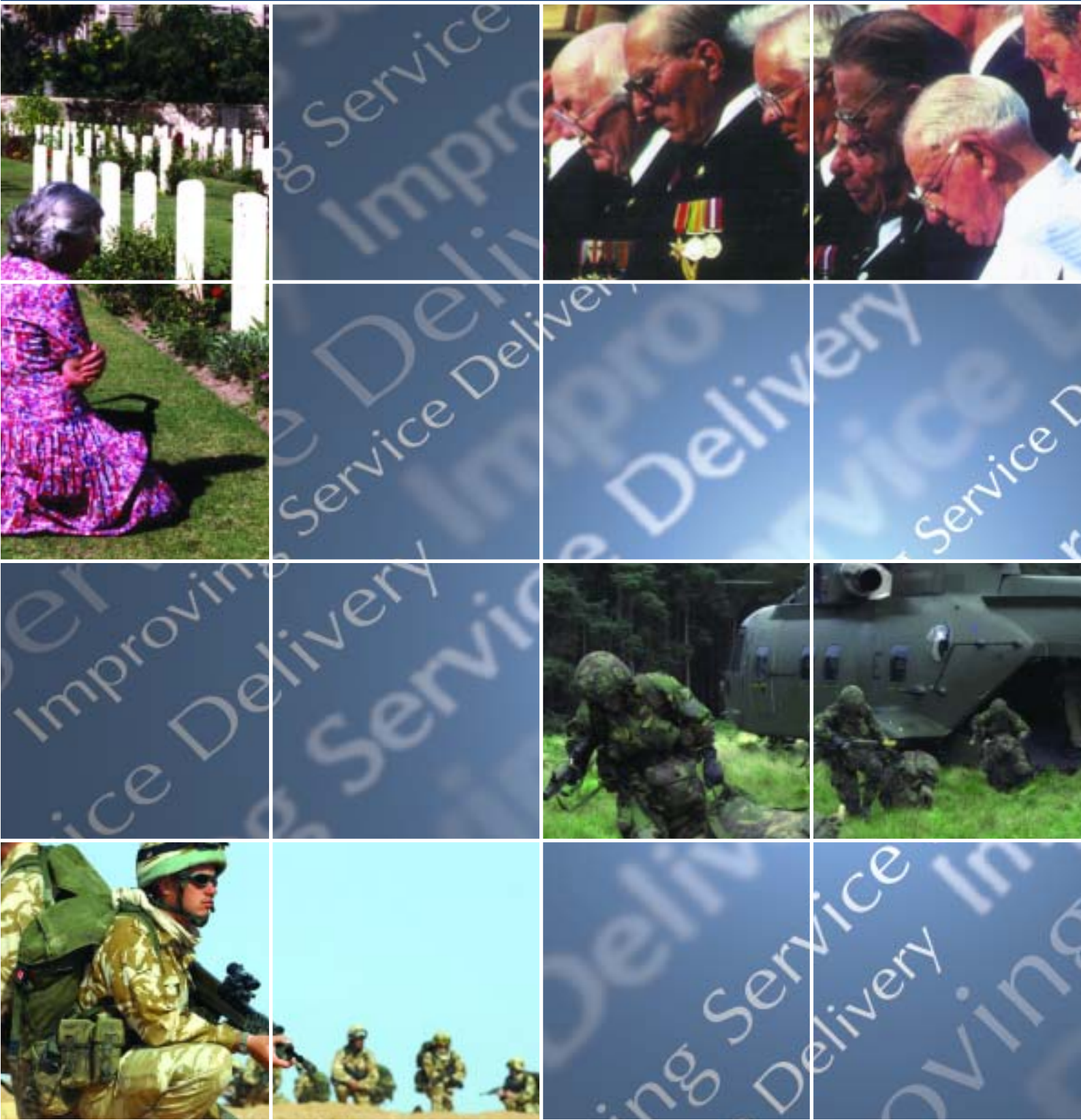
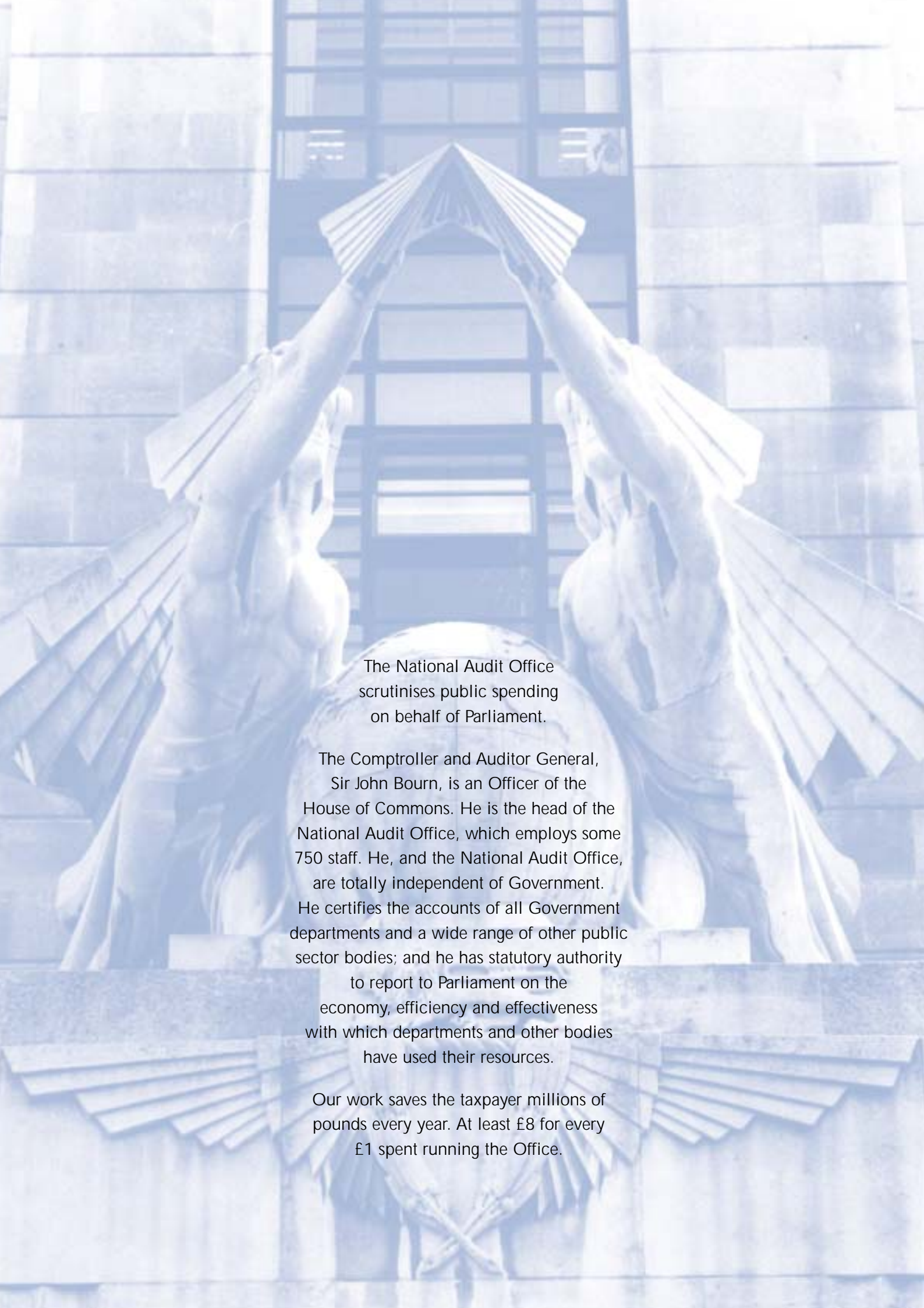


# Improving Service Delivery The Veterans Agency

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL  
HC 522 Session 2002-2003: 28 March 2003





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# Improving Service Delivery The Veterans Agency



REPORT BY THE COMPTROLLER AND AUDITOR GENERAL  
HC 522 Session 2002-2003: 28 March 2003

This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act.

*John Bourn* National Audit Office  
Comptroller and Auditor General 18 March 2003

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# Preface

This report is one of four<sup>1</sup> which consider the action agencies are taking to improve the services they provide to the public.

The Veterans Agency<sup>2</sup>, an Executive Agency of the Ministry of Defence based in Norcross in Blackpool, is responsible for administering the War Pensions Scheme. There are currently 271,000 beneficiaries of this scheme receiving some £1,200 million annually in war pensions and other benefits. Over 26,000 of these beneficiaries live abroad in over 100 countries. The Agency is also responsible for providing welfare services to veterans and their dependants as well as managing the Ilford Park Polish Home, a residential care and nursing home established under the 1947 Polish Resettlement Act. The Veterans Agency employed 921 staff and had an operating cost of £34.5 million in 2001-02.

The total number of claims received by the Veterans Agency is declining. In 2001-02 the Veterans Agency received 48,950 claims compared to 202,828 claims received ten years ago. The number of claims received by the Agency peaked in 1992-93 as a result of heightened awareness of eligibility for deafness claims (some 80 per cent of claims received were for deafness). Pension rates in 2001-02 ranged from £23.93 to £119.80 per week depending on the degree of disablement. During the same period, additional allowances which some pensioners are eligible for, amounted to £78.98 per week on average for widows and widowers - and £16.11 for disablement pensioners. Awards for medical expenses amounted to some £8 million in 2001-02.

The Agency has improved its performance by reducing the average length of time it takes to process all claims from 146 working days in 1994-95 to 73 working days, well within its target of 90 working days, for 2001-02. Clearance times vary, however, depending on the type of claim - a disablement claim submitted for the first time takes an average of 131 working days to clear whilst a first claim for a war widow pension only takes an average of 32 working days to clear. The time it takes to reach a decision on an appeal has also reduced significantly but still takes an average of 329 working days. The Agency is continuing to work with the Lord Chancellor's Department to set targets to reduce this clearance time further.

The study analyses the timeliness, accuracy and quality of the services provided by the Veterans Agency. The report also highlights good practice that other agencies delivering services to groups of people who can be isolated or difficult to reach might follow.

<sup>1</sup> The other three related reports are *Improving Service Delivery: The Forensic Science Service* (HC 523, 2002-03); *Improving Service Delivery: The Food Standards Agency* (HC 524, 2002-03); and a summary report *Improving Service Delivery: The Role of Executive Agencies* (HC 525, 2002-03).

<sup>2</sup> Formerly the War Pensions Agency established in 1994 as an Executive Agency of the Department of Social Security.



# executive summary

- 1 Some 271,000 beneficiaries currently receive over £1,200 million annually in war pensions and other benefits. Over 78 per cent of pensions are paid in respect of service personnel injuries relating to World War II onwards and include those arising from more recent conflicts, such as the Gulf, Bosnia and Kosovo conflicts. The majority of the remainder relate to World War II onwards non-service categories such as civilians and merchant seamen. Less than one per cent of pensions in payment relate to World War I and inter-war cases. As at March 2002 there were some 2,200 claimants receiving a war pension who had served either during the Gulf, Bosnia or Kosovo conflicts. Awards are made for disablement arising from or made worse by injury or illness due to factors of service. These include injuries sustained during conflict, training or sometimes organised sports and can involve illnesses arising many years after service has terminated, such as arthritis.
- 2 The Veterans Agency, an Executive Agency of the Ministry of Defence, is responsible for administering the War Pensions Scheme. The Agency employs some 921 staff with an annual operating cost of £35 million. The Ministry of Defence agrees the Agency's annual performance targets (Figure 1).
- 3 In 2001-02 the Agency received a total of 48,950 claims compared to a total of 202,828 claims received in 1992-93, excluding appeals. The number of beneficiaries of the Scheme is, however, similar to what it was ten years ago. Total expenditure on awards has risen from £840 million in 1992-93 to £1,200 million a year. There are four main types of award (Figure 2) which are non-discretionary, not means tested and tax free. Awards are most commonly made in respect of 20-30 per cent assessed disablement. The value of awards is reviewed annually by the Agency and is up-rated using the Retail Price Index. Approval to up-rate payments under the War Pensions Scheme is given by Order in Council<sup>3</sup>.
- 4 In addition, the War Pensioners' Welfare Service provides support to recently bereaved widows and war pensioners, with a gateway to other services such as healthcare. It also puts war pensioners in touch with ex-service and other voluntary organisations. The Welfare Service consists of 145 staff and 27 local offices across the United Kingdom.
- 5 This report considers the progress that the Veterans Agency has made in improving the services it provides to war pensioners. The Committee of Public Accounts last reported on the work of the Agency in 1993 and we considered the action that was taken in response to the Committee's recommendations. The report also highlights good practice that other agencies might adopt in the drive to improve the delivery of public services.

<sup>3</sup> The most recent such Order was *The Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Amendment Order 2002 (S.I. 2002/792)*.

## 1 The Veterans Agency's performance against its 2001-02 targets agreed with the Ministry of Defence

Target	Achievement
<b>Putting Service First</b> Secretary of State Target: To deliver a quality service to war pensioners and war widows by achieving the standards published in the War Pensions Agency's Service First Charter.	
<b>Management Targets</b> <ul style="list-style-type: none"> <li>■ To issue decisions on claims to war pensions within an average of 90 working days.</li> <li>■ To issue decisions on war widow(er)s claims within an average of 36 working days.</li> <li>■ To visit all recently-bereaved war widow(er)s within 15 working days of a request being received.</li> <li>■ To achieve a claims accuracy rate of at least 94 per cent.</li> </ul>	<ul style="list-style-type: none"> <li>✓ 73 working days</li> <li>✓ 25 working days</li> <li>99.86 per cent of visits within 15 working days</li> <li>✓ 96.17 per cent of claims were assessed as accurate</li> </ul>
<b>Working in Partnership</b> Secretary of State Target: To reduce the average time it takes an appeal to pass through the war pensions appeal process. By 31 March 2002 the average time should reduce by ten per cent from 2000-01 baseline levels.	(time reduced by 42 per cent)
<b>Management Targets</b> <ul style="list-style-type: none"> <li>■ To clear appeals to war pensions within an average of 195 working days at Stage 1 of the process.</li> <li>■ To clear appeals to war pensions within an average of 15 working days at Stage 3 of the process.</li> </ul>	<ul style="list-style-type: none"> <li>✓ 135 working days</li> <li>✓ 11 working days</li> </ul>
<b>Modernisation and Managing Change</b> Secretary of State Target: To implement the recommendations of the War Pensions Agency's Decision Making and Assessment Review to the standards and timetable agreed with the Department of Social Security.	✓ achieved
<b>Valuing our People</b> Secretary of State Target: To lead and manage people effectively through specified measures and contribute to the reduction in public sector sickness absences by 22 per cent from 1998 Public Service Agreement baseline levels by 31 December 2001.	✗ not achieved, see note <sup>1</sup>
<b>Efficiency</b> Secretary of State Target: To generate efficiencies during 2001-02 to absorb the effect of pay and price pressures; and to improve efficiencies so that the Agency operates within its running cost allocation.	✓ achieved

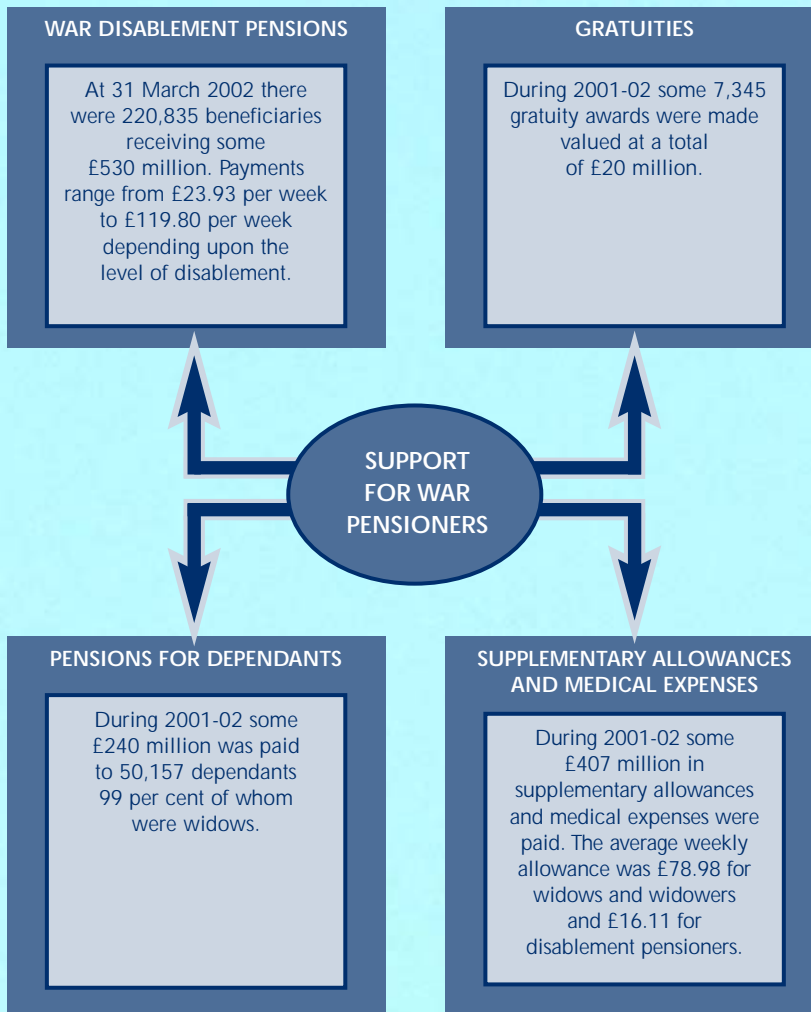
### NOTE

- 1 The transfer of personnel records from the Department for Work and Pensions to MoD has disrupted the Agency's recording of sickness absence data. Consequently the Agency was unable to measure sickness levels across 2001. Data the Agency had available, however, indicated it was unlikely to achieve its 2001-02 target.

