

**CRIMINAL INJURIES COMPENSATION AUTHORITY**

**CORPORATE BUSINESS PLAN  
2008 -2011**

**March 2009 Update**

# CRIMINAL INJURIES COMPENSATION AUTHORITY

## BUSINESS PLAN 2008-11

### FOREWORD

This is the second period of our 2008-11 business plan. This is a working document which is reviewed and amended each year to reflect our current priorities.

The Criminal Injuries Compensation Authority (CICA) is part of the Ministry of Justice. Its key objective is to provide “a more effective, transparent and responsive criminal justice system for victims and the public”. In its corporate plan, the Ministry of Justice sets out an expectation that the CICA should become more customer focused. This plan shows how the Authority intends to deliver against that objective.

The first year of our plan has gone very well. We have fully delivered on 9 out of our 10 key performance indicators, and partially met the remaining one. Our key achievements include:

- Meeting our target to reduce the time taken to register an application from a baseline of 15 days to less than 3 days;
- Meeting our target for reducing the number of “nil awards” by improving our ability to identify ineligible applications at the start of the process;
- Exceeding our target to reduce our live case load by more than 20,000;
- Reducing the time taken to reach a first decision from an average of 14 months to less than 10 months;
- Meeting our target to reduce the number of cases which are overturned at appeal;
- Meeting our target to increase customer satisfaction;
- Reducing the cost of administration, allowing us to exceed our target of bringing down the unit cost of processing a claim;
- Although we did not meet our target to complete review decisions within an average of 6 months (part of KPI 4), we did successfully reduce the average time from 11.2 months to less than 8 months.

Going into year two of our plan our overall aim remains the same. We want to provide an efficient and fair service to blameless victims of violent crime who come to us seeking an award which shows that society recognises that they have suffered.

While keeping the overall number of outstanding claims as low as possible remains a priority, CICA now wishes to focus effort and resource on clearing more of our older and more complicated cases. This means that we may not be able to settle as many cases over the next two years but it does seem appropriate to concentrate the time, and available funds, on those people who have been waiting the longest. We recognise that there are some older cases where we are trying to get clarity about the extent of applicants’ injuries and that it would not be in the best interests of the applicant to finalise these prematurely. However, as soon as we have the appropriate medical information we will aim to conclude the case as quickly as possible.

To reflect the new emphasis on older cases we have changed some of our inter-related key performance indicators for the coming year.

## **INTRODUCTION**

### **Background**

The Criminal Injuries Compensation Authority (CICA) administers the criminal injuries compensation scheme throughout England, Scotland and Wales. We pay compensation to eligible applicants who have been the victim of a violent crime. Awards are determined by a tariff, with fixed compensation for each type of injury. Since the scheme began in 1964, we have paid out more than £4 billion to over one million claimants.

### **Sponsor department**

In May 2007, responsibility for the sponsorship and day-to-day management of the Authority transferred from the Home Office to the newly-created Ministry of Justice. CICA's current governance arrangements are as summarised at **Appendix 3**.

### **Funding arrangements**

CICA is funded by central government, with the majority of its funding being provided through its sponsor department. The Scottish Government pays a contribution towards the administrative costs of CICA and the First Tier Tribunal - Criminal Injuries Compensation, and compensation costs. under the scheme for claims arising from injuries sustained in Scotland.

### **Location**

All CICA services are based in Glasgow.

### **Management team**

Our new senior management team has been in place since December 2007. Our current structure is shown at **Appendix 4**.

## **AIMS, VALUES AND OBJECTIVES**

Our aim is to provide an efficient and fair service to blameless victims of violent crime. In order to achieve this we will:

- Process applications as quickly as possible while investigating claims fairly.
- Treat applicants with sensitivity and courtesy at all times.
- Help people understand the service we provide and keep applicants informed.
- Support our staff to perform to their full potential.
- Be accountable for the service we provide and the public funds we spend.

In delivering the above objectives we will observe the key principles and values of the civil service; honesty, integrity, impartiality and objectivity. Additionally we have adopted some specific values which describe the way in which we will work:

- We will treat victims of crime with respect and sensitivity.
- We will talk to each other openly, honestly and politely.

