

**The Compensation Agency**

**FRAMEWORK DOCUMENT**

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**NOTE:** Throughout this document references to either “he” or “she” may be interpreted as meaning “he or she”.

## **FOREWORD**

The Compensation Agency was established on 1 April 1992 and was the first Executive Agency to be set up within the Northern Ireland Office. It is responsible for processing claims made under the Criminal Injuries (Compensation) (Northern Ireland) Order 1988 (for pre-May 2002 claims); the Criminal Injuries Compensation (Northern Ireland) Order 2002 (for post-May 2002 claims); the Criminal Damage (Compensation) (Northern Ireland) Order 1977 and the Terrorism Act 2000.

This Framework Document has been reviewed by the Agency and the Department in line with Cabinet Office Guidance on Framework Documents. This has provided an opportunity for both the Department and the Agency to take a fresh look at the Agency's aims and objectives, how it was set up and run and to consider how best to develop these arrangements to meet current and future circumstances.

Under this Framework Document, the day-to-day management of the Agency remains the responsibility of the Chief Executive who will be responsible for achieving Ministerial objectives. He and his staff will also be required to meet specific performance targets that will be set each year.

The Agency's record of achievement is impressive as is its ability to respond to the changing circumstances within the Province. The commitment of the Chief Executive and his staff to improve the quality of service they provide to the community is to be commended.

**PAUL GOGGINS**

**Minister of State for Northern Ireland**

14 October 2007

## Chapter One

### Status, Aim and Objectives

#### Executive Agency

1.1 The Compensation Agency became operational on 1 April 1992.

#### Title

1.2 The Agency is called the Compensation Agency. Throughout this document it is referred to as “the Agency” and the rest of the Northern Ireland Office is referred to as “the Department”.

#### Aim

1.3 The Agency carries out the Secretary of State’s functions for the provision of compensation under the criminal injuries and criminal damage legislation and Terrorism Act 2000. Within that legislative framework, the aim of the Agency is:

**To support victims of crime, and people who have suffered loss from action taken under the Terrorism Act 2000, by ensuring that they are appropriately compensated in accordance with the relevant statutory schemes.**

#### Objectives

1.4 In support of this aim, the Agency’s key objectives are:

- (i) To provide a responsive and effective service to all applicants in which claims are dealt with speedily, consistently and in accordance with the relevant legislation.
- (ii) To deliver the compensation schemes efficiently and cost effectively while seeking continuous improvements to the standards of service within the limits of the resources available.

1.5 In pursuing these objectives, the Agency ensures that staff are properly trained in the operation of the compensation schemes, maintains and develops financial and management information systems, ensures a high standard of corporate governance and keeps operational policies and procedures under review.

1.6 The following legislation applies:-

The Criminal Injuries (Compensation) (Northern Ireland) Order 1988;

The Criminal Injuries Compensation (Northern Ireland) Order 2002;

The Criminal Damage (Compensation) (Northern Ireland) Order 1977;

The Terrorism Act 2000

- 1.7 In respect of Criminal Injury claims prior to 1 May 2002, Criminal Damage claims and Terrorism Act claims, applicants have a statutory right of appeal to the courts if they are dissatisfied with decisions reached on their claims. Applicants or their legal representatives may contact the Agency about any aspect of their claim.
- 1.8 In respect of Criminal Injury claims submitted under the Criminal Injuries Compensation (Northern Ireland) Order 2002, a decision in respect of a claim for compensation may be reviewed. A decision taken on review under provision of the Scheme may be appealed under Article 7 of the legislation to the Criminal Injuries Appeal Panel for Northern Ireland.

## **Chapter Two**

### **Organisation and Responsibility**

- 2.1 The Agency is managed by a Chief Executive who is appointed by the Minister normally following open competition. The appointment is for a fixed term with arrangements for review and possible extension in light of performance.

