
FINANCIAL REDRESS ADMINISTRATION GUIDE

Revised November 2005

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Abbreviations

AME	Annually Managed Expenditure
CSA	Child Support Agency
DAO	Dear Accounting Officer letter
DEL	Departmental Expenditure Limit
DFP	Department of Finance and Personnel
DRO	Departmental Records Office
DSD	Department for Social Development
DSO	Departmental Solicitor's Office
FRAG	Financial Redress Administration Guide
FRM	Financial Redress for Maladministration
GANI	Government Accounting Northern Ireland
ICE	Independent Case Examiner
NIAO	Northern Ireland Audit Office
RBAU	Resource Budgeting and Accounting Unit
RfR	Request for Resources
SP	Special Payment
SSA	Social Security Agency
SSPLD	Social Security Policy and Legislation Division

INTRODUCTION

Financial Redress Administration Guide (FRAG)

About this guide

1. This guide, *Financial Redress Administration Guide (FRAG)* provides guidance on how social security benefit and child support cases involving financial redress should be handled. It includes
 - details of roles and responsibilities
 - arrangements for processing and recording cases
 - monitoring and expenditure reporting requirements.
2. The FRAG is held only by those in the Department for Social Development (DSD) agencies and business areas who are responsible for completing the special payments quarterly statistics.

Financial Redress for Maladministration (FRM)

3. The Department's arrangements for providing financial redress are contained in the guide *Financial Redress for Maladministration (FRM)*. That guide
 - describes the various categories of redress and the circumstances in which redress is provided
 - is available on the intranet for the Department's staff and in every DSD benefit payment and child support office for the general public to read upon request. It can also be found in the 'Publications' section of the Departmental Internet site at <http://www.dsdni.gov.uk>.

How to use this guide (FRAG)

4. The FRAG is intended for all DSD agencies and business areas that have delegated responsibility for considering and making special payments to customers. The guide explains the administrative procedures to be followed when processing questions of redress, authorising payments and completing financial returns. Details of report forms and sample letters are in appendices below.
5. Each DSD agency and business area may wish to produce their own more detailed administrative instructions for staff handling special payments for their customers, to enable them to fully satisfy the requirements of this guidance.
6. The guidance only relates to special payments arising from maladministration in customer cases.

Effective date of this guide

7. This guide supersedes the previous guidance issued in April 1998 and should be applied with immediate effect.

8 – 10 (Spare).

ROLES AND RESPONSIBILITIES

Delegation of responsibilities

11. Ex gratia special payments are described in *Government Accounting Northern Ireland (GANI)* as 'payments, which go beyond administrative rules or for which there is no statutory cover or legal liability'. As the Northern Ireland Assembly / Parliament do not include provision for special payments when voting money or passing specific legislation, there is no legal liability to make such payments. Due to their exceptional nature, the payments are made on a discretionary extra-statutory or ex gratia basis.
12. Overall responsibility for special payments rests with Ministers but under the Exchequer and Audit Act (Northern Ireland); such payments need approval by the Department of Finance and Personnel (DFP). However, under the terms of DAO (DFP) 06/05, DFP have delegated authority, to Accounting Officers in DSD, to make special payments, subject to certain conditions, as set out in Annex A.

Cases which must be referred to DSD, Resource Budgeting and Accounting Unit (RBAU)

13. DFP also agreed that responsibility for individual casework could be delegated to the Department's Executive Agencies. The Department thus gives its agencies and business areas authority to decide individual cases within the terms of this guidance, except for the following
 - very exceptional cases when a payment is thought justified despite the absence of official error
 - all cases where a Government Minister is seeking a special payment that would not ordinarily be authorised
 - any claim for a special payment, which arises from, or may be affected by, a period of industrial action. This will normally be limited to industrial action within the Department or its agencies
 - all cases for proposed payments which are above agency and business area delegated limits
 - cases that might have repercussions beyond the individual agency or business area or the Department as a whole.

The above cases **must** be referred to DSD RBAU Unit **before** any commitment to make payment is made.

Authorising special payments and test checks

14. Subject to the conditions in paragraph 13, each agency and business area has delegated authority to authorise special payments. Authority is given, to Finance Operations Services, in the case of the SSA and to Central Finance Group, in the case of the CSA, on the condition that the following authorisation levels are strictly applied

- Staff officers can authorise cases for
 - 1) one-off amounts up to £10,000 and
 - 2) new awards of continuing weekly payments.
- Deputy Principals and above can authorise one-off payments up to £100,000.

