

**Report by the  
Comptroller and Auditor General**

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**Home Office**

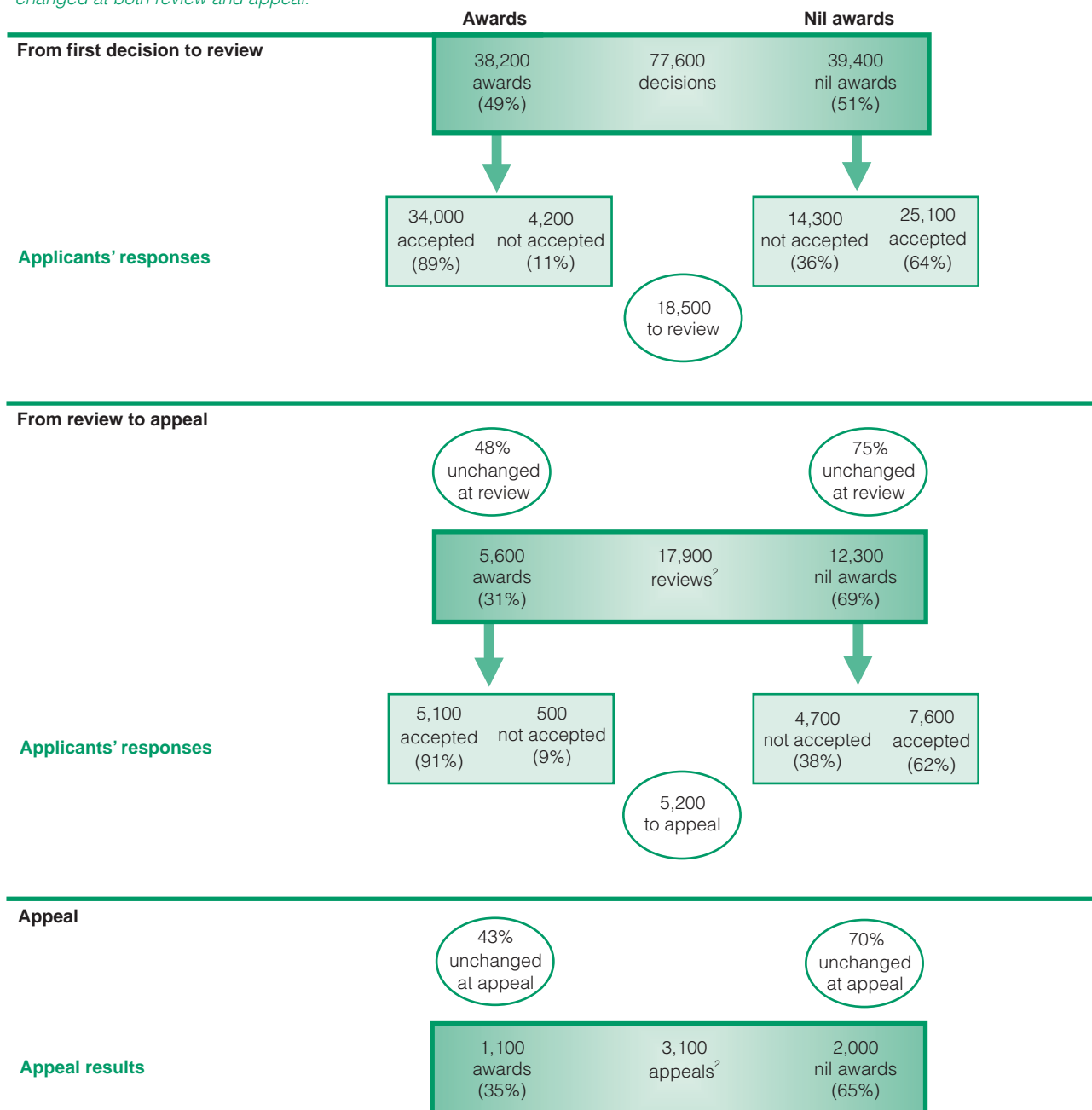
# **Compensating Victims of Violent Crime**

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**Figure 1**

**Outcome of applications decided under the tariff-based compensation scheme during 1998-99<sup>1</sup>**

*In 1998-99, 77,600 first decisions resulted in 40,200 accepted awards or awards on appeal (left hand side of figure: 34,000 plus 5,100 plus 1,100). Award offers were more likely to be accepted than nil awards (right hand side). Nil awards were less likely to be changed at both review and appeal.*



Notes: 1. Figures relate to cases where a response was received from the applicant accepting or rejecting a decision.  
2. As many cases span more than one year, the throughput illustrated above does not relate precisely to 1998-99. Reviews requested are not identical to reviews undertaken. Factors including time lags during the build up of the scheme account for the substantial difference between appeal requests and appeals determined.