### **Delineation of Responsibilities**

- 2.2 The Secretary of State delegates to the appropriate Minister, the responsibility for determining the general policy framework within which the Agency operates and the scope of its activities. The Minister approves its Corporate and Annual Business Plans, sets performance targets, monitors performance and determines the resources to be made available to the Agency. The Minister also approves any revisions to the Framework Document.
- 2.3 The Chief Executive is responsible to the Minister for the effective operation of the Agency in accordance with this Framework Document, the Corporate Plan, the Annual Business Plan and for meeting its objectives and targets within the resources allocated. It is also his responsibility to provide the Minister with the information agreed in advance for monitoring the Agency's performance against its specified targets.
- 2.4 The Permanent Under Secretary, as administrative Head of the Department, is the principal adviser to Ministers on compensation policy matters and on the overall performance of the Agency. He is the Departmental Accounting Officer and nominates a senior official to carry out the responsibilities in paragraph 2.5.
- 2.5 The senior official nominated by the Permanent Under Secretary is responsible for advising Ministers on the Corporate Plan, the Annual Business Plan, including the annual targets specified therein, and on the resources needed to achieve these. He is also responsible for advising Ministers on performance against targets and provides support and advice to the Chief Executive in meeting his objectives and key targets.

## **Chapter Three**

### **Parliamentary Accountability**

#### **Ministerial Accountability**

- 3.1 The Secretary of State for Northern Ireland is accountable to Parliament for the Agency but he does not normally become involved in its day-to-day management.
- 3.2 Ministers encourage Members of Parliament (MPs), Members of the Legislative Assembly (MLAs), Members of the European Parliament (MEPs), public representatives and the general public to deal direct with the Chief Executive on matters delegated to the Agency. If they are dissatisfied with a reply, they may raise the issue with Ministers.
- 3.3 The Chief Executive provides the Minister with any information necessary to answer Parliamentary Questions or deal with any other Parliamentary business about matters delegated to the Agency. When an MP tables a Written Question about a matter for which the Agency is responsible, the Minister will normally ask the Chief Executive to write in response. In such cases the Chief Executive will ensure that a copy of the reply is sent to the Department which will arrange for it to be sent to the House of Commons Library and to appear in the Official Report.

#### **Accounting Officer Arrangements**

- 3.4 The Permanent Under Secretary is the Departmental Accounting Officer of the Northern Ireland Office. He designates the Chief Executive as Agency Accounting Officer by sending him a letter in a form approved by HM Treasury defining the relationship between the Chief Executive's responsibilities as Agency Accounting Officer and his own as Departmental Accounting Officer.
- 3.5 The Chief Executive, as Agency Accounting Officer, is accountable for the economic, efficient and effective use of resources provided to the Agency, for the propriety and regularity of its expenditure, and for ensuring that the requirements of Government Accounting are met. He is responsible for establishing proper systems for this purpose. He also follows any relevant guidance issued by HM Treasury, and puts into effect any relevant recommendations accepted by Government, of the Committee of Public Accounts, other Parliamentary Select Committees and any other Parliamentary authority.
- 3.6 The Departmental Accounting Officer and the Agency Accounting Officer are both liable to be summoned to appear before the Committee of Public Accounts. The Minister decides who should represent him at other Parliamentary Select Committees when affairs of the Agency are discussed. In practice where a Committee's interest

is in the day-to-day operations of the Agency, the Minister normally regards the Chief Executive as the person best placed to answer on his behalf.

### **The relationship with other bodies**

- 3.7 The Chief Executive will make arrangements to work in co-operation with community and voluntary bodies and other agencies providing related services to the victims of violent crime.

### **Parliamentary Commissioner for Administration**

- 3.8 The activities of the Agency fall within the jurisdiction of the Parliamentary Commissioner for Administration. The Permanent Under Secretary remains the Principal Officer of the Department for this purpose, but he delegates to the Chief Executive responsibility for the preparation of replies on any matters concerning the operations of the Agency and for replying whenever appropriate.

### **Customer Complaints Procedure**

- 3.9 The Chief Executive will publish a complaints procedure which is clear and accessible to all the users.

