



3. Tackling official error

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3.1 The success of our strategy relies on our ability to prevent new official error from entering the system at any point during the lifetime of a customer's claim. We will achieve this by improving our preventative measures, as well as levels of staff compliance in administering the benefits system.

3.2 If we are to improve the rate of correctness in all our main benefits, we must put greater emphasis on reviewing existing claims to ensure they are correct. When we find incorrect cases, we must correct them to ensure that the customer receives the correct amount of money to which they are entitled.

3.3 This chapter sets out how we propose to tackle official error by focusing on managing quality. We have identified initiatives under the elements of prevention, compliance and correction which we will take forward over the next five years in order to improve the accuracy of the work our staff carry out, thereby reducing the overpayments and underpayments for which we are responsible.

Prevention

Quality products and processes

3.4 As was noted in paragraph 1.7, it is widely acknowledged that our benefits system is complex. We are committed to simplifying it in two ways:

- We will simplify the benefit rules so that staff (and customers) can understand them more easily.

- We will simplify the business processes that staff must follow to assess whether benefit should be paid, and how much should be paid.

3.5 In January 2006 the Department established a dedicated Benefit Simplification Unit to act as a catalyst in driving forward simplification across the benefits system. In May 2006 the Unit published *Simplification: Guide to Best Practice*, which sets out ways in which complexity can occur and provides advice for the Department's staff on how to avoid introducing new complexities into the system. Compliance with the guide is monitored both within the Department and independently by the Social Security Advisory Committee in its role of scrutinising the Department's proposals for new benefit rules.

3.6 We propose to simplify the benefits system in the following ways:

- **Reducing complexity wherever we can** – some benefits can have different rules for similar events; for example, the day on which benefit is paid can differ between benefits. We will try to align these rules, paying careful attention to the balance between the need for simplicity and a reduced level of error and the impact further legislative change may have on our customers and the benefits system.

- **Simplifying business processes** – we want delivery processes across all benefits to be as efficient and simple as possible while also being easy for staff to understand. The current programme for standardising processes across Jobcentre Plus (the Standard Operating Model programme), for example, will have a positive impact as it is rolled out over the period to April 2008.
- **Error proofing future policies** – as we reform the benefits, allowances and grants we provide and introduce new ones (such as the Employment and Support Allowance for people with disabilities or health conditions, and the Local Housing Allowance for Housing Benefit customers) we will ensure that simplicity is a priority, both for staff and customers.

In 2006 we have already made several changes which have reduced the complexity of the benefits system. For example, we have made improvements to the Social Fund scheme; aligned the treatment of charitable/voluntary/personal injury income; abolished the requirement to downrate benefits after 52 weeks in hospital; revoked wholly or in part over 200 statutory instruments introduced since the start of the Housing Benefit scheme in 1988; and aligned the capital limits across the working age benefits.

Making better use of data

3.7 Data matching is the Department's way of identifying inconsistencies by comparing the information it has on its customers with other information sources. Indications of official or customer error are found when there is a discrepancy between sets of data on the same customer, and this triggers further investigation by our staff.

3.8 For example, during the last two years, data matching has identified over £100 million in Pension Credit underpayments. The Pension Service has corrected these and has paid any money owed to customers. We intend to build on the success of this approach and make it even more effective by speeding up the process where possible and gaining access to a wider range of data sources.

3.9 The Department currently runs two data-matching services which use different risk identification processes: the General Matching Service runs matches for departmental benefits, and the Housing Benefit Matching Service runs matches for Housing Benefit. We will investigate the possibility of bringing these two services together in order to make their processes more effective and efficient.

3.10 By speeding up our current data-matching processes, we will reduce the duration of any underpayment or overpayment in a customer's claim. The Housing Benefit Matching Service is already looking to automate as many processes as possible to enable local authorities to receive data matches more quickly. The development of a secure e-mail link between local authorities and the Housing Benefit Matching Service is the first part of this work.

