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**Report by the Secretary of State for Work and Pensions on the standards of decision making in Jobcentre Plus, the Pensions Service, the Disability and Carers Service and the Child Support Agency for the period 1 January 2004 to 31 March 2007**

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Presented to Parliament by the Secretary of State for Work and Pensions in pursuance of section 81(2) of the Social Security Act 1998

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**Contents:**

Section 1	Introduction	Page 3
Section 2	Decision making in Jobcentre Plus, the Pensions Service and the Disability and Carers Service	Page 5
Section 3	Decision making in the Child Support Agency	Page 9

# SECTION 1

## INTRODUCTION

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

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

1.2 This is the fourth Report. It covers decisions made by decision makers in the Agencies of the Department for Work and Pensions (DWP) – Jobcentre Plus, The Pensions Service and the Disability and Carers Service – during the period 1st January 2004 to 31st March 2007 and in the Child Support Agency for the period 1 April 2004 – 31 March 2007.

1.3 The standard of decisions was tested by using independent checking teams. For Income Support, Jobseeker’s Allowance, the Social Fund, Incapacity Benefit, Severe Disablement Allowance, Maternity Benefit, Retirement Pension, Bereavement Benefit and Widows Benefit, examinations of decisions were undertaken by the Agencies’ Quality Support Teams. For Disability Living Allowance, Attendance Allowance, Carer’s Allowance, Industrial Injuries Benefits and Pensions and Overseas Benefits, examinations were undertaken by independent teams within the Central Benefit Directorates that administered these benefits.

1.4 The volume of decisions examined was determined with the advice of statisticians from the Department’s Information Directorate. The results in Table 1 were independently tested by the Department’s Internal Audit Service, using a methodology designed by experts in the measurement of decision making standards.

1.5 The testing of the correctness of Child Support decisions was the responsibility of the Agency’s Monitoring and Guidance Unit (MAGU).

## The standards used for checking decisions

1.6 The checking of decisions for this Report involved the application of the following four standards:

- a) “Sufficient evidence” – this means that all the appropriate and necessary evidence to support the decision was before the decision maker at the time that the decision was made;
- b) “Determination of questions” – this means that although the evidence was full and complete, any necessary clarification of any points in the evidence was completed before the decision was made;

- c) “Findings of fact” – this means that the decision maker correctly determined the facts of the case from the evidence before him; and
- d) “Interpretation and application of the law” – this means the decision maker correctly considered and applied both statute and case law appropriate to the case in reaching the decision.

## **The decision making process**

1.7 On receipt of a claim for benefit, the decision maker, on behalf of the Secretary of State, will consider whether the information and evidence presented satisfies the conditions of entitlement for the benefit claimed. If it does, the decision maker will award benefit.

1.8 The customer is informed of the decision. He is also given advice on what to do if he does not understand the decision; or if he wants a detailed written explanation of the decision; or if he wants the decision maker to look again at the decision. In such cases, the customer can submit further evidence and information to the decision maker, who will take it into account in reconsidering the decision. The decision maker can then either revise the decision or leave it unchanged. The customer is informed of the outcome and that, if he remains unhappy with the decision, he has the right of appeal to an independent appeal tribunal.

1.9 If the customer does submit an appeal, the decision will be re-examined to see if it should be changed. If it is changed in the customer’s favour, the appeal will be lapsed. If the decision is not changed or it is changed but not in the customer’s favour, the appeal will proceed to a hearing before an independent appeal tribunal.

## SECTION 2

### Standards of decision making in Jobcentre Plus, the Pensions Service and the Disability and Carers Service : 1st January 2004 to 31st March 2007

#### NEW CLAIMS, REVISIONS AND SUPERSESSIONS

2.1 Table 1 shows the level of correctness in each benefit area for decisions satisfying the four standards set out in paragraph 1.6 of this Report. For completeness, the results for the years 2002 and 2003 have also been included. A decision can be found to be incorrect for failing to meet one or more of the tests. The checks identify how well the tests were met at the time that the decision was made.