Delegated limits for consolatory payments

15. In addition, delegated limits for consolatory payments for agencies and business areas are as follows

gross inconvenience resulting from persistent error

- normally in the range of £25 to £250
- very exceptionally, up to a limit of £500
- over £500 – refer papers to DSD RBAU first for agreement.

See paragraphs 166 - 176 of the FRM.

gross embarrassment, humiliation or unnecessary personal intrusion

- normally in the range of £25 to £250
- very exceptionally, up to a limit of £750
- over £500, refer to DSD RBAU first for agreement

See paragraphs 177 – 185 of the FRM.

severe distress

- normally in the range of £25 to £500
- up to a limit of £2,000
- over £500 – refer first to DSD RBAU first for agreement

See paragraphs 186 – 197 of the FRM.

Any proposal to exceed the delegated limits above must be referred to DSD RBAU for advice/authorisation.

Details of the factors to be taken into account in the consideration of consolatory payments and the range of payments are shown in paragraphs 160 – 197 of the FRM.

Subject to the preceding paragraphs, requests for advice and guidance on consolatory

payments must be referred to DSD RBAU as in paragraph 34 of this guide.

Special exercises

16. The Department's special payments scheme does not cover extra-statutory payments made when, for example, due to official oversight, current legislation does not reflect the intention of the Assembly / Parliament.
17. A special exercise should generally be interpreted as being where the sum of the special payments
 - exceeds £100,000 and/or
 - the number of cases involved highlights a specific administrative weakness.
18. Sometimes payments are considered as part of a special exercise, for example, where
 - a systemic failure affects a number of similar cases
 - delays in administration occur following the introduction of new legislation or
 - defective legislation, which does not reflect the intentions of Ministers, adversely affects customers.

It is important that DSD RBAU is involved in early discussions when special payments are being considered as part of such an exercise.

Role of DSD, RBAU in special exercises

19. DSD RBAU is not responsible for setting up a special exercise but is responsible for seeking permission from DFP (when that is necessary) to make payments as part of that exercise. However, DSD RBAU assists the relevant policy and operational sections to undertake that work by providing advice and engaging in discussions to ensure that any proposals for redress are appropriate and defensible. DSD RBAU may additionally assist by, for example, quality assuring documents prepared by SSPLD for Ministers and DFP, when permission for a special exercise is sought.

Costs of special exercises recorded separately

20. The costs associated with special exercises must be recorded separately from other special payments that are made and must be reported to DSD RBAU as described in paragraph 73 *et seq* of this guide. This is to allow DSD RBAU to monitor each special exercise, even though individual payments may fall within the respective Agency's delegated limit.

Monitoring costs of special exercises

21. Special payments in respect of defective legislation fall outside of the scope of the FRM (see paragraph 2 and Annex A of the FRM). For monitoring purposes, however, the **costs** associated with such exercises must be identified and reported to DSD RBAU as

described in paragraph 73 *et seq* below.

Costs exceeding £250,000 – DSD Accounts noted

22. Where a group of payments are paid (usually as part of a special exercise) and the special payments (both ex-gratia and extra statutory) exceed £250,000, a note has to be added to the Department's accounts explaining why the payments were made.

Novel and contentious cases: alerting Ministers

23. Ministers and senior officials must be alerted at an early stage to any difficult or controversial case - especially those likely to attract unwelcome publicity. It is important, therefore, to let DSD RBAU have written details of such cases without delay so that Ministers and appropriate officials can be briefed.

Notifying DFP

24. Where an issue or proposed solution could have implications for other Departments, DFP must be notified. When that situation arises, DSD RBAU will liaise with DFP on the Department's behalf.

Liaison with Departmental Solicitor's Office (DSO)

25. Where it is necessary for special payments teams to liaise with the DSO on a compensation issue, the teams must simultaneously copy correspondence to DSD RBAU

Threat of legal action

26. Where correspondence threatening legal action is received from a customer's solicitor and the solicitor quotes the law in respect of their client's claim with a time limit for reply, send a holding reply to the solicitor. **Do not** issue a full reply to private practice solicitors or welfare rights organisations on legal matters without first obtaining advice from DSD RBAU.

