

Department for Work and Pensions

**Decision Making Standards
Committee**

Annual Report

April 2003 – March 2004

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Recommendations

The following recommendations have been aligned to the respective business units and are marked with **Jobcentre Plus, The Pension Service** and **Disability and Carer's Service** accordingly.

- 1 The measurement of the accuracy of decision making should be awarded equal priority to payment accuracy and measured and reported accordingly. There should be targets for the quality of decision making through the Performance Framework of JCP and TPS (this already exists in DCS). The Department should confirm the value of decision making and its checking by setting appropriate high level customer focused targets and improvement feedback systems.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

Checking methodology

- 2 On the basis of the principle of '*Getting it Right First Time*' a level of pre-payment checking should be incorporated within the checking regime where it makes good business sense to do so.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 3 The number of decisions in doubt means that the data on decision making accuracy provided to the SC does not provide robust data on the standards of decision making within the Department. This is unacceptable. The number of decisions in doubt should be reduced significantly.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 4 On an interim basis and as one means of reducing these cases the businesses should adopt stringent targets to reduce the numbers of missing files. Only cases where the file is actually missing should be defined as decisions in doubt.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 5 In all benefits where the length of award attracts a right of appeal the related decision comes under the scope of DMA and should not be classified as a procedure. Such errors should be classified as full DMA errors.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 6 Data should be available to show the consequences of re-categorisation of errors. Any changes in checking methodology need to provide data which is capable of comparison with that produced by previous methodologies.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 7 A means should be developed by which the impact of decision making quality on different customer groups can be measured. Since many of these customers will be in receipt of a range of benefits the investigation should be customer focused and therefore across the businesses rather than being focused on specific benefits.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 8 Data on errors, whether payment or decision making, needs to be available sufficiently quickly at both a national and local levels in order to remedy problems in the year. This should include data from previous years for trends to be monitored.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 9 That JSA decision making checks include labour market decisions.

Jobcentre Plus

- 10 The approach of The Pension Service in developing a programme protection strategy is in line with good risk management practice. We commend the approach of designing errors out of the system and look forward to hearing how the other businesses are adopting similar approaches.

Jobcentre Plus and Disability and Carer's Service

- 11 That regular monitoring information on MVE is provided by DCS from 2005-06.

Disability and Carer's Service

Hearing the customer

- 12 When new technologies/processes are developed, an impact assessment of the effect on decision making is included during the planning and pilot stages and the evaluation is reported to the Standards Committee.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 13 All businesses should consider including specific questions on the decision making process in future customer surveys and the results reported to the Standards Committee.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 14 The approach of TPS in identifying cases with a high risk of decision making error for face-to-face interviews is a very positive one. We recommend that a risk-based approach to tailoring the interface with the customer to meet their individual needs should be adopted by all the businesses.

Jobcentre Plus and Disability and Carer's Service

- 15 That the businesses provide information on the ways in which they ensure that front line staff are appropriately trained to adopt a wider customer service role when they operate across a range of benefits.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

- 16 That the businesses provide information on how they are proposing to monitor the quality of customer communication with the use of different ICT systems.

Jobcentre Plus, The Pension Service and Disability and Carer's Service

Operational efficiency proposals

- 1 That an agreement should be reached between the businesses and the SC on a specification of the data to be provided to the Committee on a regular and timely basis.

DWP

- 2 That a process is agreed for the systematic involvement of the SC in the design and testing of decision making monitoring specifications checking methodologies.

DWP

Abbreviations

AA	Attendance Allowance
ACI	Adjudication and Constitutional Issues Division
AIP	Assessed Income Period
AVT	Audit Validation Team
BA	Benefits Agency
BASC	Benefits Agency Standards Committee
BFI	Benefit Fraud Inspectorate
CAB	Citizens Advice Bureaux
CMS	Customer Management System
CMU	Corporate Measurement Unit
CSA	Child Support Agency
DAAT	Decision Appeals and Assurance Team
DBC	Disability Benefit Centre
DBU	Disability Benefit Unit
DCS	Disability and Carer's Service
DLA	Disability Living Allowance
DM	Decision Maker
DMA	Decision Making and Appeals
DMQPSG	Decision Makers Quality Programme Steering Group

DO	District Office
DWP	Department for Work and Pensions
GMS	Generalised Matching System
GOR	Government Office Region
GP	General Practitioner
IAD	Information and Analysis Directorate
IAS	Internal Assurance Services
IB	Incapacity Benefit
IS	Income Support
ISCS	Income Support Computer System
JCP	Jobcentre Plus
JSA	Jobseeker's Allowance
JSAg	Jobseeker's Agreement
JSAPS	Jobseeker's Allowance Payment System
LA	Local Authority
LEL	Lower Earnings Limit
LMS	Labour Market System
MIG	Minimum Income Guarantee
MVE	Monetary Value of Error
MVFE	Monetary Value of Fraud and Error
NAO	National Audit Office
PAC	Public Accounts Committee
PCA	Personal Capability Assessment
PCAL	Pension Credit Application Line
PCP	Pension Control Point
PIAT	Performance Improvement Action Team
PIE	Periods of Interruption of Employment

PIW	Period of Incapacity for Work
PMAR	Performance Management Accountability Report
PSA	Public Service Agreement
PSC	Project Steering Committee
PTP	Pension Transformation Project
QS	Quality Support
QST	Quality Support Team
RNID	Royal National Institute for the Deaf
RP	Retirement Pension
SC	Standards Committee (for DWP)
TAS	The Appeals Service
TPS	The Pensions Service
SDP	Severe Disability Premium
SOS	Secretary of State
WAR	Work Available Report
WOR	Work Overdue Report

Summary

The DWP Decision Making Standards Committee (SC) for the consolidated Department for Work and Pensions (DWP) was established in February 2003. Although it is the successor to the Benefits Agency Standards Committee (BASC), it has revised Terms of Reference which are attached as **Appendix A** of the full report. The SC reports to the Chief Executives of Jobcentre Plus (JCP), The Pension Service (TPS) and the Director of the Disability and Carers Service (DCS) on standards of benefit decision making. The Department has been undergoing major change and the Committee recognises that this inevitably has an impact on the quality of service to customers. Despite some problems in the provision of data we have been given good support and access during difficult times and welcome the positive relationships that we are developing with the businesses.

The work programme of the Committee 2003-04

The Committee's 2003-04 work programme was based on the following themes:

- 1 Induction.
- 2 Checking methodology.
- 3 Top ten payment accuracy errors.
- 4 Hearing the customer.

1 Induction

The creation of a new committee within a new Department, dictated that induction would play a major part in this year's work programme.

2 Checking methodology

There have been many changes in the methodology for checking Decision Making and Appeals (DMA), which have made comparisons with previous years impossible. Also changes in definitions have created a system whereby the data for the year 2003-04 could not be validated without a further piece of work. This work has not yet been completed and in the absence of validated data the Committee is not able to give any assurance on the standards of decision making within JCP, TPS and DCS. The main focus of the checking regime has been on payment accuracy and the measurement of Monetary Value of Fraud and Error (MVFE).

The SC is concerned that decision making is not given high enough priority within the Department. We were supported in our considerations by the National Audit Office (NAO) value for money study, *'Getting it right, putting it right'*, and the subsequent response of the Public Accounts Committee (PAC), which reinforced the importance of decision making. It is vitally important that correct decisions are made in a timely manner at the earliest stage in the benefits process.

The Committee has recommended short-term and longer-term changes to the checking methodology. We believe these would provide a robust system of data collection and monitoring from which assurance could be based.

3 Top ten payment accuracy errors

The data on errors is not collected consistently across the DWP, therefore it is not possible to identify trends across the board. The remit of the SC is specific to decision making. Our examination of the top ten errors has therefore been undertaken on a business-by-business basis and we have identified those errors where decision making has the greatest impact.

4 Hearing the customer

The SC has carried out an overview of the ways in which customers are heard across the Department. In addition, a customer consultation group, which was established by the BASC, has been expanded to become an important forum for providing customer views to the Department.

The SC has been impressed with the way in which TPS continues to develop a more customer-focused service.

The Committee has been examining the new procedures for contact with customers and are recommending that, with changes in approach and the use of new technologies, new methods of monitoring the quality of customer service will be required.

Work programme 2004-05

In 2004-05, the Committee will be examining the DMA process starting with the decisions relating to appeals and reconsiderations. We will also be following up our work on the checking methodology and scoping work on decisions relating to overpayments.

