

## Child Maintenance Service Annual Report On Decision Making

1 April 2019 to 31 March 2020



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#### Child Maintenance Service Annual Report On Decision Making 1 April 2019 to 31 March 2020

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### Contents

Fore	word by the Chairperson of the Standards Committee	6
Intro	oduction by the Director of CMS	9
1.	Summary	11
2.	Decision Making Process	12
3.	Assurance	13
4.	Monitoring Findings for CMS 2012 Scheme	15

#### **APPENDICES**

Appendix 1 CMS 2012 Scheme MVE (Caseworker Intervention)	17
Appendix 2 CMS 2012 Scheme Maintenance Assessment Comments	18
Appendix 3 The Process of Decision Making	19
Appendix 4 Terms of Reference for Standards Committee	20
Appendix 5 Glossary	22

# Foreword by the Chairperson of the Standards Committee

#### Introduction

The Standards Committee for Northern Ireland was established in 1999.

Primarily, the Committee has the task of providing assurance that the arrangements in place within the Department for Communities (DfC), including Child Maintenance Service (CMS), to monitor decision making and financial accuracy are effective and robust. Secondly, we are required to monitor and report on the standard of decision making. Following from this, we are required to highlight areas of weakness, make recommendations for improvement and report on the impact of measures taken to raise standards. Thirdly, we are required to provide assurance with regard to the mechanisms in place to feed back the results of monitoring and thus promote continuous improvement.

The terms of reference for the Committee is set out in Appendix 4 of this report.

The background to the creation of the Standards Committee is as follows. The Social Security (Northern Ireland) Order transferred responsibility for monitoring the standard of decisions against which there is right of appeal from the Chief Adjudication Officer to the Department (DfC). This responsibility was then delegated to the Chief Executives of the Social Security Agency (the Agency) and the Child Support Agency, which subsequently became the Child Maintenance Service (CMS) within the Department for Communities. This rearrangement of responsibilities followed similar changes in Britain when concerns were raised at the credibility of arrangements whereby those responsible for service delivery would also be monitoring the standard of the service provided. To address these concerns the Westminster government provided assurances that further measures be taken to insert an element of independence into the oversight of the quality of decision making with regard to both social security and child support. As a result, in Northern Ireland, the Standards Committee was established with an independent Chair and two independent members. The full membership of the Committee is set out on page 21 of the report.

The Committee discharges its responsibilities in three ways. At its quarterly meetings, the full Committee considers the quarterly reports produced by the Case Monitoring Team (CMT) within CMS, which set out the most recent data on performance in detail and there is on-going discussion of the methodology employed by the CMT. Additionally, there are formal and, where required, informal meetings with the staff of CMS to enable the Committee to secure a full understanding of the work of CMS and matters which may affect decision making performance. Thirdly, we get additional feedback on the standard of the service provided through discussions with the voluntary advice sector and the Northern Ireland Audit Office (NIAO).

### Decision making performance in 2019/2020

Two issues are reflected in the report for 2019/2020. The first is the impact of the COVID-19 pandemic on the statistical sample size of 2019/2020 and the second is the move from monitoring Cash Value Accuracy (CVA) to Monetary Value of Error (MVE). In 2019/2020, the Northern Ireland Case Monitoring Team (CMT) moved to MVE which is an estimate of how much child maintenance has been paid incorrectly.

The methodology employed by the CMT to check performance is set out in Chapter 3 of the report. This indicates that, on the advice of statisticians, 956 cases were recommended for selection for checking in 2019/2020. However, due to the COVID-19 pandemic the checking programme for CMT was paused on 23 March 2020 and the sample size for 2019/2020 was reduced to 884. The Standards Committee members were reassured that the Professional Service Unit confirmed that although the sample size had to be reduced it was still statistically valid.

Chapter 3 also illustrates the rigour and breadth of the monitoring of decisions by the CMT. Put briefly, performance is assessed using two main yardsticks. The first is the Monetary Value of Error of the most recent decision with regard to the assessment of maintenance. The second relates to the quality of the decision being checked. This is assessed using five criteria in line with the correct application of the law (see 4.4). Decisions are monitored against 2 main criteria (see 3.7).