### **Annual Report and Accounts**

- 3.10 The Chief Executive prepares and signs for each financial year the Annual Report and Accounts on the Agency's performance and achievement on targets. The accounts are prepared in a form approved by the Department and HM Treasury.
- 3.11 The accounts and activities of the Agency are subject to audit by the Comptroller and Auditor General whose staff or delegates have the right of access to all the Agency's records.
- 3.12 The Chief Executive ensures that the Annual Report and Accounts are presented to the Comptroller and Auditor General to enable them to be audited. Once audited they are to be submitted to the Minister, laid before Parliament and published before the summer recess.
- 3.13 The Chief Executive is required to provide all necessary information to assist with the preparation of the Departmental Resource Accounts, which are signed by the Departmental Accounting Officer.

### **Arrangements for Risk Management**

- 3.14 The Chief Executive will develop and continually review the Agency's risk management plan and make it available to the Department.

## **Internal Audit**

- 3.15 The Chief Executive, as Agency Accounting Officer, is responsible for ensuring that adequate arrangements exist for internal audit. The Chief Executive ensures that the arrangements for internal audit accord with Government Internal Audit standards.

## **Chapter Four**

### **Finance and Planning**

#### **Funding**

4.1 The Agency is funded from the Northern Ireland Office Estimate, which is approved and presented to Parliament by HM Treasury. The Agency's public expenditure and administration costs requirements are based on a gross administration costs regime and proposed levels of performance and efficiency are considered as part of the Department's inputs to the three-year Spending Reviews, which are managed by HM Treasury. As part of his input to the Spending Review, the Chief Executive proposes his strategy and associated resource requirements over the planning period.

#### **Corporate Plan**

4.2 The Chief Executive prepares each year a Corporate Plan setting out the strategic plans for the Agency over the next three years. The Corporate Plan is submitted to the Minister, to a timetable which is co-ordinated with the annual Main Estimates, for his approval. The Corporate Plan, which will normally be published along with the Annual Business Plan, will include:

- The goals of the Compensation Agency;
- The strategies it will follow to achieve these goals;
- The operating assumptions on which the goals and strategies are based including those on the resources available;
- Plans for improving managerial effectiveness and efficiency and quality of service and for implementing any Government managerial initiatives.

#### **Annual Business Plan**

4.3 Within the framework of the longer term strategy approved by the Minister, the Chief Executive prepares each year and agrees with the Minister, to a timetable which is co-ordinated with the annual Main Estimates, a Business Plan setting out patterns of expenditure, objectives and performance targets for the next financial year. The plan includes:

- Key performance targets;
- Priorities and other targets;

- The implications in the current year of proposals in the Corporate Plan;
  - The Agency's work programme and patterns of expenditure for the year
  - The key assumptions, including those about resources, which underpin targets and the work programme.
- 4.4 The approved Corporate and Annual Business Plans will be presented to Parliament in the form of a statement by the Minister, and copies of the Plans will be placed in the libraries of both Houses of Parliament.
- 4.5 The Minister or the Chief Executive may review the Corporate and Business Plan at any time to reflect changes in policy, resources, priorities and operating environment. All revisions of the Plan are subject to the agreement of the Minister after consultation with the Chief Executive. Following approval by the Minister, the amended Plans will be presented to Parliament by way of a statement from the Minister, and copies of the Plans will be placed in the libraries of both Houses of Parliament.

### **Reporting**

- 4.6 The Chief Executive will report quarterly to the Minister on the performance of the Agency in line with its agreed aim, strategies and targets. The Chief Executive will provide such other reports on the business of the Agency as the Minister or Permanent Under Secretary may require.

### **Budgetary Flexibilities and Financial Delegations**

- 4.7 The Chief Executive has available to him the budgetary flexibilities and financial delegations set out in Annex A. The Chief Executive may propose to the Minister, amendments, which would assist in achieving the objectives set for the Agency.

## Chapter Five

### Key Performance Indicators

5.1 The Agency's performance against its objectives will be regularly monitored. Outlined below are key objectives and illustrative performance indicators. The latter will be translated into targets in the Agency's Business Plans and achievement against those targets will be monitored by the Department through the process of quarterly reviews.

