

## 13 Timeliness of income support claim processing

- 13.1** Persons who claim income support are entitled to have their claims processed as quickly as possible, and to have payments to which they are entitled commence promptly. For many of those entitled to support, the payments may be essential to allowing them to access basic necessities. Timely processing of claims is consequently a key performance objective of the Department of Employment Affairs and Social Protection (the Department).
- 13.2** This chapter examines the use of key performance indicators (KPIs) by the Department to measure the timeliness of claim processing.<sup>1</sup>

### Claims processing performance reporting

- 13.3** To monitor claim processing performance, the Department produces a number of key internal and external reports
- a 'traffic light' report providing a weekly update by local office on claim processing rates and targets — with negative performance highlighted in amber or red
  - a statistical bulletin and a management information report produced each month for the management board — these detail claim processing information, as well as expenditure and trends in the live register
  - the Department's annual statistics report publishes claims processing information, such as the number of claims awarded and the average time taken to award claims<sup>2,3</sup>
  - the annual management information report details claims processing information for each scheme, with historical comparisons.
- 13.4** The Department's Statistics and Business Intelligence Unit (Statistics Unit) is responsible for the compilation of claim processing data.

### Claims processing targets included in the estimates

- 13.5** The Department has defined a processing time target for each scheme — this is the percentage of claims expected to be awarded within a defined time period. Claim processing time targets for a number of schemes have been included in the annual vote estimate for many years.<sup>4</sup>
- 13.6** The processing time target varies between schemes — for example, the Department aim to complete the processing of 90% of jobseeker's allowance awarded claims within six weeks and 70% of carer's allowance awarded claims within twelve weeks.

<sup>1</sup> Annex 13A provides background information on the characteristics of good performance measures.

<sup>2</sup> The *Statistical Information on Social Welfare Services Annual Report* publishes details on changes in the number of recipients (and beneficiaries) by scheme and the value of payments — the report includes data for the last ten years.

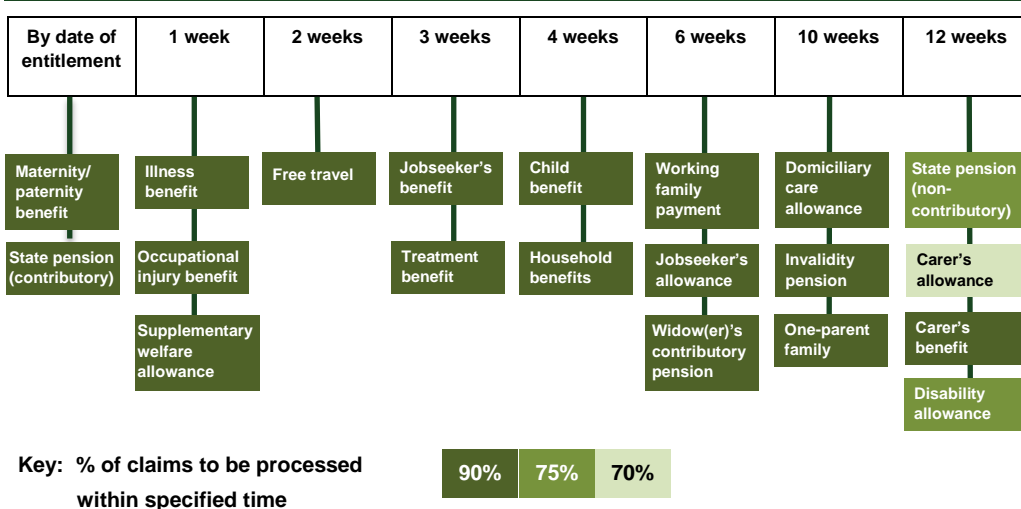
<sup>3</sup> The definition of 'time taken to award' differs between schemes. This is explored in more detail in paragraphs 13.22 – 13.24.

<sup>4</sup> The Department also publish statistics on the average number of weeks to award a claim — setting a target based on a percentage of claims to be awarded within a certain time may be more demanding than an average processing time standard.

**13.7** The Department stated that the different targets set relate to the nature of the schemes — some schemes are dependent on one main decision, often on fact-based criteria (e.g. contribution records in respect of a person claiming illness benefit) whereas others are more complex and require assessment across multiple clients and criteria. For example, a claim for carer’s allowance requires an assessment of the carer’s means and residency arrangements, as well as an assessment of the caree’s care requirements, including an assessment of what can often be complex medical and care issues.

**13.8** Figure 13.1 shows the current target rate of claims to be processed within the processing time standard.

**Figure 13.1 Target volume of claims to be processed by processing time standard**



Source: Department of Employment Affairs and Social Protection

**13.9** The appropriate processing time standard is considered for each new scheme and where the schemes strategic objectives are revised. Processing time standard targets did not change for most (fourteen) of the main schemes in the period 2009 to 2018. Changes which were made in that period mainly lengthened the target processing time, as shown in Figure 13.2.