- We will ask for help when we need it and we will give help when we are asked.
- We will make it easy for people to tell us when they are unhappy:
  - we will deal with issues through proper processes;
  - when an issue has been dealt with, we will let it go.
- We will listen to each other's views.
- We will do what is needed of us willingly and with good spirit.
- We will thank people when they have done a good job.

### 3. BUSINESS PLAN PERIOD

This Business Plan covers the remaining two years of our three-year business planning period. The table below sets out our main business priorities and says how we will measure success.

Table 3.1

Desired outcome	Measures of success by the end of 2010/11
<b>ORGANISATION</b>	
1. Clear organisation identity and authorising environment.	<ul style="list-style-type: none"> <li>a) Constitutional anomalies resolved</li> <li>b) Effective framework document, or equivalent, in place</li> </ul>
<b>CUSTOMERS &amp; STAKEHOLDERS</b>	
2. Improved customer service	<ul style="list-style-type: none"> <li>a) Active caseload kept as low as possible;</li> <li>b) Cases are registered promptly</li> <li>c) Effective arrangements in place for handling customer feedback;</li> <li>d) Evidence of positive customer feedback;</li> <li>e) Fewer cases, over two years old, in the system.</li> </ul>
3. Improved process and relationships with stakeholders	<ul style="list-style-type: none"> <li>a) Stakeholders have a clear understanding of our expectations;</li> <li>b) Improved process for the collection of third party information;</li> </ul>
<b>OPERATIONS &amp; TECHNOLOGY</b>	
4. Technology is used to help us process cases more efficiently	<ul style="list-style-type: none"> <li>a) New (or enhanced) case-handling system fully operational</li> <li>b) Increased numbers of applications received on-line and/or by phone</li> <li>c) Better use of technology to reduce the need for staff to undertake routine tasks; less reliance on paper.</li> </ul>
<b>FINANCE &amp; FUNDING</b>	
5. Funding and Demand are in equilibrium	<ul style="list-style-type: none"> <li>a) Effective financial plans and projections available;</li> <li>b) Scheme is funded to the best of CICA's ability;</li> <li>c) Financial impact of any future changes to the Scheme are properly costed and matched to funding requirements</li> <li>d) Effective financial management systems are in place</li> </ul>
6. Costs of administering the Scheme are kept to a minimum	<ul style="list-style-type: none"> <li>a) Costs are kept within agreed budgets and PEP targets are met</li> </ul>
<b>STAFF</b>	
7. Staff feel motivated and valued	<ul style="list-style-type: none"> <li>a) Higher levels of staff satisfaction</li> </ul>
8. Positive culture within Authority	<ul style="list-style-type: none"> <li>a) Performance assessments show that staff understand the importance of delivering their work in accordance with our organisational values.</li> <li>b) Poor performance is addressed</li> </ul>
9. Improved internal communications	<ul style="list-style-type: none"> <li>a) Improved staff feedback on communications</li> </ul>

#### Directorate business plans

In addition to this corporate business plan, each of the Authority's five Directorates (See Appendix 4) will have their own business plans showing what they will deliver in support of the desired corporate outcomes.

## Measurement of progress and Key Performance Indicators

A number of key performance indicators with related targets for the three year period have been agreed with Ministers and our sponsor department (see **Appendix 1**). These relate directly to delivery of our desired outcomes and will be used to monitor progress towards their achievement.

In setting our targets we have taken account of the funds available to the Authority in the current spending review period. These were set when productivity was lower. However, we will seek to exceed our targets where we can successfully secure additional funding. We have already reaped the benefits of our initial process improvements. Our next challenge will be to harness the potential of new technology, to ensure that high levels of productivity can be maintained and that administration costs can be kept to a minimum. We have a detailed IT strategy (available on our web-site) which sets out our ambitious plans in this regard.

We have retained our target for the time taken to register an application at 2 days. Our applicant support team (which is now up to full strength) has really made a difference to the speed with which we register applications and with providing advice and up-dates over the phone. We have reduced the average time for registration from 15 days to 2 days. Over the next two years our applicant support team will be extending the services they offer. By the end of this year applicants will be able to have their applications completed over the phone and we will be re-launching our web-based application form to deliver a much more user friendly approach to those people who want to apply on-line.

