

NORTHERN IRELAND CITY & GROWTH DEALS: GOVERNANCE AND FUNDING ARRANGEMENTS

SECTION 1 - INTRODUCTION

- 1.1. The UK and NI departments with responsibility for City and Growth Deals in Northern Ireland, have endorsed the following overarching governance, funding and monitoring arrangements. Its structures, processes and guidance should be followed to by all City/Growth Deal partners. The arrangements set out in this document will be kept under review.
- 1.2. More detailed arrangements specific to each City/Growth Deal will be agreed as part of the Deal documentation which will include a Financial Agreement, Implementation Plan and Monitoring and Evaluation Framework.

GOVERNANCE

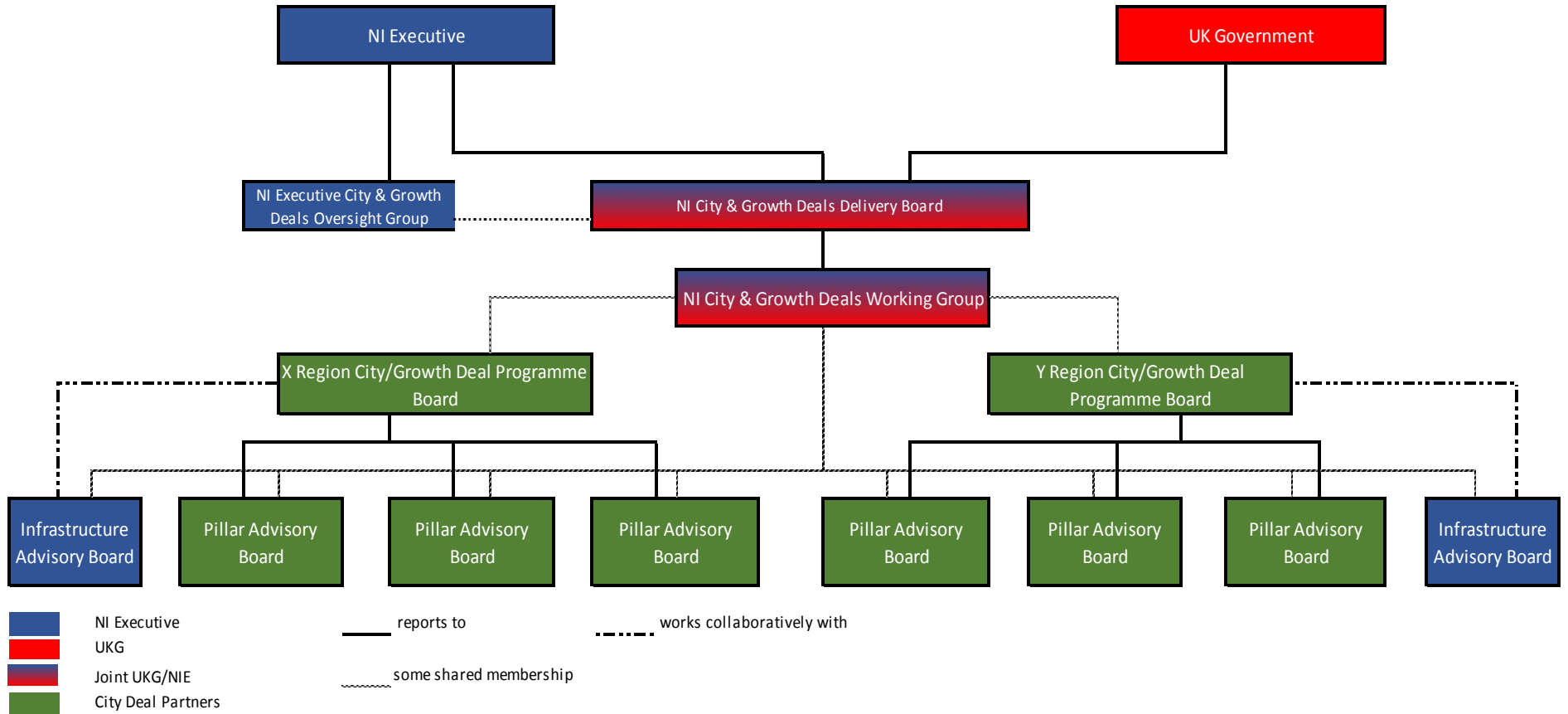
- 1.3. A number of governance structures are required to ensure the successful implementation of individual projects to time, cost and quality - providing the necessary accountability, oversight and management throughout. The governance structures are summarised in Table 2.1, with detail on each group explained at Section 2.
- 1.4. Financial accountability of UK Government, NI Government and local partner funding will be paramount throughout the lifetime of each project's delivery. To ensure that annual profiles are agreed and allocated correctly on the basis of the detail of the business case a number of funding flow procedures are required. These are summarised in Table 3.1 and explained in more detail at Section 3.