**13.10** The Department has stated that reviews of targets take account of actual experience given the volume of claims, the complexity of eligibility criteria, and the number of staff available in processing areas.

**Figure 13.2 Changes to processing time standards, 2009 to 2018**

Scheme	Year of change	Original target	Revised target	Impact on processing time target
Non-contributory State pension	2017	90% in 10 weeks	75% in 12 weeks	↓ ↓
Child benefit	2015	90% in 2 weeks	90% in 4 weeks	↓
Carer's allowance	2017	90% in 12 weeks	70% in 12 weeks	↓
Disability allowance	2017	90% in 12 weeks	75% in 12 weeks	↓
Invalidity pension	2017	90% in 6 weeks	90% in 10 weeks	↓
Domiciliary care allowance	2017	70% in 15 weeks	90% in 10 weeks	↑ ↑

Source: Department of Employment Affairs and Social Protection

Key: ↑ A shorter duration to process or greater volume to be processed in the same period.

↓ A longer duration to process or reduced volume to be processed in the same period.

### ***Claim processing performance***

**13.11** On the following pages, Figure 13.3 and Figure 13.4 show key input (staffing resources), output (claims cleared) and claim processing data for vote funded schemes and for Social Insurance Fund schemes.

#### *Staffing resources allocated to schemes and number of claims cleared*

**13.12** The Department operates centralised processing offices for some schemes, such as pensions. Other schemes, such as jobseeker's payments and the one-parent family payment, are processed in the Department's network of Intreo centres and branch offices.

**13.13** The Department stated that, as well as claim processing in each scheme area, staff are also engaged in a wide range of other work such as claim maintenance and claim reviews, customer reception and telephone call handling. The level of this work varies by scheme area — control-related work forms a larger proportion of the workload in Intreo/jobseeker centres than in other scheme areas, while the client base in disability schemes tends to have a higher level of maintenance than in, for example, pension schemes.

**13.14** The Department's ability to monitor the cost, by type of activity, of resources employed in the processing of claims is limited by the manner in which schemes are administered. While it can identify the staffing resources used in providing centralised schemes, it cannot do so for Intreo centre and branch office resources because individual staff may have responsibilities across a number of schemes and types of activity (e.g. reception duties, control duties, etc.) during any period over which costs are assessed.

#### *Time to award*

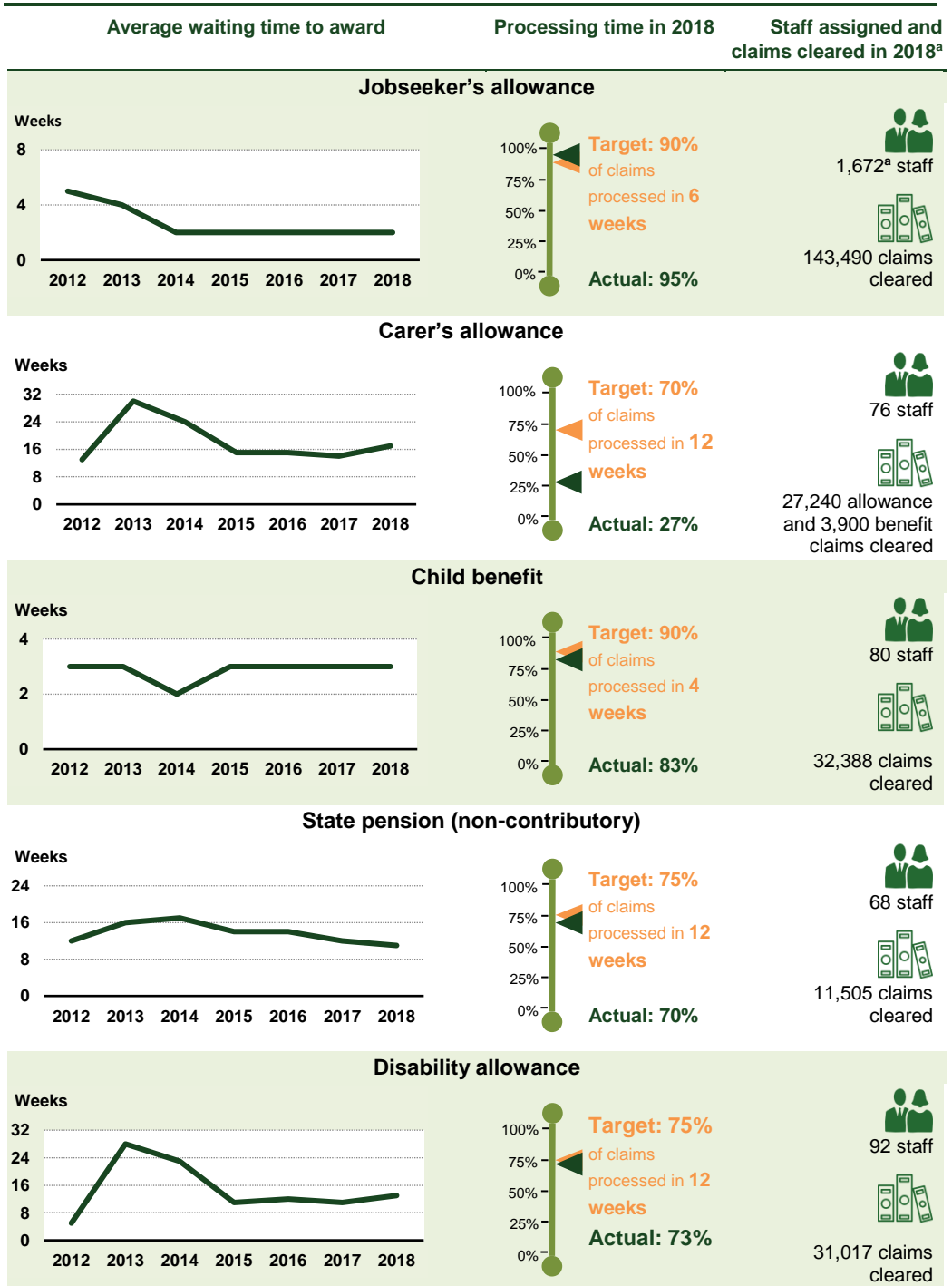
**13.15** Figure 13.3 and Figure 13.4 show the trend in the average number of weeks to award claims in the period 2012 to 2018, for a selection of the Department's schemes.<sup>1</sup>