**Table 1: Estimates of the percentage of decisions that were correct, by benefit 2002 – 2006/7**

<b>Benefit</b>	<b>2006/7</b>	<b>2005/6</b>	<b>2004/5</b>	<b>2003</b>	<b>2002</b>
Income Support	83	81	80	75	71
Jobseeker's Allowance	92	95	92	75	86
Short Term Benefits	98	97	97	90	80
Long Term Benefits	92	93	91	64	88
Attendance Allowance/ Disability Living Allowance	92	89	90	94	92
Pension Credit	71	63	68	92	N/A
Minimum Income Guarantee	N/A	N/A	Not applicable – replaced by Pension Credit	95	98
Invalid Care Allowance/ Carer's Allowance	86	90	91	98	95
Industrial Injuries Disablement Benefit	See note 6	See note 6	See note 6	99	99
Pensions Overseas Directorate/National Pension Centre	96	95	99	99	97
Sure Start Maternity Grants	97	98	96	87	92
Social Fund Funeral Payments	79	82	82	54	69

## RECONSIDERATIONS<sup>1</sup>

2.2 Table 2 shows the results of the monitoring of reconsideration decisions. Reconsideration is a key component of the decision making process.

**Table 2: Percentage of reconsideration decisions found to be correct  
2002 – 2006/7**

	2006/7	2005/6	2004/5	2003	2002
Income Support	96	94	95	96	96
Jobseeker's Allowance	99	99	96	97	97
Short Term Benefits	99	100	100	100	100
Long Term Benefits	98	93	88	96	96
Attendance Allowance & Disability Living Allowance	93	93	92	94	95
Invalid Care Allowance/ Carer's Allowance	Not available	95	89	98	98
Industrial Injuries Disablement Benefit	See note 6	See note 6	See note 6	See note 6	100
Pensions Overseas Directorate/National Pension Centre	92	100	96	100	100
Minimum Income Guarantee	N/A	N/A	Not applicable – replaced by Pension Credit	91	98
Pension Credit	90	94	93	87	Not applicable

### Notes to Tables 1 & 2

**Note 1 (Table 1 only)** The figures in Table 1 are estimates of the percentages of decisions found to be correct in the large scale sample accuracy checks. The estimates may differ from the results of examining the whole caseload. So we have calculated confidence limits for each accuracy percentage rate. The confidence limits give the range in which it is possible to be 95% sure that the true percentage accuracy lies. The confidence limits for all the benefits in Table 1 for the period of this Report are within +/-5%.

**Note 2 (Table 2 only)** The figures in Table 2 are estimates of the percentages of decisions found to be correct in the large scale sample accuracy checks. The estimates may differ from the results of examining the whole caseload. So we have calculated confidence limits for each accuracy percentage rate. The confidence limits in 2004-2007 for each of the accuracy rates given in Table 2 above are all within +/-5%, with the following exceptions: The Pension Credit estimate (2004 +/- 6%, 2005 +/-6%, 2006/7 +/-7%); The Pensions Overseas Directorate/National Pension Centre estimate (2005 confidence limits surrounding the estimate are 85% - 100%, 2006/7 +/-10%); The Carer's Allowance estimate (2004/5 +/-7%, 2006/7 +/- 7%); the Long Term Benefit estimate (2004 +/-11%).

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

**Note 3** – the results exclude those cases where not all the supporting evidence was available and so it was not possible to come to a conclusion about the accuracy of the decision making. These are known as ‘decision in doubt’ cases.

**Note 4** – The outcomes for the Pensions Overseas Directorate and the National Pensions Centre are for calendar years apart from 2006/7 (which is for the period 1.1.06 – 31.3.07; the monitoring period was extended because of a change being made from 2007/8 to financial year checking).

**Note 5** – The figures for Attendance Allowance, Disability Living Allowance and Carer’s Allowance are for calendar years apart from 2006/7 (which is for the period 1.1.06 – 31.3.07).

**Note 6** – Monitoring of Industrial Injury Disablement Benefit cases was carried out by the Disablement Benefit Unit.

**Note 7** – “Short Term Benefits” are Incapacity Benefit, Severe Disablement Allowance and Maternity Allowance.

**Note 8** – “Long Term Benefits” are Retirement Pension and Bereavement Benefits.

## APPEAL SUBMISSIONS

2.3 The measurement of the standard of appeal submissions is designed to establish two things. The first is whether the decision under appeal was correct, that is did it satisfy the four tests set out in paragraph 1.6 above. The second is whether the appeal submission presented the facts of the case to a sufficient standard that allowed the appeal tribunal to reach the right decision. Table 3 shows the overall figure for all benefits for 2002 – 2006/7.

