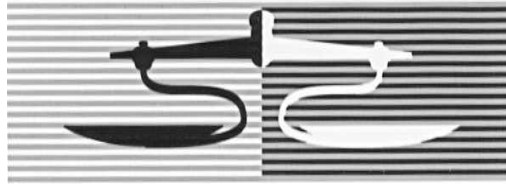




Compensation Agency Business Plan 2008-2009



THE
COMPENSATION
Agency

BUSINESS
PLAN
2008 – 2009



Introducing the Agency

1. The Compensation Agency was the first Executive Agency to be established in the Northern Ireland Office in 1992. Our aim remains:

“to support the victims of crime and people who have suffered loss from action taken under the Justice and Security (NI) Act 2007 by ensuring that they are appropriately compensated in accordance with the relevant statutory schemes”.

2. Our mission statement—“to provide a fair, just and professional service to all our customers”—reflects our prime focus on high quality and responsive service.
3. Based in Belfast, the Agency employs 80 staff. In 2007/08 it received almost 8500 new applications and review/appeal requests and paid out more than £53m in compensation costs.
4. **The Criminal Injuries Compensation Scheme 2009** provides compensation to victims of violence in Northern Ireland who have been physically and/or mentally injured or who are a dependant or relative of a deceased victim. The governing legislation is the Criminal Injuries Compensation (Northern Ireland) Order 2002.
5. Anyone who is unhappy with a decision on their claim under the Tariff Scheme can request a review, which is undertaken independently by a separate section within the Agency. Subsequently an applicant can appeal a review decision to the Criminal Injuries Compensation Appeals Panel for Northern Ireland, which is entirely independent of the Agency.



6. **The Criminal Injuries Compensation Scheme 2002** applies to incidents which took place after 1 May 2002. New applications under this Scheme are now time barred, with the exception of victims of child sexual abuse, where claims would have been denied prior to 2000, the Agency is still dealing with a number of the remaining more complex cases.
7. **The Criminal Injuries Compensation Scheme 1988** applies to incidents which took place before 1 May 1988. New applications under this Scheme are now time barred, with the exception of victims of child sexual abuse, where claims would have been denied prior to 2000, the Agency is still dealing with a number of the remaining more complex cases.
8. **The Criminal Damage Compensation Scheme** primarily provides compensation for malicious damage to property in Northern Ireland caused by terrorism or unlawful assemblies of three or more people, and for malicious damage to agricultural property. The governing legislation is the Criminal Damage (Compensation) (Northern Ireland) Order 1977. The much improved security situation has resulted in a significant change in the number of claims, which in 2007/08 fell to less than 700 for the first time.
9. **The Justice and Security (NI) Act Compensation Scheme** provides compensation to those who suffer loss or damage resulting from police or security forces action taken under the Justice and Security (NI) Act 2007. The changing security situation has resulted in a reduced number of claims: (only 33 new claims were received in 2007/08).
10. Applicants to the criminal damage, Justice and Security (NI) Act and the 1988 criminal injuries Schemes have a right of appeal to the courts if they are dissatisfied with decisions reached on their claims.



11. The Agency operates under the terms of a framework document which defines the responsibilities of and the relationships between the Agency, Parliament, Ministers and the Northern Ireland Office; financial and personnel arrangements; and planning, monitoring and accounting arrangements. The framework document was reviewed and a revised version was approved by the Treasury in 2007.
12. The Chief Executive is personally and directly accountable to the Minister for the effective operation of the Agency and for managing its financial and human resources. He is also the Agency's Accounting Officer, accountable for the economic, efficient and effective use of resources provided to the Agency, for the propriety of its expenditure, and for ensuring that government accounting requirements are met.
13. The Chief Executive is assisted in discharging these responsibilities by the Agency Strategy Group (ASG), comprising senior managers. ASG provides leadership to the Agency, agrees the strategic direction of the Agency and annual targets and plans and oversees the delivery of the targets agreed by the Minister, and aims to secure a high standard of corporate governance. ASG normally meets monthly.
14. A wider advisory body—the Agency Co-Ordinating Group (ACG)—provides a forum for team and functional heads to discuss the Agency's business and exchange information. ACG's monthly meetings inform the team briefing process throughout the Agency.

