

Minutes of the meeting of General scrutiny committee held at Council Chamber, The Shire Hall, St Peter's Square, Hereford, HR1 2HX on Wednesday 13 December 2017 at 10.00 am

Present: Councillor WLS Bowen (Chairman)
Councillor EJ Swinglehurst (Vice-Chairman)

Councillors: JM Bartlett, CA Gandy, EPJ Harvey and PD Newman OBE

In attendance: Councillors PE Crockett, DG Harlow (Cabinet Member), FM Norman, AJW Powers, P Rone (Cabinet Member), A Seldon, NE Shaw (Cabinet Member), J Stone and D Summers

Officers: C Baird - Director for Children's Wellbeing, G Hughes – Director for Economy, Communities and Corporate, M Samuels – Director for Adults Wellbeing, A Lovegrove – Chief Finance Officer, A Harris – Head of Management Accounting, J Rushgrove – Head of Corporate Finance and J Coleman – Democratic Services Manager/Statutory Scrutiny Officer.

47. APOLOGIES FOR ABSENCE

Apologies were received from Councillors BA Baker, PGH Cutter, JF Johnson and A Warmington.

48. NAMED SUBSTITUTES

Councillor CA Gandy substituted for Councillor BA Baker, Councillor EPJ Harvey for Councillor A Warmington and Councillor PG Newman for Councillor JF Johnson.

49. DECLARATIONS OF INTEREST

None.

50. MINUTES

RESOLVED: That the minutes of the meeting held on 1 December 2017 be approved as a correct record.

51. QUESTIONS FROM MEMBERS OF THE PUBLIC

None.

52. QUESTIONS FROM MEMBERS OF THE COUNCIL

None.

53. SETTING THE 2018/19 BUDGET AND UPDATING THE MEDIUM TERM FINANCIAL STRATEGY

The Committee's views were invited on the budget proposals for 2018-19 and the updated medium term financial strategy.

Members of the Adults and Wellbeing Scrutiny Committee and the Children and Young People Scrutiny Committee had been invited to attend the meeting. The procedure for the meeting provided for each directorate budget to be considered in turn before the General Scrutiny Committee formulated its recommendations.

The Chief Finance Officer (CFO) gave a presentation, a copy of which had been published with the agenda papers.

Adults and Wellbeing Budget

The Director for Adults and Wellbeing (DAW) commented that the budget was heavily dependent on income from people receiving services and grants. In common with other authorities the service faced pressure from increasing costs, including an increase in the minimum wage, and demographic changes as a result of increasing numbers of people with a learning disability of working age and older people. A range of savings had been identified but these were challenging.

The following principal points were made on the adults and wellbeing directorate budget:

Councillor J Stone as Vice-Chairman of the Adults Wellbeing Scrutiny Committee supported the comments made by the Director noting the pressures faced and the measures being put in place to address them.

Comments had also been submitted in advance by the Chairman and Vice-Chairman of the Adults and Wellbeing Scrutiny Committee. Councillor Bowen read these to the meeting. In summary the principal points were:

- Confirmation was sought that the rapidly growing no of the very elderly (over 85s) been factored in to any proposals?

The DAW commented that account was taken of this point. However, there was not a simple correlation between age and care need.

- It was asked whether account had been taken of the rise in the number of people with learning disabilities and the additional numbers that might be expected to be generated through population growth given the proposed increase in housing in the county.

The DAW commented that the directorate was mindful of this point. The increasing number of people with a learning disability living longer into older age had a very significant impact on the budget with the net spend now equating to the net spend on older people. Account would be taken in the updated housing needs forecast, which was due to be complete in the new year.

- Public Health and other sources were seeking to encourage people to take better care of themselves and allow them to remain within their communities. The Public Health budget should therefore be protected. However, this was a long term project and account had to be taken of the fact that many residents aged 85+ had complex and multiple long term health needs which may require social care support.