Legal action in the form of a summons: action to be taken

27. It is not necessary to refer cases to the DSO solely on the basis that the customer has instructed solicitors to seek compensation on his or her behalf. However, if legal action has been initiated in the form of a summons, seek legal advice **immediately**.
28. There is a time limit for responding to a summons and any delay may compromise the Department's position. Delay could result in a judgement in favour of the customer, where an ex gratia payment might otherwise not have been appropriate. When a summons has been issued, papers should be sent without delay to the DSO, with copy papers being sent to DSD RBAU.

Role of DSD, RBAU

29. DSD RBAU has corporate responsibility for ensuring that arrangements for special

payments are administered in accordance with Departmental policy. DSD RBAU will liaise as necessary on issues that require liaison with DFP.

30. As corporate guardian of the Department's special payments policy, DSD RBAU is responsible for
 - providing advice to agency and business area special payment teams
 - ensuring that agency and business areas with delegated authority adhere to the guidance contained in the FRM which describes the Department's special payments scheme
 - maintaining and distributing the FRM and FRAG
 - liaising with policy groups and other Departmental branches
 - promoting amendments to policy where appropriate
 - liaising with other Departments on special payments matters and
 - arranging special payments liaison meetings to provide a forum for the discussion of corporate special payments policy issues relating to customers and for the development of appropriate strategic responses.
31. DSD RBAU is responsible for the collation of decisions and payments made by agencies and business areas. For details of financial returns see paragraphs 54 – 56 and 73 – 76.
32. DSD RBAU has responsibility for monitoring decisions and identifying trends in overall volumes of special payments and related expenditure (see paragraphs 74 – 76).

PREPARATION OF CASES FOR SUBMISSION TO DSD, RBAU

Presentation of the case

33. It is important that the case is presented clearly and that files are correctly constructed. This should help DSD RBAU assimilate what are often complex issues and reduce the time needed to prepare cases should referral to other units be necessary. When the urgency of a case so dictates, DSD RBAU may be able to provide advice if the relevant documents are faxed to the Unit.

File construction

34. Requests for written advice on cases should be submitted with a pro forma, authorising referral to DSD RBAU attached to the front cover (see **Annex B**). The documents must be **filed in chronological order** with the submission being the final document on the left hand tag.
35. The file should contain, on the **left hand side** of the file, attached in date order
- internal correspondence
 - a full summary of the main points of the case (cross referred to the relevant documents in the file)
 - a history of the action taken to date and full details of the recommendation and request for specific advice.

On the **right hand side**, attach any supporting evidence.

The submission

36. The submission should include
- a background of the events surrounding the case and a summary of salient points to date including a description of the errors identified
 - a copy of any draft Ombudsman or ICE report on the case (or other relevant correspondence from the Ombudsman or ICE where a draft report has not been received)
 - details of the specific advice being sought
 - a recommendation of appropriate redress and
 - an explanation of technical terms and abbreviations common to your area of work or to the administration of a particular Social Security benefit, together with any relevant technical leaflets providing background information about the case, a note of any relevant legislation and other advisory documents referred to in the submission.

Cases involving delayed payments of benefit or child maintenance

37. In cases involving delayed payment of benefit or payments of child maintenance, the following details should be included

- the date of the error and how the error was discovered
- the reason(s) for the error
- the period of the arrears and the date the arrears were paid and
- details of the arrears falling within each tax year, that is from 6th April to 5th April.

38– 44 (Spare)

RECORDING AND ACCOUNTING FOR SPECIAL PAYMENTS

Recording special payments

45. All decisions on special payments must be accurately recorded in order to satisfy the requirements of Northern Ireland Audit Office (NIAO) and the Principal Accounting Officer.

What must be kept?

46. It is essential to keep accurate records of all cases considered for special payments and details of the decisions reached (whether or not a special payment is made). Each special payment decision must be recorded on either form SPEC 1, where a special payment is authorised for payment or on form SPEC 1 (N/A), where it is decided that a special payment is not appropriate in the particular circumstances of the case.

Forms SPEC 1 and SPEC 1 (N/A)

47. Section B of the SPEC 1 or the SPEC 1 (N/A) should be used to provide a clear, concise, fully recorded explanation of the reasons for the request for a special payment and for the decision reached. Specimen forms are contained in **Annex C and D**. If the specimen forms do not cater for the particular needs of any agency or business area, the forms may be customised, subject to quality assurance by DSD RBAU.