Source: Veterans Agency and NAO examination



## 2 Four types of award are paid



Source: Veterans Agency

## Findings

- 6 We examined six aspects of the Agency's performance that are key to delivering high quality services for war pensioners.

### How long it takes for claims to be processed

- 7 In 2001-02 it took an average of 73 working days for the Agency to reach a decision on all claims, well within its target of 90 working days. Processing times varied, however, depending on the type of claim. For example, a first claim for disablement pension took 131 working days whereas a claim arising from deterioration in health took 92 working days. Claims for war widow pensions and allowances were dealt with most quickly at 25 working days against a target of 36 working days. As at 31 March 2002, the average age of all outstanding claims was 73 working days, a reduction of ten working days compared to the previous year.
- 8 Some claims took longer to reach a decision because of the need to seek medical evidence and service records to confirm eligibility. For example, the Agency has an agreement with the Ministry of Defence that it should provide service records within 20 working days (in 2001-02, 73 per cent of requests for such records were met within 25 working days). An agreement also exists with the Department of Health for hospital records to be supplied to the Veterans Agency within ten working days<sup>4</sup>. It took an average of 24 working days to provide hospital case notes and 38 working days for General Practitioner records. Overall, 72 per cent of those surveyed that had received a decision on a claim in the last six months said that the service provided by the Veterans Agency was good or excellent.

### Accuracy in processing claims

- 9 The Agency has a target to achieve 94 per cent accuracy in processing all claims and it achieved 96 per cent in 2001-02 - the same as it did at the time of our last examination in 1992. Medical assessments were assessed as completely satisfactory or acceptable in 96 per cent of cases.
- 10 The 1993 Report by the Committee of Public Accounts noted that the Agency sometimes had difficulty in locating case papers. At the time the Agency did not undertake periodic searches for files it was unable to locate. Now, however, the Agency undertakes regular searches for case files. As at January 2003 the Agency had 84 case files that it was unable to locate, of which 30 files have subsequently been found. If the Agency discovers a case file is missing it will set up a temporary case file and use this to process the claim thereby helping to curtail any delays.

### Keeping veterans and their widows informed about the progress of their claims

- 11 The Agency's customer satisfaction surveys indicate that claimants consider the need to be kept regularly informed of the progress of their claims as the second most important aspect of the service which they want the Agency to provide, the most important aspect being that they are helpful and courteous. The Agency aims to acknowledge in writing claims received from veterans within five working days and to issue an interim letter after three months if a decision has not been reached. Acknowledgements of claims within five working days forms part of the Agency Service Charter Standards and in 2001-02, the Agency acknowledged 98 per cent of claims within five working days. The extent to which interim letters are issued after three months is not, however, routinely monitored in this way.

- 12 In April 2001 the Agency, working with the Court Service, set targets to reduce the average time it takes an appeal to pass through the three stages of an appeal process. The target set was to reduce the 565 working days taken in March 2001 by ten per cent to 508 working days by the end of March 2002. This target was achieved, with an average of 329 working days by the end of March 2002 (a reduction of 42 per cent). The average age of an outstanding appeal within the Agency prior to referral to the Court Service was 97 working days in March 2002. During October 2002 there were 15 appeals outstanding for more than 350 working days prior to referral to the Court Service, the longest being 444 working days.

The length of time it takes to reach a decision on appeals

### 3 Typical cases considered by the Veterans Agency

#### An example of a first claim for a disablement pension

Mr X finished his service in February 2001 after 11 years service in Northern Ireland, the Falkland Islands, and Germany as a Lance Corporal in the Royal Signals. On 5 March 2002 Mr X phoned the Agency's helpline at Norcross to make a claim for a war disablement pension.

During this call the Agency took details from Mr X of his service background and medical history. The following day the Agency sent Mr X a claim form for a war disablement pension and put in a request for Mr X's service medical documents.

On 9 April 2002 the Agency received Mr X's completed claim form detailing his claimed conditions: ruptured anterior cruciate ligament on his left knee; chronic pain, instability and inflammation on his left knee; and arthritis on his left knee. An Agency caseworker checked the Departmental Control Index to confirm that this was Mr X's first claim for a war disablement pension and scrutinised the claim for completeness. Mr X was then phoned by the caseworker to explain how his claim would be processed and to advise him of the helpline freephone number.

Mr X's claim was then passed over to an Agency Medical Adviser who considered the type of service medical documents which had been requested, and decided that more medical evidence would be required. Mr X was asked to attend a medical examination and a report was obtained from his General Practitioner.

On 7 August 2002 the Agency received Mr X's service medical documents and shortly afterwards Mr X visited the Departmental Medical Board.

After Mr X's visit to the Medical Board, the Agency's caseworker scrutinised Mr X's claim and decided that sufficient evidence was available to make a decision on whether to accept Mr X's claim on behalf of the Secretary of State. Mr X's claim was then passed over to a Medical Adviser who decided that no further medical evidence was required and who awarded Mr X a 20 per cent disablement pension for internal derangement of the left knee and osteoarthritis of the left knee, both attributable to Mr X's service.

Mr X was notified of this decision on 2 September 2002. He has not appealed.

Source: Veterans Agency





## An example of an appeal

Mr T finished his service in 1956 after five years in the Royal Engineers, the Territorial Army and the British Army on the Rhine (BAOR). On 10 December 1999 Mr T submitted a claim for a war disablement pension for deafness. On 14 July 2000, an assessment of 6-14 per cent for bilateral noise induced sensorineural hearing loss was certified and a nil assessment for left otitis externa was certified, both attributable to service.

On 9 April 2001 Mr T sent a letter to the Agency requesting an appeal form but did not clearly state the reason for his appeal. The Agency subsequently contacted Mr T to confirm that he wished to appeal against both of his assessments and immediately sent Mr T the appropriate appeal form. On 2 July 2001 the Agency received Mr T's completed assessment form.

Mr T's appeal was examined by an Agency caseworker to identify the documentation required within a Statement of Case. Once completed, the appeal was sent to an Agency Medical Adviser who recommended that the Agency's assessment of Mr T's conditions was appropriate for defence at the Pensions Appeals Tribunals (PAT) and identified that no further evidence was required.

The caseworker then prepared a draft of the Secretary of State's Reason for Decision (the lay defence of the Agency's decision) for inclusion in the Statement of Case and obtained all relevant documentation. Drafts of the front cover, contents page and summaries of Mr T's assessment were also prepared.

The appeal was then referred to the Agency's 'PAT Types' section where a draft proforma was produced. The draft Statement of Case was then compiled and checked for errors, accuracy of dates, and for information that might be distressful to Mr T. No amendments were made and the Statement of Case was subsequently printed and distributed to Mr T and one of his representatives. Mr T also received a letter detailing his right to comment on the Statement of Case within 28 days and the appropriate form allowing him to do so.

Mr T did not comment on the Statement of Case and the Agency sent four copies of this document to the PAT Issue Section. On 22 August 2002 Mr T's appeal was heard and both Mr T's assessments were upheld.

*Source: Veterans Agency*

13 The Agency provides advice on claiming a war pension through its Welfare Service. Although there is no specific formula to determine the priority in which cases are dealt with, factors such as pensioners' level of disablement - for example if it is assessed as 80 per cent or higher - or if they are homeless or are facing financial difficulties, are strongly taken into account. Ninety-five per cent of war pensioners surveyed by the Agency in 2001-02 were satisfied with the service they received from the Welfare Service and similar satisfaction levels were reported by the ex-service organisations, such as the Royal British Legion who are often the first point of contact for a war pensioner seeking help.

Help and support provided to war pensioners

14 The Agency often receives claims many years after veterans have left the Services. In 2001-02 over 4,000 claims were from people who had left more than 27 years ago. It is important, therefore, to promote awareness so that ex-service men and women know of the support that is available. This is done by writing once a year to existing war pensioners, providing information on the Agency's website, maintaining close contact with the ex-service community and by providing a free telephone helpline number (0800 169 2277). In 2001-02, 54 per cent of veterans surveyed said that they found it easy or very easy to find out about the services provided by the Agency. Twelve per cent found it difficult or very difficult.

How easy it is to find out about the services which the Veterans Agency provides

15 The number of claims received by the Agency has reduced significantly over the last ten years with the trend set to continue. At the same time the average age of beneficiaries is increasing with 66 per cent of beneficiaries now aged 70 years or over. The Veterans Agency is therefore likely to have fewer pensioners dependent on its services in the years to come but as some pensioners become more frail they are likely to have different needs. The Veterans' Initiative, which was launched in March 2001, is intended, among other things, to provide better integration of all the public services, including health and social welfare, which veterans depend on to maintain their quality of life and mobility.



# Recommendations

- 16 The Agency has made good progress in improving its performance, particularly in reducing the average length of time it takes to process all types of claims and in achieving high levels of customer satisfaction. In doing so, the Agency has won a number of external awards including the Charter Mark and the Public Services category of the Management Today/Unisys Service Excellence Awards. Our examination suggests that there are four ways through which performance could be further enhanced.
- 1 **Seek to identify ways of reducing processing times further.** While the Agency has done well to reduce the average length of time it takes to reach a decision on all claims, 131 working days to process a claim for a disablement pension submitted for the first time and 92 working days for someone whose health is deteriorating are still long times for veterans to have to wait for a decision. In its drive to reduce all clearance times further the Agency should: (i) Consider whether its targets are sufficiently challenging (the current target for 2002-03 is 82 working days overall but achievement in 2001-02 was 73 working days); (ii) To reduce the time waiting for supporting material, assess the feasibility of medical and service record information being transmitted electronically by hospitals and the Ministry of Defence; and (iii) Explore with the Court Service how the current 183 working days it takes to reach a legal decision on an appeal might be reduced.
  - 2 **Monitor the cost of processing claims.** The Agency has reliable procedures for allocating resources to the different functions necessary to process a claim. It does not, however, routinely monitor the cost of processing the different types of claims and the costs of providing its welfare service. Reliable costing information is important to provide assurance that resources are used efficiently and also to identify opportunities to improve cost effectiveness. The Committee of Public Accounts, in its 1993 report, recommended that a system for monitoring the cost of administering the War Pensions Scheme should be introduced. The Veterans Agency needs to bring cost and resource management information together and use this to monitor its performance. The Agency's key performance indicators should also cover the costs of delivering its services.
  - 3 **Enhance how customer satisfaction is assessed.** The Agency seeks the views of veterans as to the quality of service they receive. While the results of these surveys can help improve performance, monitoring satisfaction levels alone will not provide a complete assessment of quality. This is often because people do not have a yardstick against which they are able to assess quality of service. More developed approaches to quality assessment now ask customers about their expectation of what the service should provide and then how far this expectation is being met. This information provides a much better yardstick because the results, for example, where an expectation gap exists, can help target action on introducing improvements which are likely to be of most benefit to customers. Conversely, it can indicate where customer expectations are unrealistic and need to be managed. The NAO notes that the Agency has plans to use customer focus groups and encourages it to use them to assess customer expectations. The NAO also encourages the Agency to develop its customer satisfaction surveys to include information on veterans' expectations. It should assess the impact on a sample basis of help provided by the Agency to determine how this has made a difference to the quality of veterans' lives.
  - 4 **Determine how claimants find out about the Agency.** The Agency does not compile information on how claimants initially find out about the Veterans Agency, and in only two of its customer surveys does it collect information on the various sources used by veterans and dependants to obtain information on the War Pensions Scheme. This information is useful because it would allow the Agency to target potential users of its services better, by enabling it to evaluate the most appropriate channels of communication, therefore providing more systematic and structured delivery of its services. Such information would also help assess the cost effectiveness of campaigns run by the Agency.





# Annex 1

## The Veterans Agency: Good practice in improving service delivery

The Veterans Agency delivers services directly to people who are disabled or bereaved and who are more likely to be older and more isolated than the general population. Delivering a quality service requires sensitivity, minimising anxiety and inconvenience of claimants. How the Veterans Agency achieves this demonstrates some good practice that other agencies delivering services to groups of people who can be isolated or who it may be difficult to reach should find useful.

Adopting a customer driven approach to developing and delivering services

**The Agency has set targets for completing the processing of claims and appeals in consultation with the recipients of its services.** These have been based on regular feedback from war pensioners through customer satisfaction surveys and consultation with ex-service organisations. The Agency has re-engineered its internal working processes giving priority to improvements that are most likely to benefit its customers. This approach has contributed to the significant reduction in the time taken to reach a decision on a claim.

Having the capacity to meet sudden changes in service demand and workload so that service delivery is not put at risk

**The Agency has set up a dedicated specialist team to manage a sudden increase in claims.** The Agency processed over 25,000 claims and made over 20,000 ex-gratia payments of £10,000 each over a six-month period in support of the Far Eastern Prisoners of War scheme. In the face of this additional unexpected requirement it maintained a timely service for its core business of processing war pensions claims and appeals. It did this by setting up a dedicated specialist team drawing expertise from across the Agency and earning praise from ex-service organisations about the sensitivity and promptness with which the Agency had administered the scheme.

Giving special attention to the timeliness of service delivery

**The Agency closely monitors its workload at each stage of the claims process and targets the oldest claims outstanding.** Veterans want their claims processed quickly with minimum inconvenience. The time taken to reach a medical opinion has a direct impact on the length of time taken by the Agency to make a decision on a claim. The Agency's operational team administering claims will monitor closely, for example, the number of cases that are awaiting medical opinion. The operations team help manage the workload of the medical team by identifying, for example, the longest outstanding claims and ensuring they are given priority by the Agency's medical doctors.

Working closely with organisations which have detailed knowledge of the client group and their interests and concerns.

**The Agency works closely with ex-service organisations to meet the needs of war pensioners.** In order to improve the likelihood of war pensioners who may wish to use the Agency's services having access to the Agency's services, the Agency maintains a close working relationship with ex-service organisations at national and local levels. The Agency works in partnership with these organisations to ensure the interests of its war pensioners are met. The Agency's Welfare Service managers and the ex-service organisations will often refer cases to one another so as to ensure that the right skills, advice and support is provided for the war pensioner. The Agency also has a dedicated helpline for ex-service organisations to use whenever they need to contact the Agency.



### Adopting a portfolio approach to quality management

**The Agency brings together the monitoring of all aspects of its quality of service performance.** A high quality service often depends upon many factors - for example, timeliness, accessibility, accuracy, inclusiveness (avoiding the exclusion of eligible customers) and reasonable cost. The Agency has, since April 2001, monitored its overall quality performance - in terms of the speed and accuracy of administering claims and welfare services provided to claimants and existing war pensioners, and the efficiency of administration - through a Quality Standards Committee. Membership has been drawn from across all areas of the Agency. The Committee assists management in investigating, checking and verifying the Agency's activities by analysing qualitative and quantitative data on performance. The Committee has no executive responsibility but acts as an independent challenge function that questions the Agency's achievements and identifies where the Agency needs to improve its services. In 2002-03, the Committee is being chaired by one of the Agency's non-executive directors to enhance its independence.