**13.16** For the majority of schemes, the average weeks to award has decreased over the period, with some schemes showing a very marked improvement

- invalidity pension decreasing from 52 weeks in 2013 to 7 weeks in 2018
- carer's allowance decreasing from 30 weeks in 2013 to 17 weeks in 2018
- State pension (non-contributory) decreasing from 16 weeks in 2013 to 11 weeks in 2018.

<sup>1</sup> The time to award a claim does not include claims that are initially rejected but subsequently successfully appealed.

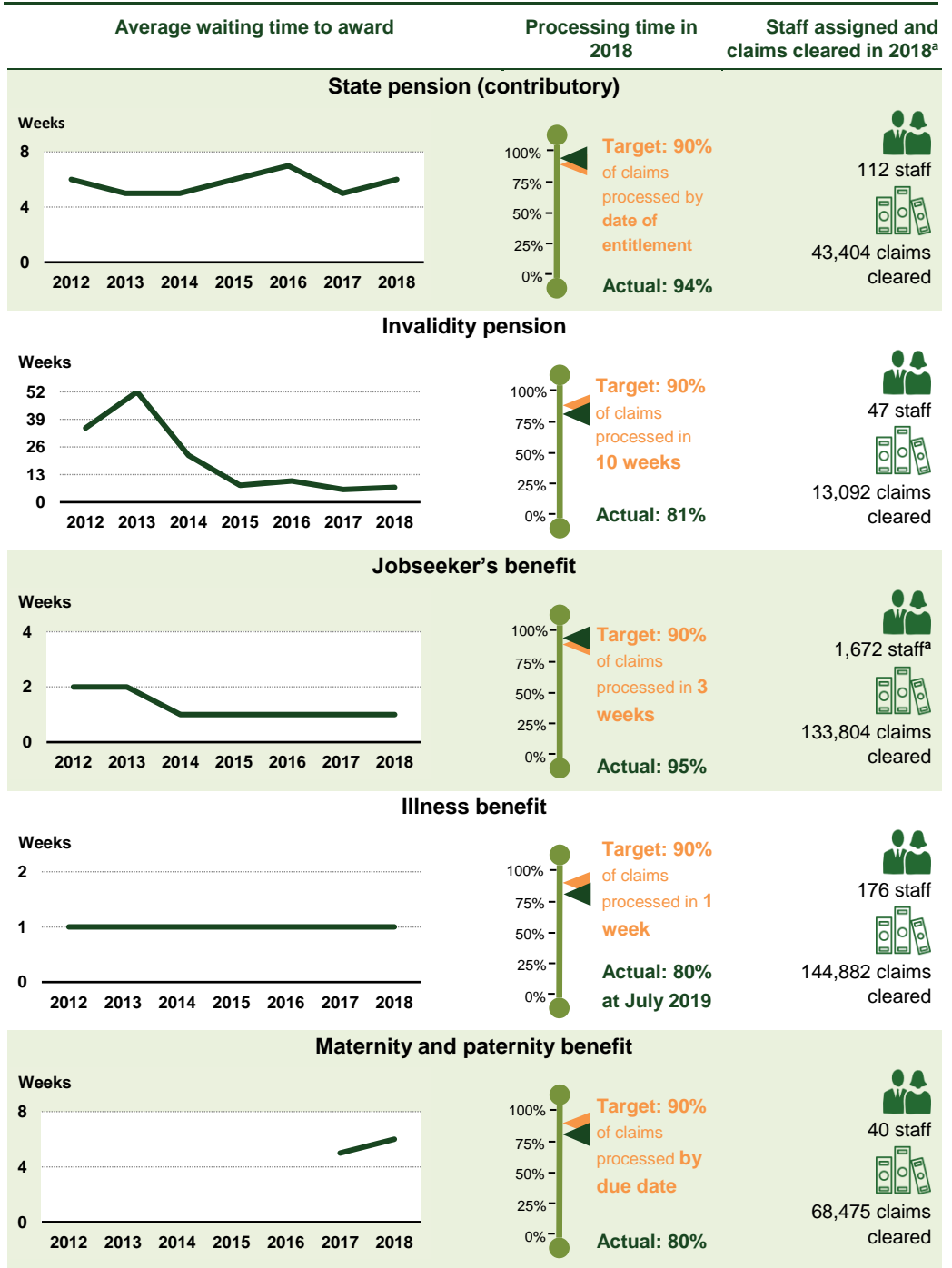
Figure 13.3 Performance measurement of Vote funded schemes, trend and 2018 data



