

Special Payment Analysis

Title

Summary	<i>Must be completed</i>
Timeline	<i>A timeline would be useful</i>
Risks	<ul style="list-style-type: none"> • <i>Of making the Special Payment</i> • <i>Of not making the Special Payment</i>
Potential costs	<ul style="list-style-type: none"> • <i>Of making the Special Payment</i> • <i>Of not making the Special Payment</i>
Proposed funding source	<i>e.g. departmental budget, Central Reserve request</i>
The Accountable Officer view	<i>Must be completed</i>
Lessons learned	<i>Actions to be taken to reduce the risk of repeat payments of this type in the department – may not be able to be completed for early interim payments.</i>
The PAO view	<i>May not be needed</i>
Law Officers Advice	<i>Must be completed</i>
Senior P&CS view (Chief People and Transformation Officer or delegate)	<i>Must be completed for payments to staff</i>
Treasury View	<i>To be completed by Strategic Finance</i>
The CoM and Ministerial view	<i>May not be needed</i>
PFM requirements	<p><i>Delete anything that doesn't apply</i></p> <p>Category 2 – notification needed</p> <p>Treasury and Exchequer must be notified, prior to making any binding commitment, using the Special Payment template, but is not required to endorse where:</p> <p>(A) a special severance payment (i.e., a payment to a departing employee in excess of contractual entitlement) is proposed of up to £10,000</p>

(B) an ex-gratia payment is proposed where there is no potential precedent for further expenditure and the proposed payment is up to £10,000 (and more than £1,000)

(C) an asset is proposed to be acquired for an essential and sound business or policy reason and the proposed purchase price does not exceed the highest independent valuation obtained. Where the seller will not accept a lower price, this may be taken as the valuation.

(D) an asset is proposed to be acquired for a non-essential but sound business or policy reason and the proposed purchase price does not exceed the highest independent valuation obtained, or there is a material possibility that the asset (including any and all associated costs) would incur a higher cost through further negotiation or an alternative process e.g., compulsory purchase. Where the seller will not accept a lower price, this may be taken as the valuation

(E) an insured payment is proposed that is recommended by the Law Officers' Department and is not more than the maximum amount proposed by the States' insurers (up to £1 million, including costs).

Category 3 – endorsement needed

Treasury and Exchequer is required to endorse, prior to making any binding commitment, where:

(A) a special severance payment (i.e., a payment to a departing employee in excess of contractual entitlement) is proposed of £10,000 or more

(B) an ex-gratia payment is proposed of £10,000 or more

(C) an asset is proposed to be acquired for an essential and sound business or policy reason and the proposed purchase price is higher than the highest independent valuation obtained, or where no independent valuation has been obtained, and there is a material possibility that the asset could be acquired at a lower price through further negotiation or an alternative process e.g., compulsory purchase. Where the seller will not accept a lower price, this may be taken as the valuation

(D) an asset is proposed to be acquired for a non-essential but sound business or policy reason, but the proposed purchase price is higher than the highest independent valuation obtained, or where no independent valuation has been obtained, and there is a material possibility that the asset could be acquired at a lower price through further negotiation or an alternative process e.g. compulsory purchase. Where the seller will not accept a lower price, this may be taken as the valuation.

(E) an insured payment is proposed that is more than £10,000 and is higher than the amount recommended by the Law Officers' Department and/or by the States insurers

(F) a high value settlement (above £1m, including costs) is proposed.

Accounting disclosure requirements	<i>To be completed by Strategic Finance – if needed</i>
Conclusion	<i>To be completed by Strategic Finance</i>