### Seeking regular external assessments of the quality of service delivery

**The Agency has sought external assessments of its service delivery and the quality of the services it provides through applications for Charter Mark<sup>5</sup> and the Service Excellence Awards Programme<sup>6</sup>.** Prior to becoming an Agency, a Charter Mark award was first secured for War Pensions work in 1993, and the Agency was subsequently awarded the Charter Mark in 1998 and 2001. The Agency lost its Charter Mark in 1996 after the Assessors found a failure to meet some key performance targets which had resulted in a higher than usual number of complaints, in particular with respect to the length of time taken to administer appeals. The Agency won back its Charter Mark in 1998 and, furthermore, in 2001, was named winner of the Public Services category of the Management Today/Unisys Service Excellence Awards. It has also been selected as a Government Beacon, which other public sector organisations can learn from under the Cabinet Office's Central Government Beacon Scheme<sup>7</sup>.

<sup>5</sup> Charter Mark is a customer focused quality improvement tool which concentrates on the results of the service received by the customer. The Cabinet Office currently administers it.

<sup>6</sup> The Agency competed with other public sector providers in the Public Services category of the Management Today/Unisys Service Excellence Awards.

<sup>7</sup> The Central Government Beacon Scheme is run from the Cabinet Office and identifies the best performing parts of central government to enable others to learn from their experience. In 2002-03, there were 39 central government beacons.



WPA-Leaflet-9  
From April 2002



## Rates of War Pensions and allowances 2002 - 2003



WPA-Leaflet-1  
From April 2002



MINISTRY OF DEFENCE



## Notes about War Disablement Pension and War Widows/Widowers Pension



**Veterans Agency**  
An Executive Agency of the Ministry of Defence



MINISTRY OF DEFENCE

WPWS-1  
From Aug 2002  
**Veterans Agency**  
An Executive Agency of the Ministry of Defence



## War Pensioners' Welfare Service Serving Those Who Served



# Part 1

## Role of the Veterans Agency

- 1.1 The Veterans Agency delivers services to people who are disabled or bereaved as a result of military service and who may be entitled to a war pension or to other awards. The Agency's clients are likely to be older and more isolated than the general population. Delivering a quality service to these people requires sensitivity and tact, with minimal anxiety and inconvenience to the claimant.
- 1.2 The legislation governing the Agency's functions was largely determined by the heavy casualties resulting from World War I. The legislation is complex and reflects the social history of that time. For example, the various supplementary allowances which war pensioners are eligible for reflect the lack of a National Health Service and other social security entitlements now available from central Government or local authorities.

### 4 The Veterans Agency and War Pensions - Chronology

#### Pre-1994

Department of Social Security administers the War Pensions Scheme.

#### April 1994

War Pensions Agency established as an Executive Agency of the Department of Social Security, and consisting of 1,725 staff making annual payments of £1,143 million.

#### March 2001

A Minister for Veterans' Affairs appointed within the Ministry of Defence.

#### June 2001

War Pensions Agency becomes an agency of the Ministry of Defence.

#### April 2002

War Pensions Agency renamed the Veterans Agency with 921 staff making annual payments of some £1,200 million.

Source: The Veterans Agency

### 5 Services delivered by the Veterans Agency

<b>Administration of the War Pensions Scheme</b>	Provide financial and welfare support to 220,835 ex-service people and 50,157 dependants resident in the United Kingdom, Northern Ireland and abroad in 2001-02.
<b>Administration of appeals against decisions on war pensions</b>	Claimants may appeal either against the Agency's decision not to award a pension or allowance (an entitlement appeal) or against the level set by the Agency (an assessment appeal). In 2001-02, 5,115 appeals were lodged by claimants.
<b>Welfare Services</b>	The Welfare Service provides advice, guidance and practical help to war pensioners, war widows and war widowers, dependants and other veterans by facilitating clients' access to any service that will meet their welfare needs.

- 1.3 Any condition causing disablement may qualify for consideration for a war pension, not just injuries or death arising from the actions of an enemy during war. Claims can therefore arise many years after service has ceased, for example for arthritis, and range from injuries received during conflict, training or organised sports and for illnesses that were caused, or made worse, by service.
- 1.4 The Veterans Agency is an Executive Agency of the Ministry of Defence and delivers services in three main ways (**Figure 5**).
- 1.5 The Agency also manages Ilford Park, a residential home that was originally set up in 1948, under the Polish Resettlement Act of 1947. Due to a need for modernisation, the home was rebuilt in 1992. The home has an annual running cost of £2.3 million and directly employs 56 members of staff. In addition, the home employs 17 bilingual nurses and healthcare staff under subcontract and 20 support service staff. The home had 100 residents in 2001-02. This report does not examine the management of the home, which is regulated and inspected under the Care Standards Act 2000.

- 1.6 In November 2000, the Agency was given responsibility for administering the Far Eastern Prisoners of War scheme, a single ex-gratia payment of £10,000 to surviving members of British Groups held prisoner by the Japanese during World War II. By April 2002, 27,862 claims had been received and 23,263 awards made at a total cost of over £230 million.

## The War Pensions Scheme

- 1.7 War pensions differ from other schemes administered by Government in that they are not social security benefits. Four main types of awards are paid under the Scheme (**Figure 6**). These awards are non-discretionary, not means tested and are tax free.

### 6 Awards under the War Pensions Scheme

<b>Beneficiaries</b>	<b>War disablement pensions - Some £530 million to 220,835 war pensioners in 2001-02</b>
<b>Entitlement criteria</b>	Service personnel injured during their military service. An injury can include a wound or disease, a physical or mental injury or damage caused by, or aggravated due to, an accident or incident during service.
<b>Awards</b>	Disablement attributable to or aggravated by service. The degree of disability is assessed in percentage terms by the Agency's medical team compared to an equivalent person of the same age and sex. Those assessed as disabled by 20 per cent or more are entitled to a war pension.
<b>Awards</b>	Payments range from a £23.93 weekly entitlement for a 20 per cent disability such as total deafness in one ear or loss of two fingers to a £119.80 weekly entitlement for 100 per cent disability such as loss of both hands or total blindness. The average weekly payment was £44.21 in 2001-02.
<b>Beneficiaries</b>	<b>Gratuities - Some 7,345 gratuities awarded to a value of £20.4 million in 2001-02</b>
<b>Entitlement criteria</b>	If the degree of disablement is assessed as less than 20 per cent, the Agency may still pay the claimant a one-off gratuity award.
<b>Awards</b>	Disablement attributable to or aggravated by service, determined by medical assessment.
<b>Awards</b>	For a relatively minor injury, such as loss of a finger or toe, the award will typically be up to £6,000.
<b>Beneficiaries</b>	<b>Pensions for dependants - Some £240 million paid to 50,157 dependants</b>
<b>Entitlement criteria</b>	Widows and widowers of service personnel and other dependants, for example parents.
<b>Awards</b>	The spouse or dependant of service personnel killed in military service or who later die as a result of injuries sustained. 99 per cent of dependants' pensions are for widows.
<b>Awards</b>	In 2001-02 a war widow pension was worth an average of £89.55 per week.
<b>Beneficiaries</b>	<b>Supplementary allowances - Some £399 million during 2001-02</b>
<b>Entitlement criteria</b>	Those in receipt of a war disablement pension can claim further awards, such as for childcare or living allowances, in addition to their pension. Widows and widowers can claim further awards, such as for rent, in addition to their widow or widower pension.
<b>Awards</b>	Must be in receipt of a war disablement, war widow or war widower pension.
<b>Awards</b>	In 2001-02 the average weekly allowance was £16.11 to disablement pensioners and £78.98 to war widows and war widowers - (51 per cent of allowances were for disablement pensioners and 49 per cent for dependants' pensioners).
<b>Beneficiaries</b>	<b>Medical expenses - Some £8 million during 2001-02</b>
<b>Entitlement criteria</b>	Disablement pensioners can apply for reimbursement of necessary medical costs of treatment required for their accepted disablement condition if not provided for under other UK legislation.
<b>Awards</b>	Must have an accepted disablement condition.
<b>Awards</b>	These totalled around £8 million in 2001-02.

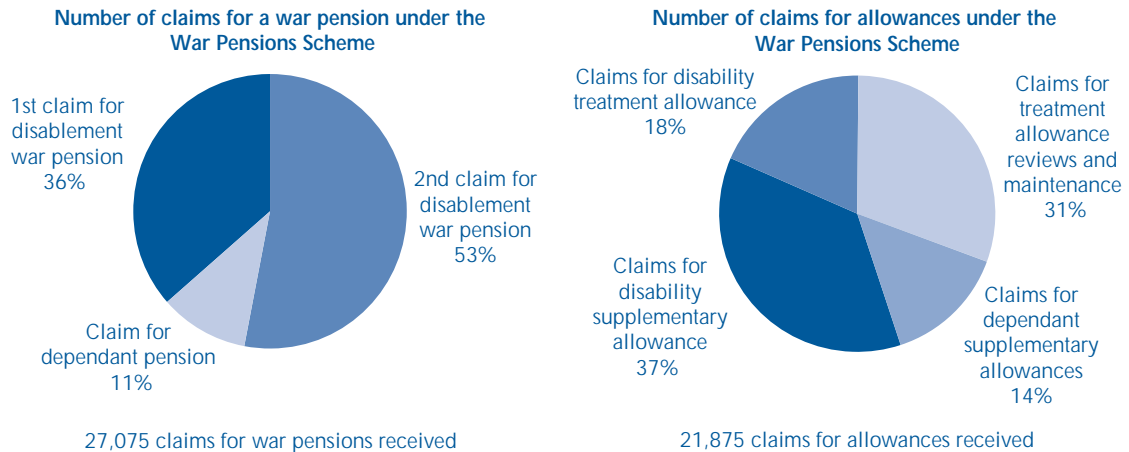
Source: NAO analysis



- 1.8 Claimants for a war pension submit their claims to the Agency with a description of the condition they are claiming for and, if claiming for a deterioration claim will need to provide some evidence of treatment.

Many different types of claims are received under the Scheme. These can be separated into those for a pension and those for some form of allowance (**Figure 7**).

## 7 The types of claims received by the Agency, 2001-02



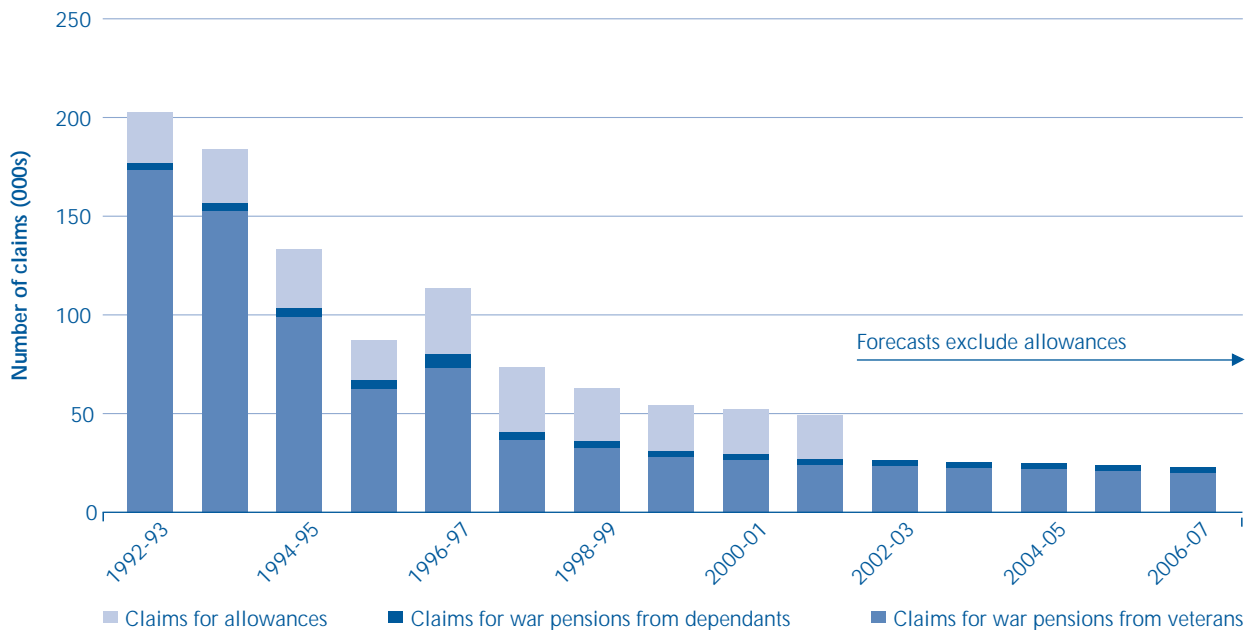
### NOTE

First claims are claims received from those who have had no prior contact with the Agency. Second claims are further claims that may or may not be related to the first claim.

Source: Veterans Agency

## 8 Total number of claims received by the Agency has decreased

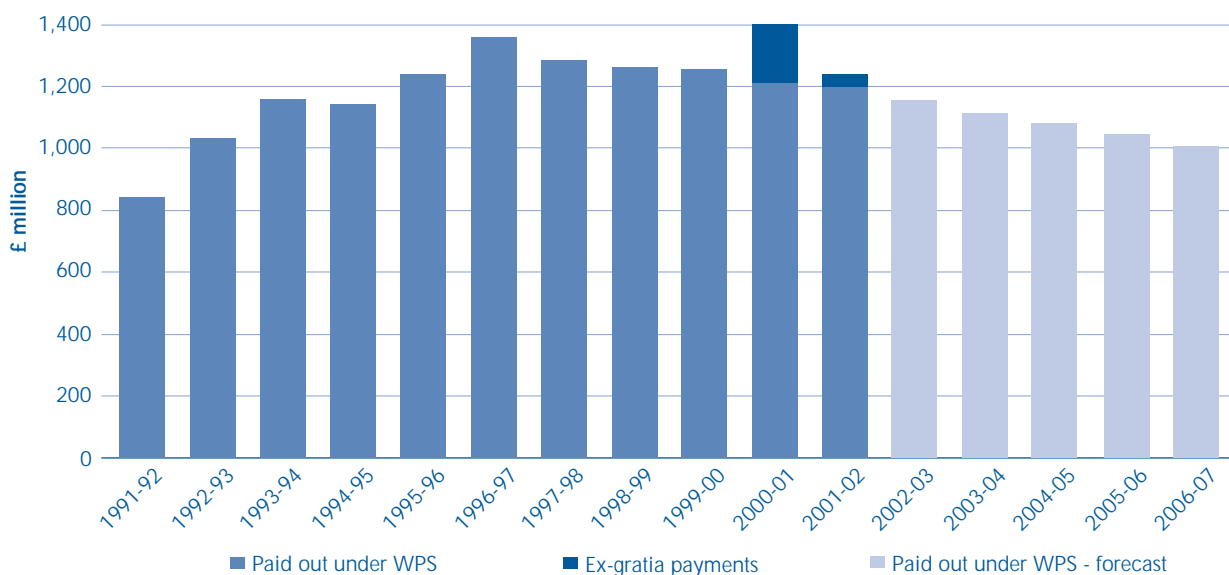
In 1992-93 the Agency received 202,828 claims. This had fallen to 133,452 in 1994-95 and by 2001-02 the figure had reduced further to 48,950 (a decrease of 153,878 over the nine years). The number of claims received is expected to fall further.



Source: Veterans Agency and Defence Analytical Services Agency

## 9 Total payments under the War Pensions Scheme, 1991-92 to 2006-07

Total awards paid out under the Scheme have risen from £841 million in 1991-92 to £1,199 million in 2001-02 (by £399 million; 43 per cent). Payments reached a peak of £1,356 million in 1996-97, although a further fall is predicted.