KEY OBJECTIVE	CRIMINAL INJURY SCHEME (TARIFF)	EARLIER CRIMINAL INJURY SCHEMES	CRIMINAL DAMAGE SCHEME AND CLAIMS UNDER THE TERRORISM ACT 2000
<p>1. To provide a responsive and effective service to all applicants in which claims are dealt with speedily and consistently and in accordance with the relevant legislation</p>	<ul style="list-style-type: none"> <li>• Applicant satisfaction levels</li> <li>• Number of justified complaints/unsolicited compliments received</li> <li>• Time taken to notify applicant of a decision</li> <li>• Compliance with the legislation</li> </ul>	<ul style="list-style-type: none"> <li>• Time taken to decide claims</li> <li>• Compliance with legislation</li> <li>• Responses by applicants and legal representatives to regular applicants' opinion surveys</li> <li>• Number of justified complaints / unsolicited compliments received</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with the legislation</li> <li>• Number of justified complaints / unsolicited compliments received</li> <li>• Responses by applicants and legal representatives to regular applicants' opinion surveys</li> </ul>
<p>2. To deliver the compensation schemes efficiently and cost effectively while seeking continuous improvements to the standards of service within the limits of the resources available.</p>	<ul style="list-style-type: none"> <li>• Average unit cost of deciding a case</li> <li>• To work towards the attainment of recognised management and administrative awards such as Chartermark and Investors in People using tools such as Balanced Scorecard and EFQM</li> <li>• Time taken to notify applicant of decision.</li> <li>• Number of justified complaints/unsolicited compliments received</li> </ul>	<ul style="list-style-type: none"> <li>• Time taken to decide claims</li> </ul>	<ul style="list-style-type: none"> <li>• Average unit cost of deciding a claim</li> <li>• Time taken to decide claims</li> </ul>

## **Chapter Six**

### **Personnel**

#### **Status and Conditions of Service**

- 6.1 Agency staff are Civil Servants within the Northern Ireland Office and are employed on Northern Ireland Civil Service or Home Civil Service terms and conditions, as appropriate. The Chief Executive, in consultation with the Department, may make variations to the terms and conditions for Northern Ireland Civil Servants subject to the approval of the Department of Finance and Personnel and for Home Civil Servants subject to the approval of the Department.

#### **Personnel Management**

- 6.2 Except as otherwise provided for in this Framework Document, the Chief Executive is fully responsible for the personnel management of Agency staff.

#### **Industrial Relations**

- 6.3 The Chief Executive is responsible for staff relations within the Agency. He will ensure that staff and their representatives are consulted on all appropriate matters.

#### **Grading and Pay**

- 6.4 The Chief Executive will keep the pay and grading arrangements of the Agency under review to ensure they are suited to its needs and circumstances. Any changes in pay and grading arrangements will be made in consultation with the Department. Where the Agency wishes to change the grading and/or the number of posts, the Chief Executive will discuss this with the Department at an early stage, under the procedures as outlines at Paragraphs 6.6 to 6.9.
- 6.5 The Chief Executive may utilise the Special Bonus Scheme within the limits of the Scheme and the budgets delegated to him, and the Group Incentive Bonus Scheme with the approval of the Department and in line with the agreed performance targets for the Agency.

#### **Staffing Levels**

- 6.6 Annex B details the headcount control total and maximum staff cost budget to allow the Agency to live within its resource budget allocation. Staff may be recruited up to a level that ensures neither the headcount control total nor the staff cost budget is breached.

- 6.7 If staffing levels in excess of the headcount control total or staff costs in excess of the maximum staff cost budget are considered necessary, a case must be made to the NIO sponsor directorate. This should outline how there will be permanent reductions in other areas of expenditure which will allow the staff cost budget to be permanently increased.
- 6.8 If the case is accepted, the headcount control total and staff cost budget will be adjusted with the expectation that no subsequent request for additional funding will be made in the area of expenditure that was permanently reduced.

### **Recruitment**

- 6.9 The Chief Executive may recruit permanent and period appointment staff directly through the Northern Ireland Civil Service Recruitment Service or through the Department. He will consult the Department on the position regarding staff surpluses before recruiting staff above D1/Administrative Officer grade. The Chief Executive has authority to recruit casual staff directly or through the Department.

