

**WRITTEN STATEMENT OF A NON-KEY DECISION  
CABINET MEMBER CORPORATE STRATEGY AND BUDGET**

<b>ITEM:</b>	<b>SHORT TERM LOAN SUPPORT FOR THE NEW MODEL IN TECHNOLOGY AND ENGINEERING (NMITE) UNIVERSITY</b>
Date of Decision:	4 July 2017
Exempt:	No
Confidential	No
Urgency/Special Urgency: (As defined in Constitution)	No
Purpose:	To approve the council's future financial support for the New Model in Technology and Engineering (NMiTE) university

**Decision:****THAT:**

- a) the revised partnership agreement at appendix 1 be approved;
- b) the council's representatives on the partnership board be the cabinet member economy and corporate services, the chief executive, and the director for economy, communities and corporate;
- c) a loan facility of £300k be made available to the New Model in Technology & Engineering (NMiTE) for a period of up to five years to support the development of the new university on the following conditions:
  - i. the support of the council for the university project is recognised on all publicity and website;
  - ii. funding used to bankroll government grant funding is repaid on payment of claims;
  - iii. in any event repayment will be made in line with the conditions of the loan agreement (within 5 years of the date of the loan agreement)
  - iv. the loan is for capital funding, therefore the university must ensure that expenditure incurred using the loan is on things that the council would itself capitalise;
  - v. the council finance team and audit team will be allowed access to all financial records and procurement records relevant to use of the loan;
  - vi. NMiTE demonstrates that appropriate accounting and reporting processes are in place within the university organisation;
  - vii. NMiTE will follow the council's contract procedure rules when using council funding ensuring best value is achieved; and
  - viii. any other conditions specific to the draw-down request to be agreed on a case by case basis;
- d) the director for economy, communities and corporate be authorised, following consultation with the cabinet member corporate strategy and budget and chief financial officer and having regard to the views of the joint university project board (JUDB), to approve proposals for drawn down from the loan and any specific conditions to be applied on a case by case basis;
- e) the JUDB will monitor application of the loan and report on outcomes achieved from its use; and
- f) the grant provided in June 2016 to support the development of the university green book business case is varied so that the £9,032 remaining balance of the £30,000 is available to NMiTE to commission activities supporting implementation of the university.

<p>Reasons for the Decision:</p>	<p>To support the creation of a university for the county in line with the Herefordshire’s economic development strategy approved by cabinet in December 2016. Provision has been made for this loan in the council’s capital programme. This loan will allow the university to mobilise in advance of it drawing down funding that has been committed by central government.</p>
<p>Options Considered:</p>	<p>The council could choose not to support the development of the university; this option is not recommended because of the economic and social benefits expected to accrue from the establishment of a university in the county as set out in the adopted economic vision.</p> <p>The council could choose to make the funding available by way of a grant. This is not recommended given that the likelihood of recovering the investment remains and therefore a loan arrangement offers the best use of public resources.</p> <p>The balance of the grant funding could be withheld. This is not recommended as the funds will be of value to NMiTE in reducing the risks involved with the early stage of its development.</p>
<p>Conflict of Interest ■ (See below)</p>	
<p>Date the decision is due to take effect:</p>	<p>11 July 2017</p>

<p><b>COUNCILLOR AW JOHNSON</b> ..... Date: 4 July 2017  <b>CABINET MEMBER CORPORATE STRATEGY AND BUDGET</b></p>
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- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

And

- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority’s head of paid service.