COMMON ABBREVIATIONS

Northern Ireland	NI
City and Growth Deal(s)	"Deal(s)"
Heads of Term	HoT
NI Executive City and Growth Deals Oversight Group	"the Oversight Group"
NI City and Growth Region Deals Delivery Board	"the Delivery Board"
NI City and Growth Deals Working Group	"the Working Group"
X Region City and Growth Deal Programme Board	"the X Region Programme Board"
Arm's Length Bodies	ALBs

SECTION 2 - GOVERNANCE

Table 2.1: Governance Structure



NI GOVERNANCE STRUCTURE

Northern Ireland City and Growth Deals Delivery Board (“the Delivery Board”)

2.1 This is part of the overall governance structure for all Northern Ireland City and Growth Deal. It oversees the Deals on behalf of the UK Government and NI Executive.

Roles

2.2 The Delivery Board is a joint UK and NI Government Board with responsibility for:

- Considering and providing direction on strategic City/Growth Deal issues as they arise in advance of Heads of Terms being signed.
- Providing assurance and advice to Ministers regarding the progress and delivery of Northern Ireland Deals from the point of signing Heads of Terms.
- The oversight, monitoring and successful implementation of all current Northern Ireland Regional Deals, including the effective monitoring of performance, outcomes, budget, risks and other issues relating to the programme, in accordance with best practice and any recommendations issued by auditors, Northern Ireland Audit Office (NIAO) or the National Audit Office (NAO).
- The appropriate escalation and advice through both Governments should major issues arise.

Responsibilities

2.3 Responsibilities will include:

- Considering the strategic alignment of all NI City/Growth Deals to ensure as far as possible that projects are complementary with no undesirable duplication.
- Monitoring and supporting the successful implementation of all NI Deals from the point of signing HoT by assessing delivery against agreed implementation plans.
- Oversee and support the development of programme and project business cases and facilitate Ministerial clearances and approval where relevant. The Delivery Board does not review business cases, rather the Delivery Board is kept informed of progress on project business cases. Where there are challenges in progressing business cases the delivery board should review and where necessary support mitigating actions to unblock the process. UKG Ministerial approval will be limited on the basis that NI Departments (and Ministers if in place) will be ultimately accountable for expenditure and therefore, have final approval on expenditure. More detail on the business case approval process is set out in Section 5.
- Agreeing common Government positions and/or required mitigations to manage developing issues, risks or any slippage to a Deal or specific project.
- Agreeing, subject to expenditure approval, any substitute projects which are submitted by the X Region Programme Board through the accountable department

Functions

2.4 The Delivery Board will ensure that all Deals in Northern Ireland with HoT agreements in place will develop the appropriate implementation documentation to be agreed by both Northern Ireland Executive and UK Government. This may include but are not limited to:

- an Implementation Plan;
- financial agreement;
- monitoring and evaluation framework;
- Deal governance agreement; and
- communications protocol.

2.5 Where either Government has a specific expectation of regional partners as part of the return expected for the Deal investment, respective officials will seek to ensure this is included in the Deal agreement, with Ministers agreeing any relevant proposal. The Delivery Board will take this in to account in future monitoring and evaluation.

Meeting Schedule

2.6 The Delivery Board will meet quarterly to monitor the implementation of current and agreed Deals. Additional ad hoc meetings may be arranged as required. Progress Reports from NI/UKG Deal leads will be tabled and considered at each meeting.

2.7 For NI, the working group representative on each Region's Programme Board will act, in a corporate NICS capacity, as the lead co-ordinator for reporting on behalf of NI Departments on each Deal.

Risk Registers

2.8 The Delivery Board will maintain and review at each meeting a risk register. Mitigations will be agreed and their implementation and success monitored by the Delivery Board.

2.9 Decisions and actions agreed by the Delivery Board will be recorded in the record of the meeting. Should a decision be required in between meetings, decisions may be made and confirmed in writing by Delivery Board members.

2.10 The Delivery Board will escalate issues and risks as required through internal NI/UKG processes and ultimately to Ministers.

2.11 The Delivery Board will undertake an Annual Conversation and maintain a profile with the Region Programme Board for each Deal to review the City/ Growth Deal

Annual Reports and discuss implementation progress. Representatives will be invited to meetings as required.

Reporting

Quarterly

2.12 The Delivery Board is accountable to both Governments for the successful implementation of each Northern Ireland Deal.

2.13 Following each quarterly meeting the Joint Chairs will agree an update report which will be provided to:

- NICS SRO
- NIO SRO
- MHCLG SRO

2.14 Following approval by the NICS SRO the report will be provided to:

- NICS Board
- NI Executive

Annually

2.15 A public facing Annual Implementation Progress Report noting the status of implementation of Northern Ireland Deals will be submitted to Ministers on an annual basis, based on the outcome of the Annual Conversations assurance process.