We have removed the target for reducing the number of nil applications from our Key Performance Indicators. While this will continue to be monitored at departmental level we consider that our new processes have achieved what we intended, in that we now have very few applications going forward to the case working stage which are clearly ineligible. There will always be a significant number of cases which appear eligible at the outset but where our investigations into the circumstances of the incident; the nature of the injury; and the character of the applicant; mean that no award will be paid.

Last year we were able to secure a significant amount of additional funding which allowed us to count as finalised more cases than we have ever done before. Our live caseload is now below 60,000, allowing us to exceed the target that we set ourselves in this regard. As well as seeking to keep our live case load below 60,000, we will now be setting ourselves the challenge of reducing the percentage of cases in the system which are over two years old. These cases tend to be particularly complex and we know that, in addition to taking longer to process, the average cost of settlement is much higher. Nevertheless, we have decided that older cases will be made a priority during the remainder of the plan period.

We have retained targets for the average time taken to make our first and our review decisions, and for responding to requests from the First-Tier Tribunal in relation to appeals. In setting these for the next two years we have taken account of our intention to prioritise some of our older cases and adjusted our targets accordingly.

We have retained our target to reduce the percentage of cases that are overturned at review. The Scheme has a number of discretionary elements which are subject to interpretation and it is always possible that one claims officer will take a different view from another, or a different decision will be reached by the First -Tier Tribunal. It is our aim to apply the Scheme as fairly as possible and to get as many of our decisions “right first time”. However, it is an important safeguard of our Scheme that there is a review and appeals process, and it is a test of the effectiveness of these safeguards that some decisions are overturned. This does not necessarily mean that the initial decision was

wrong, it simply means that there has been a different interpretation of the all the relevant facts.

We have made our targets in terms of customer satisfaction more challenging. We are realistic about how quickly we can change public perception of the service we deliver given the length of time that many cases have been in the system. However, we feel that this is an area where we are now better placed to make our targets a little more stretching with the intention of really raising the bar when we get into the next three year cycle.

We are confident that we have set ourselves a number of productivity challenges and that we are continuing to deliver reductions in our administration costs. We have succeeded in bringing the average cost of settling a case down from £400 to under £350. Although we will continue to set efficiency measures at departmental level we have removed unit cost as a key performance indicator as, in itself, it is not an effective measure of efficiency.

We remain realistic about the level of staff satisfaction in the Authority. A period of significant change can always be unsettling. It is a credit to the CICA staff team that they have delivered such remarkable results over this period and we hope that more of them will be able to take pride in what they have achieved, and that staff will feel that their efforts are truly being recognised. Therefore, we are aiming for improved levels of staff satisfaction over the plan period.

The Authority will monitor progress by means of a balanced scorecard. In addition to reporting on our KPIs, the scorecard will also include additional indicators which will be measured at Directorate level.

### **Planning Assumptions**

The Authority has set its key performance indicators for the remaining two years of the current planning period based on the following assumptions:

#### **Financial year 09-10**

##### **Funding assumption**

Total funding (near cash) available during year for tariff cases    £208 million

##### **Live caseload assumptions**

Opening balance of live cases at 1 April 2009	54,360
Applications-in	57,800
Total cases resolved based on average values below	54,493
Closing balance of live cases	57,667

##### **Average values of cases closed**

Underpinned by an average value of £3,817 per case closed, in itself based upon clearing:

2,190 older (>2 year) cases with average value of	£9,000
52,303 cases with average value of	£3,600

#### **Financial year 10-11**

##### **Funding assumption**

Total funding (near-cash) available during year for tariff cases £208 million

### Live caseload assumptions

Opening balance of live cases at 1 <sup>st</sup> April 2010	57,667
Applications-in	57,800
Total cases resolved bases on average values below	55,481
Closing balance of live cases	59,986

### Average values of cases closed

Underpinned by an average value per case closed of £3,749 in itself based upon clearing:

1,530 older (>2 year) cases with average value of	£9,000
53,951 cases with average value of	£3,600

### Pre-tariff cases

Before 1996, payments made under Criminal Injuries Compensation were made on the basis of ex-gratia Schemes. There are around 173 outstanding cases (pre-tariff) from the ex-gratia Schemes. Pre-tariff cases are assessed on the basis of common law damages, meaning there is no upper limit on the compensation payable.

