



## Scheme of Delegation for Enterprise M3 Team

### 1. BACKGROUND

1.1. As Enterprise M3 Local Enterprise Partnership (EM3) has grown, with changes in demands, roles and remits, a formalised revised scheme of delegation is required to ensure operations are effectively governed and fit for purpose.

1.2. The scope of the scheme is the financial management of the following budgets:

- Local Growth Fund (LGF)
- Growing Enterprise Fund (GEF)
- Capital to Revenue transfer fund (C2R)
- Operational (revenue) budget (including Growth Hub, Innovation South, and similar future budgets)
- EZ<sup>3</sup> budget (EZ<sup>3</sup>)
- ERDF Legacy Fund
- Careers and Enterprise Company budget (CEC)
- COVID-19 Response Fund

1.3. The Scheme of Delegation for approval of the following is covered separately:

- Which projects to fund from EM3 LGF/GEF, COVID-19 Response Fund and EZ<sup>3</sup> Business Rates Income Growth (BRIG) funds
- Contract awards aligned to the above projects
- The annual revenue budget for the operation of EM3 including EZ<sup>3</sup>

1.4. This scheme is to be read in conjunction with the:

- Constitution of Hampshire County Council acting as Accountable Body for EM3;
- Memorandum of Understanding between the Accountable Body and EM3;
- The Enterprise M3 Assurance Framework as published on the Enterprise M3 website.

### 2. PRINCIPLES OF DELEGATION

2.1. To ensure the efficient running of EM3, there needs to be delegation arrangements that allow for the appropriate allocation of tasks and responsibilities.

2.2. The scheme exists to ensure that financial management of the in-scope budgets aligns with the Assurance Framework for EM3.

### 3. CAPITAL FUND: LOCAL GROWTH FUND / GROWING ENTERPRISE FUND / EZ3 BRIG FUNDS

3.1. The EM3 Board/ Programme Management Group (PMG) agree which projects to fund with LGF/GEF funds. This is monitored by the PMG, and subsequently the Board, through bi-monthly monitoring reports showing planned spend against the budget.

Similarly, all programmes and projects funded directly from, or from loans set against EZ<sup>3</sup>

Business Rates Income Growth (BRIG) are approved by PMG or EM3 Board, as appropriate; and monitored by the EZ<sup>3</sup> Programme Steering Group (PSG), and subsequently the Board, through bi-monthly monitoring reports showing planned spend against the budget.

The COVID-19 Sub-Group agree which projects to fund with COVID-19 Response Funding. This is monitored by the PMG, and subsequently the Board through bi-monthly reporting.

3.2. Table 1 summarises the approval levels:

<b>Table 1</b>					
<b>Area of Responsibility</b>	<b>EM3 Board</b>	<b>PMG</b>	<b>RFAC</b>	<b>EZ<sup>3</sup> PSG</b>	<b>COVID-19 Sub-Group</b>
<b>Local Growth Fund / Growing Enterprise Fund:</b>					
Approval of LGF/GEF/EZ <sup>3</sup> programmes and projects ≥ £3m	x				
Approval of LGF/GEF/EZ <sup>3</sup> programmes and projects < £3m		x			
Approval of COVID-19 programmes and projects < £1.5m					x

3.3. Where a project is part of a programme which has been formally approved by the Board, PMG may approve related projects under £3m, provided they ensure they align with the overall approved programme. For example, the 5G overall programme exceeds £3m, and would be approved by the Board. However, individual projects under £3m, related to the 5G programme, could be approved by PMG, provided they fit within the overall programme scope parameters.

3.4. A project under £3m which is of significant interest or sensitivity may be referred to the Board for approval.

3.5. PMG or Board approval is required for any LGF/GEF application prior to being put forward for due diligence.

3.6. Capital to Revenue funded projects will be approved by PMG/Board, according to the delegated authority outlined in Table 1.

3.7. Cost increases to projects previously approved by the Board or PMG may be agreed outside of meetings in order to prevent unnecessary delays in delivery. Table 2 sets out the approval levels for cost increases:

<b>Table 2</b>				
<b>Area of Responsibility</b>	<b>EM3 Board</b>	<b>PMG</b>	<b>RFAC</b>	<b>Chief</b>
<b>Local Growth Fund / Growing Enterprise Fund:</b>				
Approval of cost increase to LGF/GEF/EZ <sup>3</sup> programmes and projects over 20% and/or ≥ £3m	x			
Approval of cost increase to LGF/GEF/EZ <sup>3</sup> programmes and projects < 20%		x		
Approval of cost increase to LGF/GEF/EZ <sup>3</sup> programmes and				x

projects <10%				
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3.8. Authorisation levels of the award of contracts, relating to the approved projects, are set out in Table 3:

<b>Table 3</b>		
<b>Area of Responsibility</b>	<b>Chief Executive</b>	<b>Directors</b>
<b>Approval of contract award:</b>		
Approval of LGF/GEF/C2R/COVID-19 project contract (including variations) $\geq$ £1.5m*	x	
Approval of LGF/GEF/C2R/COVID-19 project contract (including variations) $<$ £1.5m		x

\*Contracts equal to and above £1.5m must be reviewed by a Director before being sent to the Chief Executive.