2.16 This will be produced by the Working Group and approved by the Delivery Board and NICS SRO within 3 months of the last annual conversation.

2.17 Ministers may request an annual joint UKG/NI Ministerial forum. The Annual Implementation Progress report must be provided in advance of this forum.

Membership

2.18 Joint Chair

- NICS - Department of Finance Grade 3
- NIO - Director / Deputy Director of Economic and Domestic Affairs

2.19 Members

- Ministry of Housing, Communities and Local Government
- HM Treasury
- Department for Economy (at least Grade 5 level)
- Department for Communities (at least Grade 5 level)
- Department of Infrastructure (at least Grade 5 level)
- Other UKG/NICS representatives as required

2.20 Secretariat

- NICS (DoF)

2.21 NICS departmental representatives will also be members of NI Executive City and Growth Deals Oversight Group (“the Oversight Group”). This will ensure transfer of knowledge and avoid unnecessary duplication of papers.

2.22 Where a department has responsibility for more than one pillar then more than one representative may be appropriate.

NI Executive City and Growth Deals Oversight Group (“the Oversight Group”)

2.23 This is part of the overall governance structure for all Northern Ireland City and Growth Deal. It oversees the Deals on behalf of the NI Executive only.

Roles

2.24 The Oversight Group has responsibility for oversight of the NI Executive funding provided to each Deal.

Responsibilities

2.25 These will include:

- recommending the level of NI Executive funding that will be provided to each Pillar, within the constraints of the limit on the total NI funding to be provided. This will be based on engagement with Accountable Body on forecast expenditure profiles for projects in HoTS. DoF will seek Executive approval for this, through the Finance Minister. ;
- agreeing any changes to the original list of projects identified for Executive funding under each Pillar and seeking Executive approval for any changes. All projects will be subject to expenditure approval, with relevant business case documentation provided, before proceeding;
- agreeing, in conjunction with the X Region City and Growth Deal Programme Board, the quantum and profile of funding to be provided by Deal partners for each project to be joint funded by the Executive; and

- Agreeing the quarterly report provided by the Delivery Board and providing this to NICS Board and NI Executive.

Meeting Schedule

2.26 The Oversight Group will meet quarterly. Where possible meetings will be arranged immediately before or after Delivery Board meetings. Additional ad hoc meetings may be arranged as required.

Membership

2.27 Chair

- NICS Joint Chair of the Delivery Board (DoF Grade 3)

2.28 Members

- Department for Economy – (at least Grade 5 level)
- Department for Communities (at least Grade 5 level)
- Department of Infrastructure (at least Grade 5 level)
- Other NICS representatives as required

2.29 Secretariat

- NICS (DoF)

2.30 NICS departmental representatives should also be members of NI Executive City and Growth Deals Delivery Board (“the Delivery Board”). This will ensure transfer of knowledge and avoid unnecessary duplication of papers.

2.31 Where a department has responsibility for more than one pillar then more than one representative may be appropriate.

Northern Ireland City and Growth Deals Working Group (“the Working Group”)

2.32 This is part of the overall governance structure for all Northern Ireland City and Growth Deals. It facilitates the oversight of the Deals on behalf of the UK Government and NI Executive.

Roles

2.33 The Working Group is a joint UK and NI Government group established to underpin the implementation process for agreed all Northern Ireland Deals.

2.34 The Working Group will meet monthly and will have the responsibility of agreeing the agenda and relevant papers for the Delivery Board, in consultation with the joint chairs.

Responsibilities

2.35 The core responsibilities of the Working Group are:

- Monitor the implementation of the Northern Ireland Deals, escalating issues and risks relating to the implementation of Deals to the Delivery Board as required.
- Maintain the risk register for the Delivery Board, updating at least monthly and reporting quarterly to the Delivery Board.
- Making recommendations to the joint chairs of the Delivery Board regarding meeting agendas.
- Providing robust information to inform the decision making of the Delivery Board, including the preparing of both programme level and individual Deal dashboards.

Meeting Schedule

2.36 The Working Group will meet on a monthly basis for the purpose of monitoring the implementation of each Deal. The frequency of meetings can be altered subject to the agreement of the Delivery Board.

Membership

2.37 Chair

- NICS - Department of Finance (Grade 6)

2.38 Members

- NIO
- Ministry of Housing, Communities and Local Government
- Department for Economy (at least Grade 7 level)
- Department for Communities (at least Grade 7 level)
- Department of Infrastructure (at least Grade 7 level)
- Other UKG/NICS representatives as required

2.39 Secretariat

- NICS (DoF)

2.40 The NICS departmental representatives will be the departmental representatives on the Pillar Advisory Boards (see paragraph 2.41). Therefore more than one representative may be required from each department. This will ensure that the Working Group is fully apprised of progress on all projects.