## Executive summary

**1** The Criminal Injuries Compensation Scheme has existed since 1964 to compensate blameless victims of violent crime. The Criminal Injuries Compensation Authority administers the scheme from its offices in Glasgow and London. Applications are determined on the basis of evidence obtained from applicants, the police, medical bodies and others, such as witnesses to the incident. An independent Criminal Injuries Compensation Appeals Panel adjudicates cases where the applicant is not satisfied with the Authority's decision, usually through an oral hearing.

**2** Since 1996 the scheme has been based on a statutory scale of awards (known as the "tariff"), related to the severity of the injury. In 1998-99, £195 million was paid to 46,000 successful applicants, of which £114 million went to 40,000 applicants under the tariff-based scheme, and £81 million was in respect of the applications still outstanding under the pre-1996 scheme.

**3** Not all applicants are found to be eligible for an award. In 1998-99, there were nearly 80,000 applications for compensation. Figure 1 shows how cases move through the Authority's and Appeals Panel's processes, with just over half of applicants ultimately receiving a compensation award.

**4** The tariff-based scheme was introduced with the aims of slowing the increase in overall costs, making those costs more predictable and controllable, and making the scheme simpler to administer and easier to understand than the previous scheme, which was based on common law. During the period in which we examined the Authority's operations, the pre-1996 criminal injuries compensation scheme and the new tariff-based scheme were operating in parallel, and the Authority's performance in processing applications under the new scheme was therefore affected by the need to continue to clear cases under the earlier scheme.

**5** Our report examines the quality of customer service, focusing on the effectiveness of communication with applicants (Part 2); the consistency and fairness of decisions (Part 3); and the speed of processing applications for compensation (Part 4). Part 5 of the report examines efficiency and provides the results of our benchmarking of the Authority's productivity and processes. We compared the Authority against three private sector insurance companies dealing with claims for personal injuries.

**6** Whilst, overall, the Authority compared well with the private sector comparators, our examination of systems and processes drew some lessons from the private sector in relation to customer service, improved efficiency and more effective management of the Authority's workload. We consider that these could be developed to release resources to enable improvements in performance. For example we suggest that the Authority should investigate the costs and benefits of a telephone call centre. A call centre would have a range of benefits that would need to be weighed against the associated costs. It would improve customer service and could assist in screening out some of the applications that do not ultimately result in an award (Figure 1).

**7** The potential benefits from reducing the number of ineligible applications, for example through improving the scheme's application form and guidance and the use of a call centre, are difficult to quantify. As an illustration, even if the Authority were to screen out only some of the simpler cases that are least likely to go beyond the first decision (Figure 1), a 10 per cent reduction in applications would release additional staff effort worth almost £0.5 million a year.

## **Main conclusions**

**8** Nearly 60 per cent of applicants responding to our survey had become aware of the scheme within one week of the incident, or were already aware of the scheme: a majority through the police and the charity, Victim Support. However, more than one in ten did not learn of the scheme until six months or more after the incident. Awareness is not uniform across Britain: levels of applications relative to recorded violent crimes are much higher in the area from the West Midlands to the north of England. The Authority does not monitor the ethnicity of applicants, so it is not possible to assess the awareness of the scheme among ethnic minority communities.

**9** The Authority's staff are perceived to be helpful and considerate in the handling of applications, and the level of complaints is low. However, there is scope to improve communications with applicants while their applications are being considered. At the moment, applicants are not given a view of how long the decision might be expected to take, and are not routinely informed about progress and reasons for any delays.

**10** Most surveyed applicants who had seen the Authority's guidance on the scheme found it, and the application form, helpful. However, one in ten felt they could be improved, a view shared by victims' representatives. None of the scheme's guidance is available in a language other than English. The Authority's

other written communications require improvement. For example, decision letters do not always explain clearly the reason for the decision, and may lead to applicants contesting a decision that they do not understand.

**11** Although the tariff and the scheme's criteria provide some certainty, the Authority's staff usually need to exercise discretion, for example in determining whether to refuse or reduce an award where the applicant's conduct may have contributed to the incident which led to the injury. Overall, we conclude that the Authority has appropriate training and procedures to provide for consistent treatment of applicants.

**12** A majority (around two-thirds) of decisions are upheld at review or appeal and our case examination suggested that only a minority of changes are attributable to the quality of the original decision. Even so, we consider that the quality of decision-making would be further improved if the allocation of cases took account of caseworkers' levels of experience and the complexity of the application or its likely eligibility, and if the Authority's processes generated systematic feedback to staff on changes to their decisions.

**13** Our case examination showed that new evidence is often provided after the first decision has been taken, at the review or appeal stage, and that this appears to be a common reason why first decisions are changed. Encouraging applicants to provide all relevant information from the start therefore needs to be accorded a high priority, since it would minimise the extent to which decisions have to be changed later because significant new facts have emerged.

**14** Apart from pilot exercises in July 1999 and February 2000, the Authority has undertaken no systematic quality assurance reviews of decision-making. The work of its Security and Quality Unit has concentrated on detecting and reducing the risk of fraud, including internal frauds by members of its own staff.