Compensation for delay cases

48. In cases involving compensation for delay, the amount of arrears due, the date the arrears were paid and the period to which interest was applied, should be shown on Section B of form SPEC 1, in addition to the amount of compensation to be paid.

Separate file for each case

49. A separate file should be raised for each case. The file should contain all the documents relating to the consideration of the special payment, **including the original SPEC 1** containing details of the decision and confirmation from the local office that payment has been made where appropriate.

Departmental Record Office (DRO) procedures

50. The file should be allocated a unique serial number and should be maintained in accordance with normal DRO procedures. Files and SPEC 1s must be retained in accordance with normal Departmental practices.

Completion of SPEC 1s

51. The form SPEC 1 should be completed to show both the **gross amount authorised** and the **net amount to be paid** to the customer. When the paying office completes the

final part of the SPEC 1, any overpayment recovery must be noted in accordance with any specific agency or business area instructions. The amount for payment should be entered in the appropriate box (es) on the SPEC 1 and the relevant payment code inserted. The SPEC 1 should be forwarded to either the SSA or the CSA finance teams where appropriate.

Accounting for special payment expenditure

52. When completing form SPEC1, special payments teams must
- correctly identify and record the category of the special payment
 - enter the appropriate expense account code so that the special payments are properly brought to account.
53. For accounting purposes, expenditure on special payments is charged to the appropriate line in Departmental Request for Resources A as follows

Annually Managed Expenditure (AME)

- all extra-statutory special payments, that is, special payments in respect of loss of statutory entitlement are charged to annually managed expenditure (AME), provided to cover the Department's programme benefit expenditure.

Departmental Expenditure Limit (DEL)

- all ex gratia special payments, that is, special payments in respect of actual financial loss, compensation for delay and consolatory payments, are charged to the departmental expenditure limit (DEL), provided for administering the DSD work programmes. Expenditure should be posted to the appropriate agency or business area cost centre on the ORACLE Financials system.

Child Support Agency

- all special payments paid in respect of Child Support Agency clients are charged to DEL.

Resource Account

54. Details of special payment statistics are needed to satisfy Departmental and DFP requirements but also to inform the Assembly / Parliament by noting the Departmental Resource Account. The Resource Account reports expenditure in the financial year. It is vital that the information is accurate and includes only those special payments made in the relevant financial year.

Reconciliation of expenditure information

55. The information given to the Assembly / Parliament in the Resource Account must match the expenditure information on the ORACLE Financials system and the case papers held within agency or business areas. Agency and business areas must ensure that details of the special payments are reconciled.

56. DSD RBAU is responsible for providing the relevant finance sections with special payment activity returns relating to extra-statutory and ex gratia payments, the number and amount of such payments by Request for Resource (RfR) plus amounts paid by way of special exercises. This information will be used in the compilation of the Resource Account.

Authority to pay – Form SPEC 2

57. Authority for the paying office to make the special payment is given on form SPEC 2. A specimen form SPEC 2 is contained at **Annex E**. Where funding for the special payment will come from the administration element of the Vote, details need to be entered on the ORACLE Financials system by the relevant paying office.
58. The SPEC 2 serves as an authority from the special payments team for a third party to make a special payment. When the special payments team completes the instruction for payment (for example, on form RAMIS 23) and arranges for the payment to be made by itself, completion of the SPEC 2 would not be required.

Payment into a bank or building society account etc.

59. The special payment should be made direct into a bank or building society account if the customer is receiving benefit in that way or by payable order.

Written notification of decision on the special payment

60. Depending on earlier correspondence with the customer, the precise manner in which any decision on a special payment is notified may vary between business areas. In completing the SPEC 1 and SPEC 2 forms and notifying the final outcome to the customer, business areas should ensure that they:
- provide a summary of both the complaint and the outcome of your investigation
 - include, where an error has been made by DSD, an acknowledgement of that error and an apology
 - provide a clear, concise and full explanation of why payment is being made
 - provide, when appropriate, a clear, concise and full explanation of why a part of the request for special payment cannot be met
 - explain, when appropriate, that a continuing award may be affected by future change in circumstances
 - explain, when appropriate, that an overpayment has been recovered from the special payment (give the details of the overpayment)
 - explain that the Department's special payments scheme is discretionary and that whilst special payments decisions do not carry a right of appeal, the decision can be looked at again, for example, in the light of fresh evidence

- provide details of how a customer can take the matter further – that is, provide details of how to contact the Independent Case Examiner (ICE) and/or the Assembly Ombudsman for Northern Ireland. See paragraph 10 and Annex B in the FRM for further details.