Source: Department of Employment Affairs and Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a Intreo centre and branch office staff resources cannot be disaggregated by scheme — 1,672 staff are assigned to these offices, process jobseeker's allowance and benefit claims, the one-parent family payment and the supplementary welfare allowance.

**Figure 13.4 Performance measurement of Social Insurance Fund schemes, trend and 2018 data**



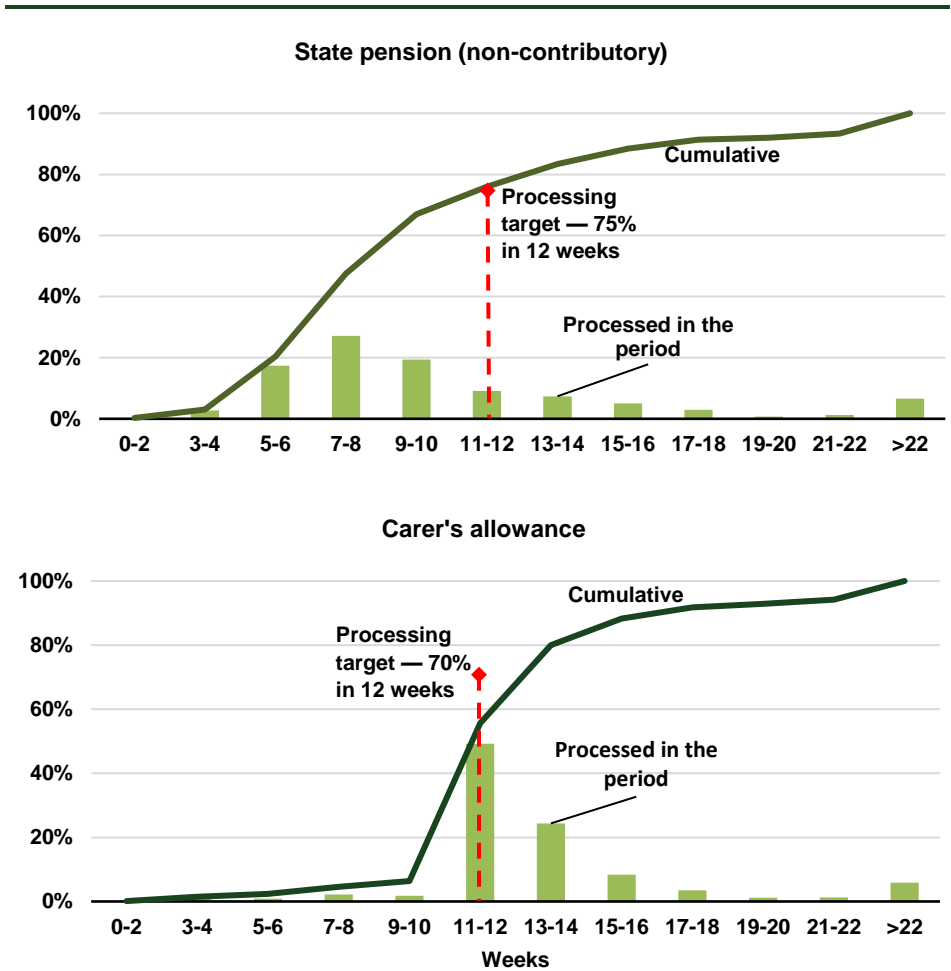
Source: Department of Employment Affairs and Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Note: a Intreo centre and branch office staff resources cannot be disaggregated by scheme — 1,672 staff are assigned to these offices, processing jobseeker's allowance and benefit claims, the one-parent family payment and the supplementary welfare allowance.