2.41 A NICS member of the Working Group will be nominated as the NICS representative on each Deal Programme Board with observer status this representative will act as lead co-ordinator for reporting on behalf of NI

Departments on each deal. More detail on this role is provided at paragraph 2.48.

Region City Deal Programme Board (the “Programme Board”)

2.42 Each City/Growth Deal will establish its own Programme Board with representatives from all Deal partners. It is for each Programme Board to determine its own terms of reference and reporting structures. However, the roles and responsibilities set out below should be considered the minimum requirement.

Roles

2.43 The Programme Board will drive the delivery of the Deal programme in accordance with the requirements of the HoT and agreed governance documents. It will be responsible for issue resolution and oversight of stakeholder negotiations and engagement.

Responsibilities

2.44 Responsibilities will include:

- approving profiles of expenditure provided to relevant NI Department and DoF for budget planning purposes;
- signing off each business case prior to it being submitted to the relevant NI Department for final expenditure approval; and
- authorising the grant claims being submitted to the relevant NI Department by the Accountable Body.
- Provision of information to the Working Group as required to facilitate reporting to the Delivery Board.

Meeting Schedule

2.45 The Programme Board will meet monthly.

Membership

2.46 Chair

- Chief Executive of Accountable Body (usually lead council)

2.47 Members

- Representatives, at Chief Executive level, of each council partner
- Representatives of University and College partners
- Region City or Growth Deal SRO
- Region City or Growth Deal Programme Management Office (observers)
- NICS – Working Group Member (observer)

Role of NICS Representative

2.48 The NICS representative will have observer status. This means that they will attend Board meetings and may participate in Board discussions but they do not have the ability to vote on matters. The observer may ask questions and provide advice particularly on the NICS view. The observer should inform the Board if they have any concerns with the approach being taken. If the observer has concerns with an approach agreed by the Programme Board they should raise this at the Working Group which will in turn ensure it is raised at the Delivery Board. Any significant issues arising between Delivery Board meetings should be raised in writing to the Working Group which will in turn write to Delivery Board members.

Pillar Advisory Boards

2.49 City/Growth deal partners will establish a number of Pillar Advisory Boards in support of the City/growth Deal for that Region.

Roles

2.50 To drive the development of a coherent set of projects that are capable of supporting the delivery of the Deal partners' ambitions for inclusive economic growth.

2.51 The oversight of the production of Outline and Final Business Cases for projects within that Pillar. Submission of Business Cases to the Programme Board for approval.

Role of Accountable NI Department

2.52 Representatives from the accountable NI Department will attend as advisers, they will have no voting rights. The accountable NI Department may also appoint advisers from their ALBs where appropriate. The adviser's role will be to support the development of robust projects which deliver value for money. This includes the provision of advice and guidance on the iterative development of business case in line with the Five Case Model Methodology and to ensure broader strategic alignment with Programme for Government.

2.53 In line with the role outlined for observers on the Programme Board, an adviser may ask questions and provide advice particularly on the NICS view. The adviser should inform the Pillar Board if they have any concerns with the approach being taken. If the adviser has concerns with an approach agreed by the Pillar Board they should raise this at the Working Group which will in turn ensure it is raised at the Delivery Board.

2.54 The accountable Department will ensure there is appropriate segregation of duties between advisers on Pillar Boards and those responsible for approving expenditure.

Meeting Schedule

2.55 These Pillar Advisory Boards will meet monthly.

Membership

2.56 Chair

- To be agreed by the X Region programme Board for each Pillar Board

2.57 Members

- Council/University reps TBC
- NI Accountable Department (and ALB if appropriate) (Working Group Member)
 - adviser

Infrastructure Pillar Advisory Board

2.58 An Infrastructure Pillar Advisory Board will be established where infrastructure projects included in the Deal are delivered directly by Department for Infrastructure (DfI) rather than Deal partners. A similar model may be established where projects in other Pillars are delivered directly by a NI department.

Roles

2.59 Accountability for development, delivery and evaluation of major infrastructure projects rest will rest with the Department for Infrastructure. On its behalf, the Infrastructure Pillar Advisory Board will ensure that the approach to advancing individual Deal projects is taken forward in a manner which reflects the collaborative approach taken by the Programme Board. This will, while reflecting the usual NICS governance and accountability arrangements, also ensure that the work to advance the infrastructure projects is fully reflective of the wider objectives of the Deal.