Draft paragraphs for inclusion in letters are at **Annex F**.

Documents to be sent to the paying office

61. Send the completed SPEC 1, SPEC 2 and/or any letter containing the decision to the appropriate paying office to make the special payment.

Original documents to be kept

62. Retain original copies of the forms SPEC 1 and SPEC 2 in the claim file or casepapers for monitoring and audit purposes (see paragraph 45 et seq above). The Special Payments Team should retain photocopies or electronic copies of the SPEC 1 and SPEC 2. The copies should be annotated 'COPY - NOT FOR PAYMENT' retained for at least twelve months, or such longer period as required for auditing purposes.

Payment schedules for special exercises

63. Where payments relate to **special exercises**, payment schedules may be more appropriate. In this event, an approach should be made to DSD RBAU to consider authorising the use of such schedules.

Cross DSD agency and business area responsibility

64. Financial redress should be calculated and paid by the agency or business area administering the relevant benefit, regardless of where the maladministration occurred. Financial redress for maladministration is a corporate issue and its operation should be transparent to the customer. For example, where compensation for delay is due to an error by the Appeals Service, the relevant special payments team handling the benefit concerned should calculate the compensation that is due and make the payment.

Budgetary transfers

65. However, if agencies or business areas are in agreement regarding the source of funding for compensation **and the sum involved justifies the administrative costs involved**, a budgetary transfer may be made.

Liaison between special payments teams

66. Special payments teams may receive complaints, which, in addition to the benefit they deal with, involves a complaint about another benefit or The Appeals Service, about which they do not possess the necessary expertise to determine the case. In such cases, it is important that the team liaises with the special payments team that handles complaints about the other benefit or (where appropriate) with The Appeals Service.
67. The team that receives the complaint may either

- take the corporate lead and make the special payment (after consulting with colleagues to establish the effect of the error and a suitable remedy) or
- separate payments may be made by each of the special payments teams involved, to avoid blurring the lines of accountability and in either case
- each team must liaise with the other, so that both teams know of the decisions reached and of any special payments made. This should avoid any possible duplication of work and duplicate payment.

Flexibility is the keynote but the main aim is to provide a seamless service, giving the customer a reasoned and swift response to their complaint.

Tax Credits

68. Where a DSD agency or business area error causes a loss of Working Tax Credit or Child Tax Credit, special payments team may make any resulting special payment. The Inland Revenue redress team should use their expertise to assist DSD special payments teams to establish the amount to be paid for loss of statutory entitlement and will advise (via DSD RBAU) the relevant indicator of delay that should be used to calculate any compensation for delay.

Cases where a special payment is judged not to be appropriate

69. If a decision is made that a special payment is not appropriate, a form SPEC 1(N/A) should be completed. The form should show
- full identity details of the customer
 - the category of special payment that has been considered and
 - the reason for the refusal of the payment.
70. Where a payment is not appropriate a clear, concise and full explanation for the decision should be issued to the customer
71. The letter must
- explain that the Department's special payments scheme is discretionary and that special payment decisions do not carry a right of appeal. However, decisions can be looked at again, for example, in the light of fresh evidence
 - provide details of how a customer can take the matter further – that is, provide details of how to contact the Independent Case Examiner and/or the Assembly Ombudsman for Northern Ireland. See paragraph 10 and Annex B in the FRM for further details.

Draft paragraphs for inclusion in letters are at **Annex F**.

Retention of original documents

72. The original copies of the form SPEC 1 (N/A) should be retained in the claim file or casepapers for monitoring and audit purposes (see paragraph 45 et seq). The special payments team should retain photocopies or electronic copies of the SPEC 1 (N/A). The copies should be annotated 'COPY – NOT FOR PAYMENT' and retained for at least twelve months, or such longer period as required for auditing purposes.

Reporting special payments activity

73. Special payments activity is monitored throughout the year. It is important that reporting requirements are adhered to and returns made to DSD RBAU timeously. Reporting requirements are outlined below.

Quarterly activity/Monitoring arrangements

74. Details of all special payments authorised by agency and business area special payments teams should be recorded. After checking for any obvious input errors, returns should be submitted to DSD RBAU within 10 working days of the end of each quarter.