1 Overview

1.1 Introduction

This is the first annual report of the DWP Decision Making Standards Committee. This new committee was established following the creation of the DWP and replaced the former BASC. The Committee's role is to provide independent commentary on the quality of DWP benefit decision making and the process for assuring that quality.

The BASC was originally established following the Social Security Act 1998 which implemented major changes in DMA. Formerly, the independent Chief Adjudication Officer undertook monitoring of decision making standards. When this responsibility passed to the Chief Executives, the BASC was established to provide them with an independent monitoring mechanism. The first meeting of the new committee took place in February 2003.

The Committee's original Terms of Reference are attached as **Appendix A**. As a result of experience gained over this last year and, following comments made in the recent NAO value for money study '*Getting it right, Putting it right*', these terms will be changed in discussion with the Chief Executives.

1.2 The new Standards Committee

The SC is aware that the changes we have made have placed new and different demands on the Secretariat. We value the way in which they have risen to the challenges. We also wish to thank staff in the field for their openness and willingness to assist the members in their quests for understanding. Despite the massive changes which staff have been experiencing, and the large numbers of new staff who are in the process of learning themselves, we have been welcomed and supported in our work.

The creation of new organisations inevitably causes both disruption and new opportunities. The Department took the opportunity to look afresh at the functioning of the BASC. This has enabled positive changes to be made to the structure and the ways in which this new committee operates.

We have been fortunate that during the last year the NAO were conducting a value for money study on benefit decision making within Jobseeker's Allowance (JSA) and Disability Living Allowance (DLA). *'Getting it right, putting it right. Improving decision making and appeals in social security benefits.'* Their findings, and the subsequent report of the PAC, have assisted the Committee in their quest to operate as effectively as possible.

The structure of the Committee has changed. There is a much clearer distinction between committee members and the executives. The Committee is now comprised exclusively of non-executive members. Executives from the businesses attend meetings to advise and support. In addition members from The Appeal Service (TAS), NAO, Internal Assurance Services (IAS) and Adjudication and Constitutional Issues (ACI) attend. Their input has been invaluable and has assisted in developing a co-ordinated approach to the monitoring of decision making standards.

Members of the Committee were generally recruited for their expertise in the operation of benefits provision on the ground. The Chair was recruited on the basis of broad experience of working with users of the benefits system, strategic management and experience in the role of Chair. From the start, individual members were aligned to specific business partners thereby providing an opportunity for more in-depth understanding.

Relating to three business units is a complex challenge. The balance between developing knowledge of individual businesses and cross-departmental understanding demands a great deal from members. The Committee has attempted to find a way of operating which provides value across the Department, whilst also ensuring that specific business issues are properly addressed. We believe that we have made progress in meeting these objectives.

There is still, however, a need to identify how the Committee can be supported when cross-departmental pieces of work cannot be undertaken by the Secretariat.

1.3 Recommendations brought forward from the Benefits Agency Standards Committee

The first issues considered by the Committee, following the adoption of the terms of reference, were the recommendations stemming from the former BASC annual reports for 2000-01 and 2001-02. These were considered in some detail over the first six months. It has now been concluded that all previous recommendations have either:

- been completed to the member's satisfaction;
- are in the process of being implemented; or
- are outside the remit of this committee.

Some of the recommendations related to issues for which there are plans to address them within the medium-term. We therefore agreed to reconsider any outstanding matters on an annual basis, starting in May 2004. As a result, any outstanding action has been identified and incorporated within the Committee's current work. These are included in the report as **Appendix B**.

1.4 Work programme

The development of the work programme was inextricably linked to the ways in which the new committee would operate. As only two of the Committee's members were former members of the BASC, there was a need for comprehensive induction. It was also agreed that a series of *thematic issues* addressing issues across the whole Department would prove beneficial. Any additional issues, specific to businesses, could be added following discussion or requests from the Chief Executives.

The work programme was based on the following themes:

- 1 Induction.
- 2 Checking methodology.
- 3 Top ten payment accuracy errors.
- 4 Hearing the customer.

1.5 Systems and methods of working

We have been concerned that the work of the Committee should be undertaken in a systematic way. Evidence used by the Committee in reaching conclusions should be as objective as possible, whilst providing an additional perspective on the performance monitoring undertaken by the businesses themselves.

There has been a significant change in the way of working to achieve an iterative process. The businesses have worked hard to achieve a system whereby issues are addressed as the evidence arises. This could make it less clear when recommendations have been met.

The Committee value this way of working closely with the businesses. The planned publication of this report, following the recommendations of the NAO, will inevitably change the relationship between the Committee and businesses. We value the benefits this will bring and are committed to working in a mutually open and co-operative way. The businesses are kept aware of the thinking of the Committee throughout the year.

1.6 Performance data

Flaws in the 2003-04 checking methodology have meant that the Committee has not been provided with robust data on which to base our assessment. We are therefore unable to provide any assurance as to the accuracy of reported decision making performance. Checking practices also prevent the provision of timely, **validated** data. This has proved frustrating.

Changes to the 2004-05 checking methodology have been proposed, and these are welcomed; however, it is still unclear when the evidence resulting from the new checking regime will be made available to the Committee.

It is essential that good quality, timely monitoring data is available for consideration by the Committee on a regular basis. It has been difficult to obtain information on specific issues when requested by the Committee. In establishing the Committee, it had been assumed that all necessary data would be provided by the Quality Support Team (QST) and the businesses. The present system has not been satisfactory.

In addition, relevant data, collected by the businesses on a range of aspects of decision making, is not routinely available to the Committee, with the exception of TPS. This is no doubt in part because there had been an assumption that the information from the QST checks would suffice, however, since there are concerns about the accuracy, comparability and timeliness of their data, this has created problems.

The Committee is unable to fulfil its role without appropriate, timely and accurate data.

The Northern Ireland Standards Committee, and that of the Child Support Agency (CSA), has access to resources for specific pieces of work that they consider necessary to assist them in their monitoring role. Such a resource is not available to this committee.

This means that it is not possible for the Committee to obtain information on specific areas of concern. One such area where this has proved problematic has been the lack of data relating to the impact of decision making on different client groups. This situation is not satisfactory.

The creation of the Corporate Measurement Unit (CMU), and with it changes to the current checking regime, present an opportunity for the allocation of resources to undertake specific pieces of work for the SC.

2 The work of the Committee and findings

2.1 Induction

The relative inexperience of the majority of committee members meant that induction was a high priority if the Committee were to operate effectively. Massive changes within the Department have also meant that even the more experienced members have required considerable induction. This has taken up a large proportion of the Committee's time. It has been a stimulating and enlightening process.

We recognise that the businesses are in a state of constant improvement. This dictates a need for members to be kept abreast of any departmental changes, or plans, that have an impact on the quality of decision making.

A list of visits undertaken by members over the last year is attached as **Appendix D**.

2.2 Checking methodology

The Committee is mindful that its primary functions are to assure the Chief Executives of JCP, TPS and the Director of DCS:

'that monitoring reports accurately reflect the standard of decision making' and also 'that the monitoring structure is robust and able to provide credible estimates of the standards of decision making at a national level'.

Members therefore considered it essential that an evaluation of the checking methodology should be carried out at the earliest opportunity. This was particularly important in light of recent changes to this methodology.

The Committee has been fortunate that the IAS Audit Validation Team (AVT) was simultaneously carrying out an evaluation of the checking systems. The work of the AVT has been an important element in the total evidence base used by members when making their recommendations.

2.2.1 Payment accuracy and decision making

The Committee are concerned that the current checking regime is focused primarily on payment accuracy rather than decision making. We believe that good decision making inevitably leads to payment accuracy.

The PAC stated '*Getting benefit decisions right is vital to the credibility of the social security system.*'

The BASC recommended that there should be closer links between payment and decision making accuracy. Cases now only fail the DMA check if the payment to the customer is wrong. The Committee are firmly of the view that a correct decision is critical. In line with the principles behind the introduction of DMA, and the recent NAO report, we believe that '*Getting it right first time*' should be the primary aim.