Meeting Schedule

2.60 This Board will meet monthly.

Membership

2.61 Chair

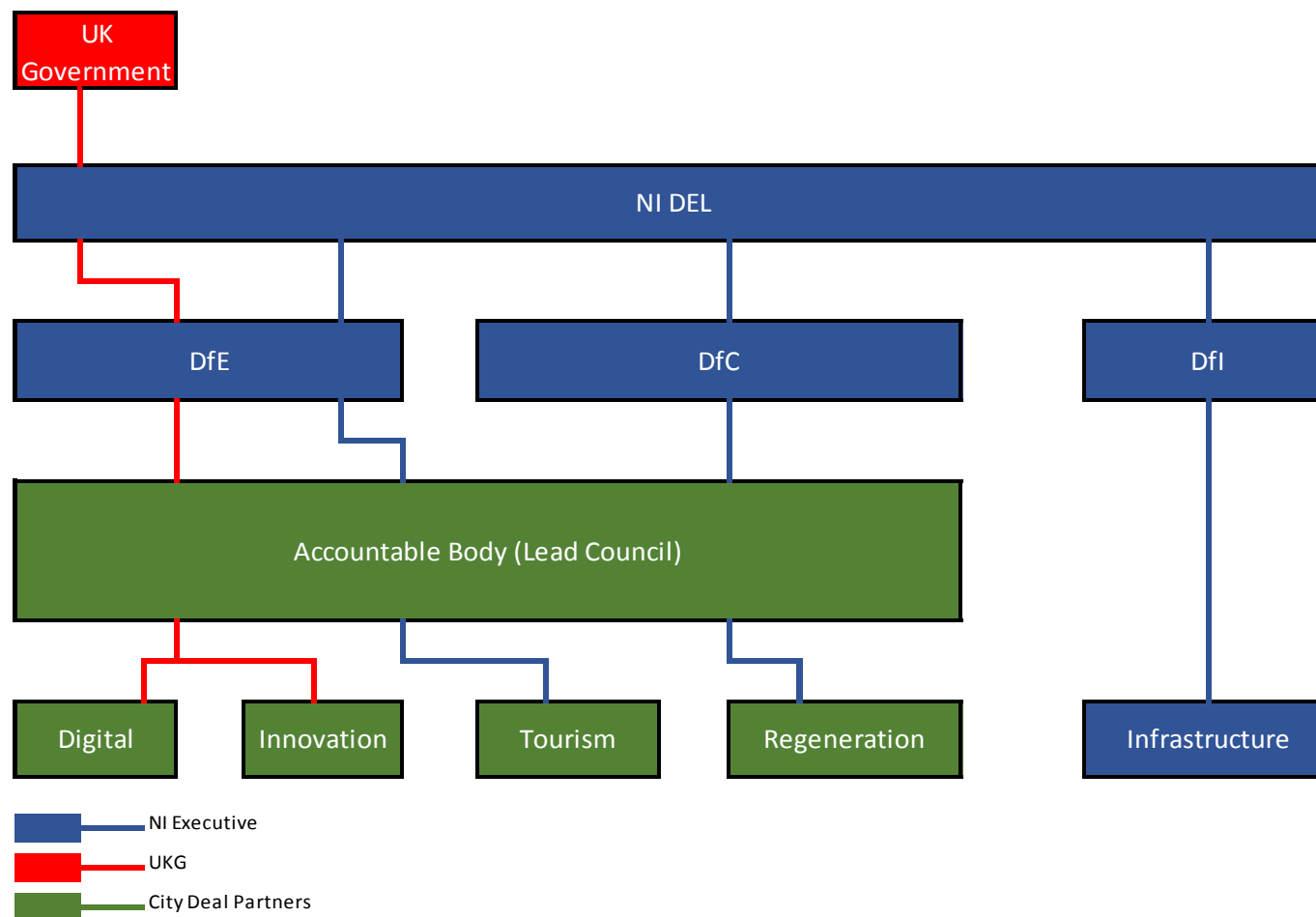
- DfI (SRO for delivery of infrastructure projects)

2.62 Members

- Councils connected with proposed infrastructure projects
- Translink
- One of the Main NI Business Representative Bodies
- DfC
- Employability and Skills Advisory Board

SECTION 3 – FUNDING

Table 3.1: Central Government Funding Flows (City/Growth Deal partners will also contribute)



UK Government Funding

- 3.1 *In the absence of an Executive, NICS officials cannot commit to managing a pro-rata UK Government (UKG) contribution in this way. However, for the purposes of agreeing funding and governance arrangements, it is assumed that the Northern Ireland Executive will agree this approach.*
- 3.2 UKG will provide funding to NI through an increase to the NI Capital DEL. This will be on an agreed annual profile, usually pro-rata over the life of the Deal. This profile may differ from the spending profile of the Deal projects.
- 3.3 The NI Executive will be responsible for ensuring the full level of UKG funding will be allocated to approved Deal projects over the life of the Deal. DoF will manage this on behalf of the NI Executive, reporting through the Delivery Board.
- 3.4 On an annual basis any over or under requirement against the annual profile will be managed by DoF, as approved by the NI Executive, within the total NI Capital DEL Budget. Annual underspends will not be surrendered to HMT and may be allocated to other Deals or NI departmental expenditure, providing the total level of funding is allocated to each Deal over its lifetime.
- 3.5 DoF will provide HMT with details of actual and forecast expenditure, upon request.
- 3.6 Accountability for UKG City Deal funding is delegated to the Accounting Officer of the NI Department with policy responsibility for the area being funded (the 'accountable' department').
- 3.7 Where a project on the original list is not considered feasible an alternative project, which meets the same VfM requirements, may be substituted. The X Region Programme Board will agree substitute projects before submitting them to the accountable department which will present them to the Delivery Board for approval. The Delivery Board will inform the NI Executive of any change in projects.