Details to be kept

75. Details of the total number of **cases** considered should be recorded alongside the number of **payments**, their category and the value of the payments.
76. Where applicable, 'nil' returns should be sent. Copies of all forms SPEC1 and SPEC1 (N/A) (or their substitutes) should be annotated 'COPY – NOT FOR PAYMENT' and retained for at least twelve months, or such longer period as required for auditing purposes.
77. DSD RBAU may wish to see copies of form SPEC1 or SPEC 1 (N/A) for monitoring, research, or quality assurance purposes. It is important that copies of these forms are retained for at least twelve months after the payment has been made and are available to DSD RBAU Unit upon request.

LEVEL OR SCALE OF PAYMENTS AND DELEGATED LIMITS

Ex gratia Consolatory Payments – General (FRM paragraphs 160 – 165)

- Typically any payment is likely to be in the range of £25 – £250
- When appropriate, up to £1,000
- In extreme cases a higher payment may be considered but is unlikely to exceed £2,000.

Ex gratia Consolatory Payments – Detail

Gross inconvenience resulting from persistent error (FRM paragraphs 166 – 176)

- Normally in the range of £25 – £250
- Very exceptionally up to a limit of £500.
- Over £500 – refer to DSD RBAU first for agreement.

Gross embarrassment, humiliation and unnecessary personal intrusion (FRM paragraphs 177 – 185)

- Normally in the range of £25 – £250
- Very exceptionally up to a limit of £750.
- Over £500 – refer to DSD RBAU first for agreement
- **Child Support Agency cases** - when a Maintenance Enquiry Form has been incorrectly issued, a payment of £100 should automatically be made (FRM paragraph 216).

Severe distress (paragraphs 186 – 197)

- Normally in the range of £25 - £500
- The maximum limit is £2,000
- Over £500 – refer to DSD RBAU first for agreement

**CASE REFERRAL TO DSD,
RESOURCE BUDGETING AND ACCOUNTING UNIT (RBAU)**

CUSTOMER DETAILS	
NAME OF CUSTOMER	
REFERENCE NUMBER	
REASON WHY CASE CANNOT BE RESOLVED LOCALLY (INCLUDING PARAGRAPHS OF THE FRM THAT HAVE BEEN CONSIDERED).	
<i>Pass to your authorising officer before forwarding case to RBAU</i>	
AUTHORITY FOR REFERRAL TO DSD, RBAU	
<i>Please ensure that the following documents are included in a file/folder before referring to RBAU</i>	
<ul style="list-style-type: none"> • SUMMARY OF CASE • RECOMMENDATION OF ACTION • ALL RELEVANT DOCUMENTS IN DATE ORDER 	
<i>I confirm that it is appropriate to forward this case to RBAU for advice/authorisation and that I agree with the proposed course of action.</i>	
Signed:	
Name:	
Special Payment Team:	
Date sent to RBAU:	
<i>Please attach this form to the front of the file/folder.</i>	

SPECIAL PAYMENT DECISION (PAY)

Section A—Customer details

Customer's Name /
Appointee (if applicable) _____

Customer's Address _____

Benefit / Category of Case _____

Reference or NI Number _____

SP Reference No.
(if applicable) _____

Section B—Summary of case

Summary of case and reasons why a special payment is being made. You should describe the facts and circumstances of the case and explain exactly the basis for your decision. Continue on a separate sheet if necessary.

SPEC 1 (Section A and B) completed by:

Signed		Date	
Name		Grade	
Branch/location		Tel: No.	

Customer's Name _____ Ref. / NI No. _____

Section C—Authorisation

CATEGORY OF PAYMENT	PAYMENT CODE	AMOUNT OF PAYMENT
Extra Statutory Defective Legislation	Benefit Code	
Extra Statutory Loss of Statutory Entitlement	Benefit Code	
Ex-Gratia Actual Financial Loss	12401	
Ex-Gratia Compensation for Delay	12403	
Ex-Gratia Consolatory Payment	12405	

For use by:	SSA, Finance, Special Payments Team / CSA, Finance, Special Payments Team
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To: _____

A special payment is authorised in accordance with the category shown above. The reasons for the decision to make this payment are shown at Section B.

Please make the following payment(s) under code _____ [Enter payment or benefit code]

Single Payment A single payment of £_____ [enter amount] is authorised

Continuing Payment A continuing of £_____ [enter amount] per week / month is authorised for the period _____ to _____

SPEC 1 (Section C) completed by:

Signed		Date	
Name		Grade	
Branch/location		Tel. No.	