**15** Overall, applications under the tariff-based scheme are processed more quickly than those under the previous scheme, for which around 40 per cent of applications and 50 per cent of appeals had been taking more than 12 months to resolve. During 1998-99, the Authority took, on average, 8.4 months to process an application under the tariff-based scheme from receipt to the issue of a decision (known as the "first decision"). Where applicants contest the outcome, the decision is reviewed – a new process under the tariff-based scheme. Reviews took a further six months, on average, from the receipt of a request for a review to the issue of a review decision. Cases which were still contested and went on to appeal took nearly eight months from the receipt of an appeal to the Appeals Panel's decision.

**16** We estimate that the average time taken for the resolution of a typical case was 11.7 months, which included more than a month during which the Authority was awaiting the applicant's responses. For cases not resolved until appeal, the average time from initial application to an appeal hearing was 25 months. From our survey of applicants, opinions on the timeliness of the Authority's handling of applications were evenly spread, but a quarter of respondents felt that their case had taken much longer to resolve than they had expected.

**17** The Authority and the Appeals Panel attribute delays in dealing with cases at review and appeal mainly to shortages of Authority staff undertaking reviews and preparing cases for appeal hearings, and the Authority has diverted resources into these activities. More than three-quarters of those cases where a review is requested are from applicants contesting a "nil award". The same applies at appeal, with 90 per cent of appeals relating to nil awards that have been confirmed at review. Reviews and appeals both confirm around two-thirds of all referred decisions, with nil awards more likely to be upheld at both stages than decisions with awards attached (Figure 1).

**18** The average (inflation-adjusted) unit cost of settling applications for criminal injuries compensation under the tariff-based scheme is about a fifth lower than costs under the previous scheme, at about £245 in 1998-99. However, the cumulative costs of cases going on to appeal were high in 1998-99, approaching £1,400 on average, including costs of more than £1,100 at the appeal stage itself. These costs were higher than the costs under the previous scheme partly because only around half of the planned number of appeals were concluded in that year, and because of changes in the cost base, with the Appeals Panel now a separate, independent body bearing its own overheads.

**19** Our comparison of the performance of the Authority's two offices found that the Glasgow office has higher productivity and lower costs than the London office. The Authority cannot recruit staff directly and appoints staff on loan from the Home Office and the Scottish Executive. This reduces its ability to employ and retain the kind of staff most suited to its work, particularly in London.

## **Key recommendations**

**20** Detailed recommendations are set out at the end of Parts 2 to 5 of this report. The key recommendations draw on the main conclusions of our examination and reflect the *Modernising Government* agenda, particularly in suggesting improvements in the Authority's focus on customers.

- i) The Authority should examine staffing needs in all parts of its operation, particularly on reviews and the preparation of appeals, and should consider any potentially beneficial reallocation of resources. Though, in the short term, the scope for simple reallocation between one part of the process to another is likely to be limited, there are prospects for workload reductions in the medium and longer term, for example once there are no remaining applications to be dealt with under the previous scheme. The Authority should discuss with the Home Office (and, as appropriate, the Scottish Executive) issues of complement, recruitment and retention of staff, and the business case for new working practices, as well as the areas for improved efficiency identified in this report.
- ii) The Home Office and Scottish Executive should consider giving the Authority greater responsibility for recruiting and selecting staff so that it can take a more active role in building a stable and skilled workforce.
- iii) Much could be gained from giving potential applicants concise, accessible information, particularly on eligibility, to help them to take an informed view on whether to make an application. Similarly, applicants need convincing explanations of the reasons for nil awards or the size of awards offered, to help them to take an informed view of whether to accept the decision. The Authority needs to assess the resources required to improve its communication with applicants, including the training of its staff. In implementing any changes, it should seek to improve provision for people whose first language is not English.
- iv) The Authority should monitor the characteristics of applicants, including ethnicity, to establish whether there are differences in application rates between different ethnic groups, which need to be addressed by better targeting of some groups to improve awareness to the scheme.
- v) The Authority should develop further its quality assurance of decision-making. Quality assurance should underpin the Authority's working practices by providing evidence of quality across all its caseload and generating information to help staff improve their performance. The Authority should explore key issues through its quality assurance. For example, first decisions which are altered at review or appeal because new information is made available should be examined to identify instances where applicants could have provided more complete information at an earlier stage.

- vi) The Authority has made some progress in implementing team-based working. We consider that this could usefully be expanded to help achieve greater continuous improvement and learning, for example from the results of quality assurance. Team-based targets would provide an extra incentive for staff to share their knowledge and expertise.
  
- vii) The Authority should pilot alternatives for streamlining the processing of applications. For example, staff leading the Authority's caseworking teams should be encouraged to increase the level of screening of applications with a view to allocating them to the staff with the most appropriate level of experience to deal with them. A telephone call centre would assist applicants in submitting eligible and appropriately evidenced applications, and at the same time discourage callers from submitting clearly ineligible applications.