NI Executive Funding

- 3.8 *In the absence of an Executive, NICS officials cannot commit to providing match funding. However, for the purposes of agreeing funding and governance arrangements, it is assumed that match funding will be provided by the Northern Ireland Executive.*
- 3.9 The Northern Ireland Executive will include funding for the Deal within its agreed Budget. Subject to the agreement of the Executive, it is envisaged that City/Growth Deals will be prioritised within the Capital DEL budget in a similar manner to the current Flagship projects.
- 3.10 Accountability for NI Executive Deal funding rests with the Accounting Officer of the NI Department with policy responsibility for the area being funded (the 'accountable department').
- 3.11 The Oversight Group will seek NI Executive approval for all projects to be funded by NI Executive. Where a project on the original list is not considered feasible an alternative project, which meets the same VfM requirements, may be substituted. The X Region Programme Board will agree substitute projects before submitting them to the accountable department which will present them to the Delivery Board for approval. Once agreed by the Delivery Board the proposed substitute will go to the Oversight Group which will seek the NI Executive approval, through the Finance Minister.

Funding of Projects

- 3.12 For both UKG and NI Executive funded projects the accountable department will be responsible for making payments to the Accountable Body for each deal. Where appropriate the accountable department may delegate this role to an ALB. The Accountable Body will usually be the lead council. The Accountable Body will be responsible for making payments to deal partners and project promoters.

- 3.13 Each accountable department will be provided with Capital DEL allocation through the NI Budget process. Allocations will be based on the latest expenditure profiles for approved projects and will be ring-fenced so that it may only be used for the City/Growth Deal for which it has been provided.
- 3.14 While the Deal allocation will not form part of the departments 'usual' capital DEL envelope it will reduce the overall level of Capital DEL funding available at a NI Block level for other projects. Deal partners should not assume that funding will be available for additional projects through normal departmental expenditure.
- 3.15 In order to ensure affordability within the overall NI Capital DEL it is essential that Deal partners and accountable departments work closely with DoF to agree expenditure profiles. This will include pro-active management of project commencement and slippage if necessary to minimise spikes in expenditure.
- 3.16 Actual and forecast expenditure must be reviewed on a monthly basis in line with Outturn and Forecast Outturn returns to HM Treasury. This information will be provided to the accountable department by the accountable Body. The accountable department will submit to DoF in line with usual processes.
- 3.17 Departmental allocations will be reviewed and adjusted if necessary during each in-year monitoring round and any subsequent Budget exercises. The accountable department is responsible for requesting any changes to budget allocations. Deal partners and accountable departments must identify any underspends as soon as possible as the surrender of funding late in the financial year may lead to that funding being surrendered to HM Treasury.
- 3.18 An Outline Business Case (OBC) must be approved for each project before the City/Growth Deal document can be agreed. Expenditure, supported by OBCs, will be approved by the accountable department, and where necessary any ALB, with the normal DoF delegations applying. Where a project is funded by the UK Government the accountable department must receive assurance from

the relevant Whitehall department(s) that it is content with the business case. The business case must include forecast annual expenditure profiles.

- 3.19 If an accountable department requires a Full Business Case (FBC) for a project, this must be submitted and expenditure approved by the accountable department, and where relevant its ALB, before funding is released to Deal partners for that project. DoF does not normally require sight of FBCs. Similarly the FBC will not be shared with Whitehall departments unless explicitly requested. More information on the Business Case process is set out in Section 5.
- 3.20 In specific circumstances it may be possible to release funding following OBC stage but before the FBC is submitted. For example if expenditure on early preparatory costs such as design costs is required to inform the FBC. This should be agreed with the accountable department
- 3.21 A grant offer letter will be signed between the accountable NI Department, or where relevant it's ALB, and the Accountable Body, usually the lead Council, setting out the required terms and provisions to ensure funding is applied as expected. The Accountable Body will be responsible for ensuring funding is used in line with the conditions set out in the grant offer letter.
- 3.22 The accountable department will make payments to the Accountable Body for all Deal projects. Depending on the nature of the costs payments may either be made in advance, where costs are steady from one period to another, or in arrears based on actual costs. This appropriate approach should be agreed with the accountable department. The Accountable Body will be responsible for vouching expenditure and providing any assurances required by the accountable department.
- 3.23 Further detail on the management of funding flows between the accountable department and the Accountable Body, will be set out in the finance agreement specific to each City/Growth Deal.