*Distribution of claims by waiting time*

**13.17** The average number of weeks to award a claim and the time taken to award a set percentage of claims can mask significant variances in processing time. For example, Figure 13.5 indicates that awards of State pension (non-contributory) were significantly speedier than awards for carer's allowance, even allowing for different target percentages (75% and 70% respectively). Both schemes had a target 12-week processing period, but very few carer's allowances were awarded before 11/12 weeks.

**Figure 13.5 Processing time for State pension (non-contributory) and carer's allowance claims awarded in May 2019**



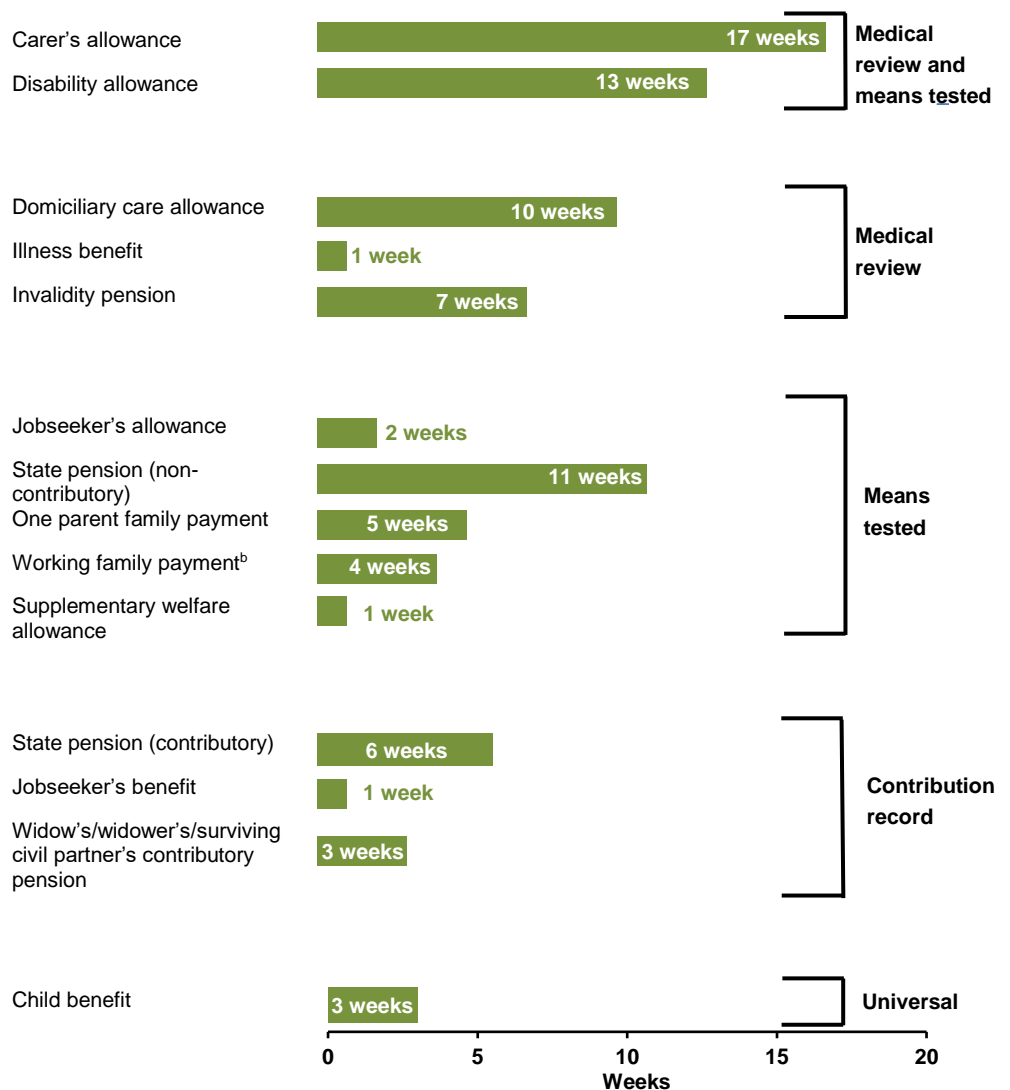
Source: Department of Employment Affairs and Social Protection

*Impact of qualifying conditions on scheme processing time*

**13.18** Figure 13.6 shows the qualifying conditions and average number of weeks taken to award a claim in 2018 for the main schemes.