Chapter 4 identifies the findings for 2019/2020. While decision making accuracy is reported at 77.5%, the combined monetary value of error for manual assessments and fully automated financial decisions is 0.85%.

As always, there is room for improvement with regard to both monetary value of error and particularly in decision making accuracy but some issues should be borne in mind in assessing performance. For various reasons, a significant proportion of the work of CMS continues to relate to complex cases and the data above does not fully capture the effort required to reach and maintain the standards achieved. External forces such as changes in the labour market -job loss, zero hours contracts, etc. affect decision making as this can impact on earnings and other related issues.

#### The broader context

CMS 2012 has three distinct features. Firstly, there is the provision of impartial information, available to all separating parents, on the options available with regard to child support. Secondly, the options available are; family based arrangements, with no further CMS involvement; Direct Payments where CMS calculate the entitlement of the Receiving Parent but couples decide for themselves how this will be paid; and access to the collection, payment and enforcement service provided by CMS. It should be noted that Receiving Parents can move between these options.

Our visits to the Child Maintenance Service allow us to gather feedback from staff and this continues to indicate that they are benefiting from the new system in terms of the feedback they are receiving from users, in that they see their work delivering good outcomes for children. We would commend them for their continued efforts and commitments to those who use the service.

Further detail on performance is provided in the following chapters, but I am pleased to provide assurance, at the outset, that the arrangements in place to monitor decision making continue to be robust and note that this conclusion is supported by the work of the NIAO. I would commend the staff of the CMS for the rigor and quality of their work and whilst there is always room for improvement, I can confirm that the quality of decision making is generally of a good standard.

#### Conclusion

I am pleased to be able to present a positive assessment of the work and progress of CMS this year. I am grateful to the staff for their comprehensive presentations and responses to issues raised by the Committee and would like to commend staff for the adjustments they have been required to make in the light of the COVID-19 response toward the end of this reporting year. I would also like to thank my fellow independent and departmental colleagues on the Committee for their interest and insight into the work of the Child Maintenance Service.

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Marie Cavanagh Chairperson of the Standards Committee

### Introduction by the Director of CMS

At the start of this reporting year in April 2019, who could ever have imagined how it would come to a close in March 2020? The effects of the COVID pandemic are testing us all, personally and professionally, in many different ways. However, what hasn't changed is the importance of what we do and the way we do it. We have continued to support separated and separating families despite the backdrop of a year of relentless change and an emerging pandemic.

Two areas that have been a constant challenge throughout the year are the accuracy of our maintenance calculations and getting and keeping cases paying. I am very pleased to report that during 2019/2020, we delivered high levels of performance in both of these areas and across a range of other key measures.

Following discussion with key stakeholders, Child Maintenance Service (CMS) changed to reporting the Monetary Value of Error (MVE) as the measure of financial accuracy in 2019/2020. This methodology provides a more granular insight to the accuracy of our decisions by reporting not just the volume but also the monetary value of incorrect child maintenance payments. This methodology aligns CMS with how the Department for Work and Pensions report on the quality of their decision making.

Within CMS, the checking programme delivered by the Case Monitoring Team samples child maintenance calculations which required caseworker intervention in 2019/2020. The results of the checks on maintenance calculations which required caseworker intervention are combined with the maintenance calculations which are fully automated by the CMS computer system to give an overall level of MVE, reflecting all the maintenance calculations taken on our clients' behalf.

This report will highlight, in the first year of MVE reporting, we achieved our target of overall MVE of less than 1% by attaining 0.85%. Although this is a significant achievement given the challenges already acknowledged, there can be no room for complacency, given that the manual MVE was higher than the 3% target, finishing the year at 3.7%. However, this should be viewed within the context of improvements in the speed of our service delivery, with more than 85% of cases paying within 12 weeks of applying and over 80% of changes of circumstance actioned within 4 weeks. I have never accepted that quality and quantity are mutually exclusive objectives. We will therefore continue to invest in the

training and coaching of our people to ensure our clients get the high quality timely service they rightly expect and deserve.