The DAW commented that the public health budget was currently ring-fenced. The aim was to ensure that funding was spent in areas where it would have the greatest impact on public health. This was not necessarily on what would traditionally be considered “public health” issues.

- Account needed to be taken of the health care workforce economy. There were particular problems in recruiting qualified staff for nursing homes, registered care home managers and home care workers. In order that the home care service could be maintained or increased, in accordance with the Strategic Transformation Plan, wages may well need to increase with substantial budget implications.

The DAW commented that the demographic pressures implied that to deliver the existing model of service some 18% of the working population would have to be involved in care provision. This was unsustainable. The focus had to be on reducing demand for care.

- It was asked if the implications of the Better Care Fund (BCF)/improved BCF and the risks involved had been fully considered for the future, including security of funding and the increasing channelling of it via NHSE England who frequently had different priorities from Adult Social Care.

The DAW commented that there was increased reliance nationally on funding from the BCF, whether through the NHS for the core BCF or from DCLG under the improved BCF. If that funding were to stop this would present a challenge for every authority in the country. A green paper on adult social care was expected before the end of September.

- Resources had to be allocated for individual placements. Given budget constraints this had meant a reduction in funding for preventative services. It was questioned if this was a false economy given the aim to facilitate independence and reduce the need/demand for social care in the future.

The DAW commented that the resources allocated for preventative work had reduced. There was a focus on this area with a view to making services available through the community rather than by direct council funding.

In discussion the following additional principal points were made:

- Concern was expressed about the planned closure of Hillside rehabilitation centre in February 2018. It was asked whether the council could assist the Wye Valley Trust (WVT) to keep the facility open.

The DAW commented that the Council owned the Hillside building but was in effect a landlord having no role in the service provided from the facility. He understood that Herefordshire Clinical Commissioning Group and WVT considered that the resource expended on Hillside would be better invested in more staff to support people in their own homes.

The council was considering whether the building, once returned to its possession, could be used for adult social care. A business case was being considered.

- It was asked whether to reduce pressure on the accident and emergency unit GPs could be encouraged not to refer patients so readily.

The DAW commented that whilst this was an NHS matter the adult social care team had mapped out links with each GP practice and engaged with practices in determining what was available instead of A&E. Work was taking place with NHS colleagues on how provision outside the hospital service could be improved.

- Asked whether the council could put staff in GP surgeries to signpost patients to alternative services to A&E the DAW commented that this was what the WISH service had been designed to do. The WISH service was currently being redesigned. The website was being upgraded with a further upgrade by the end of March. He acknowledged that not everyone had internet access. However, the face to face service and phone service offered by WISH to date had been barely used hence the decision to focus on web access. A non-public part of the website was also being developed providing information for professionals.
- The adult social care budget appeared to face the same issues and pressures each year. It was asked what consideration was being given to developing a more sustainable approach, moving away from the traditional model of care provision.

The DAW commented that it was recognised in the adults wellbeing plan that a different approach was required. Fees the council paid to care homes were now at the cost of delivery and, increasingly, self-funding residents were now subsidising other residents. This could not continue. A plan was being developed based on quality of life for the individual. This entailed strengthening support networks to enable people to live independently. The intention was to provide more effective care at a lower cost.

- In relation to the improved BCF the DAW stated that confirmation had been received that the council would receive the full grant for 2017/18 and 2018/19. It had been decided that it would be more effective not to take forward some staff savings that had been assumed within the MTFS and to use the resource secured through the BCF to maintain existing services.
- In relation to the level of reserves the CFO commented that a balance had to be struck; he would not wish the level to dip much below the current level.
- It was suggested that it would be helpful if the budget provided detail on the income streams for each directorate so that net and gross expenditure could be understood.
- It was also requested that it would be helpful if it could be demonstrated how the additional 3% precept on adult social care was being spent.