The NAO identified that targets have led to this focus on payment accuracy. There has been an improvement in payment accuracy. However, '*with a fifth of benefit decisions containing errors of some kind [there is] scope for improvement in the quality of decision making.*'

NAO estimated that there was the potential to save a total of £8.1 million by a combination of reducing, by 25 per cent over five years, the number of DLA claims that go to appeal tribunals; efficiency savings through creation of teams to handle JCP appeals; removal of duplication of reconsideration work in JCP benefits; and reduction of ten per cent in tribunals for JCP benefits. DWP estimated that official and customer errors cost the department £1 billion in overpayments of benefits; a figure confirmed by NAO in their report on that account (Section 1.1).

They point out that the level of errors also leads to reputational risk and loss of public trust in the benefits system. The SC consider it a truism that '*what gets measured gets done*'. At present there are no high level targets for decision making with the exception of the decision maker quality target in DCS. It is not clear that the Department gives high priority to the quality of decision making.

The NAO report identified the fundamental importance of decision making. They pointed out '*there are no targets at either high level or locally for improving the standards of decision making and appeals...although the CSA...does cover decision making in its PSA targets ...*'

Recommendation

1 The measurement of the accuracy of decision making should be awarded equal priority to payment accuracy and measured and reported accordingly. There should be targets for the quality of decision making through the Performance Framework of JCP and TPS (this already exists in DCS). The Department should confirm the value of decision making and its checking by setting appropriate high level customer focused targets and improvement feedback systems.

Response

The Committee would like to see JCP and TPS take on board this issue too. We are monitoring with interest the Efficiency Challenge 2 work within JCP which we understand may address this to some extent. We await the Department's response to the NAO report and the PAC.

The work on the methodology has taken the majority of members' time this year. Some of the concerns raised by members have already been taken on board and the specification for the checking regime drawn up by ACI for 2004-05 has incorporated some of the issues raised by members.

Although there were problems relating to the precise way in which the Committee should provide input into changes to the specification, the principle of involvement established is a positive one. Members are pleased that, in this way, changes can be made relatively quickly. Some of the Committee's recommendations have already, therefore, resulted in some action.

2.2.2 Problems identified with the current checking regime

The SC has concluded that there are significant problems with the current checking regime. The checking methodology has been adjusted several times since its introduction in 1998 leading to many changes. This has made it complex. For example, the redefining of errors has made the detail of the system extraordinarily difficult to understand.

The NAO report pointed out '*differences in the current definition of decision making error compared with that used prior to 1999 make accurate comparisons difficult*'. The SC sees the situation as even more confusing as the definitions have changed year upon year, thereby making trends impossible to track. Whilst the logic for each change may be clear at the time, the end result is a system that is far too complex. This continuing problem has resulted in the lack of suitable data for the Committee this year.

There are also numerous checking systems in operation within the Department for various management and quality assurance purposes. There is duplication, but due to such factors as sampling, the data can rarely be used at both national and local level. There is checking carried out at local levels, some of which is pre-payment checking.

At a national level, the checking carried out by QST produces data on DMA and payment accuracy which feeds into the calculation of MVFE. In JCP this data is not used by the districts. At district level the small sample size results in much lower confidence levels and consequently any data produced on DMA by QST checks is not useful to local managers.

In relation to JSA, the NAO report states:

'the value of performance monitoring lies not only in reporting results externally, but also in feeding back results to help improve standards. In many cases, local accuracy officers give feedback to decision makers individually, at team meetings, presentations or in written form. The monitoring data gathered for the SOS report though are statistically valid only down to regional level and are not therefore of use to district and local level decision makers...'

There is therefore no clear feedback loop from this data that could be used to improve standards.

The data collected at local level is not provided to the Committee for use in determining the quality of decision making. Thus, there are at least two separate checking regimes. In JCP the VAT 2000 checks, which include factors wider than simply those relating to decision making, are carried out at local level. Local checks on DMA are also used to target specific local issues for monitoring and improvement. Currently, in TPS, local decision making checking processes allow managers the flexibility of targeting specific hotspots or areas of weaknesses within their geographical area.

The Committee believe a rationalisation of the checking processes is needed. One possible scenario would involve local managers collecting data that is checked at local level and used for both monitoring and training purposes. There is no reason why data collected locally is necessarily unsuitable for use on a national scale. Appropriate sample sizes and collection methods could mean this data could be collated for use at regional and national level. It could also form the basis of performance data for SC and PSA targets. External verification of the local checking regimes could be carried out by a national inspection system. Information and Analysis Directorate (IAD) could provide external verification of the systems in place, and the NAO may potentially have input, to the extent that this work would support their opinion on the Secretary of State's report.

Such a tiered system, based on agreed samples and checking methodology, would have greater credibility at all levels and should involve less resources than are currently used. A more comprehensive external validation process could ensure the robustness of such a system. This is the model used by DCS and the Decision Appeals and Assurance Team (DAAT) although greater external scrutiny could be of value.

TPS are developing a new 'End-to-End Measure' that provides monitoring from a customer perspective. Their Programme Protection Strategy for 2004-05 has also been designed to take positive action to prevent errors prior to payment rather than relying on post payment checks.

In addition, the DCS Quality Standard provided a refreshingly clear and understandable approach to the subject of decision making quality. This could be used as part of quality checking.

The creation of the CMU provides an ideal opportunity to review the current checking and monitoring regimes within the Department, and to rationalise their operation. The present system is bureaucratic and wasteful of human resources.

We recognise that root and branch changes take time and serious consideration before they are accepted. We have therefore considered ways in which the present system can be adapted in the short-term.

The SC is very clear that it is essential for us to have high quality, timely and accurate decision making data, if we are to perform our intended function. There have been significant problems and we look forward to receiving proposals from the businesses as to how they will ensure that the Committee receive the appropriate data in the future.

2.2.3 Pre-payment checking

The Committee is concerned that post-payment checking does not allow decisions to be changed before payment is made to the customer. We are aware, also, that moves towards pre-payment checking systems could result in delays, however, managerial and VAT 2000 checks are undertaken pre-payment. The suggestions made within Section 2.2.2, based on first tier management checks, would enable more checks to be made pre-payment. This would allow poor decisions to be reconsidered at the earliest opportunity to put matters right for the customers. DCS already do pre-payment checking within their Disability Benefit Unit (DBU).

Recommendation

2 On the basis of the principle of *'Getting it Right First Time'* a level of pre-payment checking should be incorporated within the checking regime where it makes good business sense to do so.

The Committee is mindful of Recommendation 4 of the NAO report *'the Department should increase, where there are benefits to doing so, the proportion of decisions that are pre-checked, to reduce the number of errors and hence appeals.'* We await the Department's response to this recommendation.

The creation of CMU provides an ideal opportunity to ensure that SC scrutiny is built into the processes for developing and refining checking methodologies. Appropriate timetables could ensure that this happens systematically.

2.2.4 Deemed errors and missing evidence

The numbers of deemed errors and decisions in doubt due to missing evidence are significant. Despite the flaws within the current years data, it is evident that the majority of DMA errors relate to issues of evidence. We have been advised by the businesses that this is due, in part, to remote storage of documents. This system is unlikely to be changed. There is some evidence to suggest that greater managerial emphasis on obtaining the case-papers does result in improved availability of

records. DCS have achieved considerable improvement in this area due to managerial action. In TPS a longer lead in time for QST inspections was introduced in an attempt to give local managers an increased opportunity to ensure all data is available for checking. The six-week extension has had a positive effect, although it has not resolved the issue. The SC members have been informed of work that is underway in West Midlands regarding remote storage, and the examination of the possibility of drawing the sample direct from the remote store database to reduce the 'missing cases'. The Performance Improvement area in TPS is also looking at the development of a target on missing cases to control and monitor the situation more closely.

Recommendation

3 The number of decisions in doubt means that the data on decision making accuracy provided to the SC does not provide robust data on the standards of decision making within the Department. This is unacceptable. The number of decisions in doubt should be reduced significantly.

We believe that following the exclusion of these cases from the final published results, it has not been possible to see the full picture and there has been limited incentive to ensure missing case-papers are found.

Recommendation

4 On an interim basis and as one means of reducing these cases the businesses should adopt stringent targets to reduce the numbers of missing files. Only cases where the file is actually missing should be defined as decisions in doubt.

2.2.5 Length of award of benefit

Recommendation

5 In all benefits where the length of award attracts a right of appeal the related decision comes under the scope of DMA and should not be classified as a procedure. Such errors should be classified as full DMA errors.

The current methodology classifies the length of an award as a procedural error rather than a full decision making error. The Committee does not feel that this reflects the importance of such errors.