**13.19** Schemes where a means test and/or medical review is required generally take longer to process — for example, carer’s allowance, disability allowance, domiciliary care allowance and state pension (non-contributory) took an average of between 10 and 17 weeks in 2018 to award a claim. The medical review may be based on information provided by the applicant’s doctor and/or an assessment by the Department’s medical assessors.

**Figure 13.6 Average number of weeks to award, by qualification criteria<sup>a</sup>**



Source: Department of Employment Affairs and Social Protection. Analysis by the Office of the Comptroller and Auditor General.

Notes: a Schemes may also include additional criteria to be examined to determine eligibility — for example, habitual residence.  
 b This scheme was previously known as the family income supplement.

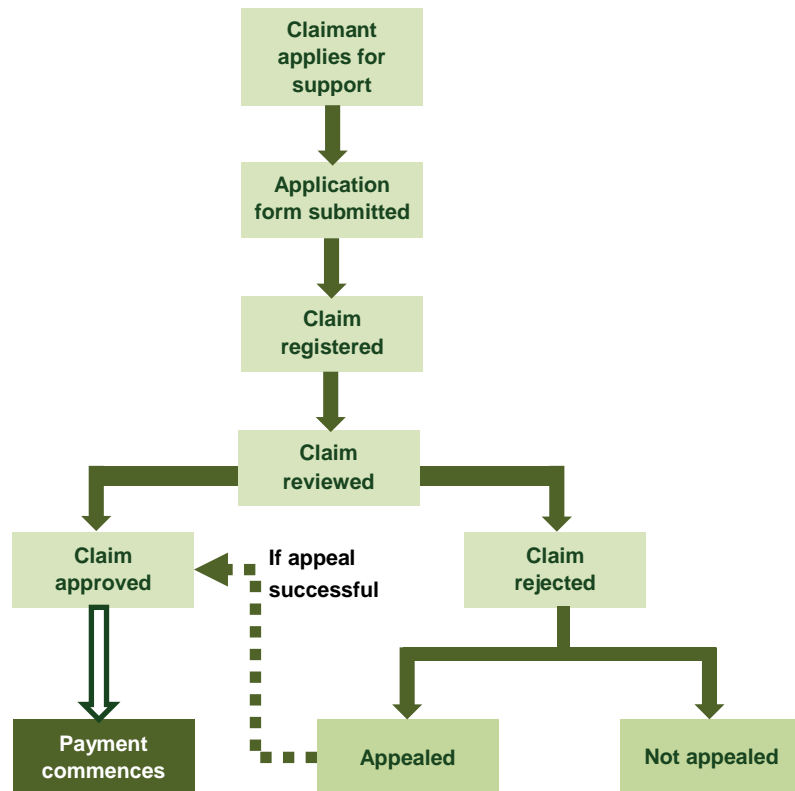
## Reliability of certain KPI

### *Measurement of claim processing time*

**13.20** Figure 13.7 shows the steps involved in processing a claim.

**13.21** Most of the Department's schemes are centrally operated and managed — for example, carer's allowance, disability allowance and State pension. For these schemes, the Department is made aware that a claimant is applying under that scheme when the application form is received — so the date the claimant applies for support and the date documentation is received is the same day (or next day if submitted by post). The registration date may also be the same where forms are promptly processed — for example, under the illness benefit scheme and for all online applications.

**Figure 13.7 Claim processing lifecycle**



Source: Department of Employment Affairs and Social Protection

**13.22** For schemes managed in Intreo and branch offices — jobseeker’s allowance, jobseeker’s benefit, one-parent family payment and basic supplementary welfare allowance — the date of claim registration is the date when a claimant’s application form is first submitted to an Intreo or branch office staff member.<sup>1</sup> Because many Intreo offices operate on an appointment basis, if an individual presents at an Intreo Office on a Monday and is given an appointment on the following Thursday, the processing time commences on that Thursday. To that extent, the processing time measured by the Department is shorter than the period of waiting time experienced by the claimant for these locally-managed schemes.

**13.23** The Department has stated that

- In all offices, claims for the basic supplementary welfare allowance are generally dealt with, and registered, immediately without an appointment.
- This issue will not arise under a new ‘front office/back office’ processing system, where claims are received and registered immediately in the ‘front office’ and then subsequently processed in the ‘back office’ — the system is currently in place in eight (of 62) Intreo centres and 55 (of 58) branch offices, and the Department plans to extend the process to all offices within 15 months.