The DAW commented that although the Department for Communities and Local Government had originally expected that budgets would identify how the additional precept for social care had been spent this had been the subject of representations from local authorities because reductions in council income meant that the additional precept in practice allowed the council not to make cuts that would otherwise have had to be made. Identifying where the funding was being spent was therefore difficult, as this would not be on specific projects or services.

- In relation to a question as to whether the budget was a bottom up budget, the CFO observed that there was sometimes a difference in interpretation in these matters. He explained the approach that had been followed in preparing the budget as a whole. This had involved discussing and challenging each budget line with the relevant cost centre manager focusing in particular on areas where there had historically been challenges with the budget. He considered the budget to be robust and deliverable.
- It was asked what account had been taken of the responses to the public consultation on the budget and suggested that it would be helpful if this could be demonstrated in the budget report.

A member also expressed concern about the clarity of the consultation questions themselves and suggested that this merited further consideration in the future.

The DAW commented that the savings proposals had been influenced by the consultation response. He also explained the approach towards the funding of third sector support which had featured in the consultation response and the thinking behind the provision of service via the WISH service and the citizen's advice bureau.

- A member expressed the view that greater investment in mental health including how employers could support their employees would be beneficial.
- It was asked what assurance could be given that the challenging savings targets were deliverable, mindful of a track record of previous budgets having been given the appearance when set of being balanced by savings that had subsequently proved to be undeliverable.

The DAW acknowledged that an overspend was forecast for the current year and a significant proportion of the savings identified for the future were in areas where this

overspend was occurring. However, he was relatively confident that the savings were deliverable given the recent implementation and impact of the new pathway for social care and the new homefirst service.

The cabinet member finance, housing and corporate services highlighted the budget pressure on adult social care of £5.14m. A number of savings areas were currently given an amber/red rating including the implementation of the adult social care pathway. The more areas that were given a green rating by the time the budget was considered by council the greater the assurance this would afford him that the budget was deliverable.

- The CFO commented that based on the budget process he considered the budget could be delivered.

Children and Young People

The Director for Children's Wellbeing (DCW) referred to the CFO's presentation slide on the full year effect of supporting children (p106 of the agenda papers) and the pressures on the budget for supporting children in particular looked after children.

Councillor Gandy as Chairman of the Children and Young People Scrutiny Committee requested that the constitution should be amended to provide that in future each scrutiny committee should have the ability to review the budgets of their directorates as part of the budget setting process.

Councillor Gandy had also submitted some comments in advance and she presented these to the Committee. In summary these were:

- A question as to whether the proposed level of savings of £500,000 on the Looked After Children Service was achievable for 2018/19, whilst it may be possible to see some savings by the mid to end of 2018/19 and going forward.
- A question as to whether the proposed saving from vacant posts was a little high and might encourage a manager to recruit less quickly in order to assist this saving. There was a shortage of experienced social workers and she would not want this saving to delay recruitment.
- Clarification was also sought on the detail of the £682,000 saving attributed to organisational restructure to reflect the service requirements.
- The DCW commented that the savings on looked after children (LAC) were given an amber rating (p107). The county had more LAC than similar authorities. There were plans for achieving permanency by different means. Some aspects were within the council's control. Other aspects were not. Some profiling of current LAC had been undertaken and an estimate had been made of the budget reduction over two years on a monthly basis. This information would be the subject of regular reports to senior management and to Cabinet.
- In relation to managing vacancies he assured the Committee that this would not affect the drive to recruit experienced social workers and other staff. Having regard to the experience of other local authorities and staff flows the vacancy factor had been pitched at what was considered to be an appropriate level. The service had reduced the number of agency staff.
- The slide at p108 (Children's additional savings £660k) detailed the bulk of the £682k to which reference had been made. It was considered that these savings could be achieved whilst still fulfilling the relevant statutory responsibilities.
- It was noted that the Children's Services budget had been increased by £2m. It would be important to ensure that there was not an overspend as had occurred in

previous years and a concern remained that it would be difficult to deliver the savings as planned especially in that first year as new systems were implemented.