Action taken

DCS have agreed that for 2004/05 the length of award will be a full DMA error and will be reported as such.

Further action

JCP and TPS should identify which benefits include a length of award and where this is found to be incorrect it should be classified as a full DMA error. Pension Credit cases awarded with an Assessed Income Period (AIP) fall within this category as they have an appealable outcome decision.

2.2.6 Comparative data

Recommendation

6 Data should be available to show the consequences of recategorisation of errors. Any changes in checking methodology need to provide data which is capable of comparison with that produced by previous methodologies.

The 2002/03 specification changes, and changes in definitions, created a situation where it was impossible for the businesses or the SC to make meaningful comparisons with data from previous years and therefore assess whether the quality of decision making was improving or not.

2.2.7 Disadvantaged customer groups

Anecdotal evidence from customer consultation groups, highlighted in the President of the Appeals Service report, identifies that the quality of decision making for some groups is of a lower standard than that for others. People with mental illness have been identified as such a group and the Royal National Institute for the Deaf (RNID) produced evidence that there are problems for people with sensory impairments. Current data collection processes make it impossible, however, to obtain the data on which to make an informed response.

The Committee regard it as essential that the Department should be aware if the current decision making systems are disadvantaging some customer groups.

Recommendation

7 A means should be developed by which the impact of decision making quality on different customer groups can be measured. Since many of these customers will be in receipt of a range of benefits the investigation should be customer focused and therefore across the businesses rather than being focused on specific benefits.

2.2.8 Sampling methodology

Committee members have raised concerns that in a number of areas, such as nil new claims, the sample size is too small to provide robust data.

Action taken

The Committee have been reassured that the sample sizes are sufficient to provide reasonable confidence intervals at the national level. A significantly larger sample would be needed to provide more robust data that would have considerable resource implications.

Response

The Committee does not accept that an additional resource, with a larger sample size is the only means of improving the data. Local checking systems do include nil new claims. The proposed changes to the checking regime, highlighted in Section 2.2.2, could resolve this problem.

2.2.9 Current/historic errors

The SC welcomes the move to checking the accuracy of current, rather than historic, benefit transactions. Focus needs to be on the activities of staff in the current year so that any shortfalls can be quickly identified and remedied. However, attention also needs to be paid to the nature and scale of earlier errors. In particular, those that are detrimental to (potential) customers and therefore require rapid action to restore mistakenly rejected entitlement.

Although it is recognised that over time trends will emerge from current data, we believe that there is a need for historical data to provide immediate reflection.

Recommendation

8 Data on errors, whether payment or decision making, needs to be available sufficiently quickly at both a national and local levels in order to remedy problems in the year. This should include data from previous years for trends to be monitored.

2.2.10 Labour Market decisions

Recommendation

9 That JSA decision making checks include Labour Market decisions.

These decisions contribute to JSA claim decisions but have not been checked since November 2002. Checking before that date revealed a range of errors, particularly in relation to evidence.

Action taken

The Committee has been advised that checks for Labour Market decisions and appeals will be introduced into the full JSA checking regime during 2005-06.

3 Top payment accuracy errors

At an early stage, committee members raised concern about what progress was being made towards reducing the most significant payment accuracy errors. It seems that some of the problem areas change little over time. This could give the impression that there is little improvement in these areas or that these are intractable problems, in which case the monitoring is questionable. Members wished to determine which of these top errors are directly related to decision making and to identify how improvements could be made.

It should be noted that, with the exception of DCS, these errors are related to MVFE and measured from payment accuracy data.

3.1 Top payment accuracy errors within Jobcentre Plus

Methodology

Data was requested on the most significant errors for Income Support (IS), JSA and Incapacity Benefit (IB) over the last five years. The results focus on five IS, three JSA and five IB error types although full data on all was not available for every year. The following summarises the findings.

3.1.1 Income Support

Error 1. Failure to award Severe Disability Premium (SDP)

This error has been consistently the top IS payment accuracy error for the last five years, resulting in underpayments of £257 million over that period (ranging from 0.64% to 0.27% of annual benefit expenditure).

Error 2. SDP awarded incorrectly

This error has been, on average, the third highest IS payment accuracy error for the last five years resulting in overpayments of £108 million and underpayments of £2 million over that period (ranging from 0.23% to 0.15% of annual benefit expenditure).

Further action

While remedial action initially achieved a significant reduction in underpayments, this progress subsequently slowed and the error remains the most significant for Income Support suggesting that recent action is not yet sufficiently effective.

Error 3. Customer no longer sick

This has been consistently the second highest IS payment accuracy error for the last five years resulting in overpayments of £176 million over that period (ranging from 0.36% to 0.27% of annual benefit expenditure). Although there has been an improvement in this error type, it still remains significant.

Error 4. Customer no longer lone parent

This has deteriorated to become the fourth highest IS payment accuracy error for the last five years resulting in overpayments of £70 million and underpayments of £10 million over that period (ranging from 0.30% to 0.09% of annual benefit expenditure).

Error 5. IS General Regulations Schedule 1B para 16 not applicable

This has fluctuated to become the fifth highest IS payment accuracy error for the last five years resulting in overpayments of £93 million over that period (ranging from 0.21% to 0.06% of annual benefit expenditure).

The data gives no clear trend for either error 4 or 5 but suggests that neither is making huge improvement.

3.1.2 Jobseeker's Allowance*Error 1. No Jobseeker's Agreement (JSAg)*

This has consistently been the highest JSA payment accuracy error for the last four years (figures were not provided for 1998-99) resulting in overpayments of £153 million over that period (ranging from 1.81% to 0.92% of annual benefit expenditure).

Error 2. JSAg not signed

This has improved to become the sixth highest JSA payment accuracy error for the last four years (figures were not provided for 1998-99) resulting in overpayments of £29 million over that period (ranging from 0.33% to 0.16% of annual benefit expenditure).

The methodology change combined with the change to Labour Market System (LMS) should result in a gradual decline in the number of errors where an agreement was made but is not available at the time of the check. The change in methodology will result in the elimination of 'JSAg not signed' as a payment error.

The residual errors will be those where no agreement was made at all. We will be in a position to evaluate the extent of these errors when all the outstanding cases from stage 1 of the Quality Support (QS) check have been cleared.

Error 3. Partial adjudication made

This has significantly deteriorated to become the second highest JSA payment accuracy error for the last four years (figures were not provided for 1998-99) resulting in overpayments of £31 million over that period (ranging from 0.472% to 0.014% of annual benefit expenditure).

These errors appear to be increasing as a proportion of the total error. Although this error has been growing over the last four years, remedial work is at a relatively early stage and further research work is needed to breakdown the errors into the various possible causes.

3.1.3 Incapacity Benefit

Error 1. Second contribution condition incorrect

This was consistently the top IB payment accuracy error until 2001-02 resulting in overpayments of £85 million and underpayments of £239 million over three years for which figures were provided (ranging from 1.77% to 0.72% of annual benefit expenditure).

Historical complexities continue to have a substantial effect on this error code; QS results indicate that the level of error is reducing. However, there may still be large numbers of potential customers who have not received their entitlement to IB and who were not entitled to IS.

Error 2. PIE breaking conditions incorrectly applied

This has consistently been the second highest IB payment accuracy error until 2001-02 resulting in overpayments of £8 million and underpayments of £192 million over three years for which figures were provided (ranging from 1.5% to 0.55% of annual benefit expenditure).

Because of the reinforcement of policy intent this error has been negated. However, it is not clear whether there are large numbers of potential claimants who have not been alerted to their possible entitlement before the legislative changes.

Error 3. Second contribution condition incorrect – 25 times the Lower Earnings Limit (LEL)

This became the third highest IB error in 2001-02 when it was split from other second contribution condition errors (see above). It resulted, that year, in overpayments of £7 million and underpayments of £45 million (0.76% of annual benefit expenditure). Historical complexities continue to have a substantial effect on this error code.

Error 4. Unactioned claim form

This improved to become the fourth highest IB error in 2001-02 when it resulted in underpayments of £57 million (ranging from 0.36% to 0.23% of annual benefit expenditure).

There is gradual improvement in this error but it is not clear whether there are IB claimants who are not entitled to IS and who are not receiving any additions for dependants.