The Wider Environment

15. The improving security situation has reduced the Agency's workload across the three heads of the Agency's operations—criminal injuries, criminal damage and the Justice and Security Act. In the mid-1990s the Agency was processing 5,000 property damage claims a



year compared with under 1,000 in 2008/09. While the current workload in criminal damage and the current criminal injuries scheme is likely to remain through the medium term, changes in the security situation still have the potential to impact on expenditure and on workload.

15. ***The new Comprehensive Spending Review impacts the present plan, and it is clear that there will be tight control on expenditure over the period. Alongside this the NIO has introduced staff headcount controls as a further monitoring mechanism.***
16. The Agency continually reviews its overhead costs and staffing levels to ensure value for money. While a significant reduction in staffing and resulting costs has already taken place, the Agency will consider further reductions if the previous decline in workload continues over the next 3 years.
17. The Compensation Agency expects to be part of the range of responsibilities transferred to the Northern Ireland Executive when criminal justice functions are devolved.

Key Aims for 2008/09

Setting the Scene for Planning

18. In preparing the 2008-2009 Business Plan we have taken account of our experience in recent years and in particular the key performance indicators contained in the Agency's framework document. We have taken note of the continuing reduction in the level of violence within the community, and the changes in legislation that will impact on our business during the 2009/10 year – the introduction of an amended



Criminal Injuries scheme in April 2009 and an additional category of entitlement for Criminal Damage claims.

19. Our key aims over the next three years are to:

- significantly reduce the number of claims outstanding a year or more after application; and
- to reduce the average time taken to process claims while maintaining the current high standards set at adjudication and customer satisfaction.

20. Last year saw a continuing decline in the number of claims for compensation made to the Agency across both the Tariff and Damage schemes. While in the case of Tariff this has been an unbroken trend since the scheme was introduced in 2003 the reduction in Damage claims has been more marked over the past 3 years. This has made it more difficult to predict the level of future business. Accordingly we have moved this year from a simple case clearance number to a percentage clearance approach. We believe that this is a better measure of performance given the focus it will require on both new claims and old claims as targets have been created for both.

21. In order to support our drive to reduce both our outstanding cases and overall average clearance times we have weighted the percentages in favour of the older cases. In order to arrive at an appropriately challenging figure for each target we analysed percentage clearances averaged over the past three years against each criteria and then increased the figures for 2008/09 for each scheme. The targets are outlined in the next section.



22. We have also decided this year to plan our operational targets in what for the Agency is a new way. As the resources we need to meet our business objectives are provided on a 3-yearly basis we now consider that it is appropriate to move the operational side of our business planning more obviously onto a similar footing. Therefore we are projecting targets for each of the main Compensation Schemes for each

of the next three years within this plan. **[Planning assumptions for this three year period can be found at Annex A]** While recognising the level of uncertainty that necessarily applies to an Agency whose business is driven by demand we are committed to the following principles with regard to these 3-year targets:

- Year 1 and year 2 targets will be fixed at the start of year 1
- Year 3 target will be reviewed at the end of year 1 and adjusted according to the information then available to support the underlying planning assumptions on which it was originally based. It will then become a fixed year 2 target for the following 3-year cycle and a new year 3 target will be set.
- This process will be repeated annually giving rise to a rolling forward 3-year target plan.

23. While not part of this business plan each key business area is further supported by a number of subsidiary targets that are measured and monitored internally to provide the management information needed throughout the year to ensure that standards remain high and the Agency's efficiency continues to improve.