- The DCW commented that the money was directly supporting the most vulnerable children. The budget would be monitored closely. There could, however, be no guarantees in that children might enter the care system and require support. This might require additional funding to that in the plans. However, additional sums had been included to try to meet the assessment of that need. It was also intended to manage emergency placements differently to seek to move children to an appropriate permanent arrangement as soon as possible.
- It was proposed that there should be regular reporting to the Children's and Young People scrutiny committee.

In discussion the following additional principal points were made:

- Further concern was expressed about the deliverability of the budget proposals, noting that there had been a persistent overspend for several years. In addition, the overspend could be attributed to systemic issues. .
- Different areas of the proposed savings related to one another with a sequential aspect in that savings were required to be made in one area before another area could begin to deliver on its savings.
- The vacancy rate and staff turnover slowed matters down because of the time taken for a new member of staff to familiarise themselves with the details of individual cases.
- It appeared that additional work was being created by partners being more risk averse and referring people into the system, with the council then having to go back to them with an alternative course of action.
- It would be helpful if a timeline could be provided showing how far into the year it would be before planned changes in working would enable savings to begin to be realised. In effect it could be that a more significant level of saving would be required because it would have to be delivered over a shorter time; a few months rather than a whole year.

The DCW commented that savings had been achieved and changes had been made to the way the service supported looked after children. There had been a significant reduction in the number of children subject to child protection plans managed in a way that the Safeguarding Board had considered appropriate in terms of managing risk. The change to employing permanent staff rather than agency staff had reduced costs. Work had been undertaken that had fundamentally changed the spending pattern. The focus was on spend on looked after children. No cast iron assurances could be given on the saving on this area but he had confidence in the work that had been done in relation to the estimates. The county had 80 more looked after children than might be expected based on comparison with statistical neighbours. If half this number were supported in a different way this would release £1m in a full year with a saving of £0.5m estimated for 2018/19.

- The cabinet member – finance, housing and corporate services commented that the directorate was currently over delivering on planned savings for the current year with the exception of the looked after children budget. That budget had been carefully scrutinised by the finance team. It had been concluded that the addition of £2m to the service's base budget was appropriate, noting the implementation plans the directorate had outlined to bring expenditure more into line with statistical neighbours.

- It was observed that if a savings target was realistic and staff believed it was achievable there was a greater chance that it would be achieved. Failure to meet an unrealistic target year after year was demoralising. The DCW commented that he considered the savings target to be challenging but believable. Staff groups had been involved in developing the proposals.
- It was proposed that the savings should be profiled and reported to the relevant scrutiny committee on a 2 monthly basis. It was also requested that this information should be presented to group leader meetings.
- The DCW commented that the safeguarding board had recently considered the number of referrals deemed to require no further action and each agency was reviewing staff understanding.
- In relation to the prospect of rising inflation, the CFO commented that the approach to accounting for inflation was complex. The current model assumed 2% inflation so that was a challenge.

(The meeting adjourned between 12:05 and 12:20).

Economy, Communities and Corporate

The Director Economy, Communities and Corporate (DECC) commented that he considered that the savings targets for the directorate could be delivered.

In discussion the following principal points were made:

- Attention was drawn to the importance of the provision of Broadband and roads to tourism in the rural communities. The public consultation had identified roads as the top priority.
- In relation to road maintenance the DECC acknowledged that it was difficult to maintain all the county's roads to the desired standard. The council had prioritised funding for roads of some £20m and continued to look at bidding opportunities with central government. The additional capital investment in recent years meant that the condition of C roads was now considered the main issue. Capital bids assumed the use of some monies from the savings on the Amey contract. The annual planning process with Balfour Beatty Living Places involving Members would be used to identify priorities for the forthcoming year.
- The DECC clarified the organisational design savings on p42 of the agenda papers. He commented that these were principally efficiencies and back office savings reducing staff numbers. A detailed breakdown could be provided. It was requested that an explanation should also be provided as to why, if the proposed savings had no impact they had not already been delivered.
- The DECC commented that some of the efficiency and organisation design savings flowed from consultations on service delivery which took time to conduct and implement. The asset review had resulted in a number of disposals, generating capital receipts some of which was to be used to contribute to a revenue saving.
- He added that the library savings proposals did not involve closure of current facilities nor reduced opening hours. It was proposed that the direct face to face service customer service would be reduced in the market towns.
- A concern was expressed about the proposed saving in museums and heritage, mindful of the expertise and knowledge of staff that could potentially be lost and would be difficult to recover.