Error 5. Incorrect adult dependency

This deteriorated to become the fifth highest IB error in 2001-02 resulting in overpayments of £11 million and underpayments of £5 million (ranging from 0.12% to 0.04% of annual benefit expenditure).

Clarification of checking methods means that these error types will reduce. It is not clear how many claimants are not receiving their entitlement, if not entitled to IS.

3.1.4 Conclusions

Many of these errors result from incorrect decision making rather than process failures.

Risk to customers, and would-be customers, seems to be highest for disabled people and those suffering from long-term illness. The scale of IB underpayments is substantial – £538 million over three years for just five error types. It is accepted that many of these errors will be accounting errors with customers receiving IS in place of IB, but not all may have been eligible for IS and will be receiving nothing. Additionally, even those successful in gaining IS may still be not receiving their full entitlement. SDP underpayments amounted to £259 million over a five-year period.

Decision making/payment accuracy within DLA will also have considerable impact on disabled people.

Ill-health/disability also pose considerable risk to the public purse through overpayments in IS SDP of £108 million and customer no longer sick errors totalling £176 million over five years. Action has been taken to reduce risk relating to JSAGs (formerly amounting to some £182 million over three years) but there will continue to be some historical errors.

Although these amounts appear huge, it is worth noting the relative percentage of annual benefit expenditure is generally below 1%; with the exception of IB second contribution condition and Periods of Interruption of Employment (PIE) breaking conditions incorrectly applied which have now been remedied. It would appear that the most effective method of resolving the major errors would be to clarify/change rules – e.g. JSA and IB.

We support the findings of NAO and the PAC conclusion '*that the complexity of the Benefits system remains a major problem for staff and customers alike and is a key factor affecting the performance of the Department*' (in the area of decision making). We look forward to the results of the forthcoming NAO report on the complexity of benefits.

3.2 Top payment accuracy errors within The Pension Service

Validated data for top payment accuracy errors 2002-03 is not yet available. As the service has undergone massive change since that time and the benefits no longer exist in the same form, there is doubt about the usefulness of this data.

The measurement of Pension Credit accuracy began on 5 January 2004. It is very like Minimum Income Guarantee (MIG), the benefit it replaced, but with the addition of a savings credit element. It is too early for any firm conclusions over trends; however, early indications are that, as anticipated, the top Pension Credit errors come within very similar categories to the old MIG errors. They are:

- private/occupational pension incorrect;
- benefits incorrect;
- savings credit awarded in error/incorrect; and
- severely disabled additional amount omitted/incorrect.

A number of initiatives have been started to address these errors. In particular, a small successful pilot carried out at Stockton Pension Centre is tackling the problem of customer savings and other income errors. The lessons learned from the pilot will be fed into normal operating practice across all Pension Centres.

During the year the Performance Improvement Team have been working with the SC and JCP to consider remedies for the fourth error. This error results in high underpayments for the most vulnerable pensioners. A number of improvements have been made including: all pension centres now have full access to the Carer's Allowance Computer System and a bulletin has been issued giving Pension Credit staff clear instructions in relation to this payment. Further initiatives are underway.

The figures from the early checking will also need to be treated with caution. Not only is this a new benefit, but also, a significant proportion of the workforce is new. As a result there was managerial checking for 100% of workloads for periods. This is likely to have the effect of producing more accurate results than would be the norm.

TPS has developed a programme protection strategy designed to drive out inaccuracies. The emphasis is on taking positive action to prevent errors occurring prior to payment rather than relying on complex systems or intensive post-payment checking to capture those errors that have already occurred. The strategy is in its early stages.

Recommendation

10 The approach of TPS in developing a programme protection strategy is in line with good risk management practice. We commend the approach of designing errors out of the system and look forward to hearing how the other businesses are adopting similar approaches.

3.3 Top payment accuracy errors within the Disability and Carer's Service

Monetary Value of Error (MVE) figures are not yet available for DLA/Attendance Allowance (AA). Therefore, the following errors relate to decision making errors not payment accuracy errors. DCS are gathering data and exploring the options alongside IAD for introducing MVE as a measure for recording accuracy. The Committee awaits progress on this in the coming year.

Recommendation

11 That regular monitoring information on MVE is provided by DCS from 2005-06.

Error 1: Overpayments – the revision/supersession of the original decision is incorrect

DCS has implemented an action plan that includes increased checking of overpayment decisions, training refresher packages and closer supervision by managers. Performance data for the last available quarter (April – July 2003) indicates an improvement in accuracy rates of 5%, however, reported accuracy rates remain extremely low at 14%.

Further action

The Committee will examine the issue in more detail next year and track whether the action plan has been successful in effecting an improvement in the quality of decision making in this area.

Error 2: The appeal has defended an incorrect decision

Evidence here shows that the decision maker has made an incorrect decision that was not corrected at reconsideration stage and is then subsequently defended in the appeal submission. The President of the Appeal Tribunals' report gives the view that the standard of appeal submissions is high.

Further action

The Committee will examine the significance of this error in its work on reconsiderations and appeals next year.

Error 3: Interpretation and application of the law for outcome decisions – the decision is wrong in law

Errors relate mainly to awards being made which were not appropriate given the evidence on file. TAS highlight problems with interpretation of evidence as the most significant cause of decision overturn rates.

Further action

The Committee will look at this area further in their work on reconsiderations in the coming year.

4 Hearing the customer

The Department has adopted customer focus as an integral part of ensuring good quality services. Members are convinced that quality two-way communication with customers is essential to producing good quality decision making; particularly at the level of the individual.

The SC focus in relation to 'hearing the customer' must be to look at how the Department can be more effective in obtaining the information needed to make correct decisions. This has direct links to decision making as better information should have an impact on:

- obtaining all the core evidence for a benefit;
- identifying and obtaining any supplementary evidence – Determination of Questions;
- improving decisions on the facts and the application of law;
- reducing the number of errors;
- reducing the number of reconsiderations; and
- reducing the number of appeals and especially the number of those upheld.

The 2002-03 President of the Appeal Tribunals' report stated that the following are consistently the major causes of decisions being overturned:

'Additional evidence was provided in the largest proportion of overturned cases and this evidence was often in the form of oral evidence provided by the appellant at the hearing. The significance of the evidence of the appellant is often understated. The tribunal took a different view of the same evidence in some cases because they considered that the Agencies had been wrong not to accept evidence before it or had not given evidence enough weight.'

Communication between the customer and the department, and the way in which this is obtained, has a direct bearing on both of these issues and thereby on the quality of decision making.

The Committee decided that in the first instance, an overview of the current systems was necessary. This would then enable them to obtain good quality information about customer experiences in a systematic way and to avoid duplication.

In some areas, the Committee has begun to examine the actual process of information gathering and customer communication. This work will continue next year as the Committee examine the DMA process at the level of the individual customer.

One of the ways in which the Committee has obtained the views of customers, has been through the mechanism of the Customer Consultation Group.

4.1 Customer Consultation Group

A group of welfare rights representatives, usually from umbrella organisations, meets regularly with committee members to provide advice and feedback on issues of concern. The role of this group has been re-examined following the creation of the new DWP SC. The membership has been expanded. A system for ensuring better feedback to the representatives has also been developed. The DWP Customer Liaison Team ably supports this group.

In these ways, the Committee is able to obtain the views of a wide range of welfare rights groups who provide direct feedback from customers and highlight areas of concern.

The Committee are extremely grateful to the large number of representatives who attend regularly and provide information and feedback from their welfare rights groups.

Future action

The group has also suggested the use of Internet resources such as Rightsnet as an additional means of obtaining user views. The Committee have agreed that they will use such resources for specific pieces of consultation, as appropriate.

4.2 Hearing the customer within Jobcentre Plus

With regard to the administration of IS, IB and JSA, three key stages can be identified:

- initial contact by the customer;
- Financial Assessor interview; and
- Personal Adviser interview.

4.2.1 Initial contact by the customer

This is usually by telephone to a Contact Centre and will increasingly be via the Customer Management System (CMS) as this is currently being rolled out nationwide. The Contact Centre Officers rely heavily on a script and hence problems with the script can lead to problems with the benefit claim. The scripts are just the claim forms in audio version so the system does not make any advance in information/evidence collection. This has led one committee member to comment that *'it seems neither the script nor the system were designed to address the needs for gaining or recording better information from customers'*.