24. The four key business areas are:

- Provision of the statutory compensation schemes
- Managing resources and business planning



- Staff performance and development
- Customer Satisfaction

PROVISION OF THE STATUTORY COMPENSATION SCHEMES

Strategic aim 2008-2009

25. To support victims of violent crime and people who have suffered loss from action taken under the Justice and Security Northern Ireland Act 2007 by ensuring that they are appropriately compensated in accordance with the relevant statutory schemes.

Key performance indicators

- Number of complaints/number of complaints justified.
- Time taken to decide/clear a case.
- Compliance with the legislation.
- Customer satisfaction levels as indicated by applicant responses to regular questionnaires.

Key performance targets 2008-2009

2009-2010

2010-2011

Criminal Injuries (Compensation) (Northern Ireland) Order 1988

- To clear **275** Criminal Injury 1988 Order claims by 31 March 2009.
225 in 2009/10



200 in 2010/11

Criminal Damage (Compensation) (Northern Ireland) Order 1977

- To clear **60%** of all cases still in hand at 1 April 2008 by 31 March 2009 (last 3 year average was 59%)

62% in 2009/10

64% in 2010/11

- To clear **30%** of all cases received in-year by 31 March 2009 (last 3 year average was 28%)

32% for 2009/10

34% for 210/11

Criminal Injuries Compensation (Northern Ireland) Order 2002 (Tariff)

- To make decisions on **74%** of Tariff claims still in hand on 1 April 2008 by 31 March 2009 (last 3 year average was 73%)

75% for 2009/10

76% for 2010/11

- To make decisions on **28%** of all Tariff claims registered in-year by 31 March 2009 (last 3 year average was 27%)

29% for 2009/10

30% for 2010/11

- To make decisions on **90%** of Tariff Review cases still in hand on 1 April 2008 by 31 March 2009 (last 3 year average was 86%)



91% for 2009/10

92% for 2010/11

- To make decisions on **50%** of Tariff Review cases received in-year by 31 March 2009 (last 3 year average was 46%)

51% for 2009/10

52% for 2010/11

Compliance with legislation

- That the Agency's standards of adjudication are appropriate. This will be confirmed by the Department's Internal Audit Branch through random sampling of claims.

Development objectives 2008-2009

- To review the operation of the Tariff (FDC) Scheme by 31 March 2009 with a view to enhancing the decision making process.
- To develop further our communication/relationship with PSNI to reduce the average time taken to receive necessary PSNI documentation.
- To review and update a Branch procedural manual for Tariff Review and Appeals.



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- To amalgamate and restructure Criminal Damage, Criminal Injuries and Appeals Branches by 30 September 2008.

MANAGING RESOURCES AND BUSINESS PLANNING

Strategic aims 2008-2009

26. To manage resources efficiently; to ensure proper accountability for and use of public funds and to plan effectively for the future business requirements of the Agency.
27. With the significant fall in new claims in recent years it has proven increasingly difficult to forecast accurately the anticipated spending on claim settlements. While there are a number of related reasons for this it is evident that the older forecasting methodologies used by the Agency are no longer sufficiently robust to deal with the current business environment. As a consequence we have added a further target under this heading.

Key performance target 2008-2009

- To manage the Agency spending on salary, running costs and capital within financial limits agreed with the Department (including in-year adjustments).
- To develop a more robust forecasting of claim cost model for the Agency by 1 November 2008.



Development objectives 2008-2009

- To lay the Annual Report and Audited Resource Accounts before Parliament prior to summer recess.
- To agree with the Department's Head of Internal Audit the audit programme by September 2008.
- To continue to develop the role of the corporate services branch as a central support function to the Agency.
- To monitor the Agency's compliance with the corporate governance code of best practice.
- To develop the Tariff IT system with the view to improving claims processing.
- To develop and procure as required a second Tariff IT system in support of a new Tariff Scheme for implementation by 1 April 2009.
- To launch a new website for the Agency inclusive of an online Tariff application facility by 1 September 2008.
- To review the Agency's risk policy and contingency plans on a quarterly basis.
- To update our existing file and retention policies by 31 October 2008 with a view to reducing further our file storage requirements.