### **Transfers**

- 6.10 The Chief Executive and the Department will consult on all matters relating to the transfer of staff into or out of the Agency. The Department will use its best endeavours to provide suitable staff to the Agency. This will ensure that the needs of the Agency, the Department and the career development interests of individuals are fully addressed before decisions on transfers are finalised.

### **Training and Career Development**

- 6.11 The Agency is committed to maintaining a well motivated and properly trained workforce capable of consistently delivering a high standard of service and generally contributing to the aim and objectives of the Agency to the maximum of their individual abilities. The Chief Executive maintains a training and development strategy and prepares an annual training plan, which meets the needs of the Agency. He is also jointly responsible with the Department for ensuring that Agency staff have the opportunity to gain appropriate skills to develop their careers.

### **Promotion Procedures**

- 6.12 Eligible staff within the Agency are considered for promotion through Agency or Departmental promotion boards or through machinery operated within the Northern Ireland Civil Service or Home Civil Service.
- 6.13 The Chief Executive may operate separate promotion procedures. Where the eligibility criteria differ from those operating in the NI Civil

### **Grievance, Conduct and Discipline**

- 6.14 The Chief Executive is responsible for operating grievance, disciplinary and inefficiency procedures in the Agency.

### **Welfare Services**

- 6.15 Agency staff have access to the Department's staff welfare services.

### **Legal Staff, Accountants and Quantity Surveyors**

- 6.16 The Chief Executive may make such arrangements, as he considers appropriate for the provision of legal staff, accountants and quantity surveyors for the Agency.

### **Support Services**

- 6.17 The Chief Executive is responsible for maintaining the budget in respect of all the services required by the Agency. If the Department supplies any services, they shall be provided in accordance with service level agreements.

## **Chapter Seven**

### **Review and Development**

#### **Amendment and Review**

- 7.1 The Framework Document and its operation will be reviewed by the Department, in consultation with the Agency, at intervals of not more than three years although amendments can be proposed by the Department or Agency at any time. The review will include an assessment of the Agency's track record in the effective use of its financial and managerial freedoms to achieve its objectives. The Treasury will be consulted on any proposed changes prior to submission to the Minister for approval. Where the proposed changes relate to staff terms and conditions of service they will also be the subject of consultations with staff.

#### **Publication**

- 7.2 An up-to-date copy of the Framework Document will be published on the Department's and Agency's websites and copies will be placed in the libraries of both Houses of Parliament.

## **Annex A**

### **Budgetary Flexibilities and Financial Delegations**

#### **Budgetary Flexibilities**

The Agency's expenditure is divided into the following expenditure categories:

- Demand-led payments (compensation payments and applicants' costs);
- Running costs (e.g., salaries and current expenditure);
- Programme Costs (Agency's fees, costs and expenses; Interdepartmental Charges, e.g. DFP advisory services);
- Capital (e.g., office equipment, computer equipment or furniture)

For the purpose of flexibility the Chief Executive has authority to:

- Re-allocate financial provision within each of the above categories;
- Re-allocate provision from programme costs to capital expenditure, subject to the approval of the Department;
- Allocate provision out of the Agency's running costs budget, subject to the approval of the Department;
- Carry forward underspends of running costs and capital within limits specified in advance each year by the Department.

#### **Financial Delegations**

The Chief Executive has delegated authority, through the Accounting Officer, from HM Treasury, to settle compensation claims.

The Chief Executive has authority to authorise write-offs within limits specified by the Department.

The Chief Executive has authority to authorise expenditure on individual IT projects up to the financial limit specified for the Department by HM Treasury.

## Annex B

### Staffing Levels

<b>Financial Year</b>	<b>Headcount Total (FTE)</b>	<b>Control</b>	<b>Maximum Staff Cost Budget (£ '000)</b>
2007/08 <sup>i</sup>	82		£2,280
2008/09 <sup>ii</sup>	80		£2,305
2009/10	75		£2,239
2010/11	75		£2,239

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<sup>i</sup> Final figures from 2007/08 budget as at 6 July 2007

<sup>ii</sup> Figures for 2008/09, 2009/10 and 2010/11 are estimates as at 6 July 2007. These may change when the outcomes of CSR 2007 are known.