It is of concern that the majority of Contact Officers have little or no benefits knowledge. This greatly increases the risk of errors being made at the crucial early stages of the claim. The Committee members have been told on numerous occasions that 'face-to-face' contact results in better accuracy. It remains to be seen how effective a rigid telephone system will be in preparing the customer for the Personal Adviser and Financial Assessor interviews.

4.2.2 Financial Assessor interviews

The NAO report (Getting it Right, Putting it Right) has stated that:

'Lack of evidence may lead to customers not receiving benefits to which they are entitled. The evidence required to prove entitlement can be complex... Lack of evidence is also behind a large proportion of payment errors.'

The Financial Assessor has a target of 20 minutes to conduct the financial assessment interview. Financial Assessors have commented that usually the time allocated for the interview is sufficient, but complex cases do require more time. The SC is aware that in cases where an interpreter is required (in cases of language difficulties or hearing impaired customers), a double 'slot' is allocated for the interview.

Since lack of evidence is the root cause of many decision making errors, it is imperative that Financial Assessors receive good quality training. Field visits by SC members suggest that Financial Assessors should receive more in depth training to enable them to deal, confidently, with even the most complex claims. This is even more imperative under CMS in areas where the Financial Assessor will be carrying out all processing tasks. The level of training provided for Financial Assessors is less than that provided for Personal Advisers.

4.2.3 Personal Adviser interview

An assessment is made in relation to JSA, factors affecting eligibility include whether the customer is seeking and available for work. At the outset of the claim a Personal Adviser considers these factors and any doubts about eligibility are referred to a Labour Market decision maker.

In 2001-02, 18.5% of Labour Market decisions had insufficient evidence to support the decision. Four per cent of decisions were incorrect because they were sanctioned when they should have been allowed, or allowed when they should have been sanctioned, or they were sanctioned for an inappropriate period.

Recommendation

12 When new technologies/processes are developed, an impact assessment of the effect on decision making is included during the planning and pilot stages and the evaluation is reported to the SC.

National checks on Labour Market decisions have not been carried out since November 2002. The Committee have been advised that checks for Labour Market decisions and appeals will be included in the full JSA checking regime for 2004-05.

4.3 Hearing the customer within The Pension Service

TPS hear customers in the normal day-to-day process of administering benefits. TPS's Customer Service Team take steps to gather feedback from customers, asking them how they rate their service.

4.3.1 Customer service activity

TPS aim to put customers' needs at the heart of their business process. The Customer Service Team have set up a comprehensive system for collecting customer feedback and assessing service from the customer's point of view. This includes:

- new TPS Customer Charter and Complaints leaflet;
- national customer survey;
- improving the customer feedback gathering with better processes, database and awareness training;
- national mystery shopping programme; and
- planned local surveys and local focus group activity.

They held a very successful forum for representatives and TPS partners in 2003. They also consulted advice agencies and welfare rights organisations.

Establishing a local service for pensioners throughout the country has provided TPS with a very good route to identifying pensioners' needs. We have been particularly impressed by the pilots set up to evaluate the most effective approaches for targeting 'Hard to reach customers' and the ways to overcome barriers faced by them.

Recommendation

13 All businesses should consider including specific questions on the decision making process in future customer surveys and the results reported to the SC.

Communication between pensioners and TPS is almost entirely about the process of claiming a benefit and the subsequent decision. The feedback from pensioners provides the customer view of the decision making process. This could be a valuable source of information for the SC.

4.3.2 Communicating with customers

TPS is primarily a telephony based service although they do communicate with customers by post, fax or email. Most of the communication relating to the decision making process is conducted by telephone. This is the preferred method of communication for most pensioners, however, there are others who for various reasons have difficulty using the telephone. TPS has set up a local service throughout the country to provide face-to-face interviews, local surgeries and drop-in centres for those pensioners who need a more personal service.

The first step in an application for Pension Credit is to call the freephone number, the Pension Credit Application Line (PCAL). There is a telephone number for people with speech or hearing difficulties. Calls are handled in a call centre by staff who have been trained to complete the application form talking the caller through it step by step using scripted questions and on line assistance. The form is sent to the applicant to be checked, signed and returned. If PCAL staff identify callers who need the assistance of the Local Service they make a referral for a home visit.

Pensioners are given a local access number to phone if they have queries on their claim. Customer agents, who are not decision makers and cannot answer complex questions, handle calls to Pension Centres. Complex questions are passed to decision makers. Decision makers process claims, phoning for clarification if needed.

There is a feedback form for all staff to complete when a customer comments on or complains of the service. These are collated and analysed regularly.

TPS identify groups of customers where there is a high risk of error. They then target these people for home visits.

Recommendation

14 The approach of TPS in identifying cases with a high risk of decision making error for face-to-face interviews is a very positive one. We recommend that a risk-based approach to tailoring the interface with the customer to meet their individual needs should be adopted by all the businesses.

It is not clear to the Committee, how the changes in communication methods will affect the decision process. There have been many changes each of which could have an impact on the quality of decision making.

4.4 Hearing the customer within the Disability and Carer's Service

The purpose of this year's work has been to gain an overview of the ways in which DCS hears the customer. This has centred on three areas and from this, several themes have emerged which will focus SC activity next year.

4.4.1 Customer service activity

The Committee has been given a comprehensive overview of the range of approaches DCS takes to customer service activity. These include a biennial satisfaction survey, rolling programme of forums and roadshows, complaints analysis, regular consultation with representatives of disability groups; and outreach activity from local Disability Benefit Centres (DBC's). The development of TPS and JCP as a gateway to all benefits for customers of pension or working age, means that customers may interact with DCS through these broader access routes. Partnership work between the agencies is under development and DCS now also has Agency status.

4.4.2 'Change programme' initiatives and pilots taking place within DCS in order to effect improvements in the decision-making process

DCS have been developing a range of improvements to business processes which aim to offer a better service and standard of decision making. The Committee has seen some very positive examples of pilot work conducted at the Bristol and Glasgow DBC's, and is keen to track the development of this work in the coming year. Work has focused on increased interaction with the customer and better evidence gathering; including the introduction of an improved General Practitioner Factual Report for medical evidence and use of medical information already available in DWP. A shortened AA claim form piloted at Bristol has been extended nationally.

Glasgow has piloted a telephone claim process that required increased telephone contact between customer and decision maker with the aim of getting the decision right first time. A 'reasoned decision', which explains to the customer in detail the

basis for the decision, has been trialed. Analysis of the 'decision overturn rates', conducted in pilot evaluations, would suggest that these initiatives have had some success in improving first stage decisions. This will feed into committee work on reconsiderations next year. However, no formal monitoring has been undertaken to establish whether the new processes may be less effective for certain customer groups, for example people with mental health problems or communication difficulties.

4.4.3 Current processes for staff/customer interaction

As part of induction to DCS the Committee has observed the work of the DLA/AA Helpline, Central Explanations Team and local DBC form filling service. We have shadowed individual decision makers deciding new claims and reconsideration cases, and met twice with groups of decision makers to discuss their role and obtain their views on decision making problems. We have seen many examples of the considerable commitment staff have to providing a quality service.

Current processes mean that there is little, if any, face-to-face interaction with most customers. Telephone contact between customer and decision maker varies according to the approach of the individual decision maker. DCS performance targets focus primarily on work clearance times, although an internal decision maker quality target was under trial with a view to becoming an external target in 2004-05.

The current structure means that individual business units do not deal with a customer's case from start to finish. They do, however, hold claims for three months and process any appeal received during that period. After three months, cases are referred to the DBU in Blackpool. This can diminish the sense of responsibility decision makers in local business units have for ensuring that every effort is made to resolve the case before it goes to appeal.

4.4.4 Work on 'Hearing the customer' to be included in the 2004-05 work programme

The SC work programme for the forthcoming year will include more focused work to be carried out in relation to direct customer contact in the DMA process. Discussions with the DWP Customer Liaison Team will be particularly useful to learn more about their role in assisting with 'lines of communication' between individual customers and the DWP.

4.5 Generic issues of customer contact in DWP

4.5.1 Front end contact

It is clear that the businesses will increasingly be using the front line staff of other parts of the Department to contact 'hard to reach' customers. The Committee welcome this development, particularly the outreach service of TPS. Nevertheless we are concerned that this could mean that customers could have less knowledgeable staff to deal with. We have received feedback on inaccurate information provided.

The Committee will wish to know whether such changes are producing better quality decision making.