STAFF PERFORMANCE AND DEVELOPMENT

Strategic aim 2008-2009



28. To respect and value our staff and develop their potential to enhance the quality of service delivered by the Agency.

Key Performance Indicator

- To retain the Agency's recognised Investors in People award by 31 March 2009 (subject to verification of the outcome by the requisite bodies concerned by this date).
- To deliver at least 75% of the Agency's planned training days (excluding cancellations by training providers and taking account of staff transfers).

Development objectives 2008-2009

- All staff Annual Reports and Personal Development Plans to be completed by dates set by the Department.
- To conduct regular meetings with trade union representatives in accordance with the established Agency/trade union arrangements.
- To review and incorporate appropriate external developments (eg as Professional Skills for Government) into the Agency's training plan.

CUSTOMER SATISFACTION

Strategic aim 2008-2009



29. To ensure customers are satisfied with the service carried out by the Agency and that their application is dealt with speedily, consistently and in accordance with the relevant legislation.

Key Performance Indicators

- Applicant satisfaction levels.
- Number of justified complaints/unsolicited complaints received.
- To retain our Customer Services Excellence (Chartermark) Award.

Key performance target 2008-2009

- To investigate and reply to 95% of complaints within 10 working days of receipt.

Development Objectives 2008-2009

- To complete the first full year of the new applicant survey and report findings by 31 March 2009.
- To ensure that the waiting time for personal callers is no longer than 10 minutes.
- To review by 31 December the need for our customers to be better informed of the Schemes administered by the Agency.



SUMMARY OF KEY PERFORMANCE TARGETS 2008-2009

1. Provision of the statutory compensation schemes

- To clear **275** Criminal Injury 1988 Order claims by 31 March 2008.

225 in 2009/10

200 in 2010/11

- To clear **60%** of all Criminal Damage cases still in hand at 1 April 2008 by 31 March 2009

62% in 2009/10

64% in 2010/11

- To clear **30%** of all Criminal Damage cases received in-year by 31 March 2009

32% for 2009/10

34% for 210/11

- To make decisions on **74%** of Tariff claims still in hand on 1 April 2008 by 31 March 2009

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- To make decisions on **50%** of Tariff Review cases received in-year by 31 March 2009

51% for 2009/10

52% for 2010/11

- That the Agency's standards of adjudication are appropriate. This will be confirmed by the Department's Internal Audit Branch through random sampling of claims.

2. Managing resources and business planning

- To manage the Agency spending on salary, running costs and capital within financial limits agreed with the Department (including in-year adjustments).
- To develop a more robust forecasting of claim cost model for the Agency by 31 March 2009.

3. Customer Satisfaction

- To reply to 95% of complaints within 10 working days of receipt.



ANNEX A

Planning Assumptions:

Tariff (FDC)

- New business dropped between 2005/06 and 2006/07 by 12%
- New business dropped between 2006/07 and 2007/08 by 8%
- Assume a lesser drop between 2007/08 and 2008/09 of 4% and no further drops thereafter ie claim volumes will finally bottom out in 2008/09.

Anticipated new claim volume for 2008/09 and beyond is therefore **4725**.

Tariff (Review)

- 33% of all FDC decisions will result in a review over each of the next 3 years (this has been a steady figure for several years).

In line with the assumptions for FDC the anticipated new Review requests for 2008/09 will be **1730**

1640 for 2009/2010

1610 for 2010/2011



Criminal Damage

- New business dropped between 2005/06 and 2006/07 by 28%
- New business dropped between 2006/07 and 2007/08 by 26%
- Assume a slower decline for the future with a further fall of only 20% between 2007/08 and 2008/09 followed by successive drops of 15% in 2009/10 and 10% in 2010/2011.

Anticipated new claims for 2008/09 will be **530**.

450 for 2009/2010

410 for 2010/2011