- 3.24 At the end of the project any underspends on funding accessed will be repaid to the accountable department who will in turn surrender the funding to DoF.
- 3.25 The funding provided by central government under the City/Growth Deal is limited to the amount agreed in the Heads of Terms. Any project overspends will not be funded by the UK Government or the Northern Ireland Executive.
- 3.26 The Accountable Body will be responsible for ensuring compliance with all legal requirements, including, but not limited to, those relating to procurement and State Aid regulations. The Accountable Body will provide the accountable department with their assessment of any legal, procurement or State Aid issues when submitting the OBC.

SECTION 4 - ROLE OF UK/ NICS DEPARTMENTS & ACCOUNTABLE BODY

- 4.1 The Northern Ireland Office (NIO) will be a signatory to any NI City/Growth Deal and is responsible from a UK Government perspective for ensuring robust governance and accountability arrangements are in place.
- 4.2 The NIO will co-chair the Delivery Board alongside DoF and will be represented on the Working Group. NIO is responsible for reporting to the Secretary of State for Northern Ireland on progress.
- 4.3 The Ministry for Housing, Communities and Local Government (MHCLG) , as the UK government department with policy responsibility for City/Growth deals, will be responsible for co-ordinating the views of relevant Whitehall departments on any UK Government funded projects. Based on the views of relevant Whitehall departments MHCLG will provide assurance to the accountable department that the UK government is content with the business case for any project receiving UK government funding. This will include technical assurance where appropriate. MHCLG will be represented on the Delivery Board and Working Group.

Department of Finance

- 4.4 DoF is responsible for ensuring robust governance and accountability arrangements are developed and for seeking the agreement of the Delivery Board to these.
- 4.5 DoF is responsible for managing the overall funding flows to the each Deal. Thus DoF is responsible for ensuring funding, both UKG and NI, is provided to the accountable NI Department in line with agreed profiles for each Deal. This will be handled through the NI Budget and in-year monitoring processes, with Executive approval being obtained through these processes.
- 4.6 DoF must also ensure that the full level of UKG funding is allocated to the Deal over the life of the Deal.

- 4.7 Unless otherwise agreed, the usual DoF delegations will apply for Deal projects. DoF will have its usual approval role for projects outside these delegations.
- 4.8 DoF will work with NI Departments to help ensure that NI processes do not result in any undue delays to the business case process. The time taken to process business cases will, of course, depend on the quality of information provided.

Accountable Department

- 4.9 The department with policy responsibility will be the accountable department for the provision of both UKG and NI Deal funding to the Accountable Body. Both UKG and NI deal funding will be included in the accountable departments Budget allocation .Where relevant the accountable department may choose to work through an Arm's Length Body. However, the departmental Accounting Officer will retain overall accountability
- 4.10 This includes approval of expenditure, underpinned by business cases, and ensuring appropriate governance and accountability mechanism are in place.
- 4.11 Departments will work with DoF to help ensure that NI processes do not result in any undue delays to the business case process. The time taken to process business cases will, of course, depend on the quality of information provided.

Accountable Body

- 4.12 Unless otherwise agreed, the lead council in each region will act as the Accountable Body for the Region City /Growth Deal. The Accountable Body, which will be identified in the signed City /Growth Deal document, will be responsible for the implementation and management of the financial procedures for the Deal.

The X Region Programme Board will provide assurance to the accountable department when business cases are submitted for expenditure approval. This will include assurance that the business cases are fit for purpose, proposals are technicality and financially viable and meet value for money requirements. The X Region Programme Board may ask the Accountable Body to assess the business cases and provide it with these assurances

- 4.13 All grant funding from central Government will be channelled through the Accountable Body, with the exception of projects delivered directly by NI departments..
- 4.14 The Accountable Body will have the authority to hold others to account should projects present a risk to the overall programme.
- 4.15 A grant offer letter signed between the accountable NI department and the Accountable Body will set out the required terms and provisions to ensure funding is applied as expected.
- 4.16 These terms and provisions will be replicated in separate agreements between the Accountable Body and regional partners with any additional specific requirements necessary for the fulfilment of the Accountable Body role also clearly set out.
- 4.17 The grant offer letter will also specify roles of Accountable Body and accountable NI department in vouching expenditure to ensure no unnecessary duplication of work to minimise the administrative burden.
- 4.18 A Financial Agreement between the UK Government, NI Executive and Accountable Body will set out the specific arrangements for each Deal.

SECTION 5 - BUSINESS CASE APPROVAL PROCESS

5.1 The accountable NI department will be responsible for the approval of expenditure for all projects. The department should consider the strategic alignment of all NI City/Growth Deals to ensure as far as possible that projects are complementary with no undesirable duplication. However, the department should also be cognisant of the policy intent behind City/Growth Deals and recognise that the funding provided is for projects falling within the geographical area for each agreed Deal.