Overall, our child maintenance compliance is now sitting at 91.9%, meaning that more than 9 out of 10 parents are paying their child maintenance, providing much needed financial support to their children. During the year, CMS supported 17,800 children across Northern Ireland with £21.6m of child maintenance collected and arranged.

With the NI Compliance and Arrears Strategy approaching its conclusion we have taken significant steps to address the longstanding complex and sensitive issue of unpaid maintenance from the CSA 1993 and 2003 legacy schemes. We will shortly be closing down the computer systems that supported these schemes. This will mark a significant milestone on our journey to draw a line under the failures of the past and take the learning into how we deliver the child maintenance service in the future.

As we enter 2020/2021, we will continue to put children and families at the heart of everything we do. I would personally like to record my thanks and appreciation to all our people in CMS who have worked tirelessly regardless of the challenges thrown at them to achieve the results documented in this report – well done to each and every one of you!

Finally, as ever my thanks to Marie and the Standards Committee for being a critical friend and for the ongoing support and constructive challenge they provide to CMS. They bring a wealth of experience and insight to their role and we will continue to strive to meet the exacting standards they quite rightly expect from CMS.

Brenda Henderson Director, Child Maintenance Service

### 1. Summary

- 1.1 This report provides assurance to the Director of Child Maintenance Service (CMS) that effective monitoring procedures are in place and that this monitoring accurately reflects the Monetary Value of Error and standard of Decision Making within CMS.
- 1.2 In 2019/2020, the Northern Ireland Case Monitoring Team (CMT) moved from checking Cash Value Accuracy (CVA), to checking Monetary Value of Error (MVE). MVE is an estimate of how much child maintenance has been paid incorrectly. This measure assesses the accuracy of the last financial decision taken on the maintenance calculation.
- 1.3 The MVE is expressed as a percentage of the child maintenance received by CMS.
- 1.4 There are essentially two separate elements to the final MVE calculation. The first is an assessment of the accuracy of manual assessments carried out by caseworkers. The accuracy of these manual assessments is checked

by CMT. The second element is the inclusion of the automated assessments which the system carries out.

- 1.5 The inclusion of both manual and automated assessments ensures that the overall MVE figure is reflective of all assessments made by CMS on behalf of our clients.
- 1.6 The Balanced Scorecard target for the 2019/2020 monitoring year was to achieve a combined MVE level of < 1% for the CMS 2012 Scheme. The target focuses upon the accuracy in monetary terms of the last maintenance calculation CMS made on a case and is decided by the examination of the predetermined statistically valid sample of maintenance calculations which required caseworker intervention.

#### **Balanced scorecard**

1.7 The MVE on the CMS 2012 Scheme achieved for this monitoring year was 0.85%.

Balanced Scorecard Target MVE	MVE	Result
<1%	0.85%	Achieved

#### 2. Decision Making Process

- 2.1 Decision Makers calculate the amount of maintenance based on the Child Support legislation – the Child Support (Northern Ireland) Order 1991 and the Child Support Maintenance Calculation Regulations (Northern Ireland) 2012. Decision Makers are required to consider evidence provided by both the Receiving Parent and the Paying Parent to establish the amount of maintenance required to maintain the qualifying children.
- 2.2 Decision Makers are required to obtain and document sufficient evidence to support their decisions. It is essential that all avenues be explored to ensure that every aspect of the decision has been investigated. In all cases this information is processed by the Siebel computer system which supports the CMS 2012 Scheme.
- 2.3 When an initial maintenance calculation has been made, the Decision Maker can reconsider their decision by way of a supersession to take account of a change of circumstance or a Mandatory Reconsideration to correct an error.
- 2.4 CMS will support clients whether they choose either the Collect and Pay or the Direct Pay service. The assessment service includes an automatic Annual Review; in addition to this either client can report various changes throughout the lifespan of the case and each decision made on the CMS 2012 system can be subject to a Mandatory Reconsideration, thus ensuring that either client can challenge any decision made by CMS. The Decision Maker uses Siebel to set up accounts and payment schedules. These schedules take into account the Paying Parent's current liability as well as any underpayment or overpayment as a result of the new assessment.

