

Copy: Heads of Branch DETI HQ

To: Senior Management Team

From: David Thomson

25 September 2013

DETI CASEWORK COMMITTEE

1. A formalised casework approval process has been operational since 2005 for DETI HQ cases involving Departmental expenditure above £500,000.
2. It is made up of a sub-committee of SMT (the DETI Casework Committee) whose remit entails the consideration and approval of expenditure proposals in excess of this amount.
3. All SMT members are eligible to participate on the Casework Committee other than where an expenditure proposal originates from within a Grade 5 or Grade 6's area of responsibility. Expenditure proposals are presented to a quorum of three members with a Chair of at least Deputy Secretary level and at least one member drawn from both Resources Group and Policy Group.
4. From 1 October 2013, a change to this format will be brought into effect. Going forward, a representative from Accountability and Casework Branch (ACB) will attend these meetings and should be invited to all DETI Casework meetings involving Departmental expenditure above £1,000,000. ACB is the branch directly involved in submitting cases and relevant documentation to DFP (where DFP approval is required) and liaising with the relevant branch/division on any queries DFP has in relation to the submission. As such it is considered important to involve them earlier in the process than has previously been the case.
5. Attending the Casework Committee will ensure that ACB has early sight of the economic appraisal and supporting documents; will be aware of any issues arising from attendance at the meeting; and will also have a role in assessing if there are adequate governance arrangements in place.
6. The Committee should continue to be provided with a copy of the economic/commercial appraisal of the proposal together with a summary casework submission incorporating the information per **Annex 1** attached. These papers should continue to be provided by the relevant Branch/Division at least four working days in advance of the scheduled meeting of the Committee. The Divisional/Branch representative recommending the case for approval attends the casework committee meeting to present the case for support and provide any further information that the Committee may require in relation to its consideration thereof. They may also request that the DETI

Economist who has carried out the review of the project is in attendance to answer any economics related queries which may arise.

7. The Division/Branch is also responsible for minuteing the meeting , with the minutes to be agreed by the Chair of the Committee evidencing the Committee's decision on the case. The minutes should be in the format set out in **Annex 2**.
8. Branches/Divisions with cases for which the Casework Committee's approval is required should continue to contact Rae Smith who will arrange for a meeting to be convened. Rae should be provided with the title of the proposal, the date by which a decision is required, and the amount of expenditure proposed.
9. After approval has been given the branch/division should forward the following documents to Accountability & Casework Branch for onward transmission to DFP (where expenditure is greater than £1 million):
 - Final Business Case/Economic Appraisal
 - Completed DFP pro-forma
 - Strategic Outline Case (if one exists)
 - Cover note to DFP
 - Any other supporting documents pertinent to the case

DAVID THOMSON

CASEWORK SUBMISSIONS

The summary covering submission should document the key issues of a case. It should normally be no more than five pages in length and should in itself justify the assistance proposed in the case. The appraisal should be appended to the submission.

The headings in the following template should be covered when presenting a case for approval. Explanatory notes in relation to each heading are provided.

CASEWORK SUBMISSION TEMPLATE

1. Outline of Proposal

Explain what the proposal involves, anticipated outputs and where it fits within strategy and policy priorities. If the support is being delivered to a company/third party provide background information on the company and where the proposal being supported fits within the overall strategy of the company going forward and its relative importance therein.

2. Additionality

Explain why government intervention is required at all, and to the level proposed. If the expenditure is by way of grant or loan to a third party include brief details of the negotiating process that arrived at the quantum and any other relevant justification of support for the project.

In terms of the need/ rationale for the intervention, the submission should outline what the market failure being addressed is, how this has arisen, and how the preferred option/ proposed programme (/scheme/ initiative) addresses the cause rather the symptoms of the problem (market failure/ weakness). This should be explicitly addressed in the economic appraisal and therefore available therefrom.

3. Proposed Assistance and Rationale for Format of Support

Outline what is the nature of the expenditure proposed (revenue/ capital/loan/ shares), and the rationale for this form of intervention. What is the total level of assistance within each category of support and overall and how does this compare to any previous benchmarks. Where applicable cost per job, percentage contribution to overall project cost and details of any other recent (within last five years) or proposed support to the company/project should be provided.

4. Affordability

Confirm that resources are in place from within existing budgets or outline plans to secure the necessary funding.

5. Displacement

Comment on displacement at the level of the **UK economy**.

6. Viability / Key Risk Assessment

Where support is being provided to a third party provide a brief commentary on their financial strength and expected profitability with project highlighting any key risks (e.g. market, technical, financial, management) and how these risks have been mitigated to an acceptable level in relation to the proposed expenditure. It is particularly important that a balanced view of both the potential downsides as well as potential upsides of the proposal is presented.

7. Value for Money Assessment

Where applicable outline the outcome of the economic efficiency test (EET), which is based on a **combination** of **DCF analysis** plus consideration of the **wider benefits** of the proposal. The wider benefits should be fully elucidated in all cases.

Where an options analysis has been carried out within an economic appraisal the submission should detail how the preferred option was identified and provide a summary of the key monetary and non-monetary costs and benefits which in association with the risk analysis justifies the overall value for money conclusion.

TEMPLATE FOR CASEWORK COMMITTEE MINUTES

Annex 2

Introduction

Conflict of Interest Declarations

Brief details of the project

Confirmation that the Grade 3 Policy Group (or Management Services Group if the project emanates from that Group) is content to support the project

Issues Raised by Committee Members and Action Points Arising

This section should contain succinct notes of issues raised by casework committee members, responses by the project team, and action points arising. Issues raised may include:

- Strategic Context
- Benefits
- Additionality
- Value for Money
- Project Management / Project Monitoring/ Governance Arrangements
- Advice received from economists
- Budget / Costs /EU funding
- Need
- Risks

Conclusion

This will include the casework committee's formal approval and any other issues.