Deal Business Casework Model

5.2 To ensure a consistent approach across departments and to share best practice it is proposed that casework model is adopted for all Deal business cases.

5.3 The department with lead responsibility (lead department) for the policy addressed in the business case, usually the accountable NI Department, is responsible for approval of the expenditure. Normal DoF delegations will apply.

5.4 Where a proposal covers two or more policy areas the policy departments will agree a lead department, based where possible on the proportion of the funding relating to policy area. The lead department will be responsible for co-ordinating the views of other departments and for overall approval of the expenditure. Other departments will provide policy advice and assurances as required. If necessary a Memorandum of Understanding may be agreed between the relevant departments.

5.5 The lead department should convene and chair a casework committee to review the business case. The lead department may ask the Accountable Body to lead the presentation of the proposal to the Casework Committee.

- 5.6 A dedicated group of officials from the lead departments should be identified as potential casework panel members to consider and recommend Deal business cases to the Accountable Officer.
- 5.7 The lead department will call upon these potential panel members as required. Where delegations require DoF approval, DoF Supply officials should have an enhanced scrutiny role over and above DoF's normal observer role as part of the casework panel. DoF will not however contribute to any casework panel recommendation to the lead Department Accounting Officer. DoF's enhanced role on the casework panel does not remove the requirement for lead Department Accounting Officer approval to be secured before formal submission to DoF for final approval.
- 5.8 This process should reduce the time required for DoF scrutiny as it is expected that most issues will have been addressed during the casework process. Supply will also prioritise City/ Growth Deal expenditure approvals. These steps will expedite the process.
- 5.9 In addition Accountable departments are encouraged to keep delegated limits for City Deal projects under close review. Supply will consider any request for increased delegations in this area if sufficient justification for any increase in delegation is provided by the accountable department.
- 5.10 DoF may be invited to sit on other panels as required.
- 5.11 This should result in a streamlined, consistent approach to all Deals.

UKG Funded Projects

- 5.12 Ultimate approval rests with the accountable NI Department due to the release of UKG funding through the NI Block Grant. Normal DoF delegations apply.
- 5.13 The accountable NI department must take account of the views of the relevant Whitehall department(s). This will be co-ordinated through MHCLG which will

provide assurance that the UK Government is content with the business case for each project receiving UKG funding.

5.14 Both the accountable NI Department and MHCLG must be content before approval is granted.. Any disputes will be brought to the Delivery Board for consideration.

5.15 If the Delivery Board determines that approval should be granted but the accountable department is not content then the matter will be brought to the Oversight Group which will consider whether the issue is cross-cutting. If it is considered cross cutting then the Oversight Group will ask the Finance Minister to write to the Executive asking it to consider the matter. The Executive will decide whether or not the project should proceed. If the matter is not considered cross cutting then the final decision rest with the Minister of the accountable department.

5.16 In order to streamline and expedite the process as far as possible, for UKG funded projects, the Accountable Body should submit business cases to accountable NI department and UK Government for review contemporaneously.

5.17 MHCLG will commission views from the relevant Whitehall Departments and share any comments with the accountable NI Department to aid its formal consideration and approval of expenditure.

5.18 It is essential that Deal projects are not unduly delayed because of the NI business case process.

5.19 To expedite consideration the Accountable Body should provide a schedule of business case submissions. This will allow NI Departments to plan appropriately and will be shared with MHCLG for the same purpose.

5.20 NICS Departments and DoF, as necessary, should prioritise the scrutiny and approval of Deal proposals.

Draft Business Case Approval Process – UKG and NI Funded Projects

The Delivery Board

5.21 Determines the level of NI Executive Funding to be allocated to each Pillar based on information from relevant NI Departments and Region Programme Board. This will be submitted to the NI Executive for approval.

Pillar Advisory Board

5.22 Responsible for direction and development of business case. Submits business case to Region Programme Board for approval.

X Region Programme Board

5.23 Approves business case for submission to NI lead department and for UKG funded project to MHCLG.

5.24 Business case should be sent to NI Department, MHCLG and copied to DoF.

Lead Department

5.25 Accounting Officer Responsible for approving individual expenditure proposals, underpinned by business cases.

5.26 Will convene a Deals Casework Committee (“Committee”).

5.27 DoF to attend that Committee as approval delegations dictate. DoF to have enhanced status on casework rather than observer status to expedite process. DoF will not however contribute to any casework panel recommendation to the lead Department Accounting Officer. DoF’s enhanced role on the casework

panel does not remove the requirement for lead Department Accounting Officer approval to be secured before formal submission to DoF for final approval.

5.28 For UKG funded projects, views of relevant Whitehall department(s) must be considered. These will be coordinated through MHCLG. MHCLG will inform lead NI Department if they are content to approve.

5.29 Notifies the Delivery Board, Region Programme Board and the Pillar Advisory Board when expenditure is approved.