### 3. Assurance

- 3.1 During the reporting year 2019/2020, 956 maintenance calculations which required caseworker (manual) intervention were randomly selected for checking. The process used to derive this sample is set out below, and ensures that a statistically valid sample of manual maintenance calculations are checked to provide assurance on the overall level of MVE.
- 3.2 The total number of cases selected for checking is calculated for CMS by Professional Services Unit (PSU), who are part of the Northern Ireland Statistics and Research Agency. For the CMS 2012 Scheme, this sample size is based on a confidence level of 95% with a tolerance level of +/- 3.0%. This means that the actual level of MVE could be up to 3.0% greater or less than the accuracy rate found by the case monitors.
- 3.3 However, due to the COVID-19 pandemic, the checking programme for CMT was paused on 23 March 2020 as it was not deemed business critical. This was in line with the approach taken in other parts of the Department. Therefore, planned checks in March and April to complete the 2019/2020 sample did not take place. As a consequence, the

sample size achieved for 2019/2020 was reduced to 884 covering maintenance calculations requiring caseworker intervention in April 2019 – February 2020. PSU confirmed the reduced sample size achieved was still statistically valid.

- 3.4 All maintenance calculations requiring caseworker intervention selected by the CMT for assurance are taken from scans provided to CMT by a third party (Business Analytics Unit) on a monthly basis throughout the year. The maintenance calculations are identified by completed Service Requests (SRs). The lists provided by BAU are stratified by type of SR. This additional stratification ensures the sample is more representative of all maintenance calculations than it would likely have been if the sample was chosen entirely at random.
- 3.5 Each month, CMT is required to check around 80 maintenance calculations requiring caseworker intervention, selected from the SRs. A random number generator is used to select the final SR selections for checking from the lists provided by BAU. This ensures that all SRs have an equal chance of being checked.

- 3.6 Using this method provides a robust and independent assurance on the selection process.
- 3.7 Maintenance calculations are monitored against 2 main criteria:
  - Assurance on the monetary value of the last maintenance calculation made by caseworker intervention are accurate in line with the requirements in the Child Maintenance Service (CMS) Balanced Scorecard

- Assurance on the quality of the decision making process
- 3.8 The findings of the CMT form the basis of monthly reports to the Senior Leadership Team and operational managers. CMT also provide quarterly reports to the Standards Committee. These reports detail performance against the Balanced Scorecard target, providing an analysis of results and identifying any trends and issues.

### 4. Monitoring Findings for CMS 2012 Scheme

4.1 The CMT's findings for CMS 2012 in relation to MVE and Decision Making are presented in this section of the report.

#### MONETARY VALUE OF ERROR

- 4.2 Between 1 April 2019 and 23 March 2020 the CMT monitored 884 CMS 2012 decisions. The monitoring found that for 777 of the maintenance calculations requiring caseworker interventions the monetary value was correct and for 107 the value was incorrect. For each of the incorrect maintenance calculations, CMT determined by how much money the maintenance calculation was incorrect i.e. the monetary value of the error. The main errors affecting MVE resulted from the use of incorrect effective dates and from income errors. The MVE for caseworker interventions was 3.7%. Appendix 1 refers.
- 4.3 The MVE for manual assessments is combined with the proportions of fully automated maintenance calculations, based on the monetary liability values, stratified by SR category, to give the overall level of MVE in 2019/2020. The combined level of MVE in 2019/2020 is 0.85%.