- The DECC commented that retention of the knowledge base was important. The aim was to support the service to become financially independent. Market testing was being conducted to see if there was a Trust or other entity that would be interested in running the service bringing in commercial expertise with a view to a report to Cabinet in May. The indications were that there were parties interested in taking on the service. It was hoped that staff would stay and work under that new arrangement. Work was also being undertaken to see if there were capital bidding opportunities available to secure funds to improve the services.
- The DECC commented that to date £8m had been secured in relation to the Amey contract disputes. Some of it had been allocated to the schemes listed in the capital programme report that showed no prudential borrowing was required. The remainder was currently being retained to mitigate risk across the council's budget as a whole. He acknowledged a preference for the savings secured to be reinvested in the road network.
- The CFO commented that no assumption had been made in the budget in relation to the council's indication to government that it would be willing to participate in a pilot scheme for the retention of business rates. Government was expected to make a decision before Christmas.
- The income received by the Directorate of some £18m was not described in the budget. In terms of car parking income it was proposed that information should be presented to demonstrate that that income was being spent in the areas permitted by statute.
- Revenue savings were shown in the budget as a result of a change to the way in which the council paid back borrowing.
- The DECC commented in relation to capitalising the Hereford bypass budgets the advice was that this could be done at the point when Cabinet authorised consultation on preferred lines. A decision was expected in January 2018. In terms of a business case further reports would be made to Cabinet before funds were committed.
- Savings identified in relation to Hoople comprised a dividend payment to the council as a shareholder and savings from staff costs that may result in some service level reductions internally to the council, but not externally.
- The CFO commented that a briefing note could be provided detailing income and additional information could be incorporated in the report to council.
- Clarification was sought on the minimum revenue provision contribution to reserves. The CFO commented that this was being held in the general reserve to address unforeseen pressures. He agreed to provide a breakdown of earmarked reserves.

RESOLVED:

- That**
- (a) the budget papers should make more open and transparent use of the public consultation responses in the commentary;**
 - (b) a clearer narrative be provided on how the 3% uplift in the precept for adult social care is proposed to be used;**
 - (c) as part of the review of the constitution it be recommended that all three scrutiny committees are able to review the budgets of their directorates, with all recommendations being fed in to the General Scrutiny Committee before submission to Cabinet;**
 - (d) that there be ongoing review of the deliverability of the looked after children budget, with reports provided every 2 months to the Children and Young People Scrutiny Committee accompanied by a**

profile of how savings are projected throughout the year with this information also to be made available to Group Leaders for their performance challenge meetings;

- (e) a clear breakdown of how income from car parking is being spent on transport services is shown in the budget papers for council together with a breakdown of the ECC directorate efficiency savings.**

54. PROPOSED 2018/19 CAPITAL BIDS AND APPROVAL

The Committee was invited to consider the proposed capital programme including proposed investment additions for 2018/19 onwards and determine whether to make any recommendations to inform and support cabinet in making its recommendations to council.

The Chief Finance Officer (CFO) invited questions.

In discussion the following principal points were made:

- A member commented that £7m had already been spent on the Southern Link Road some 20% of the estimated cost. Assurance was sought that the project was deliverable within budget.

The DECC commented that the budget represented the best estimate but this could not be confirmed until the market was tested and contracts were let he considered that the appropriate budget had been set to take the project forward.