3.9. Authorisation levels of the subsequent approvals of related claims are set out in Table 4:

<b>Table 4</b>			
<b>Area of Responsibility</b>	<b>Chief Executive</b>	<b><sup>1</sup> Directors</b>	<b><sup>1</sup> Strategic Leads</b>
<b>Local Growth Fund / Growing Enterprise Fund:</b>			
Approval of LGF/GEF project claim $\geq$ £500k	x		
Approval of LGF/GEF project claim $<$ £500k		x	
Approval of LGF/GEF project claim $<$ £100k			x

3.10 A Project Manager Report is prepared by the relevant lead. Every project claim will have two signatories - normally a Project Lead signing the Project Manager Report, and an approver.

#### 4. REVENUE BUDGETS

4.1. The EM3 Board agrees the annual revenue budget for the LEP. This is monitored by the Resources, Finance and Audit Committee (RFAC), and additionally by the PSG for the EZ<sup>3</sup>. This is done through quarterly monitoring reports showing planned spend against the approved LEP revenue budget.

<sup>1</sup> Directors and Strategic Leads may countersign each other's claim at the appropriate levels.

<b>Area of Responsibility</b>	<b>EM3 Board</b>	<b>PMG</b>	<b>RFAC</b>	<b>EZ<sup>3</sup> PSG</b>	<b>Chief Executive</b>
<b>Revenue budget approvals:</b>					
Approval of Operational Budget (including Operational, GEF revenue, SEEDA, Interest, CEC and overall EZ <sup>3</sup> revenue funds)	x				
Day-to-day management of Operational Budget, including EZ <sup>3</sup> and CEC, (within +/- 10% of overall approved income and expenditure budgets)					x
Approval of Operational Budget deviations of 10% - 30% of overall income and expenditure budgets			x		
Approval of Operational Budget deviations of > 30% of overall income and expenditure budgets	x				

4.2. Authorisation levels of procurement activity, purchase order and invoice approvals are set out in Table 6:

<b>Area of Responsibility*</b>	<b>Chief Executive</b>	<b>Directors</b>	<b>Finance Manager</b>	<b>Strategic Lead or equivalent<sup>2</sup></b>	<b>Governance and Assurance Manager</b>
<b>Revenue budget operational activity:</b>					
Approval and appointment of procurement project (incl. EZ <sup>3</sup> , CEC) ≥ £100k <sup>3</sup>	x				
Approval and appointment of procurement project (incl. EZ <sup>3</sup> , CEC) <£100k <sup>3</sup>		x			
Approval and appointment of procurement project (incl. EZ <sup>3</sup> , CEC) <£25k <sup>3</sup>				x	
Approval of Single Tender Actions (STAs)	x				
Approval of payment of invoice ≥ £100k	x				
Approval of payment of invoice <£100k		x			
Approval of payment of invoice <£50k			x		
Approval of payment of invoice <£25k				x	

<sup>2</sup> Equivalent means members of staff who are Grade I or above in line with Hampshire County Council's pay scales

<sup>3</sup> A person cannot approve a payment, procurement or other transaction that they are leading on or processing unless under £50. This does not apply to the Purchasing Card

Approval of payment of invoice <£10k					X
Approval of Purchasing Card payments <£1k <sup>4</sup>					X
Approval of SLA internal transfers					X
Approval of Board Member expenses		X			
Approval of raising PO ≥£50k			X		
Approval of raising PO <£50k					X
Approval of raising of invoices <sup>5</sup> >£10k				X	
Approval of raising of invoices <sup>5</sup> <£10k					X

## 5. DE MINIMIS TRANSACTION LIMIT FOR ALL STAFF

- 5.1. All staff shall be entitled to approve up to a maximum of £50 per transaction without seeking approval. It is anticipated that this will mainly include catering or stationery. This does not allow for invoices to be split in order to fall within the £50 value nor for multiple staff to each approve £50 towards a larger invoice.

## 6. GOVERNANCE ARRANGEMENTS FOR PERSONAL RELATIONSHIPS

- 6.1. Where a significant personal relationship exists between members within the scheme of delegation (to be determined on a case by case basis), they cannot counter-approve each other's claims/POs/invoices.