CICA are currently assessing alongside interested parties, how many cases will proceed to hearing this year.

### BUDGETS

The Authority will continue to work on improving efficiency and will seek to increase the budget currently available to allow it to settle a greater number of cases in the next two years. Budgets, as currently provided for next two years are shown at **Appendix 2**.

### KEY RISKS

The Authority has a detailed risk strategy and risk register which sets out the key risks to the business. Based on the register the Authority has identified the following risks as being the most relevant to the delivery of our key performance indicators:

- Lack of funding in the current spending review
- Large increase in the volume of cases received due to economic climate
- Major incident in UK meaning surge of applications
- Pandemic materialises meaning productivity is impacted

The Authority's Risk Committee meets monthly to ensure the Authority's risks are appropriately discussed and considered. The Head of Risk and Assurance reports the findings and conclusions to the Management Board and the Audit Committee.

## KEY PERFORMANCE INDICATORS

KPI	Baseline	Target 2008/09	Target 2009/10	Target 2010/11
1. Time to Register an application	15 Days	3 days	2 Days	2 Days
2. Ineligible applications and “nil awards”	50% <sup>1</sup> (source: NAO report December 2007)	45%	No longer included as a key performance indicator.	
3. Size of live tariff caseload	83,986 (source: NAO report Dec 2007)	63,986 live cases <sup>2</sup>	60,000 live cases	60,000 live cases
4. Active case load (tariff) - Cycle times	14 months (average time to 1 <sup>st</sup> Decision -source NAO report 2007)	10 months	10 months	8 months
	11.2 month (average time to review Decision -source NAO report 2007)	6 months	6 months	6 months
5. Appeal stage response times.	No baseline	6 months	6 weeks	6 weeks
6. Decisions overturned	52% of appeals resulted in a changed decision. Source (NAO Report Dec 2007)	50%	48%	45%
7. Customer satisfaction	60% Average % of applicants who believe they receive a good service (source 2007 applicant survey)	62%	66%	70%
8. Programme Management	No baseline - New target aimed at ensuring the Authority fully utilises the budget available to it at the start of the year without overspending	>95% ≤100%	>99% ≤100%	>99% ≤100%
9. Unit Cost	£ 400 (NAO Report Dec 2007)	£ 380	No longer included as a key indicator	
10. Staff Satisfaction	Based on % of staff who are committed to their work and who feel valued in their role	40%	45%	55%
<b>KEY</b>				
Target achieved				
Target not achieved				
Target more challenging		To ensure continuous improvement where possible		
Target unchanged		Where original targets remain sufficiently challenging		
Target less challenging		Target changed to reflect resource availability and prioritisation of older cases		

<sup>1</sup> This figure includes “nil award” that is applications which are eligible to apply under the scheme but where, after investigation, the applicant does not receive an award (e.g. injury insufficiently serious; conduct etc)

<sup>2</sup> A case is counted as finalised and removed from the live case load when the following criteria have been met:

- A decision has been taken
- A firm offer has been made to the applicant,

## APPENDIX 2

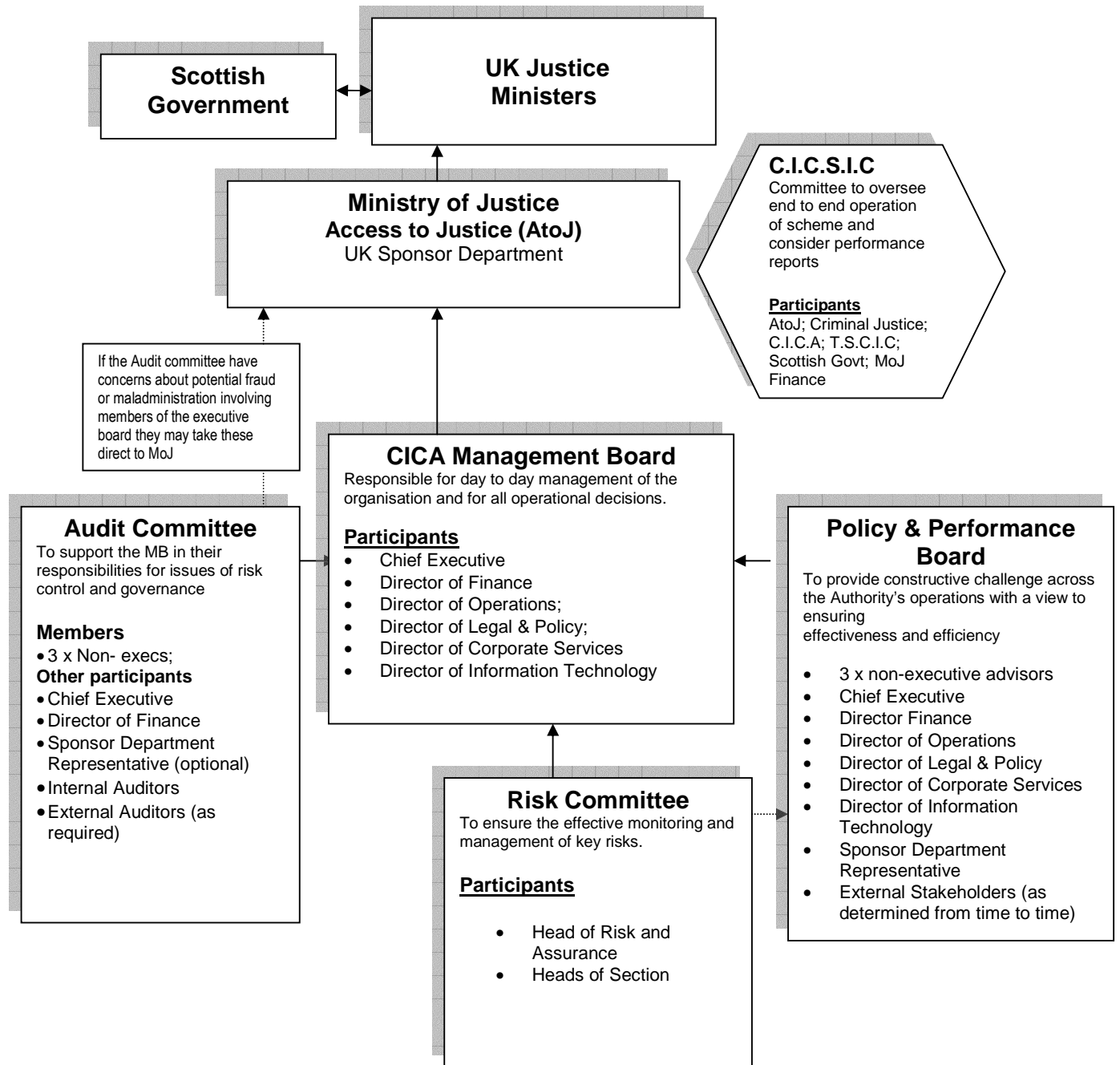
### BUDGETS 2009 - 2011

<b>Headline Numbers</b>	<b>09-10</b>	<b>10-11</b>
Value of Liability as at 31 March (£m)(Note 1)	936	937
Closing position - Live cases (Note 2)	57,667	59,986
Near Cash Running Costs (£m) (Note 3)	20.6	20.3
Near Cash Compensation Spend - Tariff (£m)	208.0	208.0
Near Cash Compensation Spend - Pre-Tariff (£m)	36.0	21.0
Near Cash - SG Contribution (£m)	(28.0)	(28.0)
Total Near Cash Requirement (£m)	236.6	221.3
Capital DEL (£m)	1.5	1.5

#### Note

1. This is the best estimate at this point in time. The disclosures will be subject to fluctuation and to revision and re-assessment of the factors that ultimately determine the closing valuation for the year.
2. Opening position is 54,360 - cumulative increase due to deploying strategy which consumes resource, both time and funding, against closing a greater number of aged cases.
3. Reflects the stretch-target that CICA are to achieve against an original £21.5m allocation agreed in previous planning rounds. CICA is "liable" for 50% of the embedded savings targets - remaining 50% is to be centrally funded, although CICA will strongly endeavour to meet additional savings.

GOVERNANCE ARRANGEMENTS



ORGANISATION STRUCTURE (to be updated to reflect new organisational structure)