- It appeared that there was considerable carry forward of proposals. It was questioned what the implications of this for delivery of the economic strategy.

The DECC considered that progress was being made on key projects and the timetable for delivery was not having a negative impact on the economy.

- It was proposed that resources should be found to invest in the model farm development at Hildersley, Ross-on-Wye, a vital infrastructure project.
- In response to questions the CFO commented that he could provide information on the scoring system used for capital projects and, with reference to paragraph 16 of the report, how various funding sources had been applied to projects. In terms of borrowing there had been a very slight rise in the cost. This was being monitored but it was not expected that the rate would rise significantly.
- The DECC provided further clarification of the capitalisation of funding for the Hereford bypass and how this became a saving on the revenue budget as a result.
- The stated position had been that the western relief road would be funded by developer contributions but none of these had so far been received. It was asked what the implications of this were.

The DECC commented that to date contributions had been received from Highways England and Midlands Connect although the majority of funding had been provided by the council. It had not been envisaged that the project would be fully funded by developer contributions. It had been expected Central Government grant would support the majority of the funding and the council would need to make some local contribution. A number of bidding opportunities for government funding were expected over the next 12 months and S106 agreements would be negotiated as the major housing developments for Hereford came forward.

RESOLVED: That it be recommended that the council makes funding available to enable the model farm development at Hildersley, Ross-on-Wye to proceed.

55. PUBLIC ACCOUNTABLE BODY FOR NMiTE

The Committee was asked to review proposals that the council act as the accountable body for the new Hereford University NMiTE (new model in technology & engineering), during its establishment phase.

The Chairman welcomed the following representatives from NMiTE: Professor Janusz Kozinski, President and Chief Executive Officer; David Sheppard, Interim Chief Operating Officer; NMiTE, David Nolan, Interim Finance Director, NMiTE; and Jon Gorringer, Finance Advisor to NMiTE, ex Director of Finance, Edinburgh University.

The Chief Finance Officer (CFO) gave a presentation as appended to these minutes. This replaced that published at appendix 3 to the report. Mr Sheppard outlined the Department for Education funding assurance programme setting out the basis on which grant payments would be paid, the timing of payments, the internal processes in place to ensure that the business plan was delivered, the control structures and the audit framework.

In discussion the following principal points were made:

- However beneficial the proposed University might be, the proposal that the council act as accountable body posed a potential financial and reputational risk to the Council. Accordingly, it was suggested that if the council agreed to act as the accountable body the council itself should establish its own robust and appropriate governance framework to supervise the discharge of this role. The Council might decide that it wished to carry out this role itself or delegate that responsibility to a committee or sub-committee. If Council did decide to delegate that responsibility it was requested that in making such a delegation there was clarity as to the role of the body to whom responsibility had been delegated. This should include, for example, what reports it would be expected to receive, and the level of input that could be expected from the council's external auditors, so that appropriate resources could be allocated to enable the delegated role to be discharged. It was noted that the cost of this monitoring work would be chargeable to NMiTE.
- During the points on behalf of NMiTE it was noted that they wish to avoid duplication and cost. NMiTE has established its own audit framework upon which the council could draw. However, members considered it essential that the council had its own independent assurance framework process in place.
- The cabinet member – finance, housing and corporate services suggested the closest parallel would perhaps be the role delegated to the Audit and Governance Committee in relation to review and monitoring of the waste contract.
- It was confirmed that accountable body status only applied to the grant funding stream. Private funding that NMiTE had to secure, and obtaining this was one of the milestones, would be managed directly by NMiTE.
- The Chief Finance Officer commented that if milestones were not being met discussions would be held with NMiTE in the first instance and if matters could not be resolved a report would have to be made to the Department for Education (DfE) for advice on the next steps. He also commented that the council would be represented on the project advisory board and that the council would be able to review monthly

audit reports that the NMiTE Board prepared for the Department for Education (DfE) so there would be complete transparency.