Recommendation

15 That the businesses provide information on the ways in which they ensure that front line staff are appropriately trained to adopt a wider customer service role when they operate across a range of benefits.

4.5.2 New technologies

Different methods of direct communication with customers, such as different forms of IT, will require different methods of monitoring to judge the quality of those communications and their impact on decision making.

Recommendation

16 That the businesses provide information on how they are proposing to monitor the quality of customer communication with the use of different IT systems.

TPS have started to take this issue on board through 'mystery shopping' and customer surveys.

The Committee will seek to explore the effect of decision making on specific customer groups.

5 Work programme 2004-05

The Committee plans, over the next two years, to examine the DMA process in detail with a view to identifying where and how this can be improved.

The work plan for 2004-05 will therefore include the following:

- **Decision making related to appeals**

To identify those areas where poor decision making has the greatest impact and to consider how these could be improved.

- **The reconsideration process**

To identify where the greatest number of decision making errors are made within this stage and to identify those areas where initial decision making could be improved.

It is anticipated that work on these two areas will enable a more focused piece of work to be carried out on the initial decision making process in the work programme 2005-06

- **Overpayments: a scoping exercise**

In TPS and JCP this will be a scoping exercise. In DCS there is already an action plan which will be monitored by the SC.

A review of Committee work conducted during 2003-04 will occur during 2004-05. This will include:

- **Follow up on the changes made to the checking methodology**

To ensure that the aims intended in changing that process are achieved.

Hearing the customer will be specifically addressed as part of the work on appeals and reconsiderations.

Appendix A

DWP Standards Committee

terms of reference

Terms of reference and membership of the Decision Making Standards Committee

1 Constitution

The Standards Committee is established by the Chief Executives of Jobcentre Plus and The Pension Service and the Director of the Disability and Carer's Service to advise them and their respective boards of directors in the discharge of their responsibilities to Secretary of State for monitoring and improving the standards of decision making in benefits and employment matters. The Committee fulfils three specific requirements:

- i) to provide independent advice and assurance as set out in the Terms of Reference; and
- ii) to identify and make recommendations on the areas where standards can be improved; and
- iii) in addition, the Agency Chief Executives and the Disability and Carer's Service Director may ask the Committee to look at specific issues that they believe may affect the standard of decision making.

2 Membership

The membership shall be jointly appointed by the two Agency Chief Executives and the Disability and Carer's Service Director and shall consist of no less than six non-executive members, one of whom will be the Chairperson. Non-executive members will be appointed for terms of two to four years. Each member of the Committee will be required to undertake a specific role. The Chair will control the Committee's

business and ensure that it discharges the requirements of the annual work programme. In addition, the Chair or other non-executive members may be invited to attend other committees and groups as appropriate. A quorum shall be four members, and in the event of a split vote the Chair will have the casting vote.

3 Attendance at meetings

There are no executive members of the Committee, but executive representatives will attend committee meetings to assist the Committee discharge its responsibilities.

The Operations Directors from Jobcentre Plus and The Pension Service, the Performance Management Directors of the same two Agencies and the Disability and Carer's Service Director or their representatives will attend these meetings

A representative from the Working Age Client Group and/or Pension Group should be invited to attend the meeting when items specific to benefit or employment policy are due to be discussed.

The head of Adjudication and Constitutional Issues should normally attend meetings.

Representatives of Internal Audit and National Audit Office should normally attend meetings.

A representative of the President of the appeal tribunals will normally attend these meetings.

The Committee may request other members of senior management from within the Department for Work and Pensions or its Agencies to attend as appropriate.

A member of the Standard Committee Secretariat will act as secretary to the Committee.

4 Frequency of meetings

Formal meetings of the Committee to consider progress against its work programme and recommendations will be held not less than quarterly. Working meetings of members, to consider findings etc. will be held at appropriate intervals.

5 Authority

The Committee is authorised by the Jobcentre Plus and The Pension Service Chief Executives and Disability and Carer's Service Director to receive information dealing with the standards of benefit decision making and employment matters that come within the accountabilities of the two Agencies and the Service (including decisions made on their behalf by the Debt Management Service), and within the Committees terms of reference and the agreed work programme.

It is authorised to seek any reasonable information it requires from any employee within Jobcentre Plus, The Pension Service and the Disability and Carer's Service to discharge its duties within the terms of reference.

Interfaces with other areas of the Department for Work and Pensions shall be via the two Agency Performance Management Directorates and the Director of the Disability and Carer's Service and with the agreement of the Client Group Directors.

The Committee is authorised by the Jobcentre Plus and The Pension Service Boards and Disability and Carer's Service Director to take advice on the impact of decision making on customers from the Jobcentre Plus/The Pension Service/Disability and Carer's Service Decision Making and Appeals Customer Contact group. Advice from other external groups shall be at the discretion of the two Agency Chief Executives and the head of the Disability and Carer's Service.

The Committee's scope is exclusively to Jobcentre Plus, The Pension Service and the Disability and Carer's Service (including decisions made on their behalf by the Debt Management Service). Benefits administered by any other Agency, Authority or Department are outside the Terms of Reference of this committee. If contact needs to be made with any other benefit administering body it will be via either the two Agency Performance Management Directors or the Director of the Disability and Carer's Service.

6 Duties

The duties of the Committee shall cover two specific roles, providing opinions on the reported standards of decision making and identifying and making recommendations on the areas where standards can be improved. The Agencies and Disability and Carer's Service will then take receipt of these recommendations and take a view on which they might follow up and how.

In order to discharge these two roles, the Committee shall agree annually with each Agency Chief Executive and the Director of the Disability and Carer's Service a programme of work for the forthcoming year. The Committee members with specific Agency/Service responsibilities shall be responsible for agreeing the Agency/Service specific content. The Chair will be responsible for signing off the complete, combined programme with each Agency Chief Executive and the Disability and Carer's Service Director. The Agencies and the Disability and Carer's Service shall be responsible for agreeing work programmes with relevant client group directors before sign off. Any change to the annual work programme will be agreed with the relevant Agency Chief Executive or the Disability and Carer's Service Director.

There is a generic test of whether decisions meet required standards. The Committee will use this test to make judgements about the standard of decision making. The test consists of the following five elements:

- Sufficient evidence (was all appropriate and necessary evidence to support the decision before the decision maker).
- Determination of questions (even though the appropriate evidence was full and complete; were appropriate and necessary questions asked by decision maker before the decision was given?)

- Findings of fact (the decision maker correctly determined the facts of the case from the evidence before them).
- Interpretation and application of law (the decision maker correctly considered and applied both statute and case law appropriate to their decision).
- Evidence that has been received that would have had a material affect on the award but has not been actioned (unactioned supersessions or revisions).

Decisions in this context includes not only awards of benefits, but revisions or supersessions to awards, decisions on the recoverability of overpayments and the standard of appeals submissions. It also includes decisions arising out of consideration of labour market requirements.

Providing opinions on the reported standards of decision making

To assure the Chief Executives of Jobcentre Plus and The Pension Service and the Disability and Carer's Service Director that monitoring reports accurately reflect the standard of decision making.

To assure the Chief Executives of Jobcentre Plus and The Pension Service and the Disability and Carer's Service Director that the monitoring structure is robust and able to provide credible estimates of the standards of decision making at a national level.

To make recommendations to the Chief Executives of Jobcentre Plus and The Pension Service and the Disability and Carer's Service Director on where measurement and reporting of decision standards might be improved.

The Committee will normally draw on the following sources to provide their opinion:

- The measurement of decision making standards undertaken across the benefits and employment decisions by independent measurement teams.
- The measurement of accuracy of payments for Income Support, Jobseeker's Allowance, Incapacity Benefit and Retirement Pensions (and Pension Credit).
- Internal Audit assurance of the reported findings of this first tier measurement.
- Independent opinions on the accuracy of the reported results on decision making standards by the National Audit Office.
- The quarterly interim reports by the President of the Appeals Service on the standards of Secretary of State's decision making in cases before appeal tribunals. And the annual report to Secretary of State, which is published.
- Customer opinions on the standard of decision making drawn from observations by The Decision Making Standards Committee consultation group.

Identifying and making recommendations on the areas where standards can be improved

The Committee will take appropriate steps to provide Jobcentre Plus and The Pension Service Chief Executives and the Disability and Carer's Service Director with researched recommendations so that executive action can, if appropriate, be taken. The two functions are:

- Based on the results of measurement and analysis, make recommendations on the areas where decision making standards can be improved.
- Based upon reports and other information from Agencies/Services on causes of poor decision making, make recommendations on the areas where standards can be improved.

