of the Secretary of State's report are a reasonable representation of the quality of decisions made by the Child Support Agency.

⁶ Baroness Hollis of Heigham, House of Lords Hansard, 20 April 1998, col 927

I am unable to confirm that table 6 and table 7 on page 8 of the Secretary of State's report provides a fair and balanced summary of decisions on the recoverability of overpayments and appeal submissions for 2002 and 2003. Although this is the best available information to the Department, as the Secretary of State's report has highlighted, the Department has been unable to provide any evidence to show that the reported data has been properly validated to confirm its robustness. Further, the Department's Risk Assurance Division noted in their review of the accuracy of Decision Making and Appeals that the reported performance figures do not present an accurate or reliable assessment of the appeals and overpayments decision making.

Conclusion on Information not reported previously.

I welcome the Department's efforts to improve the range, design and level of detail in the performance information provided. This is reflected in tables 2, 3, 4 and 5 on pages 5 – 7 of the Secretary of State's report. Although this is the best available information I am unable to confirm that these tables provide a fair and balanced summary of reconsideration decisions, revisions and appeals. As set out in the Secretary of State's report, the Department has been unable to provide any evidence that the reported data has been properly validated.

Overall Conclusion

As noted above, I have been unable to confirm that a substantial part of the information set out in the Secretary of State's report is fair and balanced. The introduction of new material to the report in line with recommendations I have made previously to the Department is welcome. However unless all such performance data is subject to satisfactory quality assurance processes as to its robustness, the resultant report will be of limited utility as a measure of the Department's success in improving the accuracy of decision-making.

APPENDIX

Table 1 Definitions are:

- * "Sufficient evidence" means that all the appropriate and necessary evidence to support the decision was before the decision maker
- * "Determination of questions" means that although the evidence was full and complete, there should have been questions of clarification etc. asked before the decision was made
- * "Findings of fact" means that the decision maker correctly determined the facts of the case from the evidence before him
- * "Interpretation and application of law" means the decision maker has correctly considered and applied both statute and case law appropriate to the their decision

"Short term Benefits" is the common term for Incapacity Benefit, Severe Disablement Allowance and Maternity Allowance
 "Long Term benefits" is the common term for Retirement Pension and Bereavement Benefits

Child benefit and Guardian's Allowance decision making transferred to HMRC April 2003.

Confidence intervals around figures in Table 1 of the report

i. The figures below give the estimated accuracy rates for IS, JSA, Short Term Benefits and Long term benefits after taking into account the 2nd tier validation exercise. This was to ensure that these results are comparable, in terms of 2001 methodology, to previous published results.

ii. Because the results are derived from a sample they are subject to statistical uncertainties. We have quantified these uncertainties and presented them as upper and lower limits in the tables. These upper and lower limits define the range within which we can be 95% certain that the true accuracy rate lies. These should be taken into account when making comparisons between years as it is likely that the majority of improvements or deteriorations in accuracy rates between years are not statistically significant at the 95% level. This also has the effect of widening the confidence intervals around the adjusted estimate.

Benefit	2002	Lower	Upper	2003	Lower	Upper
Income Support	71	66	75	75	68	81
Jobseekers Allowance	86	81	91	75	67	84
Short Term benefits	80	69	89	90	85	95
Long Term Benefits	88	82	93	64	53	75
MIG	98	95	100	95	95	96
Attendance Allowance/Disability Living Allowance	92	90	94	94	92	96
Child Benefit	99	97	99	n/a	n/a	n/a
Guardian's Allowance	100	98	100	n/a	n/a	n/a
Invalid Care Allowance/ Carers Allowance	93	90	96	98	96	99
Disablement Benefit	99	99	100	99	n/a	n/a
Pensions Overseas Directorate	97	95	99	99	98	100
Social Fund Maternity Grants	92	90	94	87	85	89
Social Fund Funeral Payments	69	66	72	54	51	57

OUTCOME DECISIONS: 2002 & 2003 – DECISIONS IN DOUBT.

Benefit	2002 Decisions examined	2002 Decisions in doubt	2003 Decisions examined	2003 Decisions in doubt
Income Support	10,418	187 (1.8%)	12,587	225 (1.8%)
Jobseekers Allowance	10,789	308 (3%)	11,378	298 (2.6%)
MIG	4,347	214 (4.9%)	2,485	219 (8.8%)
Short Term Benefits	3,562	32 (1%)	2,331	70 (3%)
Long Term Benefits	4,535	508 (11%)	6,052	629 (10.3%)
Pensions Overseas Directorate	307	0	276	0
Attendance Allowance/Disability Living Allowance	767	120 (15%)	791	94 (11.9%)
Invalid Care Allowance/Carer's Allowance	394	7 (2%)	385	6 (1.5%)
Disablement Benefit	2,703	n/k	618 (April – Sept)	n/k

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