**Table 3: Percentage of appeal submissions meeting required standards  
2002 – 2006/7**

2006/7	96
2005/6	92
2004/5	92
2003	88
2002	90

**Note 9** – the 2004 – 2006/7 figures are a weighted average of each of Income Support, Jobseeker’s Allowance, Short Term Benefits, Retirement Pensions, Pension Credit, Attendance Allowance, Disability Living Allowance and Carer’s Allowance appeal accuracy rates. The figures exclude decision in doubt cases and have a confidence limit of +/-2%.

**Note 10** – where financial year data is not available, calendar year data has been used in the weighted average.

## DECISIONS ON RECOVERABILITY OF OVERPAYMENTS

2.4 Table 4 shows results across all the benefits of the decisions made on whether benefit has been overpaid and whether the overpayment is recoverable. The same four tests were applied to these decisions as to benefit decisions. The table represents an overall figure for all benefits.

**Table 4: Percentage of overpayment recoverability decisions found to be correct**

2006/7	68
2005	78
2004/5	74
2003	67
2002	68

**Note 11** – All figures are a weighted average of each of Income Support, Jobseeker’s Allowance, International Pension Centre (Retirement Pension), Short Term Benefits (Incapacity Benefit), State Pension Credit, Attendance Allowance, Disability Living Allowance and Carer’s Allowance - where individual benefit level accuracy rates are weighted in proportion to the number of new debts recorded for each benefit. The International Pension Centre results are assumed to be representative of all Retirement Pension accuracy. The 2004 figures include Severe Disablement Allowance in the weighted average.

Because the results are derived from samples they will be subject to statistical fluctuation. This fluctuation is dependent on the sample size for the accuracy checks and is reflected by calculating 95% confidence limits for each accuracy rate. The confidence limits show the range within which it is possible to be 95% sure that the true value lies. The confidence limits in 2004, 2005 and 2006/7 for the accuracy rates given in Table 4 are +/-3%, +/-3% and +/-6% respectively.

Where financial year data is not available, calendar year data has been used in the weighted average.

Where financial year data is not available for 2006/7, data for the period 1.1.06 – 31.3.07 has been used in the weighted average.

Decision in doubt cases are excluded from the calculations in Table 4.

## SECTION 3

### Standards of decision making in the Child Support Agency

3.1 The accuracy measure examined all the elements of a maintenance assessment. Table 5 provides the percentage figure for old scheme Maintenance Assessments decisions (ie, decisions made under the original Child Support Agency decision making process). Table 6 provides the percentage figure decisions made under the replacement regime, found to be correct in all respects.

**Table 5: Percentage of Old Scheme Child Support Maintenance Assessments found to be correct**

2006/7	2005/6	2004/5	2003/4	2002/3
73	77	71	80	75

**Table 6: Percentage of New Scheme Child Support Maintenance Assessments found to be correct**

2006/7	2005/6	2004/5
76	79	73

3.2 The measurement process establishes whether the assessment of a new application or revision/supersession results in the correct outcome. Both measures apply the four standards set out in paragraph 1.6 of this report.

#### Appeal submissions

3.3 The Child Support Agency measures whether appeal submissions were correct. The measure tested whether the submission presented the case to a sufficient standard to allow the tribunal to reach the right conclusion or decision. Table 7 shows the results and provides previous years for comparison.

**Table 7: Percentage of Child Support appeal submissions found to be correct**

2005/6/7	2004/5	2003/4	2002/3
Information is not available	65	73	60

**Note 12 (Tables 5–7)** – Correct means no errors or minor comments on drafting or technical issues. Incorrect means significant comments on technical issues or serious technical and procedural errors.

**Note 13** – The estimates in Table 7 are based on small sample sizes, ie, about 1% of the total submissions produced by the Child Support Agency’s Central Appeals Unit, and as such have large confidence limits surrounding them. Because of this, care should be taken when making year on year comparisons as differences between years are unlikely to be significant.



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