

Appendix B - Summary of LUF Contribution to RCC's Corporate Priorities

The Levelling Up Fund capital investment will contribute to specific Council Priorities with the Corporate Strategy 2022-27:

A special place: Sustaining a vibrant rural county that harnesses the enterprise of its businesses, the ambition and creativity of its residents, and the passion of its local communities.

Inclusive growth: We will support our economy to recover, tackling economic inequality and low social mobility. An increase in new businesses and local job opportunities. – **LUF Medi-tech Enterprise Centre**

Heritage and culture: We will enable a thriving, diverse, sustainable heritage and cultural offer with increased community leadership. An increase in visitors and associated economic benefits. More community led services supported by volunteers. – **LUF Digital Interpretation of Cultural Assets**

Sustainable lives: Living sustainably and combatting the climate crisis through the power of choice, the removal of barriers, and real collective action.

Net zero carbon: We will support the reduction of Rutland's carbon footprint and impact on the local environment. Reduction in the Carbon footprint of the Council and the County. – **LUF Electric Demand Responsive Transport**

Connected communities: We will support sustainable methods of transport through cycle routes, bridleways, public footpaths and community led transport. Greater use of electrical vehicles in the county. Increase the number of people walking and cycling. – **LUF Electric Demand Responsive Transport**

Healthy and well: Promoting health, happiness and wellbeing for people of all ages and backgrounds.

Joined up care: We will work with partners and neighbouring counties to develop local integrated services which are responsive to community health and care needs. Better Care programme outcomes achieved. People are able to die in preferred place of care - **LUF Medi-tech Enterprise Centre**

Health and wellbeing infrastructure: We will work with health partners to improve our health and wellbeing infrastructure to maximise access and the delivery of care closer to home. Improved access to joined up care locally - **LUF Electric Demand Responsive Transport**

Reducing health inequalities: We will work with partners to ensure all of Rutland has the opportunity to achieve the best health and wellbeing that they can. There is a reduction in health inequalities in the County - **LUF Medi-tech Enterprise Centre**

A modern and effective Council: Transforming the way we work to deliver effective and efficient services fit for the future.

Financially sustainable: We will take further action to ensure the council lives within its financial means. The Council has a balanced budget and can continue to deliver services the community needs. The Council and public infrastructure needs will be met. – **LUF capital investment will provide significant external funding to deliver on priorities that the Council may otherwise have to resource itself and seeks to unlock further efficiencies in how the Council delivers services in the future.**

Appendix C - Summary of the LUF Assurance Framework

There are 3 elements to the Terms and Conditions that govern the effective management of the Rutland and Melton LUF programme and provide assurance to both DLUHC as grant provider and Rutland County Council as grant administrator. These are:

- 1) Memorandum of Understanding between DLUHC and Rutland County Council
- 2) DLUHC's Levelling Up Funds Local Authority Assurance Framework
- 3) 'Back to Back' Agreement between Rutland County Council as Accountable Body and Melton Borough Council as grant recipient

Memorandum of Understanding

The Government has awarded Rutland and Melton approximately £23million to deliver the joint capital investment programme. To access the funding the Accountable Body (Rutland County Council) is required to sign a Memorandum of Understanding with DLUHC.

The MoU is a standard DLUHC template supplemented with Rutland and Melton specific details taken from the bid including project budget and costing, outputs and outcomes and project milestones.

Following confirmation of the grant award all successful local authorities are requested to complete a project management update and provide updated financial forecasts, outputs and delivery milestones. The updated information will be used by DLUHC to form the baseline data for the MoU. Given the delay in the announcement of LUF awards inevitably this information will have changed. Technical advisors are currently undertaking a review and refresh of cost profiles and subsidy control for both Rutland and Melton projects.

The MoU is intended to set the framework for an effective working relationship between DLUHC and Rutland County Council as the Accountable Body in managing the capital grant funding and achieving the aspirations of the bid. The MoU sets out "the "ask" and "offer" that can be expected by both DLUHC and RCC.

The MoU is not a legally binding contract on either party and is intended to provide an understanding of how the LUF capital funding will be used. This does mean DLUHC has no binding obligation to release the funding. Equally, it allows for flexibility and anticipates a constructive and ongoing dialogue between RCC and DLUHC in the administration and delivery of the programme.

The MoU allows for it to be terminated by either party subject to written agreement. Should the Council find itself unable to fulfil the requirements of the MoU it would seek to renegotiate terms or ultimately seek to terminate the agreement.

There is no provision for clawback within the MoU.

The Council appointed external legal advisers, Pinsent Masons, to review and comment on the LUF MoU. The legal advice to the Council is included in Exempt

Appendix D.

DLUHC's Levelling Up Funds Local Authority Assurance Framework

The MoU sets out expectations in terms of monitoring, reporting and assurance. It is supported by DLUHC's Levelling Up Funds Local Authority Assurance Framework ('DLUHC's assurance framework'). This is national Government guidance for local authorities intended to provide a common approach to accountabilities for various Levelling Up funds including LUF. Appendix E includes DLUHC's Assurance Framework.

DLUHC's details 3 lines of defence.

The **first line of defence** is expected to be at the operational management level. This includes the governance arrangements, programme management approach and the project team(s). It is expected that the Chief Finance Officer (Rutland's Director of Resources and Section 151 Officer) will provide DLUHC with the required assurance about effective delivery and management of the LUF investment.

In addition, RCC's Internal Audit will be requested to undertake periodic reviews of the LUF programme to provide assurance of effective delivery, financial management and compliance with the MoU and DLUHC Assurance Framework.

The **second line of defence** is undertaken by the Assurance and Compliance Team within DLUHC. The team will undertake a range of checks during the lifespan of the Rutland and Melton LUF Programme, on a risk and sample basis to provide additional assurance. This will be based primarily on desk-top review of performance returns, the Council's annual External Auditor report and feedback from the Area Lead Relationship Manager.

RCC will manage the programme in accordance with its normal financial controls and assurance processes. The Council and Melton already have an established and good relationship with the LUF Area Relationship Manager.

An expectation and early consideration for the Rutland and Melton LUF programme will be the development of an evaluation framework. This will be an additional tool to demonstrate the impact and performance of the overall programme and individual projects.

The **third line of defence** is the Government's Internal Audit Agency reviewing DLUHC's approach and management of Levelling Up Funds.

The DLUHC Assurance Framework is intended to provide Treasury and Government with assurance about the effective use of public funds and capital investment. It can also provide assurance to Council about the rigour and robust approach that is required to manage the LUF programme effectively and deliver the outcomes that will benefit residents, businesses, and the County.

Rutland County Council and Melton Borough Council 'Back to Back' Agreement

A 'Back to Back' agreement between RCC as Accountable Body and Melton

Borough Council as grant recipient has been drafted by the Council's external legal advisers.

This 'Back to Back' agreement apportions responsibilities, risk and financial and delivery obligations. Melton will be wholly responsible managing, delivering, reporting and administering the projects within its boundaries. This includes responsibility for managing cashflow and any necessary grant agreements required with third parties.

This agreement limits Rutland County Council's responsibilities to fulfilling the MoU requirements for the effective management of the programme as Accountable Body function and delivering the outcomes of the Rutland-specific projects.