**13.24** Claim payments are back-dated to the first day of entitlement — the payment commencement date. For Intreo and branch office schemes, the Department monitors the length of time between the claims registration date and the commencement date in a weekly report. For example, in August 2019, the gap averaged 1.2 weeks for jobseeker’s allowance and 1.7 weeks for jobseeker’s benefit — this gap comprises both any delay in the claimant seeking an appointment after becoming entitled to the support and the waiting time for an appointment.

#### *Claims pending data*

**13.25** Claims pending data reported by the Department relates to claims that have been registered but are still awaiting a decision. Claims pending data for locally-managed schemes does not include claims where an appointment has been given but not yet held.<sup>2</sup>

#### *Claim rejection rate*

**13.26** The Department reports timeliness on the basis of the average number of weeks to award claims. The Department stated that including rejected claims in the measure would tend to reduce the reported waiting time as many rejected claims are processed more quickly, where it is evident that scheme qualification criteria have not been met.

**13.27** In 2018, 17% of claims processed by the Department were refused. The Department commenced publication of claim rejection statistics in its annual statistics report for 2018. Figure 13.8 shows schemes where the rejection rate exceeds 20%.

<sup>1</sup> The application registration date is generated by the system and cannot be changed.

<sup>2</sup> The claim is not pending until an application form is submitted.

**Figure 13.8 Claim rejection rate by scheme, in 2018**

<b>Scheme</b>	<b>Claims cleared<sup>a</sup></b>	<b>Claims rejected<sup>b</sup></b>	<b>Claim rejection rate</b>
<b>Working family payment (new claims)</b>	25,500	8,274	32%
<b>Illness benefit</b>	144,882	29,109	20%
<b>Carer's allowance</b>	27,240	9,291	34%
<b>State pension (contributory)</b>	43,404	10,304	24%
<b>State pension (non-contributory)</b>	11,505	2,253	20%
<b>Invalidity pension</b>	13,092	4,601	35%
<b>Disability allowance</b>	31,017	12,682	41%

Source: Department of Employment Affairs and Social Protection management information report

Notes: a Claims cleared comprises claims awarded, claims rejected and claims withdrawn. The range of withdrawal rates varied from 0% (working family payment) to 11% (State pension, contributory and non-contributory).

b The number of claims rejected relates to the initial decision only.

## Conclusions and recommendations

- 13.28** The Department has included claim processing indicators in the annual vote estimates and other published reports for a number of years. These indicators are good measures of the Department's timeliness in claims processing (see Figure 13.9).

**Figure 13.9 Rating of performance measures for claims processing used in estimates**

Characteristic	Rating	Reason
<b>Relevant</b>	●	The measure addresses a core performance objective included in the Strategy so is very relevant.
<b>Attributable</b>	●	While the Department cannot control demand, it can reduce or increase allocated resources to reach a target — performance can be attributed to the Department.
<b>Does not create perverse incentives</b>	●	Distortions are unlikely to arise, unless resources are diverted to achieve these targets from an area in similar or greater need of resources where there is no target.
<b>Well-defined</b>	●	The measure is clear and easily understood (albeit that the measured processing time of locally-managed schemes commences when the form is submitted, rather than the claimant's perspective of when the Department is notified).
<b>Comparable</b>	●	Comparable to prior periods — less comparable between schemes as different targets are used.
<b>Reliable</b>	●	Data collection processes could be more consistent in relation to measurement of the duration of waiting time for locally managed schemes.
<b>Timely</b>	●	Results are available on a weekly basis, providing timely performance feedback to scheme management.
<b>Verifiable</b>	●	The underlying evidence can be reviewed and validated, so is verifiable.

Source: Analysis by the Office of the Comptroller and Auditor General

Key: ● Measure used displays the required characteristic.  
● Opportunity for improvement.

- 13.29** The Department does not currently monitor the cost of claim processing by type of activity. This information could highlight variances between schemes/offices and may help to identify opportunities for efficiency improvements.

**Recommendation 13.1**

The Department should develop systems to monitor the cost of each claim processing stage, to identify opportunities for efficiency improvement.

**Accounting Officer's response**

Agreed.

The Department accepts that unit cost information would enhance its ability to manage its business operations and, for this reason, specifically set out its intentions to develop a management/cost accounting system in its *Statement of Strategy (SoS)*. The development of this capability will be linked to the migration of its financial accounting systems to the shared financial management system being developed across the Civil Service.