The On:Time Solution project will introduce a new IT process within Jobcentre Plus and The Pension Service, which will provide improved data-sharing and data-matching capability. It will also contain tools for use by managers and staff, which will help them to carry out their work more easily and efficiently. By extracting and converting data held in the Department's existing computer systems in a new way, it will be possible to make better use of this information in the future. This means it will be possible to:

- cross match a greater range of data across different IT systems;
- identify those cases most likely to fall into error and flag them for checking sooner;
- identify error earlier in a claim's life-cycle through the use of earlier data matching;
- provide reports directly to processing staff, allowing them to take corrective action or carry out investigations into claims sooner. For example, such a report would be produced when the system identified that a customer's medical evidence is due to expire shortly; and
- capture information about errors made by staff, in order to inform what additional information or training they may need.

The project will also enable managers and staff to understand better how workflow issues arise and to predict potential bottlenecks. This means that appropriate resources can be directed to problem areas more quickly.

3.11 We will seek to extend the range of data sources we use in order to help us identify possible inconsistencies sooner. Jobcentre Plus is currently testing the effectiveness of matching its benefit data on some Income Support claims with data held by private sector credit reference agencies, to assist with the identification of cases where particular kinds of fraud may be being committed. This process will also help to identify

potential fraud on any Housing Benefit associated with these claims.

3.12 We believe that matching customer data with that held by credit reference agencies also has the potential to uncover customer error in some benefit claims. If the pilot evaluation demonstrates the initiative to be successful, we will look to use this form of data matching as part of our future strategy for reducing error.

3.13 Local authorities are participating in the National Fraud Initiative, which is a data-sharing project being run by the Audit Commission. This initiative allows Housing Benefit data to be matched with data sets that are not available to the Department. We are planning to exploit these matches further by enabling other benefit data to be included in this initiative and to include some of these matches in local authority performance targets that are set by the Department.

3.14 A new computer link was rolled out to local authorities during 2006. This provides up-to-date information about departmental benefits for staff processing Housing Benefit and Council Tax Benefit, and will help reduce both official and customer error. It will also provide the platform for future developments such as more extensive and quicker data sharing. We have already started work to improve access to HM Revenue & Customs' tax credit data across this link and plan to introduce it in April 2008.

3.15 The Department has rectified the situation whereby the Income Support and Jobseeker's Allowance systems inaccurately show that some customers are not in receipt of Housing Benefit when, in fact, they are. This will greatly assist local authorities in knowing when a customer in receipt of Housing Benefit ceases to receive another benefit. Local authority staff are now also able to set the relevant indicators on the departmental systems themselves, providing additional safeguards that the information contained on these systems is correct.

3.16 The Department also has a longer-term aim to extend its access to other valuable data sources, thereby detecting and preventing incorrect awards sooner and with greater accuracy. We will invite members of the Department's Ethics Committee, which considers issues associated with the use of customer data, to comment on proposals to ensure they are consistent with appropriate legal and ethical guidelines before they are implemented.

IT and process excellence

3.17 Modern and efficient IT is vital for any business, especially one as complex as ours. We need to move away from the paper-based prompts and outputs produced by many of our current computer systems and continue to build an integrated system that will automate those parts of the business process not currently supported by IT. This will minimise our reliance on staff intervention to action a case and will reduce the level of official error in our system. We will not achieve this overnight, but this remains our long-term ambition.

3.18 Before we realise our long-term vision for fully automated IT processes, there is a lot we can do to address the weaknesses of our current computer systems. We will do this through a programme of system fixes targeted at the top high-value errors. Where we identify that a system fix could help to reduce the occurrence of a particular error, we will endeavour to introduce this change as quickly as possible.

3.19 We will also look at introducing system enhancements that will prevent a user from making an error. For example, the user will be required to complete certain fields in order to proceed with the next part of processing a benefit claim. Again, this will ensure that staff are less able to make mistakes, especially when entering customer information into the IT systems.

3.20 The Department's businesses each hold customer information on their own benefit computer systems. For example, an individual in receipt of Income Support and Disability Living Allowance will be a customer of both Jobcentre Plus and the Disability and Carers Service, and their details will be stored on both computer systems. Error can occur in such a case when the customer's claim details change for one benefit, but this information is not shared with or acted upon by the agency responsible for determining the other benefit.

3.21 To solve this problem, we are introducing a new computer system, the Customer Information System (CIS), which interacts with our current IT. It will share across the Department basic customer information such as name, address and rate of other benefits in payment. The CIS will provide authoritative customer details and will ensure that data is collected only once and shared across all the Department's agencies, and eventually with other government departments. By having access to this better quality and more reliable data, our processing staff will be able to spot anomalies more quickly and take the necessary action to prevent error.