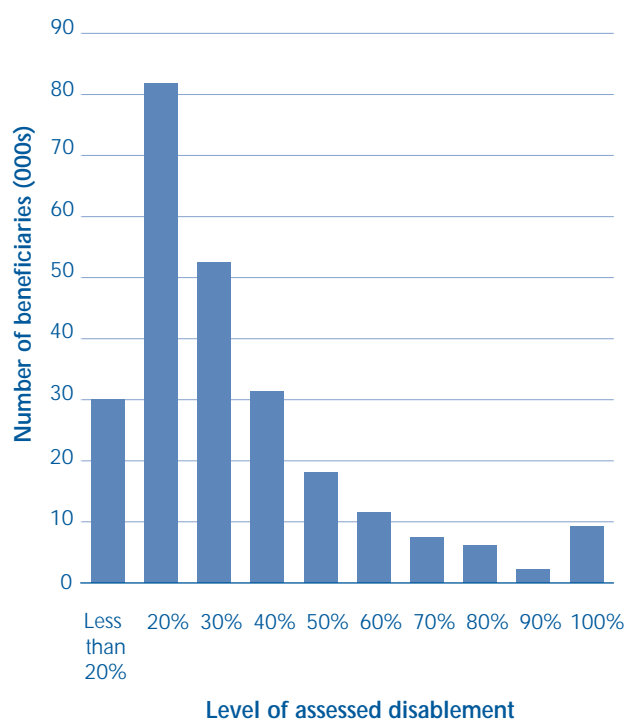


Source: Veterans Agency and Defence Analytical Services Agency

1.9 The total number of claims for war pensions is declining (**Figure 8 on page 17**), although the number of beneficiaries is similar to ten years ago, at around 271,000. The number of claims received by the Agency peaked in 1992-93 as a result of heightened awareness of eligibility for deafness claims (some 80 per cent of claims received were for deafness). However, total payments made under the Scheme reached a peak in 1996-97 and have since declined (**Figure 9**).

1.10 The Agency has a team of Medical Advisers appointed by the Secretary of State for Defence. These doctors assess medical evidence obtained in support of claims and arrive at a diagnosis of the claimed conditions. The Medical Advisers then certify, or refuse to certify, entitlement under the War Pensions Scheme. Where entitlement is certified, doctors assess the degree of disablement due to service. Where the scheme requires certification of a medical matter, there is a statutory requirement to refer the case to a Medical Adviser (100 per cent of these cases are referred to Medical Advisers). However, Medical Advisers have an advisory role in Supplementary Allowance claims and decisions can be made on these claims by lay staff, acting on behalf of the Secretary of State and without reference to a Medical Adviser. Medical advice is sought in the vast majority of these claims. The medical decision-making process is, therefore, a crucial determinant of the level at which payments for war pensions are set.

## 10 Beneficiaries of a war pension and gratuity award by level of disablement, 2001-02



Source: Veterans Agency

1.11 A range of awards are paid out under the Scheme, depending on the level of disablement at which claimants are assessed by the Agency. **Figure 10** shows that the awards are most commonly made in respect of 20-30 per cent assessed disablement. In the vast majority of cases an award is granted with about a quarter of first claims resulting in a war pension. For example, of the first claims of disablement pensions cleared in 2001-02, 87 per cent were made an award (with 73 per cent awarded a gratuity or nil assessment and 26 per cent awarded a war pension).

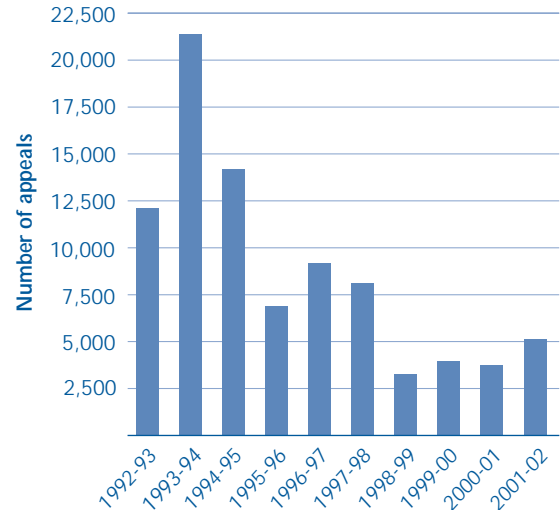
1.12 The Veterans Agency has to be sure that eligibility is fully justified. If the claim is made within seven years of termination of service, in order for a claim to be rejected, the onus is on the Secretary of State for Defence to show beyond reasonable doubt that the claimed disablement is not due to service. If the claim is made more than seven years after termination of service, the onus is on the claimant to raise a reasonable doubt by reliable evidence that the claimed condition is due to service. Establishing the cause of a disablement can be subjective and is dependent upon medical judgement. Decisions on eligibility and the degree of disablement can be open to challenge and claimants may appeal if they consider that their claim has not been properly assessed.

## Administration of appeals

1.13 If a claimant decides to appeal, ex-service organisations<sup>8</sup> can provide advice to assist him or her through each stage of the appeal process. In 2001-02 the Agency received 5,115 appeals of which 91 per cent were appeals from claimants for a disablement pension (**Figure 11**). Appeals are first reviewed by the Agency and may result in a changed award or may be withdrawn by the appellant. Appeals not resolved by the Agency with the appellant are adjudicated on by an independent Pensions Appeals Tribunal whose members are not from the Veterans Agency or the Ministry of Defence. The Tribunals are administered by the Court Service, an Executive Agency of the Lord Chancellor's Department. Three members are present for each appeal - a legally qualified chair, a medical member and a service member. This is the same for all types of appeal.

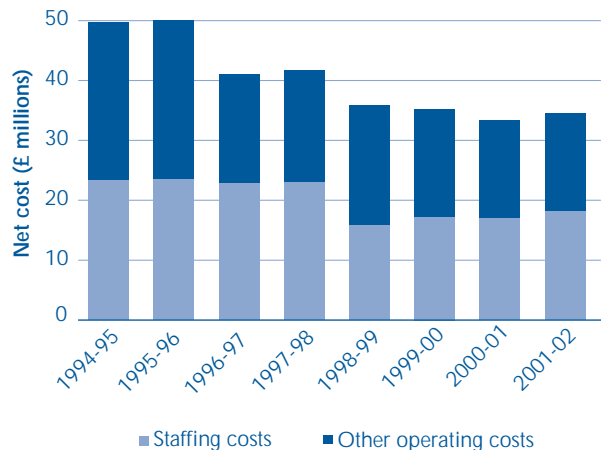
### 11 The number of appeals received by the Agency has decreased

*The number of appeals received in respect of war pensions has declined from 12,094 in 1992-93 to 5,115 in 2001-02.*



Source: Veterans Agency

### 12 The Agency's operating costs, 1994-95 to 2001-02



#### NOTE

Figures exclude costs associated with administering the Far Eastern Prisoners of War Scheme. Costs associated with administering this scheme amounted to £125,962 in non-staff costs and an estimated £1,298,417 in staffing costs from April 2000 to March 2002.

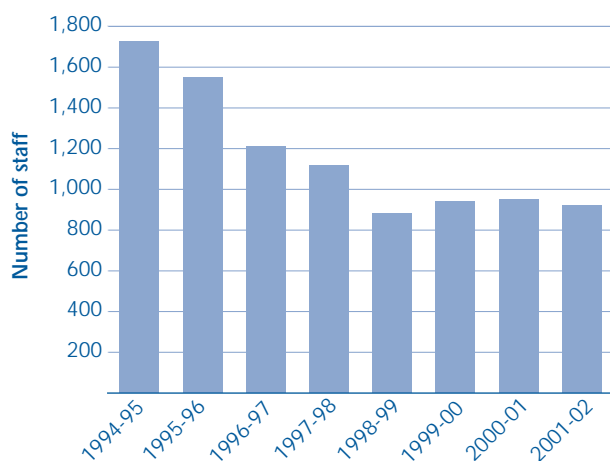
Source: Veterans Agency annual accounts

<sup>8</sup> Such as the Royal British Legion, which acts to safeguard the welfare and interests of those who have served in the Armed Forces and their dependants.



### 13 The number of staff employed, 1994-95 to 2001-02

Since 1994-95 the total number of Veterans Agency staff has reduced by 46 per cent. In 2001-02, 79 per cent of staff were employed in Central Operations (Norcross) whilst the Welfare Service accounted for 16 per cent of staff.



Source: Veterans Agency

## Welfare Services

1.14 The War Pensioners' Welfare Service (WPWS) is a national service and is provided over the telephone, at welfare offices, or by visits to a person's home. Specific services include:

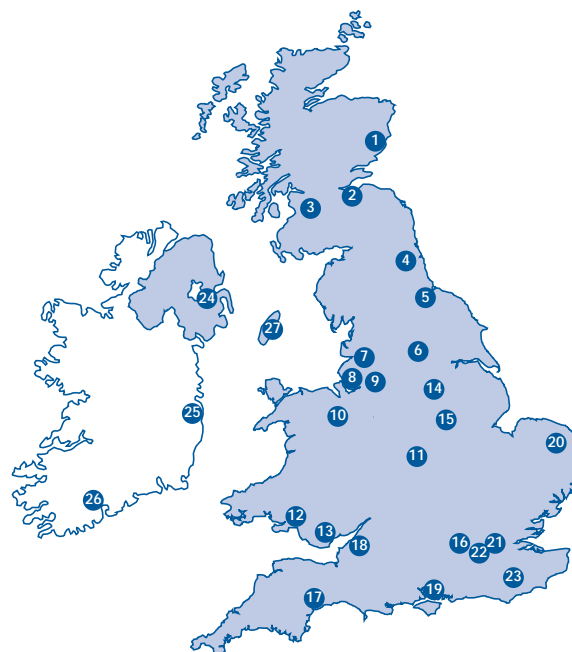
- Visits to recently bereaved widows;
- A gateway to other services, for example financial support or access to qualified professionals, local authorities and the National Health Service; and,
- Links for war pensioners to other organisations, such as ex-service organisations and voluntary organisations in the area.

## Organisation and resources of the Veterans Agency

1.15 In 1994-95 the Agency had 1,725 staff, received 133,452 claims and had a net operating cost of £49.6 million, including staff costs of £23.4 million. By 2001-02, the Agency had 921 staff, received 48,950 claims and had a net operating cost of £35 million, including staff costs of £18.6 million (Figures 12 and 13).

1.16 In 1994-95 the Agency received 14,187 appeals compared to 5,115 received in 2001-02. This represents a decrease of almost 64 per cent (9,072 appeals).

### 14 Location of War Pensioners' Welfare Service local offices, 2001-02



- |                  |                     |
|------------------|---------------------|
| 1. Aberdeen      | 14. Sheffield       |
| 2. Edinburgh     | 15. Nottingham      |
| 3. Glasgow       | 16. High Wycombe    |
| 4. Newcastle     | 17. Newton Abbot    |
| 5. Middlesbrough | 18. Bristol         |
| 6. Leeds         | 19. Portsmouth      |
| 7. Preston       | 20. Norwich         |
| 8. Bootle        | 21. Euston          |
| 9. Manchester    | 22. Balham          |
| 10. Wrexham      | 23. Tunbridge Wells |
| 11. Birmingham   | 24. Belfast         |
| 12. Swansea      | 25. Dublin          |
| 13. Cardiff      | 26. Cork            |
|                  | 27. Isle of Man     |

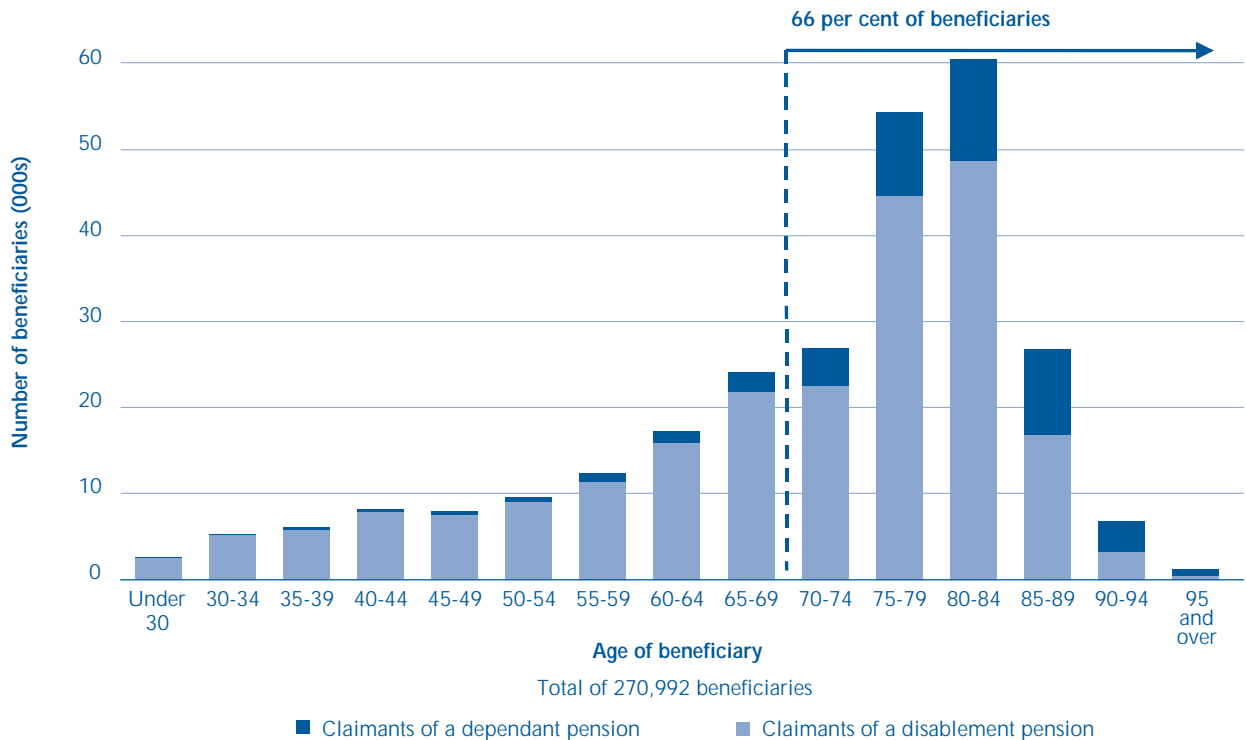
Source: Veterans Agency

1.17 The medical team of the Agency consists of a Medical Director, supported by two Senior Medical Advisers and approximately 30 full-time equivalent doctors. The doctors all hold full General Medical Council registration. In addition, since 1997 the Agency has contracted out medical examinations of claimants in their own homes or locally to Schlumberger Sema, a company providing a range of medical assessments for the Department for Work and Pensions. This contract cost the Agency £1.27 million in 2001-02 (the Agency also has an audiology contract with BMI, which is worth £0.82 million annually).

1.18 The War Pensioners' Welfare Service has been scaled down from 29 locally based welfare offices and 230 staff in 1991, to 27 local welfare offices and 143 staff covering six regions nationally in 2001-02 (Figure 14). The Welfare Service also plays a role in promoting access and understanding of the Agency's services.

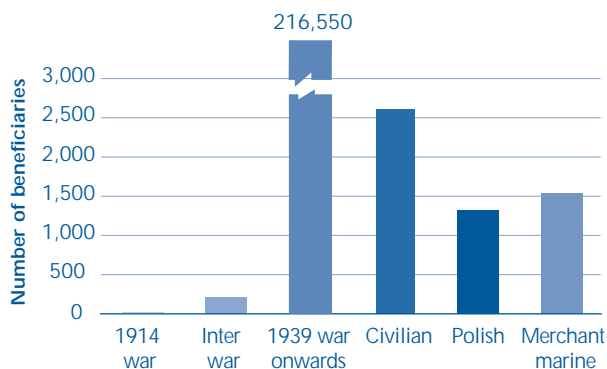
## 15 At March 2002, 66 per cent of war pensioners were aged over 70

At March 2002, 81 per cent of the beneficiaries of war pensions were over 60 years of age and 66 per cent were over age 70, whereas in 1990, 62 per cent of war pensioners were aged over 60<sup>9</sup>.



Source: Veterans Agency and Analytical Service Division, Department for Work and Pensions.

## 16 Number of war pensions in payment by conflict



**1914 War:** Service between 4 Aug 1914 and 30 Sept 1921

**Inter War:** Service between 1 Oct 1921 and 2 Sept 1939

**1939 War:** Service from 3 Sept 1939 to date

**Civilian:** Civilians injured during World War II

**Polish:** Polish Service personnel injured during World War II

**Merchant:** Merchants injured during World War II, including a small proportion injured during the Falklands Conflict and Gulf War

### NOTE

As at March 2002 there were some 2,200 claimants receiving a war pension who had served either during the Gulf, Bosnia or Kosovo conflicts.

Source: Veterans Agency

## The Agency's customers and the changing role of the Agency

1.19 The number of new claims is falling, but war pensioners are generally older (Figure 15) as the vast majority of war pensions in payment have arisen from World War II, although claims arise from a range of conflicts (Figure 16).

1.20 The most common claimed condition is loss of hearing, accounting for 17 per cent of all claims in 2001-02. Claims for knee injuries, back injuries and arthritis are the next most common claimed conditions, with psychiatric conditions, for example post-traumatic stress disorder, accounting for seven per cent of claims in 2001-02.