The Committee has no executive authority, and it is for the appropriate Agency and Service Boards to decide what, how and if corrective action is taken.

7 Reporting

The Committee shall submit:

- Quarterly reports separately to Chief Executives of Jobcentre Plus and The Pension Service and the Disability and Carer's Service Director providing assurance on reported benefit decision making standards and identifying and making recommendations on the areas where decision standards can be improved. These reports will also be supplied to the Client Group Directors in their capacity as specifiers of service delivery performance requirements.
- A separate annual report to Chief Executives of Jobcentre Plus and The Pension Service and the Disability and Carer's Service Director evidencing appropriate coverage of the Committee's terms of reference, a summary of the years activity and recommendations, and drawing attention to any matters of significance.

The reports shall be presented to each Chief Executive/Director of Disability and Carer's Service and their boards of directors. Reports shall not be publicly published, nor reproduced elsewhere without the explicit direction of each Chief Executive/Director.

Subject specific reports from individual members shall only be circulated more widely with the Committee's and specific Agency's approval.

8 Review of terms of reference

Each Agency Board and the Disability and Carer's Service Director shall review these terms of reference annually and reaffirm or amend the content.

9 Performance appraisal

The non-executive Chair and member's performance shall be assessed annually.

Appendix B

Recommendations carried forward from previous BA Standards Committee

An investigation should be carried out into the reasons for the high error rate in overpayment recoverability decisions within DLA/AA.

This problem area is being addressed via the improvement in quality and consistency in decision making PSC. DCS have analysed the causes of the errors and have taken steps to improve the management of this work. Additional guidance has been issued to decision makers. PIAT was commissioned to take a closer look at the aspects causing greatest difficulty. An action plan has been developed and the Standards Committee member responsible for relating to DCS will monitor this.

Overpayments are also being examined as part of the 2004-05 work programme.

New reporting methods across all benefits should allow decision in doubt figures to be extrapolated.

Decisions in doubt figures are now provided to the SC, however, there are concerns that they continue to create a major weakness in the monitoring regime. This issue is raised under current recommendations 3 and 4.

There should, in time, be a review of the benefits available to disabled people and steps taken to provide a simpler disability benefits system which would be easier to administer and better understood by those receiving the benefit.

NAO are carrying out a study into managing the complexity of benefits in their current year's work programme. This will provide clear evidence and advice on what steps could reasonably be taken.

Monetary Value of Error should be established for all major benefits.

The only business where this remains outstanding is DCS. This has been carried forward as a recommendation in this report.

Appendix C

Standards Committee

pen-pictures

Sandra Walmsley

Sandra Walmsley has had a wide career in the field of social care. She has been a Social Services Inspector, Director of Social Services, an Honorary Senior Research Fellow at the School of Public Policy, University of Birmingham and Chair of an NHS Mental Health and Community Trust. She continues to be an active trustee of a number of voluntary organisations in the field of mental health, regeneration and social housing.

Penny Melville-Brown

Penny Melville-Brown – representing Jobcentre Plus – is a qualified barrister who is currently Company Director of Disability Dynamics Ltd. She acts as a disability consultant and sits on a wide variety of diversity groups including the Ministry of Defence and the University for Industry. She has chaired the Learning and Skills Council for Hampshire and the Isle of Wight for the last four years and was previously a member of the Benefits Agency Standards Committee. Penny lives in Hampshire.

Jenny Osborne

Jenny Osborne – representing the Disability and Carer's Service – is currently employed as Projects Manager for Manchester Advice within Manchester City Council's Children, Families and Social Care Department. Her previous experience includes ten years working within benefits advice and social welfare law within the statutory and voluntary advice sector.

Marjorie Brown

Marjorie Brown – representing the Pension Service – worked for a number of years in the Citizens Advice Bureau Service. She recently served as non-executive director on the CSA Board and Appeals Service Modernisation Programme Board. Previous positions include membership of the Benefits Agency Standards Committee and Chair of the CSA Standards Committee along with membership of the Child Support and Social Security Appeals Tribunals. Marjorie lives in Kent.

Tom Hughes

Tom Hughes – representing the Pension Service – is currently employed as a lawyer for Pannone & Partners in Manchester and is actively involved in the Liverpool and District branch of 'Headway'. Previous experience includes service within the Royal Navy and work as a police constable. Tom lives in Lancashire.

Appendix D

Schedule of visits April 2003 – March 2004

April

8.4.03	Sandra Walmsley	Meeting with NAO
16.4.03	Penny Melville-Brown Barinder Kataria	Jobcentre Plus Sheffield
29.4.03	Tom Hughes	Pension Centre Warrington

May

9.5.03	Sandra Walmsley Jenny Osborne	Induction visit to DAAT team Blackpool
15.5.03	Sandra Walmsley Marjorie Brown	Bath Pensions Centre
16.5.03	Barinder Kataria	JCP Beckett St Derby
29.5.03	Jenny Osborne	Manchester DBC

June

3.6.03	Penny Melville-Brown	DWP Disability Forum
13.6.03	Penny Melville-Brown Sandra Walmsley Barinder Kataria	QST London
16.6.03	Sandra Walmsley Jenny Osborne	DBC Glasgow

25.6.03	Tom Hughes Marjorie Brown	Pensions Leeds
25.6.03	Jenny Osborne Sandra Walmsley	DBC Bristol
July		
11.7.03	Penny Melville-Brown	QST London (second)
16.7.03	Sandra Walmsley	DWP Customer forum Leeds
23.7.03	Sandra Walmsley Barinder Kataria	Jobcentre Plus Barking
August		
1.8.03	Penny Melville-Brown	Jobcentre Plus Wythenshawe
8.8.03	Sandra Walmsley Marjorie Brown	CAB
13.8.03	Sandra Walmsley	Appeal Tribunal Norwich
September		
11.9.03	Tom Hughes	QST Derby
15.9.03	Marjorie Brown Tom Hughes	Pensions Canterbury
16.9.03	Penny Melville-Brown Marjorie Brown	QST Worthing
23.9.03	Barinder Kataria	MVFE Birmingham
30.9.03	Barinder Kataria	QST Mansfield
October		
3.10.03	Jenny Osborne	DAAT Blackpool
15.10.03	Sandra Walmsley	Local checking Barking DO
17.10.03	Marjorie Brown Tom Hughes	Hearing the Customer (TPS) Leeds
17.10.03	Sandra Walmsley	Schlumberg SEMA Norwich
24.10.03	Sandra Walmsley	Meeting with Chairs of CSA and NI Standards Committee

November

4.11.03	Marjorie Brown	Pension Forum London
17.11.03	Marjorie Brown Tom Hughes	The Pension Service Customer Service Team Leeds
19.11.03	Marjorie Brown	Pension Service Charter
26.11.03	Marjorie Brown Tom Hughes	York Pension Centre
28.11.03	Barinder Kataria	CMS Project Livingston
28.11.03	Sandra Walmsley Jenny Osborne	DCS Change Programme Blackpool

December

5.12.03	Sandra Walmsley Jenny Osborne	TAS Birmingham
9.12.03	Marjorie Brown	Pension Forum Leeds
16.12.03	Jenny Osborne	Manchester DBC
16.12.03	Sandra Walmsley	Present interim report to Jobcentre Plus

January 04

9.1.04	Sandra Walmsley	TAS CEO London
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February

3.2.04	Barinder Kataria	Ethnic Minority Forum London
13.2.04	Penny Melville-Brown	CMS Project Livingston
13.2.04	Barinder Kataria	IAD London
16.2.04	Sandra Walmsley	Present interim report to DCS Preston
16.2.04	Jenny Osborne	Meeting with Pete Griffiths Preston

March

1.3.04	Sandra Walmsley	TAS London
2.3.04	Marjorie Brown	Kent Pension centre
8.3.04	Jenny Osborne	DCS Customer Service Blackpool
12.3.04	Marjorie Brown Tom Hughes	Canterbury Pension Service Performance Team
24.3.04	Sandra Walmsley	Present interim report to TPS London
30.3.04	Marjorie Brown Tom Hughes	PCAL Dearne Valley

8 Full SC meetings and 2 non-executive members meeting

6 Performance Change Boards

5 Consultation Group meetings