3.22 The CIS will also notify staff of reported changes received by other parts of the Department. Acting on this information will help keep the benefit payment correct and up to date. This notification will include information on the customer's benefit award as well as any change in their circumstances. In time, this information will be available to staff as soon as the changes happen, which will, in turn, help them to keep benefit claims as up to date as possible and will therefore reduce the level of official error in the system.

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3.23 Over time, a subset of the information held by the CIS will be available to other government departments and local authorities. This will enable data to be compared, with discrepancies between the data sets indicating the potential for a case to contain errors.

3.24 The Pension Service is also currently modernising the way it delivers its services to pensioners, via its Pensions Transformation Programme. The programme will introduce new functions that support staff and enable them to process claims more accurately. Overpayments and underpayments in Pension Credit will both be reduced as a result.

3.25 In the longer term, we aspire to enable customers to submit a claim directly to our IT systems over the internet, supported by appropriate security measures. In time, this facility would also allow customers to report changes of circumstance online. Such technologies will reduce the likelihood of input errors that sometimes occur when staff enter data manually into our benefit computer systems.

Staff compliance

3.26 Ensuring that staff can better comply with business processes is at the heart of our strategy to reduce error. It is our responsibility to ensure that the processes staff follow in order to administer a complex benefits system effectively are as simple and straightforward as possible. However, simple processes in themselves will not ensure compliance. Investment in effective training and clear guidance for staff are central to improving compliance, as is the professional recognition of the skills our staff possess.

People development and continuous learning

3.27 The scope and remit of training has to be wider than simply teaching staff how to process the particular benefit they are working on. By increasing a member of staff's knowledge of the wider benefits system, we will increase their ability to spot potential error, which may not fall specifically within their benefit or particular area of work. The Department will address this weakness, which will be particularly important for staff new to our business. We will also look to improve the training we provide to existing staff throughout their career. Our revised training packages will also make clear to staff the important role they have in protecting the benefits system from error.



3.28 The Disability and Carers Service has made a commitment to introduce a system of formal, externally recognised accreditation for decision makers (Professionalism in Decision Making and Appeals). This new modular work-based programme will provide decision makers with the knowledge, skills and competencies needed to support them in doing their job to nationally recognised standards of excellence. Once decision makers have reached a certain professional standard this will be officially recognised, both inside and outside the workplace. We aim to replicate this scheme across other parts of the Department over the period to 2012.

3.29 The Pension Service, Jobcentre Plus and the Disability and Carers Service will consider how best to implement a range of training initiatives to improve staff compliance. Most importantly, they will look to reintroduce (or reinforce where they already exist) training evaluation packages. These packages test staff skills on an ongoing basis. The results of these evaluations will help to inform managers of specific training needs. To complement the training evaluation packages, we will ensure that refresher training is available for staff. These will be short, intensive training packages focused on a particular area of legislation or business process.

3.30 These businesses will also review how best to deliver training to staff and ensure that the methods used are most appropriate to the material that needs to be communicated. They will look at the level of knowledge staff require to perform particular roles within their organisations and will ensure that these needs are met in the training packages provided.

3.31 The overall success of the error strategy relies on an understanding by all those involved in taking claims and processing benefits of the consequences of making a mistake. If incorrect information is accepted by one part of an agency and is then processed, the customer's claim will be incorrect from the outset. This results in poor customer service, as the customer will receive the wrong amount of benefit. It is also very inefficient, as it costs the Department additional staff time to find the error and then correct it.

3.32 To combat this, The Pension Service will introduce a new checking regime that ensures all staff have a minimum number of checks performed on their work. In addition, there will be a facility to target checks on known areas of weakness.

3.33 As we move towards greater emphasis on error **prevention** rather than error **correction**, our people need to ensure that during key interactions with the customer they consider error prevention as their primary objective. Such an objective would improve the service we offer customers. A programme of awareness sessions for departmental staff will remind them of the importance of getting it '**right every time**' and keeping benefit correct on an ongoing basis.

3.34 Error awareness training will also be developed for local authority staff involved in processing benefit claims. To help reduce official error, these sessions will highlight frequent mistakes made by staff, and offer examples of good practice. (They will also ensure that staff are able to identify situations where they should be particularly vigilant in order to prevent customer error entering the system.)