1.21 A veteran's description of the disablement they are claiming for can frequently be symptomatic, such as 'back pain', 'stress', 'Gulf War Syndrome', or 'leg problems'. Since the Gulf conflict the Agency has received 5,320 claims of which 1,353 (one quarter) referred to 'Gulf War Illness'. The Agency stated that medical research does not support the existence of a discrete Gulf War Syndrome or Illness. In most of these claims it is possible to identify a recognised medical condition, which is assessed for a war pension in the same way as any other claimed

## 17 How veterans' affairs are handled in other countries

**United States of America** The Department of Veterans' Affairs administers the laws which provide benefits and other services to veterans, their dependants and the beneficiaries of veterans. This involves the provision of medical care, benefits and social support. The Department also provides memorials promoting the health, welfare and dignity of all veterans in recognition of their service to the United States of America.

The Department estimates that there are approximately 25 million US veterans currently alive, with approximately a quarter of its nation's population (70 million people) potentially eligible for benefits and services from the Department.

The Department offers 11 initiatives to help veterans, including Health Programs, Homeless Assistance Programs, a Virtual Learning Center and a centre dedicated to women veterans.

**Australia** The Department of Veterans' Affairs administers services to entitled members of the veteran and defence force communities of Australia. Members of the veteran community receive a variety of services from the Department ranging from pensions (income support pensions and disability compensation pensions), healthcare and counselling, to advice and information. The Department also provides compensation and income support to widows and dependants of veterans.

The Department estimates that there are approximately 548,000 Australian veterans. The Department paid pensions to approximately 383,000 veterans and dependants in 2001-02.

**Canada** The Department of Veterans' Affairs is responsible for the care, treatment, and re-establishment in civilian life of any person who served in the Canadian Forces and for the care of their dependants.

The Department operates programmes for disability pensions, veterans' allowances, pension advocacy, healthcare and commemoration. They provide compensation for hardships arising from disabilities and lost economic opportunities, innovative health and social services, professional legal assistance and recognition of the achievements and sacrifices of Canadians during periods of war and conflict.

The Department paid pensions to approximately 205,000 veterans and their dependants in 2001-02.

*Source: NAO analysis*

disablement. Regardless of the actual claimed conditions or diagnosed conditions, all claims for disablement due to service can be assessed under the War Pensions Scheme.

## More integrated support for veterans

1.22 In 2001 the Government appointed a Minister for Veterans' Affairs within the Ministry of Defence, and launched the Veterans' Initiative intended to improve the support given to Service personnel throughout their lives by better co-ordination across government of veterans' policy and support. The transfer of the War Pensions Agency, now the Veterans Agency, from the then Department of Social Security to the Ministry of Defence brought together under one Department the responsibility for service personnel and war pensions. Its aim was to provide more integrated support for veterans. The way that veterans' affairs are handled in other countries is described in [Figure 17](#).

## Focus of the NAO examination

1.23 In 1993, a report by the Committee of Public Accounts (twenty-seventh report, 1992-93 HC 339) made a number of recommendations to improve service delivery to war pensioners. Our examination considered the progress the Agency has made in implementing the Committee's recommendations. Appendix 2 of this report summarises the actions taken in response to each recommendation.

1.24 Executive agencies are often required to process large volumes of claims and reach decisions on claimants' eligibility for payments or services. The Veterans Agency is a good example of an executive agency delivering services to customers in this way and, in addition, is a good example of a service that requires a good understanding of the needs of its client group. We therefore looked at the specific steps taken to tailor the services offered to the needs of its customers. We also identified lessons learned and good practice that other agencies can draw upon to improve their service delivery.

1.25 Our examination consisted of two main types of analysis:

- Data on the timeliness, accuracy, reliability and impact of the services provided; and,
- The views of those who rely on the Agency - represented primarily by the ex-service organisations and the Agency's surveys of its customers - as to the quality of the service they receive.

More detail on our methodology is provided in Appendix 1 of this report.



# Part 2

## Performance achieved by the Veterans Agency

2.1 The effectiveness of the Veterans Agency's service delivery depends on:

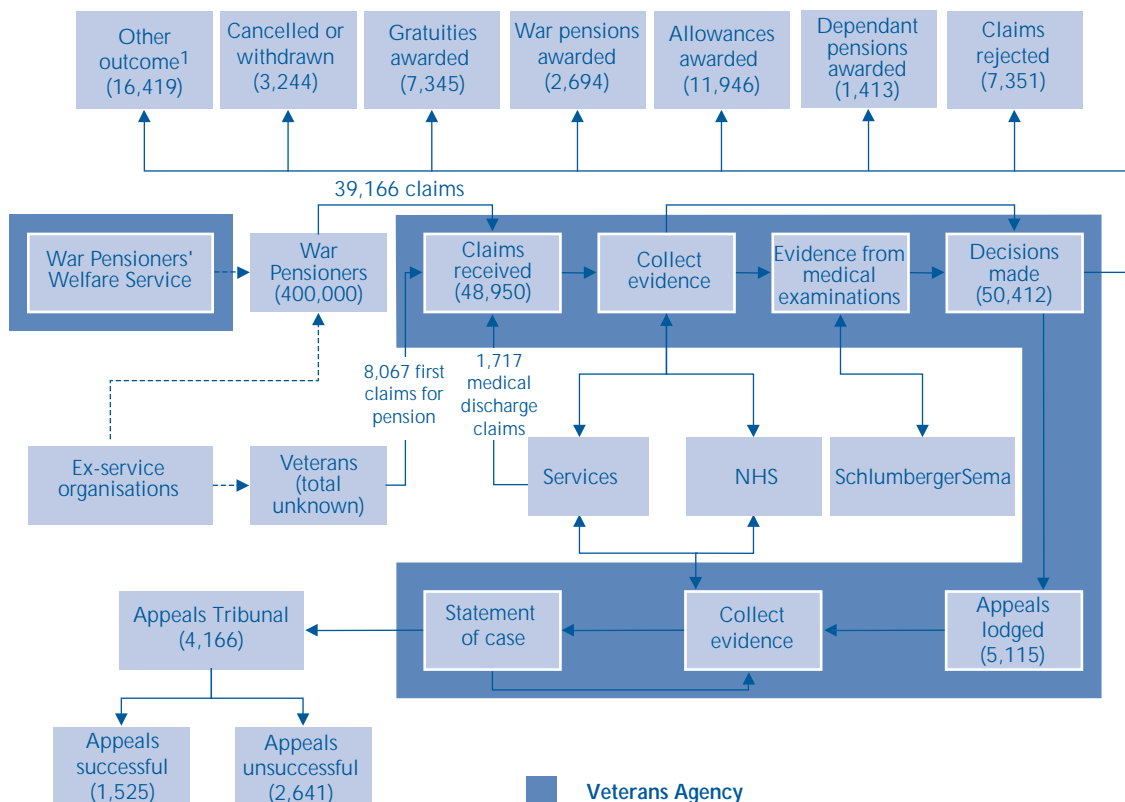
- How long it takes the Agency to process claims for war pensions;
- Claims being administered accurately with reliable medical assessments of the conditions claimed for;
- Keeping claimants informed about their claim and dealing with claims sensitively;
- Claimants having a speedy resolution if they disagree

with the Agency's decision about their claim (how long it takes the Agency to process appeals);

- War pensioners being provided with the help and support they need; and,
- The extent to which potential claimants are fully aware of the services available and the ease with which they can be accessed.

**Figure 18** shows the key stages in the services delivered by the Agency. This part of the report assesses how well the Veterans Agency meets these requirements.

### 18 Key stages in processing claims and appeals for war pensions (including 2001-02 data)



#### NOTE

Figures are for the period April 2001 to March 2002.

1. 'Other outcome' refers to decisions where the amount of benefit paid was increased, decreased or maintained. Also included within other outcome are 204 claims where the Agency could not identify the final outcome of the decision.

Source: National Audit Office

## How long it takes to process claims for war pensions

If the processing of claims for war pensions and allowances is delayed then benefits can be lost to those entitled to them, causing potential financial hardship and distress, often to elderly and vulnerable people.

2.2 In 1994-95, it took the Agency an average of 146 working days to issue a decision on claims for war pensions (excluding allowances). By 2001-02 these claims took an average of 109 working days to clear (Figure 19) and it took an average of 73 working days to reach decisions on all claims (including allowances) against a target of 90 working days. The Agency's target for 2002-03 is to issue decisions on all claims within an average of 82 working days.

2.3 Whilst the average clearance time is 73 working days, there are variations in the time taken to clear different types of claims (Figure 20). For example, first claims for a war disablement pension took on average 131 working days in 2001-02 compared to the target to clear all claims within an average of 90 working days; claims made in response to deterioration in a pensioner's health took 92 working days (Figure 21 presents a case example of a deterioration claim).

### 19 Average clearance time for war pension claims has reduced



#### NOTE

A war pension includes disablement and dependants' pensions only. Figures prior to April 1997 exclude claims from overseas.

Source: Veterans Agency

2.4 Claims for dependants' pensions (war widows) take significantly less time to clear, since they do not require a medical assessment of the degree of disablement - medical assessments are, however, used to establish whether or not death was due to, or hastened by, service. The Agency took an average of 25 working days to issue a decision on claims for dependants' pensions and allowances in 2001-02, easily achieving the target of 36 working days. The target for 2002-03 is to issue decisions on these claims within 34 working days.

## Factors affecting clearance times

2.5 A number of factors can affect the time taken to process claims for war pensions, for example:

- The Agency's need to obtain service records from the appropriate records office in the Ministry of Defence;
- The Agency may need to obtain further information about conditions being claimed for in the form of medical reports, evidence from hospitals, General Practitioners or specially commissioned consultants' reports;
- How long it takes the Agency's doctors to reach an opinion on the conditions being claimed for;
- How the Agency manages uncleared claims;
- The cost of processing a claim; and,
- The Agency's capacity to handle a sudden increase in claims.

## Obtaining service records from the Ministry of Defence

2.6 Under a Service Agreement with the Agency, the Ministry of Defence seeks to respond to Agency requests for service records within 20 working days<sup>10</sup>. Sixty-two per cent of requests were met in 25 working days in 2000-01 and 73 per cent in 2001-02. In order to minimise the delay that seeking service records may have on the time it takes to process a claim, the Agency has (since 2000) asked those claimants who contact the Agency by telephone for permission to locate their service records prior to the receipt of their claim form. In 2001-02, the Agency's review of a sample of 50 cases found that this had been done in just over half of the cases examined and had contributed to a faster processing of claims.

<sup>10</sup> Excluding transport of documents between the Agency and the Ministry of Defence.

## 20 The average time taken to clear a claim varies depending on the type of claim

		Average time to clear a claim (working days)		
		1994-95	2001-02	Difference (days)
Disablement pensions	}		117	-33
Disablement pensions (including allowances)		150	79	-70
- first claims		162	131	-31
- deterioration		n/a	92	-
War widow pensions	}		25	-9
War widow pensions (including allowances)		34	31	-3
All war pension claims		146	109	-37
<b>All war pension claims (including allowances)</b>		<b>146</b>	<b>73</b>	<b>-73</b>

### NOTE

1994-95 figures do not include reviews and treatment allowances, supplementary allowances and claims from overseas.

Source: Veterans Agency

## 21 Case example of a deterioration claim

Mr J was in receipt of a 60 per cent war disablement pension, 40 per cent for post traumatic stress disorder (PTSD), attributed to his Army experiences during the Falklands Conflict, and 20 per cent for shrapnel wounds to his right leg sustained in enemy action at San Carlos bay also during the conflict.

He claimed deterioration in both conditions and sent supporting evidence from his General Practitioner and local hospital where he had been treated for his PTSD since his last assessment for a war pension in 1995. The Agency's medical team requested further reports from Mr J's General Practitioner, case notes from his local hospital, and a Consultant Psychiatrist's report in respect of Mr J's PTSD.

On review of all the evidence the medical team determined that although Mr J's leg condition had not deteriorated sufficiently to merit an increase in the 20 per cent assessment, there had been a marked worsening of his PTSD and this should now be assessed at 60 per cent, resulting in an increase in his overall assessment from 60 per cent to 80 per cent.

Mr J was duly notified of the increase in his disablement assessment with effect from his initial request for an application for a review and his appeal rights were also explained to him.

Source: Veterans Agency



**22** Obtaining further medical evidence in relation to claims

Evidence	Volume 2001-02	Internal administration (working days)	Total waiting time (working days)	Average waiting time (working days)
Hospital case notes	13,500	6,525	324,000	24
GP reports	2,400	680	91,200	38

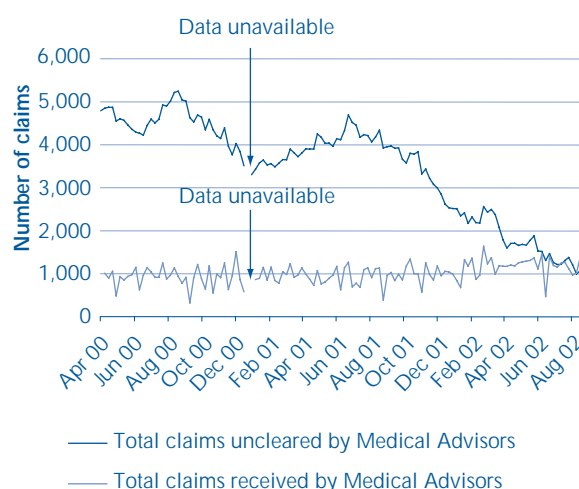
Source: Veterans Agency

### Obtaining further information about the conditions being claimed for

2.7 The Agency's medical team reviews all relevant medical information in support of a claim to verify the condition on which the claim is based. This information has to be provided by hospitals and General Practitioners (Figure 22). An agreement exists with the Department of Health for hospital case notes to be supplied to the Agency within ten working days<sup>11</sup>. Currently, the Agency waits an average of 24 working days for hospital case notes and 38 working days for General Practitioner reports. The Agency has considered the potential benefits of using the NHS Net, the private National Health Service data network that would enable it to access General Practitioner and Hospital records electronically. The Agency has not as yet quantified the benefits of such an approach because the Agency is unable to establish the proportion of veterans' medical records that are available in an electronic format. The potential savings for the Agency and for its clients could nevertheless be significant in terms of reduced waiting times for the documents and associated administration costs (with concurrent savings for the National Health Service).

### How long it takes the Agency's doctors to reach an opinion on the conditions being claimed for

2.8 The time taken to reach a medical opinion has a direct impact on the length of time it takes the Agency to reach a decision on a claim. The Agency's operational team administering claims monitors closely the number of cases that are with the medical team and awaiting verification, for example when a case was first referred and the length of time it has been awaiting an opinion. The Operations Team helps manage the workload of the medical team by identifying, for example the oldest claims and ensuring that they are given priority. As at 19 August 2002, 1,075 claims were awaiting a medical opinion (a reduction of 63 per cent since April 2000) (Figure 23).

**23** The number of claims outstanding by the Agency's Medical Assessors reduced by 63 per cent from April 2000 to August 2002**NOTE**

Figures exclude appeals.