#### **DECISION MAKING ACCURACY**

- 4.4 The same sample of 884 decisions was also monitored for decision making accuracy. Where a case is found to have a decision making inaccuracy, it does not necessarily follow that the last decision is financially inaccurate. The case monitors raised a decision making comment under the following categories:
  - There is insufficient evidence to support the decision
  - The incorrect law is applied, or the law is applied incorrectly
  - The Decision Maker makes a wrong finding of fact
  - There is an incorrect calculation
  - The record of decision/notification is incomplete or inaccurate
- 4.5 Of the 884 decisions monitored, 199 were found to have had decision making errors. Decision making accuracy is therefore reported as 77.5% accurate.
  - Appendix 2 provides an analysis of the decision making comments mentioned above. Within a decision there could be more than one decision making comment

### Appendix 1 CMS 2012 Scheme MVE (Caseworker Intervention)

			Checked		Errors		
Monetary Value of Error (MVE)		Volume	Value	Volume	Value	%	
SR065	Initial	88	£4,098.43	5	£46.08	1.1%	
SR066	Correction/ Revision	12	£801.79	0	£0.00	0.0%	
	Change Benefit Details	37	£489.10	1	£8.72	1.8%	
SR067	Income & Household	694	£25,306.06	93	£1,084.78	4.3%	
	Case Closure	6	£103.09	1	£7.27	7.1%	
	SR067 Total	737	£25,898.25	95	£1,100.77	4.3%	
SR068	Change Client Data (Variation)	31	£2,185.66	4	£27.38	1.3%	
SR069	Additional Case	7	£376.91	1	£9.42	2.5%	
SR070	Annual Review	9	£414.56	2	£68.30	16.5%	
Overall Total		884	£33,775.60	107	£1,251.95	3.7%	

#### Appendix 2 CMS 2012 Scheme Maintenance Assessment Comments

This table records the type of errors found in the decision making process:

	А	В	С	D	E	
	Insufficient evidence on which to decide	Incorrect law applied / law applied incorrectly	Wrong finding of fact / incorrect interpretation of fact	Incorrectly calculated	Record of decision / notification is incomplete or inaccurate	Total
Jurisdiction	0	0	0	0	0	0
Effective Date	0	0	1	86	2	89
Shared Care	3	0	1	4	18	26
Earnings – Other	0	0	0	0	0	0
Earnings - Calculation	6	0	2	24	25	57
Earnings – Bonus	0	0	0	0	0	0
Pension Contributions	0	0	0	0	0	0
Benefit Income	7	0	0	6	3	16
Other Income	0	0	0	0	0	0
Notifications	0	0	0	0	0	0
Variations	4	0	0	3	4	11
QC/ROC/CIFBA*	6	1	7	5	12	31
Other	1	0	0	0	1	2

\*QC/ROC/CIFBA Qualifying Child(ren)/Relevant Other Child(ren)/Child in Family Based Arrangement Note – There could be more than 1 error on a case. There were 199 cases with errors.

#### Appendix 3 The Process of Decision Making

As part of the decision making process there are different steps which the individual Decision Maker must consider.

Errors in following the Decision Making process result in a decision making comment being included but do not necessarily impact on the outcome decision.

Comments include:

- Identifying that an assessment needs to be considered
- Calculating the effective date of the assessment
- · Gathering the evidence
- Clarifying the evidence
- · Deciding which evidence to use
- Recording the evidence onto the computer system
- Adjudicating

#### Elements taken into account when calculating a Maintenance Calculation

- Effective date of liability
- Household Members
- Earned Income Employed, Self Employed, Occupational or Personal Pensions
- Benefit Income
- Shared Care of the Qualifying Child(ren)
- Relevant other Child(ren) in household
- · Child in Family Based Arrangement
- Other Child Maintenance Agreements
- Variations Additional Income and Special Expenses