3.35 Refresher training on common Housing Benefit errors will also be developed for the Department's operational staff to ensure that they are able to offer comprehensive and accurate Housing Benefit advice to customers. In particular it will highlight the importance of passing on any reports of changes in customers' circumstances to the relevant local authority.

3.36 Improved training on workflow management will be developed for local authority staff to help them identify weaknesses in procedures, including communication channels between the Department and local authorities. This training will help them prioritise work that could lead to an incorrect benefit payment if not actioned quickly.

All staff rely on written guidance manuals when processing complex elements of any of the benefits provided by the Department. The majority of our guidance is accessed through the Department's intranet site, which is available to all staff on their desktop computers. However, at times this guidance can be difficult to locate or understand, and it is not always up to date. We will address this and ensure that all guidance:

- uses clear and precise language to explain complex benefit rules;
- is presented in a clear and easy-to-follow format;
- is in one place;
- offers a good search-engine facility; and
- is regularly updated.

Correction

3.37 For error that has already been allowed into the benefits system, we need to find it, correct it promptly and pay arrears as soon as an underpayment comes to light. This is already standard practice across the Department, and our strategy builds on this by implementing a number of additional corrective initiatives across the Department's delivery businesses.

3.38 To reduce the stock of existing error in The Pension Service, we plan to undertake a targeted case-cleansing exercise. This involves staff reviewing cases and prioritising those with the highest risk of containing high-value errors. During 2007 the agency will put in place dedicated

resources to work through cases to check their accuracy and, where appropriate, take corrective action to ensure that customers are receiving the correct amount of Pension Credit. Where an underpayment is identified, we will also ensure that any money due is paid promptly.

3.39 In June 2006, Jobcentre Plus introduced Action Teams across the country in a drive to reduce official error. The Action Teams are deployed into local delivery units to help resolve those cases where inconsistencies have been identified by data-matching activity and which are likely to contain high-value errors. By October 2006, the Action Teams had reviewed 45,000 cases and reduced the weekly value of overpayments by around £745,000. We will extend this activity beyond 2006/07 as part of the strategy to 2012.

3.40 Towards the end of 2006/07, local authorities will begin to undertake a number of measures that will cleanse their working age caseload of existing error. This exercise will include targeting cases where there is a suspicion of non-declaration of earnings or tax credits, reviewing all cases where a customer has not reported any change in their earnings for over 12 months and checking high-risk cases that have not been reviewed in the past two years.

Performance improvement and innovation

3.41 Jobcentre Plus will adopt a priority approach to performance management for benefit processing. This approach requires delivery units to achieve nationally set minimum standards. If a delivery unit falls below this level, performance improvement activity will be initiated. This activity will range from providing additional training to local managers to moving work to other units, depending on an analysis of the underlying causes of poor performance.

3.42 Jobcentre Plus has at its disposal a range of tools designed to tackle underperformance. As part of this strategy, where appropriate, it will deploy high-performing managers into poorer-performing delivery units on a short-term basis to help coach and mentor managers with the explicit aim of raising their performance against official error.

3.43 To help improve staff performance further, The Pension Service will develop a programme of workshops aimed at capturing good practices developed in high-performing business units and sharing these with poorer-performing ones. These events will be aimed at both managers and operational staff responsible for processing new claims to benefit and customer changes of circumstance.

3.44 The Disability and Carers Service has already appointed a senior quality improvement manager who will have lead responsibility for improving the levels of quality within Disability Living Allowance and Attendance Allowance. The manager will look at ensuring that good practice is circulated and embedded across the agency, while also providing feedback to operational managers on errors identified from the new end-to-end benefit-checking regime.

3.45 Well-designed business targets are an effective management tool to drive and reward the right behaviours. We will therefore look to strengthen our agencies' focus on reducing official error by introducing improvements to the target regimes for 2007/08 for our delivery businesses.

3.46 In April 2007 we will also introduce a more robust performance measure for the reduction of fraud and error in local authorities' Housing Benefit caseloads. This new measure will be based on the number of reductions in benefit a local authority achieves, both as a result of customers reporting their changes and as a result of local authorities detecting those changes that customers fail to declare.