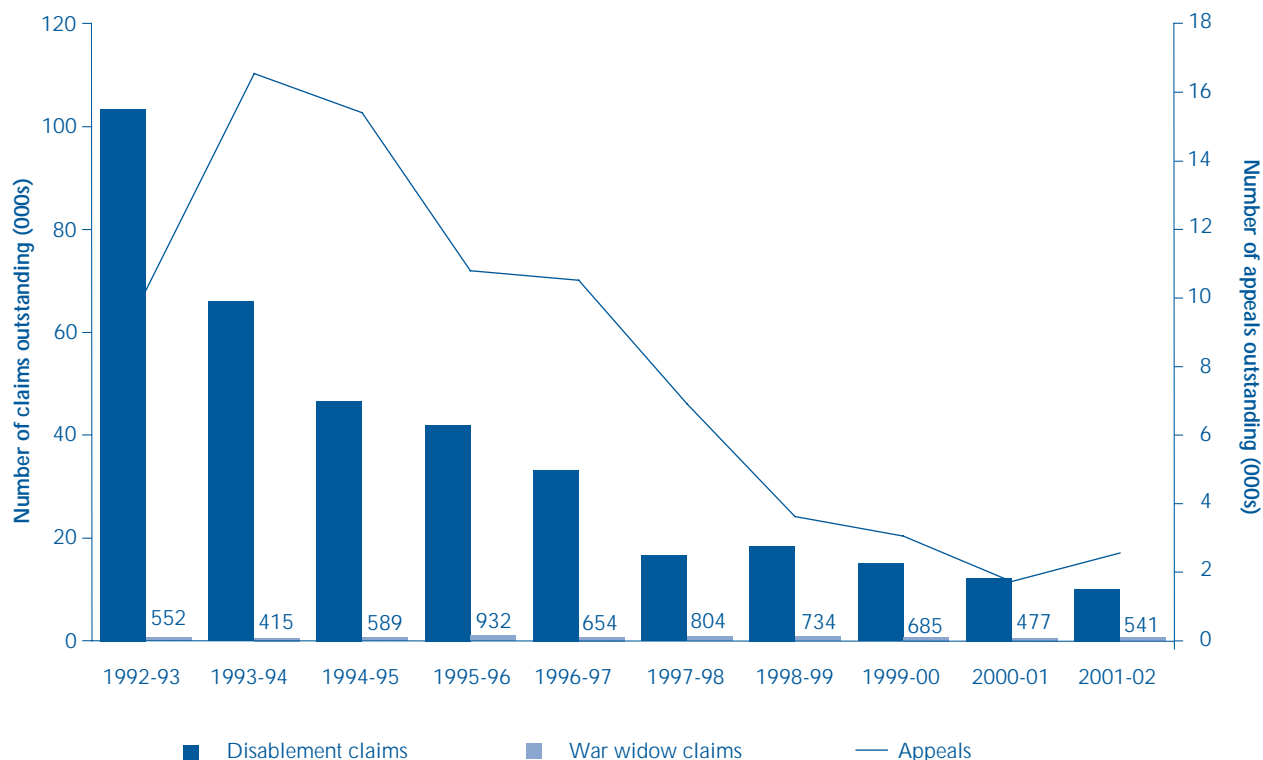
Source: Veterans Agency

### Management of outstanding claims and appeals

2.9 In our earlier report in 1992, we highlighted the considerable difficulties the Agency faced in meeting targets for clearing claims, which had resulted in a backlog of outstanding claims. The backlog has reduced tenfold since 1992-93, although the number of outstanding appeals began to increase in 2001-02 after declining for a number of years (Figure 24).

2.10 Since April 2000, the Agency has monitored the average age of outstanding claims and appeals and has achieved some modest reductions - with the exception of appeals. The amount of time devoted to dealing with appeals accounted for nine per cent of all of the Agency's work (Figure 25).

## 24 The number of outstanding claims and appeals, 1992-93 to 2001-02



Source: Veterans Agency

## 25 Average age in working days of outstanding claims and appeals as at 31 March 2002

	2000-01	2001-02	Change
Disablement	86	75	-11
Widow	26	25	-1
All claims	83	73	-10
Appeals	97	97	-

Source: Veterans Agency

appeals over the coming year (the Ministry of Defence provides longer term forecasts) and adjust the resources allocated to different functions as necessary to meet the anticipated workload and operational targets.

### The Agency's capacity to handle a sudden increase in claims

2.12 In order to be better prepared to deal with a sudden unforeseen increase in workload, the Agency monitors the pattern of claims. It does this by analysing a monthly sample of seven per cent of all claims received and results are presented in a claims condition report. In this way the Agency seeks to identify trends that might suggest a particular type of claim is increasing or reducing. An example was the sudden increase in claims for hearing loss that occurred in 1992-93. A more recent test of the Agency's ability to cope with an unexpected increase in its workload was the administration of the Far Eastern Prisoners of War Scheme introduced in November 2000. The Government announced that a one-off payment of £10,000 would be made to those people who had been prisoners of the Japanese during World War II. The Agency was given responsibility for assessing the validity of claims and for processing awards (Figure 26).

### What it costs to process a claim

2.11 The main costs involved in processing claims and appeals relate to staff and overheads (such as utilities, IT and maintenance), which the Agency incurs in delivering its services. The Agency does not, however, specifically monitor the cost of processing a claim or the productivity of staff in dealing with them. The Agency has considered ways of doing this but concluded that it would be difficult to allocate costs to individual claims because of the range of different inputs and services - searching for records, medical and welfare assessments - which are often needed. The Agency's approach is to estimate the likely number of claims, awards and

## 26 Handling claims under the Far Eastern Prisoners of War Scheme

By February 2001, the Agency had verified 14,000 claims as eligible and ready for payment by checking records of prisoners of the Japanese held by the Imperial War Museum, the Public Records Office, and the Red Cross. By September 2001, out of a total of 27,862 claims considered for eligibility, the Agency had paid awards of £10,000 on 23,263 claims and not paid out on 4,599 claims.

In addition to these, a further 45,564 claims were received, many in a language other than English, from individuals who were not eligible for a payment (for example, those who had served in Indian or Pakistani regiments during World War II). In total the Agency considered some 73,000 claims under the scheme. At the time of our examination, the Agency was still receiving some 50 to 60 claims each week.

*Source: Veterans Agency*

2.13 The Agency processed over 25,000 claims and made over 20,000 ex-gratia payments of £10,000 over a six-month period. In handling this additional workload, the Agency ensured that the delivery of its normal services was not put at risk by setting up a dedicated specialist team drawing expertise from across the Agency to administer the Far Eastern Prisoners of War Scheme. The ex-service organisations we consulted were very positive about the sensitivity and promptness with which the Agency had administered this particular scheme.

## The accuracy of claims

If the processing of claims is inaccurate, claimants may not receive all the financial assistance they are entitled to; alternatively, funds may be inappropriately used.

2.14 Accurate administration of claims depends on:

- Whether the correct amounts are paid out in respect of claims (their financial accuracy);
- The accuracy of medical assessments; and,
- Maintenance of clerical records, including all relevant papers being available to assess cases and entitlement.

## Financial accuracy

2.15 The Agency has a target that at least 94 per cent of all awards it approves should be financially accurate; to ensure this, a statistically representative sample of all awards is checked by the Agency every year. In 2001-02 this indicated that the Agency was achieving 96 per cent financial accuracy. This figure was checked independently by internal auditors from the Department for Work and Pensions. At the time of our earlier examination in 1992 the Agency was achieving similar levels of financial accuracy.

## The reasonableness of medical assessments

2.16 The Agency also assesses whether or not the medical decision-making process offers a reasonable assessment of the level of disablement, which is a key determinant for the assessment of entitlement and for the level of awards made. At the time of our last examination in 1992 we found that there was no external monitoring of the quality of medical decision-making for war pensions, and we recommended that independent arrangements be introduced to provide additional assurance about the quality of medical decisions. The issue of external validation of medical decision-making was being considered by the Agency at the time of the report by the Committee of Public Accounts in 1993<sup>12</sup>. The Agency had introduced internal validation of medical decision-making in August 1988 for appeals and extended this to cover all case work in 1992, but it was not until April 2001 that the Agency introduced an external validation procedure to verify the quality of medical decision-making. The Agency's external validation procedure operates at two levels:

- The Agency's medical service monitors and audits through peer reviews a sample of files. It uses a three-point grading system to assess the quality of medical decisions (Figure 27); and,
- The Director of Service Personnel Policy Medical Advisor in the Ministry of Defence then reviews a sample of the analysed cases in order to provide independent validation of the quality monitoring system.

2.17 The Agency's sample checking of medical decisions in 2001-02 indicated that 96 per cent of cases were completely satisfactory or acceptable. In four per cent of cases medical assessments were graded as "not acceptable". All such decisions are reviewed by an Agency Senior Medical Adviser and the information is then used mainly as an internal management tool to identify training needs and improve the standards of medical assessments. The information may also be used to review or revisit claims identified, where this would affect the decision to make an award (or not to make an award) on the basis that a medical assessment was unsatisfactory.



## 27 Assessing the quality of medical decision-making

The Agency medical team analyses a sample of cases through a peer review process. The Agency medical team assesses the cases and scores them on a scale of A, B, or C, where the quality of medical decision-making is:

**A** - Completely satisfactory;

**B** - Acceptable, but could be improved in certain areas;

**C** - Not acceptable and needs to be addressed.

Performance since April 2001 has been:

	2001-02		April to June 2002	
	cases	%	cases	%
A	695	85	208	84.5
B	86	10.6	34	13.8
C	33	4	4	1.6
<b>Total checked</b>	<b>814</b>	<b>100</b>	<b>246</b>	<b>100</b>

*Source: Veterans Agency*

2.18 To reinforce further the quality of medical decision-making, the Agency implemented in August 2001 a management information system to facilitate the monitoring of the performance of the Agency's Medical Advisers. This system provides information on:

- The number of cases each Medical Adviser handles;
- The outcome of each case handled by a Medical Adviser;
- The overall performance, efficiency and time management of individual Medical Advisers; and,
- Individual performance of Medical Advisers against the performance of the team.

### Maintenance of clerical records

2.19 The non-medical aspects of war pension claims are also subject to internal quality assurance. The Agency conducts internal quality monitoring to assess errors made in administering claims. These are often clerical errors, such as papers not being correctly filed or dates of service not being correctly identified in respect of claims (**Figure 28**).

2.20 Although the Agency does not work to a specific internal target to reduce errors of this kind, it does monitor clerical errors as a means to enhance and improve the quality of its administrative and operational processes (the Agency takes remedial action wherever necessary to correct the errors identified). In 2001-02 some 653 cases were checked and a clerical accuracy rate of 44 per cent was identified<sup>13</sup>; that is, 290 cases were entirely correctly administered<sup>13</sup>. These are not, however, financial errors

## 28 Examples of clerical errors identified by the Agency

- Dates of incidents not properly recorded
- Receipt of claim forms not being acknowledged within five working days
- Documents being misfiled
- Average clearance times not being met
- Incorrect discharge dates from Service identified
- Periods of service not confirmed as correct
- Incorrect regiment enlistments and service history

*Source: Veterans Agency*

## 29 Searches for lost case papers

In October 1999 a major search of all Agency accommodation was carried out to try and locate 98 files reported as missing. 35 files were found as a result of the search. The searches were a labour intensive exercise and usually took place over a weekend, incurring overtime costs for staff. A further full search was conducted in November 2001, to locate 104 files listed as 'lost'. A total of 44 files were found; 44 were also identified as still missing after the search. This search cost over £3,000 - the cost of finding a lost file at Norcross was estimated as £195 per file. In 2001-02 more limited search procedures were undertaken every two weeks in addition to the Agency's normal working practices, with a total of 26 taking place during the year. In total, 247 cases were listed as lost and the searches located 35 of these. As at January 2003 the Agency had listed 80 cases it was unable to locate, of which 30 have subsequently been found.

*Source: Veterans Agency*

affecting payments made to claimants. The monitoring of financial errors is covered by the Agency's financial accuracy target (see paragraph 2.15).

### Lost case papers

2.21 The 1993 Committee of Public Accounts report noted that the Agency sometimes had difficulties in locating case papers. Since October 1999 the Agency has carried out periodic searches in addition to its normal working practices to search for case files it is unable to locate. These may be misfiled or their location may have been inaccurately recorded on the Agency's computer system. The Agency's casework on claims is entirely paper based and files are moved frequently to different parts of the Norcross site and to storage areas depending on the state of the claim's process stage (**Figure 29**). The Agency now keeps records of the number of files lost in the system, although it has had limited success in locating them.

<sup>13</sup> The Agency performed 5,877 individual checks on 653 cases. Eighty-nine per cent of these checks were accurate.

## Keeping claimants informed about their claim and dealing with claims sensitively

If claimants are not kept informed of the progress of their claim this can cause inconvenience, distress and worry, particularly if the claimant's health or personal circumstances have deteriorated.

### Keeping claimants informed about their claim

2.22 The Agency has a Service Charter Standard target to acknowledge in writing claims from veterans within five working days and has an internal procedure whereby an interim letter is issued after three months if a decision has not been reached. The Service Charter Standard performance for acknowledgements is monitored and, in 2001-02, the Agency acknowledged 98 per cent of claims within five working days. We found, however, no evidence that the Agency monitored the extent to which interim letters are issued after three months. The Agency also adopts a single standard approach to the way it keeps claimants informed. Letters tend to be impersonal and are not tailored to reflect different claimants' circumstances or concerns. The impersonal content of the letters is a common cause of complaint from ex-service organisations. The Agency told us that it was aware of these concerns and was seeking to improve this aspect of the service it provides to veterans.

2.23 A related issue identified in the 1992 NAO report was the concern of veterans that they were not kept informed of the progress of their claim. This remains an issue, although the Agency has now introduced better systems to identify customer concerns. For example, the Agency's satisfaction surveys ask customers how frequently they want to be provided with an update of progress and how they prefer to be kept informed. Claimants rate the need to be kept regularly informed of the progress of their claim as the second most important aspect of the Agency's service standards (the most important being friendly and helpful staff). The survey also showed that 42 per cent of respondents would like to be contacted by the Agency only when the Agency has something useful to tell them. Feedback from Assessors of the Agency's application for Charter Mark<sup>14</sup> also highlighted the need for the Agency to keep veterans better informed.

### Explaining the purpose of medical examinations

2.24 Medical Services, a division of SchlumbergerSema, undertakes on behalf of the Agency medical examinations of those who make a claim for a pension. SchlumbergerSema monitors the quality of service it provides to prospective pensioners - such as how doctors explain the purpose of medical examinations and how they

address any concerns claimants may have. The results from the satisfaction surveys are provided to the Agency and in 2000-01 and 2001-02 the Agency also received 50 complaints from claimants about their medical examination. The ex-service organisations we consulted expressed some concern about the way some examinations were handled by SchlumbergerSema's medical staff, but pointed out that any concern was promptly dealt with by the Agency once it had been brought to its attention. The Agency told us it was considering introducing its own surveys of claimants' experiences of medical examinations in order to provide further independent assurance of SchlumbergerSema's performance.

## How long it takes the Agency to process appeals

An unduly lengthy appeal process may discourage claimants from pursuing claims where they genuinely feel that they have not been treated fairly, and for those who succeed on appeal, the lengthy process may detract from or indeed negate the financial benefit eventually secured.

2.25 The Agency has an objective to work with the Court Service to reduce the average time it takes a case to progress through the three stages of the war pensions appeal process (Figure 30). The Agency can directly influence Stages 1 and 3 of the appeals process and works with the Lord Chancellor's Department and the Court Service on Stage 2.

### 30 Stages of the war pensions appeal process

Claimants whose claim for a pension is refused can appeal against the Agency's decision.

There are three stages to the appeals process:

**Stage 1:** the time the case is with the Agency before referral to the Court Service;

**Stage 2:** the time the case is with the Court Service; and,

**Stage 3:** the time the case is with the Agency following the Court Service's decision.

<sup>14</sup> Charter Mark is a customer-focused quality improvement tool which concentrates on the results of the service received by the customer. Charter Mark is currently administered by the Cabinet Office.

2.26 Appeals take much longer to clear than claims for war pensions. At the end of March 2001, the average time for an appeal was 565 working days. Against a target to reduce this figure by ten per cent to 508 working days by the end of March 2002, an average of 329 working days (a reduction of 42 per cent) was achieved as follows:

- Stage 1 (the time the case is with the Agency before referral to the Court Service): 135 working days;
- Stage 2 (the time the case is with the Court Service): 183 working days; and,
- Stage 3 (the time the case is with the Agency): 11 working days.

2.27 The average time taken to clear an appeal at Stage 1 of the appeal process has decreased (Figure 31).

2.28 The average time taken to clear appeals does not, however, indicate the average age of those still outstanding. This stood at 97 working days at the end of March 2002 and, during October 2002, there were 15 outstanding appeals at Stage 1 of over 350 working days, of which the longest outstanding appeal was 444 working days. For 2002-03, the Agency's target relating to Stage 1 of the appeals process was tightened further to clear appeals to war pensions within an average of 175 working days.