If the amount of the special payment exceeds the DSD business or agency delegated limits:

- £100,000 for a single payment
- £500 for gross inconvenience
- £500 for gross embarrassment
- £500 for severe distress.

Please refer to DSD Resource Budgeting and Accounting Unit, 4th Floor, Lighthouse Building, for authorisation prior to payment.

Section D - Payment (To be completed by the paying office)

To: _____ [enter Agency Finance Special Payment Team]

Single Payment

A single payment of £ _____ as authorised in Section C was made on _____
using Expense Code No. _____ and Cost Centre No. _____ .

* The original authorisation of £ _____ was adjusted by £ _____ , being recovered in respect of an overpayment of _____ benefit.

Continuing Payment

* Arrears paid as above and weekly / monthly / quarterly payments started from _____ .

* The cessation date of _____ has been noted.

* Quarterly returns will be made from _____ .

Casepaper noted /Computer annotations made:

Initials: _____ Date: _____

SPEC 1 (Section D) completed by:

Signed		Date	
Name		Grade	
Branch/location		Tel. No.	

SPECIAL PAYMENT DECISION (N/A)

Section A—Customer details

Customer's Name /
Appointee (if applicable) _____

Customer's Address _____

Benefit / Category of Case _____

Reference or NI Number _____

SP Reference No.
(if applicable) _____

Section B—Summary of case

Summary of case and reasons why a special payment is being refused. You should describe the facts and circumstances of the case and explain exactly the basis for your decision. Continue on a separate sheet if necessary.

Section C—Determination

To: _____

A special payment in respect of _____ (enter category) is refused for the reasons given in Section B above.

SPEC 1 (N/A) completed by:

Signed		Date	
Name		Grade	
Branch/location		Tel: No.	

AUTHORITY TO MAKE A SPECIAL PAYMENT

To: The Manager _____ (Benefit / Paying Office)

1. Please arrange for the special payment described in Section C of the attached form Spec 1 to be made immediately **(and in any case no later than 5 days)** to:

Customer's Name _____

Customer's Address _____

Reference / NI Number _____

SP Ref. No.
(if applicable) _____

2. Charge the payment to the appropriate benefit or payment code as specified on form Spec 1.
3. Ensure the appropriate cost centre code is entered on **RAMIS** ____ when making payment.
4. Ensure overpayment records are noted with any recovery.
5. Send the attached draft letter with the payment.

Action after payment

6. **In every case** – complete Section D of form Spec 1 and return it to the DSD business or agency branch that authorised it. **Keep a copy for your records.**
- 7*. In **continuing ex gratia awards** – send the DSD business or agency branch that authorised the award, quarterly returns showing the total amount paid during the quarter, including any arrears. This should be done until payment ceases. The quarters end on the last day of June, September, December and March. The returns must reach the appropriate branch no later than the first week after the end of each quarter. The last return when payment has ceased must be clearly marked "FINAL".
- 8*. In **continuing extra-statutory awards** – take the same action as in paragraph 7.
9. Retain this form in the casepapers / claim unit.

* Delete as appropriate before sending to the paying office.

SPEC 2 completed by:

Signed		Date	
Name		Grade	
Branch/location		Tel: No.	

DRAFT PARAGRAPHS FOR INCLUSION IN LETTERS

General points

The response to each customer should include

- a summary of both the complaint and the outcome of your investigation;
- where error has occurred, an acknowledgement of the DSD error and an apology;
- details of the redress to settle the complaint
- details of how the complaint can be taken further by the customer (see below).

Special payment made – how a customer can take matters further.

Special payments are not defined by legislation and in view of the exceptional nature of the payments, are made on a discretionary basis. As special payments are not covered by statute, there is no process of appeal against the amount of a special payment. However, if you can provide further evidence to support your case, we would be happy to look at the decision again.

If you are dissatisfied about the way your complaint has been dealt with, you can bring your case to the attention of the

1. Independent Case Examiner (ICE)
2. Assembly Ombudsman for Northern Ireland

ICE can only accept a referral after the complaint has been through the Agency's internal complaints procedure and cannot accept a complaint if it has already been investigated by the Ombudsman.