- It was recognised that this was a complex project and noted that if significant difficulties did arise it tended to be the DfE's practice to put one higher education institution in the care of another higher education institution. NMiTE already had a close partnership with Warwick University. The Council would not be involved.
- In reply to a question on the potential for the council to be left out of pocket in certain circumstances Mr Nolan indicated that he considered paragraph 23 of the report containing this reference to be incorrect. Members requested that Cabinet, the report to which contained the same paragraph, should be updated as appropriate.

In conclusion Professor Kozinski welcomed the debate that had taken place. He acknowledged the points raised by the Committee. However, he stated that he believed that the project would be a source of pride and great benefit to the County and that the NMiTE organisation had the expertise available to it to deliver it.

Members indicated that subject to the development of a robust and appropriate governance framework and assurance that there would be no cost to the council they would support the council acting as the accountable body.

RESOLVED:

- That**
- (a) Council be recommended to put in place a robust and appropriate governance framework to supervise the discharge of its responsibility as the accountable body itself, or delegate this role to a Committee/Sub-Committee providing sufficient detail on the mechanism by which this role is to be discharged is provided to any such body to enable it to fulfil its role;**
 - (b) the wording of paragraph 23 in the report to the Committee mirrored at paragraph 23 of the report to Cabinet on 14 December 2017 in relation to risk management be reviewed and amended as appropriate; and**
 - (c) subject to the above, Cabinet be advised that the Committee supports the proposal that the council acts as accountable body for public funding to support establishment of a new university in Hereford, provided assurances are given that no costs will be incurred by the Council.**

56. WORK PROGRAMME

The Committee was invited to review its work programme.

It was observed that attention needed to be given to the scheduling of work in relation to gathering evidence from Parish Councils in relation to Balfour Beatty Living Places, the proposed spotlight review on public realm improvements needed to accommodate students at the new university and clarification as to the timing of a further report on the Edgar Street Stadium, Hereford.

RESOLVED: That the draft work programme be noted.

57. DATE OF NEXT MEETING

Monday 29 January 2018 at 10.15 am.

Appendix - Revised Presentation

The meeting ended at 1.59 pm

Chairman

Accountable Body

December 2017

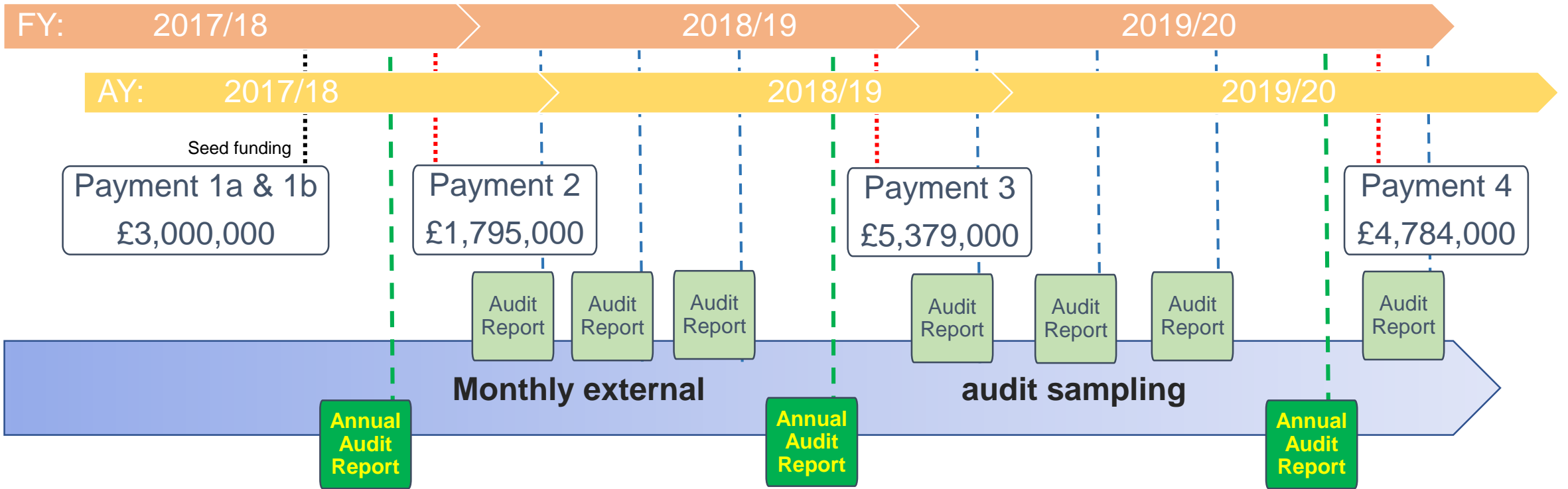
Eyes on hands off:

**Council to ensure that money is spent in accordance with grant.
Council is not responsible for the NMiTE business plan.**

**Council to confirm to Government that milestones have been achieved.
Council's costs to be recovered from grant.**

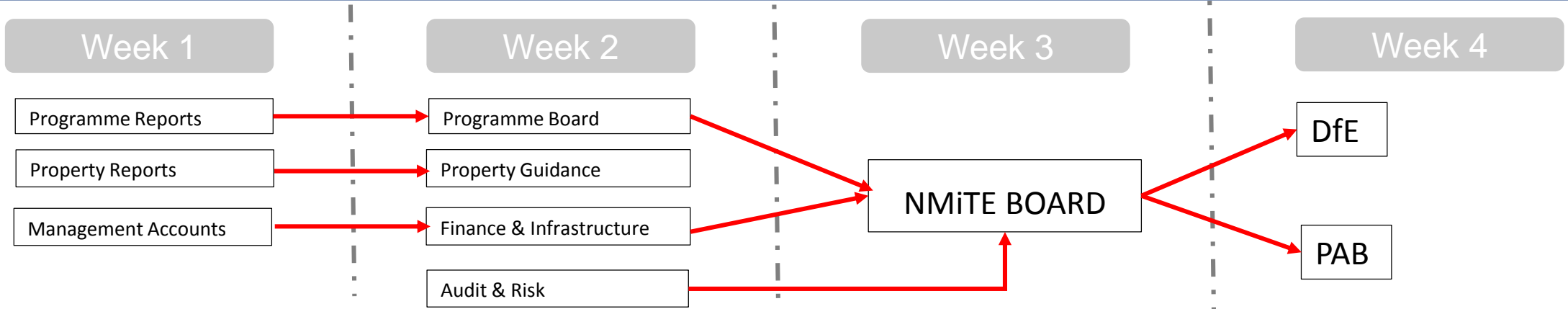
Council is not being asked to cash flow NMITE

NMiTE – DfE Funding - Assurance Programme



15

NMiTE monthly reporting & control cycle



The Quarterly Audit Reviews are to provide assurance to the Department for Education (DfE), Herefordshire Council (HC), the Department of Communities & Local Government (DCLG), the Marches LEP (MLEP) and the Board of NMiTE that:

1. funding granted to NMiTE has been expended in accordance with HMT's guidance on *Managing Public Money*;
2. the **DfE Funding Stream** on the NMiTE project is progressing in line with the milestones set in the signed MoU between NMiTE, DfE and HC and its associated annexes; and as reflected in the Grant Letters for both revenue and capital funding streams between the DfE and HC;
3. the **DCLG/MLEP Funding Stream** on the NMiTE capital programme is in line with the projected capital spending and milestones set in the Funding Agreement between Shropshire Council (acting as the Public Accountable Body on behalf of MLEP) and HC; and
4. the timing and correlation of funding between DfE and DCLG/LEP funding streams is effective to ensure that sums committed and the need for future funding is timely and within the requirements laid down by the MLEP.