## Providing help and support to war pensioners

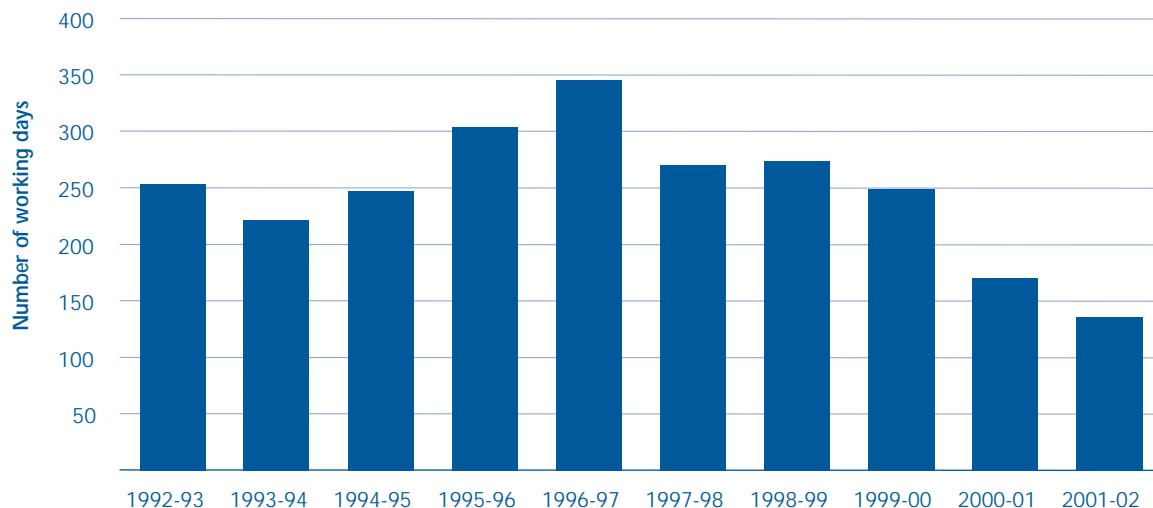
As the average age of war pensioners increases they are likely to need more support and assistance. It is important, therefore, that they have easy access to all the support services they are entitled to.

2.29 Existing and potential war pensioners may contact the Agency for advice on:

- **Claiming for a war pension:** they may ask for help in making an application for a war pension, either as a first time claimant or as a war pensioner applying for allowances, or claims for deterioration in their health; and,
- **Welfare and support:** they may encounter financial, employment and mobility difficulties and may need support from ex-service organisations, or ongoing care and support.

### 31 Average clearance times for appeals (stage 1), 1992-93 to 2001-02

*Clearance times have reduced from an average of 254 working days during 1992-93 to an average of 135 working days during 2001-02.*



#### NOTE

Figures prior to April 1999 exclude claims from overseas.

Source: Veterans Agency



2.30 To examine the services provided to existing war pensioners we:

- Reviewed results from the Agency's own customer satisfaction surveys;
- Reviewed the work of the War Pensioners' Welfare Service, including interviewing the WPWS Operations Manager at Norcross and visiting a regional office of the welfare service; and,
- Interviewed six major ex-service organisations to obtain their views on the quality of welfare services.

### Welfare services provided to widows

2.31 The War Pensioners' Welfare Service had one management target in 2001-02, which was to visit all recently bereaved widows within 15 working days of a request. In 2001-02, the Agency made 1,504 visits to widows, of which 1,456 were subject to the target (for example, at the widow's request it may be that a visit does not take place within 15 working days) and the majority of visits were made within 15 working days, which was similar to the performance achieved in 2000-01.

#### 32 Example of services provided by the War Pensioners Welfare Service

Mr P is in his 50s and has an anxiety-related disorder and other disabilities related to his service. He also has problems with debt and alcohol dependency.

In 2001 he contacted his local Welfare Manager who:

- Visited him to identify and discuss his needs;
- Provided advice about further allowances he may be entitled to under the War Pensions Scheme and provided assistance completing the relevant claim forms;
- Directed him to sources of advice for debt management;
- Provided local contacts at ex-service organisation SSAFA Forces Help and contacted the Ex-Service Mental Welfare Society (COMBAT STRESS) about a possible stay at their recuperative care home; and
- Followed up progress on the advice given and wrote to the war pensioner setting out what actions had been discussed.

The war pensioner subsequently considered that this condition had deteriorated and the Welfare Manager provided the forms necessary to make further claims which the war pensioner completed and lodged with the Agency.

*Source: Veterans Agency Welfare Service*

### Welfare services provided to existing war pensioners

2.32 When claimants receive notification of their entitlement to a war pension, the Agency informs them about the Welfare Service. The Agency also provides details of local ex-service organisations who may be able to provide advice and support. It is then up to the war pensioner to contact the Welfare Service if they want to draw on the support it can provide (Figure 32). Each year, the Agency writes to all war pensioners to remind them of the services available, and out of 271,000 war pensioners one third (92,000) have contacted the Welfare Service for support and assistance.

2.33 The Welfare Service focuses its efforts on those war pensioners whose level of disablement has been assessed as 80 per cent or higher, or other war pensioners who have a particular need for their services in the short-term (for example, war pensioners who may be homeless or in financial difficulties). When a war pensioner is assessed as having an 80 per cent disablement, the Agency will inform the Welfare Service which then makes contact with the war pensioner. Those war pensioners with a disablement of less than 80 per cent can still call on the service but access depends upon them making a request for assistance from their local welfare officers.

2.34 The Agency maintains two electronic systems to hold details of each beneficiary's disablement and pension history. The system maintained centrally at the Agency's headquarters in Norcross contains details of every war pensioner and this can be accessed by any of the 145 local welfare managers at their local offices. In addition to this system, local welfare managers hold details of their casework on a separate database. As these two systems are not connected, time can be wasted as local managers often need to refer to both systems to verify a pensioner's details. This double system also makes it difficult to track and reconcile the status of a claim when a local welfare manager is examining the progress of their casework.

2.35 The Agency maintains close contact with ex-service organisations, such as the Royal British Legion, and works in close partnership with them to meet the needs of its war pensioners. This was confirmed by the ex-service organisations we consulted. The Agency's Welfare Service managers and the ex-service organisations refer cases to each other when one organisation is better placed to provide the support a pensioner needs.

2.36 The Agency carried out for the first time in 1998 a postal survey of pensioners who had used its Welfare Service. The survey assessed how satisfied pensioners were with the support they received. Out of 256 respondents 85 per cent rated the service they received as either satisfactory or very satisfactory. In 1999 the Department of Social Security's Analytical Services Division carried out further research into the Agency's Welfare Services. This survey assessed the needs of war pensioners, and their levels of awareness and perceptions of the services they received.

2.37 In November 2001, the Agency conducted its most recent survey of pensioners using its Welfare Service, again to assess how satisfied they were with the support they received. The survey indicated that:

- Ninety-six per cent of ex-service organisations were very or fairly satisfied with the Welfare Service and similar levels of satisfaction were expressed for more specific areas such as the skills and knowledge of welfare staff and the speed with which referrals were dealt with; and,
- Ninety-five per cent of war pensioners and widows surveyed were satisfied with the service they received; 92 per cent were satisfied with the outcome of their contact with the service.

(Figure 33 explains how these surveys were carried out.)

2.38 The Agency is considering other more regular ways of monitoring the quality of its Welfare Service, including more frequent telephone and postal surveys of those who call on its support. The Agency has also started to examine the use of consumer focus groups to assess areas of service that are of prime importance to its customers. In 2001, the Agency examined the feasibility of benchmarking the Welfare Service against other welfare organisations serving the police forces and Fire Service.

This identified a need to review statistics collected about the Welfare Service to enable trends to be identified in the types of caseload handled by welfare managers. Analysis of these data would enable training resources to be targeted better and service delivery to be improved.

### NHS priority for war pensioners

2.39 War pensioners are entitled to priority for National Health Service treatment for the illness for which they are receiving their war pension. The Agency's influence and responsibility for upholding such priority is limited to ensuring that war pensioners are aware of their entitlement and can bring this to the attention of National Health Service medical staff should they require treatment. The Department of Health has reminded National Health Service Trusts periodically of the guidance on priority treatment for war pensioners and for the need to comply with it.

2.40 The six ex-service organisations that we consulted told us that, in their view, the entitlement to priority healthcare worked better in some parts of the country than in others. There was also a risk that it raised the expectations of war pensioners about services that were unlikely to be available to them. One ex-service

## 33 War Pensioners' Welfare Service surveys

The Agency carried out a postal and telephone survey of users of the War Pensioners' Welfare Service in November 2001.

### War Pensioners' Welfare Service - postal survey

The postal survey wrote to 150 customers of the Veterans Agency who had received a visit from the War Pensioners' Welfare Service. Each customer was sampled randomly and checked to see if they were suitable for surveying (not deceased or suffering a severe illness).

Regions	Number of customers sampled
Euston, Balham, Portsmouth, High Wycombe, Tunbridge Wells	19
Wrexham, Cardiff, Swansea, Bristol, Newton Abbot	28
Nottingham, Birmingham, Sheffield, Norwich	51
Manchester, Bootle, Preston, Leeds	1
Inverness, Aberdeen, Edinburgh, Middlesbrough, Newcastle	50
Belfast, Dublin, Cork	1
<b>Total</b>	<b>150</b>

### War Pensioners' Welfare Service - telephone survey

The telephone survey covered 83 customers of the Veterans Agency who had received a phone call or visit from the War Pensioners' Welfare Service. Each customer was sampled randomly and checked to see if they were suitable for surveying (not deceased or suffering a severe illness).

Regions	Number of customers sampled
Euston, Balham, Portsmouth, High Wycombe, Tunbridge Wells	15
Wrexham, Cardiff, Swansea, Bristol, Newton Abbot	11
Nottingham, Birmingham, Sheffield, Norwich	27
Manchester, Bootle, Preston, Leeds	3
Inverness, Aberdeen, Edinburgh, Middlesbrough, Newcastle	25
Belfast, Dublin, Cork	2
<b>Total</b>	<b>83</b>

### Ex-service organisations

Questionnaires were sent out to ex-service organisations that had regular contact with the War Pensioners' Welfare Service.

organisation, the British Limbless Ex-Service Men's Association (BLESMA), considered, however, that the NHS priority entitlement provided important health benefits for its members.

## Awareness of and access to the Agency's services

If veterans are not aware of the support and assistance available to them they may be excluded from the benefits. Those who only develop medical conditions many years after they have left the Services may at least be aware of the support the Agency can provide.

2.41 The Agency promotes awareness of its services and entitlement to support in a number of ways:

- **Through the Internet.** Providing information on issues affecting war pensioners and details of the Agency's services and the ex-service community through its website;
- **Issuing leaflets and mailshots.** For example, the Agency writes to all war pensioners annually each August to provide information on new legislation, information on ex-service organisations and the War Pensioners' Welfare Service;
- **Maintaining close contact with the ex-service community.** Formally through an ex-service liaison group, where welfare needs of pensioners are discussed, and informally through contacts at both senior and more junior levels; and,

### ■ Conducting surveys of war pensioners and claimants to determine their awareness of the services available.

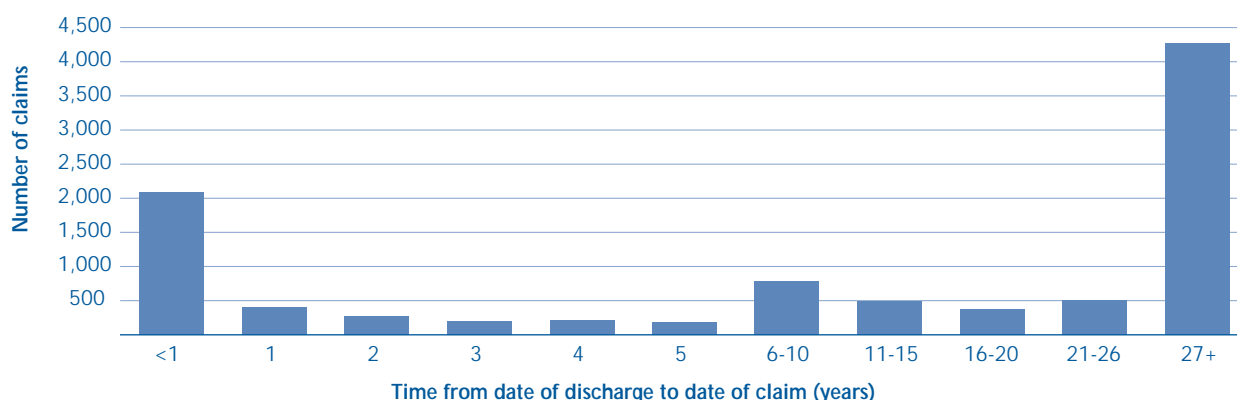
Surveys have been carried out in 1996, 1998, 2001 and 2002, and more targeted surveys, such as in relation to services provided to widows in 2002 (since 1998 the Agency has surveyed users of its Welfare Service - see paragraph 2.36).

2.42 The Agency holds some 1.9 million records on war pensioners and has estimated that the total number of veterans and dependants is between four and five million, of whom some 271,000 are current beneficiaries of the War Pensions Scheme. The Agency often receives first claims for war pensions many years after people have left the Armed Forces (**Figure 34**). There is a need, therefore, for the Agency to continue to promote its services to ex-service men and women to ensure that those who are entitled to make a claim are not prevented from doing so because they are unaware of the War Pensions Scheme and the support that the Agency can provide. The Agency, however, does not compile information on how claimants initially find out about the Veterans Agency, and in only two of its customer surveys does it collect information on the various sources used by veterans and dependants to obtain information on the War Pensions Scheme.

2.43 The War Pensions Scheme can only assess entitlement to a war disablement pension or a war widow pension once a claim has been received. Forms can be obtained from the Agency in several ways, for example by calling the Agency helpline, printing a copy of a form from the Agency's website, contacting a local War Pensioners' Welfare Service office, or through one of the ex-service organisations who act as "agents" for the Agency.

### 34 The Agency receives first claims for disablement pensions many years after personnel have left the Services (first claims received during 2001)

*Of the first claims received in 2001, only 30 per cent were for service men or women who had left the Services within the last three years*



Source: House of Commons Defence Committee<sup>15</sup>

<sup>15</sup> The Ministry of Defence Reviews of Armed Forces' Pension and Compensation Arrangements. House of Commons Defence Committee, Third Report, 2001-02, May 2002.

2.44 In addition, the Agency promotes its services in a number of ways:

- It operates a freephone helpline administered from Norcross, which is available for use by all veterans and not just war pensioners;
- The Agency's website provides details of its services and has links to the websites of the major ex-service organisations;
- The Welfare Service promotes the existence of the scheme. For example, the Welfare Service Advice Unit (a mobile bus) tours the country and appears at events which ex-service men and women are likely to attend, such as air shows. The bus tours more remote parts of the United Kingdom so ex-service personnel living in these areas can access the Agency's services (462 people visited the bus from August 2001 to March 2002);
- In addition, welfare managers have targets to promote the Agency's services, for example by holding a number of welfare surgeries (over 400 people attended such surgeries in 2001-02);
- Posters are displayed in General Practitioner and dental surgeries, and in army barracks;
- Close and regular contact is maintained with ex-service organisations to promote awareness of the War Pensions Scheme to their client groups; and,
- A series of leaflets explaining the War Pensions Scheme is available in Braille and audiotape for the visually impaired. The Agency also has a minicom system (a system for the hard of hearing) to assist its deaf customers and is registered with the Royal National Institute for Deaf People and its Talktype telephone service.

#### The Agency's freephone helpline - 0800 169 22 77

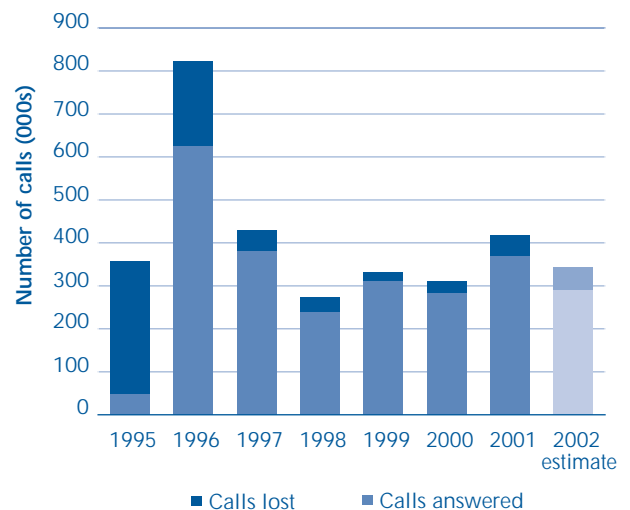
2.45 The Agency operates a freephone helpline from its central offices in Norcross. The helpline was originally designed to provide advice on war pensions, but since April 2002 it has provided advice to all callers about issues affecting the wider veterans community, for example calls on military pension taxation. The helpline handled 418,284 calls in 2001 and the most common calls were from war pensioners informing the Agency of changes in their personal details (Figure 35).

2.46 The helpline provides a single contact point for ex-service personnel and their dependants. The helpline is operated by 22 staff and has capacity to use up to 40 telephone lines. The cost of calls to the freephone helpline was £80,000 in 2001-02 with staffing costs of £352,000. The Agency does not, however, monitor the cost per call minute, which is the standard industry measure for assessing the cost effectiveness of call centres.