Details of the service offered by ICE and how to make a complaint can be found in the complaints leaflet ICE1, which can be obtained by calling ICE on 0845 606 0777 or from the ICE website

www.ind-case-exam.org.uk/

Complaints to the Ombudsman have to be made through an MLA. The Ombudsman deals with complaints, where a public authority is alleged to have

- done something in the wrong way
- done something they should not have done or
- failed to do something they should have done.

Further details about the role of the Assembly Ombudsman for Northern Ireland are contained in the leaflet *The Northern Ireland Ombudsman*. The leaflet can be obtained by calling the Ombudsman's office on 0800 34 34 24. Further information about the Ombudsman can be obtained on the Ombudsman's website:

www.ni-ombudsman.org.uk/

CONSOLATORY PAYMENTS

Payment not appropriate: request for a special payment rejected.

Thank you for your request for a special payment [Amend introduction as appropriate].

There is no legal requirement for the Department to make special payments. However, the Department does have discretionary special payment arrangements that are ex gratia in nature. Under these arrangements, a consolatory payment can be considered where clear and persistent Departmental errors have had a direct impact on a person's life or a harmful effect on their health. Any payment is discretionary and each case is looked at on its own merits.

Your request for a special payment has been carefully considered but I am sorry that a payment is not appropriate. Your application has been refused because (enter clear, concise and full reasons for the decision).

Because special payments are not defined by legislation, and because of the exceptional nature of the payments, they are made on a discretionary basis. As such payments are not covered by statute; there is no process of appeal against a refusal to make a special payment. However, if you can provide further evidence to support your case we would be happy to have the decision looked at again.

If you are dissatisfied about the way your complaint has been dealt with, you can bring your case to the attention of the

3. Independent Case Examiner (ICE)
4. Assembly Ombudsman for Northern Ireland

ICE can only accept a referral after the complaint has been through the Agency's internal complaints procedure and cannot accept a complaint if it has already been investigated by the Ombudsman.

Details of the service offered by ICE and how to make a complaint can be found in the complaints leaflet ICE1, which can be obtained by calling ICE on 0845 606 0777 or from the ICE website

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www.ni-ombudsman.org.uk/

Decision previously given for same complaint – lack of new evidence/new evidence does not alter previous decision

Thank you for your request for a special payment because of the (enter description of alleged effect of error on customer) you say that you suffered as a result of error by this Department.

A previous application was received from you in respect of this on (date) but at that time a payment could not be made, as (enter reason for previous rejection). I cannot reconsider your request as you have not supplied any new evidence for consideration / (or -) I have considered the further evidence that you have supplied but I am sorry to inform you that a payment cannot be made because (enter reason for rejection).

If you are dissatisfied about the way your complaint has been dealt with, you can bring your case to the attention of the

5. Independent Case Examiner (ICE)
6. Assembly Ombudsman for Northern Ireland

ICE can only accept a referral after the complaint has been through the Agency's internal complaints procedure and cannot accept a complaint if it has already been investigated by the Ombudsman.

Details of the service offered by ICE and how to make a complaint can be found in the complaints leaflet ICE1, which can be obtained by calling ICE on 0845 606 0777 or from the ICE website

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- done something in the wrong way
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www.ni-ombudsman.org.uk/

Further information required for consideration of request for a special payment for severe distress

The Department can make a special payment for severe distress in very exceptional circumstances. Such payments may be made where Departmental error directly caused a significant deterioration in a customer's physical or mental health.

Each case is carefully considered on its own merits with the final decision being based on information about the effect that the error has had on the customer's health.

In support of your request for a special payment, it would be helpful if you could provide as much objective evidence as you can (which may include medical evidence). Such information should include details about:

- your health prior to the period [X]
- your health during the period [X]
- your state of health since that period and, if appropriate, whether it is anticipated that this state of health will continue.

[X = the period during which the actions of the Department impacted on health.]

You should describe exactly how the Department's actions affected you. This information will be kept in confidence and will be used only to enable us to consider your request for a special payment.

Optional paragraphs when payment awarded

(NB: Please see paragraph 60 for further information concerning the content of letters issued with special payments).

Draft paragraph for insertion in award letter (Compensation)

In the special circumstances of your case it has been decided to make an ex-gratia payment of £ _____ in recognition of the loss of use of the arrears paid to you on (date). The payment is enclosed with this letter.

Draft paragraph for insertion in award letter (Other)

In the special circumstances of your case it has been decided to make an ex-gratia payment of £ for (insert type of payment). The payment is enclosed with this letter.