In order to plan for and design a management accounting capability, the Department tendered for external advisory support and has recently selected a preferred bidder. A contract is to be finalised imminently and it is expected that a design and implementation plan will be completed by Q4 2019/Q1 2020.

- 13.30** In recent years, the Department has reported significant progress in reducing the time to award applications for schemes with the longest waiting time for a decision. In 2018, the Department exceeded, or was close to reaching, the target volume of claims to be processed within specified processing time standards for most schemes. However, the average waiting time to award a claim can obscure significantly greater waiting times experienced by a minority of claims where eligibility is more difficult to conclude upon.

**Recommendation 13.2**

The Department should develop a process to identify the reasons for delays in deciding a claim where time taken materially exceeded the average time for that scheme.

**Accounting Officer's response**

Agreed.

Processing performance is already reviewed on a regular basis at all levels in the management chain and variances in performance within and between schemes is noted and questioned. In addition, scheme areas within the Department further monitor the performance of individual steps in the decision making process.

In order to further enhance visibility of claim processing in a timely manner across all schemes, a web-based performance reporting system is currently in development and will be rolled out across all scheme areas by the end of Q2 2020.

- 13.31** Most claim processing time standards have not changed since 2009.

### **Recommendation 13.3**

The Department should establish a formal process for the periodic review of current processing time standards for each scheme.

#### **Accounting Officer's response**

Agreed.

Processing times across schemes are kept under ongoing review by scheme owners in the first instance and, secondly, by the Management Board in the Department which reviews performance on a monthly basis.

While performance standards are regularly reviewed based on actual performance, it is accepted that it would be beneficial to institute a formal review of targets as part of the annual Business Planning and Risk Management process and this will be instituted in 2020.

It should be noted that, in this context, a range of variables are kept under review which could lead to increases or decreases in targets. These take account of variations in scheme claim numbers, available resources and the complexity of conditionality.

- 13.32** The claim rejection rate exceeded 20% on a number of schemes in 2018, and was over 40% of disability allowance claims. This may indicate a need to provide better information to claimants on scheme qualification criteria.

### **Recommendation 13.4**

The Department should establish a process of reviewing schemes where the claim rejection rate is high to identify common reasons for rejection.

#### **Accounting Officer's response**

Agreed.

The Department is committed, as far as practicable, to ensuring the highest possible quality of its decisions and minimising the level of unnecessary/incorrect rejections of client claims. Towards this end, it has established a Decisions Advisory Office, headed at Principal level. The Decisions Advisory Office supports line sections in seeking to ensure that decisions made on social welfare claims are consistent and of good quality and that customers are notified of decisions in a form which is clear and understandable. This Division also undertakes a liaison function with the Ombudsman's Office and has a liaison role with the Chief Appeals Office.

Reasons for rejection of claims are recorded and relate, in the main, to failure of the claimant to prove eligibility based on means, social insurance contributions, residency etc. Other reasons include Departmental error or incomplete/insufficient information being submitted by the claimant.

The extent of and causes of Departmental error are evaluated in the control surveys conducted annually and published by the Department.<sup>1</sup> Incorrect decisions are also subject to review by the Chief Appeals Officer and her annual report contains case studies that illustrate both common and unusual situations giving rise to appeals.

<sup>1</sup> Chapter 12 of this report provides information on the findings of recent control surveys.

## Annex 13A Characteristics of good performance indicators

Effective performance management requires three key aspects

- a framework of performance measures (indicators) that link inputs, outputs and outcomes
- reporting of accurate, valid<sup>1</sup> and complete performance information that provides context, sound analysis and insight
- using performance information to base decisions on the best available evidence.

In an optimised system, the performance management framework produces leading (as opposed to lagging) indicators, reports give insight into what has influenced performance as well as describing performance against targets, and there is a feedback mechanism to alter the framework to reflect changing business needs. The cost of developing and maintaining a performance measure should be justified by the benefits of reporting it. Characteristics of good performance indicators are shown in Figure 13A.1.

**Figure 13A.1 Characteristics of good performance indicators**

Characteristic	Description
<b>Relevant</b>	Measure addresses achievement of a core performance objective
<b>Attributable</b>	Department has the ability to influence results of activity
<b>Avoids perverse incentives</b>	Use of the measure is unlikely to lead to a perverse outcome
<b>Well defined</b>	Measure is easily understood and consistent, and measures what is intended
<b>Comparable</b>	Measure should be capable of being compared e.g. to past periods or between similar departments
<b>Reliable</b>	There are stable and consistent data collection processes across collection points and over time
<b>Timely</b>	Measure is produced frequently and quickly enough to track progress and for it to be useful
<b>Verifiable</b>	The process by which recorded activity can be validated

<sup>1</sup> Information validity refers to the information being recorded and used in compliance with rules and definitions.