2.47 The Agency has a Service Charter Standard<sup>16</sup> to answer all calls to its helpline within an average of 20 seconds. The Agency did meet this standard in 2001-02; however, an average measure can mean that some callers may wait more than 20 seconds whilst other calls will be answered more quickly. This measurement does not assess the cost effectiveness of the service or the quality of service provided by the helpline staff. The Agency has compiled more detailed statistics on the performance of the helpline since April 2002. Whilst the number of calls has fluctuated each month, the Agency has maintained the same number of staff operating the helpline. This may mean that during busy periods more calls go unanswered and, conversely, during quieter periods the Agency may have more staff than needed (Figure 36 overleaf). The Agency also conducts a survey of its customers who have used the helpline. Its latest survey was carried out in October 2002 and the Agency is expected to continue conducting these surveys every three months during 2003.

2.48 We analysed calls to the helpline over five working days in September 2002 (Figure 37 overleaf). Our findings suggest that there is scope for better matching of staff to the incidence of calls. The helpline received more calls on Monday than any other day and also lost more calls on that day than any other whilst still having the same number of full-time staff as during the rest of the week.

**35** Number of calls answered and lost by the Helpline, 1995 to 2002



#### NOTE

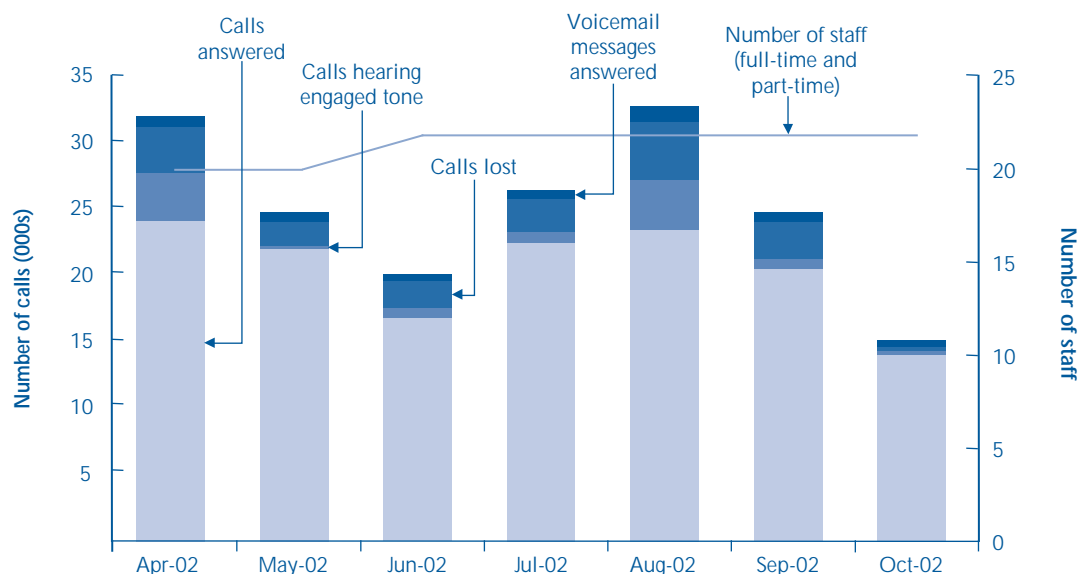
The Agency's helpline telephone equipment was last updated in 1995. In that year, it received 356,325 calls. By 2001 this had increased to 418,284 calls. The number of calls lost, where a caller has either disconnected after hearing the ring tone or did not speak to an agent during their call, has decreased from 308,017 in 1995 to 47,575 in 2001.

Source: Veterans Agency (NAO estimates for 2002 data based on data to October 2002)

<sup>16</sup> The Agency's Service Charter Standards are performance measures and criteria that are set under the Charter Mark Scheme and Service Initiatives. Both of these schemes are managed by the Cabinet Office.

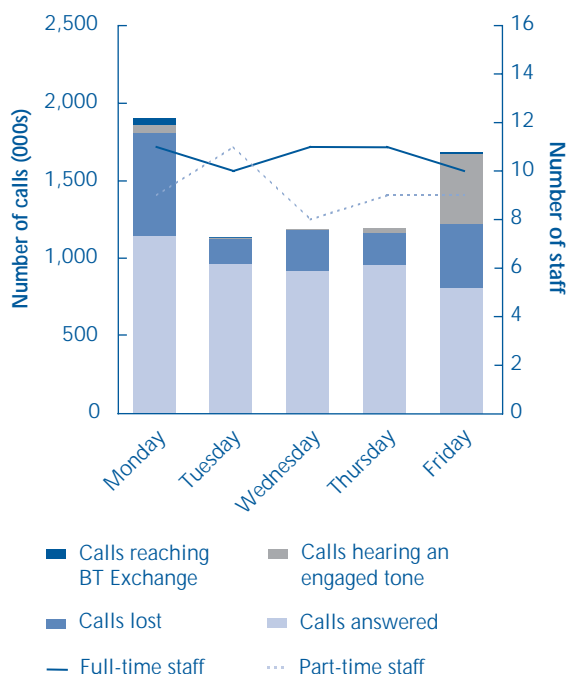


### 36 How the helpline has responded to calls since April 2002



Source: Veterans Agency

### 37 Calls to the helpline, Monday 2 September to Friday 6 September 2002



Source: Veterans Agency and NAO analysis

2.49 Between January and March 2002, the Agency conducted a survey of those who had recently used its helpline. The main findings were:

- Nineteen per cent of callers were not able to get through to the helpline on their first attempt;
- Eighty-six per cent said their calls were answered within 20 seconds; and,
- Callers generally welcomed the attitude of the helpline advisers, particularly in relation to appearing interested, explaining things clearly, politeness, and telling the caller all that they needed to know.

#### The Agency's website

2.50 The Agency's customer satisfaction surveys provide some indication of veterans' awareness of the services available through its website. Less than one third of the Agency's customers were aware of the website, and one in five (20 per cent) had used it. Half of the customers who had used the website were aware that they could access the Agency's claim forms electronically. Only two per cent of veterans preferred to contact the Agency by e-mail. The ex-service organisations that we consulted did consider, however, that although war pensioners themselves might not be likely to use the website it was a helpful source of information on war pensions for their relatives, friends and carers.

2.51 The Agency was only able to provide information on the number of times that its website's home page was accessed (number of hits) for July and August 2002. In July the website received some 17,000 hits and in August it received some 23,000 hits - an average of 640 hits a day. These figures do not, however, indicate how the website was used to access information.

2.52 In April 2002 the Agency launched its veterans' website, and introduced enhancements to the site in September 2002. The new website provides information for veterans and their dependants (Figure 38). In particular, it provides:

- Information on the War Pensions Scheme, how to apply for a war pension or an allowance, and access to all relevant claim forms and documentation. Claim forms can be printed from the website;
- Contact details for Norcross, the Agency's helpline and ex-service organisations and interest groups;
- Information on welfare support including health, finance, housing, employment, War Pensioners' Welfare Service and Ilford Park Polish Home;
- Information on the latest issues affecting veterans, such as Gulf War Syndrome and Service Invalidating Pension Taxation; and,
- Information on medals, military graves and war memorial events.

### The role of ex-service organisations

2.53 Ex-service organisations play an important role in raising awareness of the War Pensions Scheme. Ten ex-service organisations act as "agents" for the Agency (including, for example, The Royal British Legion and The Soldiers Sailors and Airman's Families Association), which means that they help prospective pensioners complete their claim forms and submit them to the Agency.

2.54 War widows or widowers may be entitled to a war pension if the death of their spouse is caused, or hastened, by service. It is very hard, however, for the Agency to reach those people whose spouse was not originally a war pension beneficiary. These people may not have heard of the Veterans Agency's services or their entitlement. In either case, the widow or widower may not realise that they can still apply and may be eligible for a war pension (Figure 39).

#### 39 Example of an ex-service organisation facilitating access to the War Pensions Scheme

An ex-serviceman, who had served in Belize, Cyprus and Malta, died as a result of skin cancer several years after he finished his service in the Armed Forces. His wife did not consider her husband's skin cancer to be attributed to his time in service, and therefore did not apply for a war widow pension. After talking to the War Widows Association the widow put forward a claim and was eventually awarded a pension.

Source: War Widows Association

#### 38 The Veterans Agency's website - home page



Source: Veterans Agency

## The Agency's customer satisfaction surveys

2.55 As part of our examination in 1992 we asked pensioners how they had first found out about the War Pensions Scheme. Thirty-nine per cent said it was through friends and relatives; 14 per cent through the War Pensioners' Welfare Services; 11 per cent through voluntary organisations, and five per cent had found out about the scheme from the Department of Social Security. In responding to the Agency's 2002 customer satisfaction survey, 62 per cent of those veterans surveyed said that they found it easy or very easy to find out about the scheme with eight per cent finding it difficult or very difficult. The survey did not ask from which source veterans had obtained information. However, the Agency stated that questions had been incorporated into its survey on customers receiving treatment allowances and also its survey on war widows, which asked where claimants found information on claiming for a war pension. Some of the comments of those who found it difficult are set out in [Figure 40](#).

### 40 Claimants' comments about awareness of the War Pensions Scheme

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"No readily available information - eventually I got base information from the Royal British Legion"

"On leaving the RAF I was not aware that I was entitled to a war pension, more needs to be done to rectify this"

"Let soldiers and sailors know they are eligible to claim for any poor health or injuries they have incurred during their service career"

"At the time of leaving the Armed Forces all persons receive an information pack whether they like it or not"

"Posters at military bases should be displayed in prominent locations within all units with a contact address and telephone number"

*Source: Veterans Agency Customer Satisfaction surveys, 2001 and 2002*

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# Appendix 1

## Methodology

Issue	Approach
<p><b>Service Delivery</b> - whether the Agency has improved the effectiveness of service delivery by addressing the following:</p> <ul style="list-style-type: none"> <li>a) Timeliness;</li> <li>b) Accuracy;</li> <li>c) Communication; and,</li> <li>d) Support.</li> </ul>	<p><b>Review of management information</b> by examining the steps taken to monitor the speed and efficiency of claims and appeals processed by the Agency. Also to examine the Agency's helpline and War Pensioners' Welfare Services to assess the Agency's delivery of support to its customers.</p> <p><b>Workshop with the Agency</b> to discuss measures undertaken by the Agency to improve the effectiveness of the delivery of its services.</p> <p><b>Time series analysis</b> of data spanning 1992-93 to 2001-02 and to assess the degree to which the Agency has improved the process time of both a claim and an appeal since the 1992 NAO report. Information was also analysed from the Agency's Annual Reports, from the MoD's Defence Analytical Service Agency (DASA) and from the Department for Work and Pensions' Analytical Services Division (ASD).</p> <p><b>Forecasts</b> of claims received and benefit payments were analysed and the Agency's effectiveness at incorporating these into its business plans was assessed.</p> <p><b>Review of internal audit information</b> to assess the accuracy, speed and efficiency of claims and appeals processed.</p> <p><b>Review of customer surveys</b> to assess the effectiveness of the communication channels used by the Agency.</p> <p><b>Semi-structured interviews</b> with ex-service organisations to assess the effectiveness of the services delivered by the Agency. Organisations interviewed were the War Widows Association, the Royal British Legion, the Soldiers Sailors &amp; Airman's Families Association Forces Help (SSAFA Forces Help), St Dunstan's, the Ex-Service Mental Welfare Society (COMBAT STRESS) and British Limbless Ex-Service Men's Association (BLESMA).</p>
<p><b>Quality of services</b> - whether services are meeting user needs</p>	<p><b>Analysis of the Agency's customer surveys</b> to determine the views of the Agency's customers and understand how the Agency uses this information to deliver better services.</p> <p><b>Semi-structured interviews</b> with ex-service organisations to understand the issues faced by those interacting with the Agency and working in partnership with it to address the interests of war pensioners. Those interviewed were the War Widows Association, the Royal British Legion, the Soldiers Sailors &amp; Airman's Families Association Forces Help (SSAFA Forces Help), St Dunstan's, the Ex-Service Mental Welfare Society (COMBAT STRESS) and British Limbless Ex-Service Men's Association (BLESMA). Interviews were also held with the Agency, the War Pensioners' Welfare Service, and the Ministry of Defence.</p> <p><b>Workshop with the Agency</b> to discuss the issues affecting the Agency and the quality of service delivered by the Agency.</p> <p><b>Other departments</b> that handle veterans' affairs in Canada, New Zealand and the United States were consulted by telephone.</p>
<p><b>Costs</b> - whether services are cost effective</p>	<p><b>Review of management information</b> to determine how the Agency reconciles costs and also to examine how the Agency monitors the accuracy of payments made and the cost effectiveness of the services delivered.</p>



# Appendix 2

## Progress against the recommendations of the 1993 Committee of Public Accounts report

The PAC's 1993 report examined four types of benefit administered by the then Department of Social Security, one of which was the administration of war pensions. The following table sets out action taken by the Agency against the Committee's recommendations where these referred specifically to the administration of war pensions.

Recommendation/conclusion	Action taken
We are concerned that the service to War Pension claimants has been deteriorating and that it took the Department five years to recognise this and take remedial action.	The Agency has improved significantly the average time taken to clear claims and appeals for war pensions.
We note the progress now being made in securing improvements in the productivity of staff, and the measures being taken to deal with the large, and unexpected, growth in the number of War Pension claims in 1992-93. We expect these to be pursued with vigour, and we will keep under review the assurance by the Ministry of Defence that they will reduce the time taken to locate service records to one month by April 1993.	The Agency has a Service Level Agreement with the Ministry of Defence, which states that the Ministry of Defence will respond to Agency requests within 20 working days <sup>17</sup> . In 2000-01, 62 per cent of requests were met in 25 working days and in 2001-02, 73 per cent of requests were met in 25 working days. The Ministry has not therefore been able to locate all service records within one month. The Agency is undertaking a pilot scheme to examine whether it can make further improvements to the time taken to obtain service records.
We expect the Department and the Agency to establish the reasons for the localised upsurge in the number of War Pension claims, and to reduce the size of the total backlog of uncleared claims by December 1993.	The Agency has reduced the number of outstanding claims tenfold since 1992-93, and no longer has a backlog of uncleared claims.
The Department and the Agency will need to act urgently to improve the standard of telephone services provided by Fylde. In our view, it is unacceptable that the scale of call traffic and the inadequacy of the Fylde switchboard should at times make it virtually impossible for customers and others to contact one of the Agency's largest and most important sites.	Since 1992, the Agency has introduced a telephone system which it uses to monitor the number of calls received and lost. In 2001-02 the Agency received 418,284 calls of which 47,575 calls were lost. Closer matching of staffing levels to the number of calls would, however, enable the Agency to improve the service offered by its helpline.
We note the Agency's acknowledgement that it has difficulties in locating case papers, and we are surprised that it does not keep statistics on the number of claim forms and case papers which are lost in the system. Such information would be relevant to evaluations of the efficiency and the quality of service provided by the Agency and so would be useful to management.	The Agency does not formally keep statistics on the number of case papers lost, but it does produce reports.  The Agency also undertakes a monthly check on the number of claim papers missing.
We note the Department's recognition that they are seen as a body which receives, assesses and decides upon claims, rather than as a source of advice, and we endorse the steps that they and the Agency have taken to improve this image. We note that progress has been made by targeting relevant professional and voluntary workers who can then pass on information to potential disability claimants and suggest that such an approach might be explored for other groups of potential claimants.	The Agency has a very good working relationship with the ex-service community. It arranges workshops, training courses, and forums whilst providing a hotline telephone service for ex-service organisations to use whenever they need to contact the Agency.  The Agency now provides help and advice to war pensioners and veterans. This is through the War Pensioners' Welfare Service, which provides help and advice to war pensioners and through its helpline, which provides help and advice to all veterans.
Good costing information is vital to any organisation for management control purposes, and as a means to secure increased efficiency. We are concerned at the deficiencies in the Department's and the Agency's systems and we recommend that reliable costing systems be introduced at Fylde and Newcastle as a priority. We note that DSS has been working for three years on a system which will bring financial and management information together on a consistent basis and we share their hope that they will have this system working by the end of 1993.	The Agency does not measure the cost per claim nor the productivity of staff processing claims.

<sup>17</sup> Excluding transport of documents between the Agency and the Ministry of Defence.