## 7. EVIDENCING APPROVALS FOR REVENUE EXPENDITURE

- 7.1. Approvals must be provided in writing by the appropriate signatory before committing to expenditure. To request an approval, the email must include but is not limited to:
- What you are asking for i.e. raising a PO or invoice or paying an invoice
  - Recipient name
  - The value
  - Justification for expenditure
  - Cost code (if not using the standard A01CF)
  - Appropriate attachments
- 7.2. Standard template forms can be used when seeking approval for procurement activity/raising invoices/purchase orders and making payments over £25k. These are found within the Enterprise M3 Sharepoint at: [https://enterprisem3.sharepoint.com/:f/g/Esz8Jc2oGjpJpnGz-a\\_Rc8UBP3kPTsvlqd5GzWAGF6Rz9w?e=DU20Rn](https://enterprisem3.sharepoint.com/:f/g/Esz8Jc2oGjpJpnGz-a_Rc8UBP3kPTsvlqd5GzWAGF6Rz9w?e=DU20Rn)

## 8. ACCOUNTABLE BODY AUTHORISATION

- 8.1. Hampshire County Council (the Accountable Body) will be accountable for the proper use and administration of all funding streams of EM3, all of which are subject to their normal and external controls.
- 8.2. Hampshire County Council reserves the right not to implement any request or decision of the LEP or any of its sub committees or panels if in the reasonable view of the relevant Corporate Director the request or decision presents an unacceptable legal or financial risk to the Council.

<sup>4</sup> Monthly maximum on the Purchase Card is £5k. Transactions reviewed by Director Operations.

<sup>5</sup> This applies when raising invoices for LGF/GEF repayments and other operational work where EM3 receives payment. It includes core funding contributions

## 9. EMERGENCY DELEGATION

9.1. To ensure operations are effectively governed and fit for purpose Enterprise M3 have put in place emergency delegation which will become in effect in the event that:

- an approver is incapable of exercising their delegated authority due to a sudden illness, accident or incapacitation and is not expected to return to work after a period of 5 days absence

9.2. These emergency delegated powers are only to be used for the above reason and are not to be implemented for any other reason including but not limited to; Annual Leave, urgency or general unavailability due to diary commitments.

9.3. Delegation will only be increased in the event that there is no other officer at the equivalent level to approve requests.

9.4. Any request for approval sent whilst emergency powers are in effect must make reference to the absence of the normal approver and make clear that the request is being made under the emergency delegation.

9.5. Only the level of sign off will be temporarily increased/amended during a time of emergency and all other governance requirements outlined earlier in this document will remain in effect.

9.6. Tables 7 and Table 8 outline the current delegation and the emergency delegation powers:

<b>Table 7</b>		
<b>Sign-offs relating to capital expenditure (Contracts and Claims)</b>	<b>Current minimum approval level</b>	<b>Minimum approval level in case of absence</b>
<b>Approval of award of contracts</b>		
Approval of LGF/GEF/C2R project contract (including variations) $\geq$ £1.5m	Chief Executive	Directors
Approval of LGF/GEF/C2R project contract (including variations) $<$ £1.5m	Directors	Finance Manager/Strategic Leads
<b>Approvals of claims</b>		
Approval of LGF/GEF project claim $\geq$ £500k	Chief Executive	Directors
Approval of LGF/GEF project claim $<$ £500k	Directors	Finance Manager/Strategic Leads
Approval of LGF/GEF project claim $<$ £100k	Strategic Leads	Governance and Assurance Manager

<b>Table 8</b>		
<b>Sign-offs relating to revenue expenditure (Procurement activity, purchase order and invoices)</b>	<b>Current minimum approval level</b>	<b>Minimum approval level in case of absence</b>
Day-to-day management of Operational Budget, including EZ <sup>3</sup> and CEC, (within +/- 10% of overall approved income and expenditure budgets)	Chief Executive	Directors
Approval and appointment of procurement project (incl. EZ <sup>3</sup> , CEC) $\geq$ £100k	Chief Executive	Directors

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Approval and appointment of procurement project (incl. EZ <sup>3</sup> , CEC) <£100k	Directors	Finance Manager
Approval and appointment of procurement project (incl. EZ <sup>3</sup> , CEC) <£25k	Strategic Leads	Governance and Assurance Manager
Approval of Single Tender Actions (STAs)	Chief Executive	Directors
Approval of payment of invoice ≥ £100k	Chief Executive	Directors
Approval of payment of invoice <£100k	Directors	Finance Manager
Approval of payment of invoice <£50k	Finance Manager	Strategic Leads
Approval of payment of invoice <£25k	Strategic Leads	Governance and Assurance Manager
Approval of payment of invoice <£10k	Governance and Assurance Manager	Strategic Leads
Approval of purchasing card payments <£1k <sup>6</sup>	Governance and Assurance Manager	
Approval of SLA internal transfers	Directors	Finance Manager
Approval of Board Member expenses	Directors	Finance Manager
Approval of raising PO ≥£10k	Strategic Leads	Governance and Assurance Manager
Approval of raising PO <£10k	Governance and Assurance Manager	Strategic Leads
Approval of raising of invoices >£10k	Strategic Leads	Governance and Assurance Manager
Approval of raising of invoices <£10k	Governance and Assurance Manager	Strategic Leads

<sup>6</sup> Only the Governance and Assurance Manager (GAM) can authorise expenditure on the Purchasing Card as the card is registered in the name of the GAM