#### Appendix 4 Terms of Reference for the Standards Committee

- The Social Security (Northern Ireland) Order 1998 removed the distinction between adjudication decisions made by adjudication officers and departmental decisions and introduced single status decision makers. This removed the statutory requirement for a Chief Adjudication Officer and, by default, his responsibility for reporting on the standard of adjudication.
- 2. In addition to being responsible for the delivery of the decision making process and the standard of decisions made, the Department was made responsible for reporting on the standard of decisions against which there is a right of appeal. These responsibilities were delegated to the Chief Executives of the Social Security Agency ("Agency") and the Northern Ireland Child Support Agency. From 1 April 2008 the Northern Ireland Child Support Agency became a division within the Department for Social Development called the Child Maintenance and Enforcement Division and was later renamed Child Maintenance Service ("CMS") from 1 April 2013. From May 2016, following the reduction in Northern Ireland's Departments from 12 to 9, both the Agency

and CMS functions have been transferred to the Department for Communities under the Supporting People Group.

- 3. The responsibility for reporting on standards requires the Deputy Secretary of Supporting People Group to have programmes in place to determine the standards which are to be reported. It has been recognised however, that to enhance this programme and its credibility and transparency with the public, some independent oversight of the arrangements is necessary. Accordingly a Joint (Northern Ireland) Standards Committee has been appointed with an independent Chairperson, together with two other Independent Members, and having terms of reference agreed by the Deputy Secretary.
- 4. The Standards Committee will have an advisory rather than executive role. Its objectives will be to —
- provide assurance to the Deputy Secretary of Supporting People Group that effective decision making checking procedures are in place

- to confirm legislation is properly applied
- to monitor and report performance against quality targets
- identify common trends relating to the quality of decision making in Supporting People Group and to highlight those areas where improvement is needed
- make specific recommendations on any area considered appropriate
- provide assurance to the Deputy Secretary of Supporting People Group that mechanisms are in place to feed back results to the Department to enable continuous improvement
- report to the Deputy Secretary of Supporting People Group on the operation of the decision making process and where necessary to make recommendations for changes to it. The Deputy Secretary should be free to meet the Chairperson informally and

discuss issues that may arise during the year

- provide the Deputy Secretary of Supporting People Group with an annual assurance in the form of reports on the quality of decision making in Supporting People Group and such other reports as the Deputy Secretary or the Standards Committee considers appropriate
- provide assurance on the quality of decision making with the results of financial accuracy
- Standards Committee meetings will be held 4 times yearly to coincide with the reporting programmes and minutes will be taken and agreed by the Committee members.
- 6. An agenda will be prepared in advance of each meeting and circulated to the Committee Chairperson for consideration.

Committee membership				
Marie Cavanagh	Independent Chairperson			
Kevin Higgins	Independent Member			
Ursula O'Hare	Independent Member			
John McKervill	Director of Pensions, Disability and Fraud and Error Reduction, Department for Communities			
Conrad McConnell	Assistant Director of Benefit Security, Department for Communities			
Elaine Savage	Business Support, Child Maintenance Service, Department for Communities			
Jonathan Furphy	Business Support, Child Maintenance Service, Department for Communities			
Lacey Walker	Head of Internal Audit, Department for Communities			

#### Appendix 5 Glossary

Glossary					
Decision Maker	The officer making decisions on behalf of the Department.				
Decision Making	The process of applying the child support legislation and guidance to evidence supplied by clients.				
Insufficient Evidence	When a decision is made without gathering all the evidence required to make a comprehensive decision.				
Last Decision	The last assessment completed on the case selected for checking, taken from a random sample.				
Maintenance Calculation	Liability calculated under the CMS 2012 Scheme.				
Paying Parent	A parent who has a liability to maintain a Receiving Parent's child(ren) but who lives apart from the Receiving Parent.				
Receiving Parent	A parent who is the primary carer of the qualifying child(ren).				
Mandatory Reconsideration	A decision is revised where it is changed from the date of the original decision as a consequence of action or application arising within the acceptable period of revision.				
Supersession	A decision is superseded where there is a relevant change of circumstances changing the original decision from a later date.				
Variation	Where a parent has exceptional circumstances not covered by the basic procedures of the CMS 2012 Scheme.				
CMS 2012	Scheme introduced in 2012 to replace the 1993 and 2003 Schemes.				

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