

Agenda

General scrutiny committee

Date: **Wednesday 13 December 2017**

Time: **10.00 am**

Place: **Council Chamber, The Shire Hall, St Peter's Square,
Hereford, HR1 2HX**

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

Tim Brown, Governance Services

Tel: 01432 260239

Email: tbrown@herefordshire.gov.uk

If you would like help to understand this document, or would like it in another format, please call Tim Brown, Governance Services on 01432 260239 or e-mail tbrown@herefordshire.gov.uk in advance of the meeting.

Agenda for the meeting of the General scrutiny committee

Membership

Chairman **Councillor WLS Bowen**
Vice-Chairman **Councillor EJ Swinglehurst**

Councillor BA Baker
Councillor JM Bartlett
Councillor PGH Cutter
Councillor JF Johnson
Councillor A Warmington

Agenda

		Pages
GUIDE TO THE COMMITTEE		
1. APOLOGIES FOR ABSENCE	To receive apologies for absence.	
2. NAMED SUBSTITUTES	To receive details of members nominated to attend the meeting in place of a member of the committee.	
3. DECLARATIONS OF INTEREST	To receive any declarations of interest by members.	
4. MINUTES (TO FOLLOW)	To receive the minutes of the meeting held on 1 December 2017.	
5. QUESTIONS FROM MEMBERS OF THE PUBLIC	To receive any written questions from members of the public. Details of the scheme and related guidance are available here: https://www.herefordshire.gov.uk/info/200148/your_council/61/get_involved Please submit questions to councillorservices@herefordshire.gov.uk The deadline for the receipt of questions is Wenesday 6 December 2017 at 5.00 pm. Accepted questions will be published as a supplement prior to the meeting.	
6. QUESTIONS FROM MEMBERS OF THE COUNCIL	To receive any written questions from members of the council. Deadline for receipt of questions is 5:00 pm on Wednesday 6 December 2017. Accepted questions will be published as a supplement prior to the meeting. Please submit questions to councillorservices@herefordshire.gov.uk	
7. SETTING THE 2018/19 BUDGET AND UPDATING THE MEDIUM TERM FINANCIAL STRATEGY	To seek the views of the general scrutiny committee on the budget proposals for 2018-19 and updated medium term financial strategy (MTFS).	9 - 112
8. PROPOSED 2018/19 CAPITAL BIDS AND APPROVAL	To review the proposed capital programme including proposed investment additions for 2018/19 onwards and determine whether to make any recommendations to inform and support the cabinet in developing its recommendations to Council.	113 - 124

9. PUBLIC ACCOUNTABLE BODY FOR NMITE

125 - 266

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.

10. WORK PROGRAMME

267 - 308

To review the committee's work programme.

11. DATE OF NEXT MEETING

The next scheduled meeting is 10:00 AM on Monday 29 January 2018.

The public's rights to information and attendance at meetings

You have a right to: -

- Attend all Council, Cabinet, committee and sub-committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all committees and sub-committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all committees and sub-committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, committees and sub-committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, committees and sub-committees and to inspect and copy documents.

Public transport links

The Shire Hall is a few minutes walking distance from both bus stations located in the town centre of Hereford.

Recording of this meeting

Please note that filming, photography and recording of this meeting is permitted provided that it does not disrupt the business of the meeting.

Members of the public are advised that if you do not wish to be filmed or photographed you should let the governance services team know before the meeting starts so that anyone who intends filming or photographing the meeting can be made aware.

The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.

Fire and emergency evacuation procedure

In the event of a fire or emergency the alarm bell will ring continuously.

You should vacate the building in an orderly manner through the nearest available fire exit and make your way to the Fire Assembly Point in the Shire Hall car park.

Please do not allow any items of clothing, etc. to obstruct any of the exits.

Do not delay your vacation of the building by stopping or returning to collect coats or other personal belongings.

The Chairman or an attendee at the meeting must take the signing in sheet so it can be checked when everyone is at the assembly point.

Guide to General Scrutiny Committee

Scrutiny is a statutory role fulfilled by councillors who are not members of the cabinet.

The role of the scrutiny committees is to help develop policy, to carry out reviews of council and other local services, and to hold decision makers to account for their actions and decisions.

Council has decided that there will be three scrutiny committees. The Committees reflect the balance of political groups on the council.

The General Scrutiny Committee consists of 7 Councillors.

Councillor WLS Bowen (Chairman)	Herefordshire Independents
Councillor EJ Swinglehurst (Vice-Chairman)	Conservative
Councillor BA Baker	Conservative
Councillor JM Bartlett	Green
Councillor PGH Cutter	Conservative
Councillor JF Johnson	Conservative
Councillor A Warmington	It's Our County

The committees have the power:

- (a) to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive,
- (b) to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are the responsibility of the executive,
- (c) to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the executive,
- (d) to make reports or recommendations to council or the cabinet with respect to the discharge of any functions which are not the responsibility of the executive,
- (e) to make reports or recommendations to council or the cabinet on matters which affect the authority's area or the inhabitants of that area
- (f) to review or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions and to make reports or recommendations to the council with respect to the discharge of those functions. In this regard crime and disorder functions means:
 - (i) a strategy for the reduction of crime and disorder in the area (including anti-social and other behaviour adversely affecting the local environment); and
 - (ii) a strategy for combatting the misuse of drugs, alcohol and other substances in the area; and
 - (iii) a strategy for the reduction of re-offending in the area

- (g) to review and scrutinise any matter relating to the planning, provision and operation of the health service in its area and make reports and recommendations to a responsible person on any matter it has reviewed or scrutinised or to be consulted by a relevant NHS body or health service provider in accordance with the Regulations (2013/218) as amended. In this regard *health service* includes services designed to secure improvement—
- (i) in the physical and mental health of the people of England, and
 - (ii) in the prevention, diagnosis and treatment of physical and mental illness
 - (iii) And any services provided in pursuance of arrangements under section 75 in relation to the exercise of health-related functions of a local authority.
- (h) to review and scrutinise the exercise by risk management authorities of flood risk management functions or coastal erosion risk management functions which may affect the local authority's area.

The specific remit of the general scrutiny committee includes:

- Services within the economy, communities and corporate directorate
- Corporate performance
- Budget and policy framework matters
- Statutory flood risk management scrutiny powers
- Statutory community safety and policing scrutiny powers

Who attends general scrutiny committee meetings?

Coloured nameplates are used which indicate the role of those attending the committee:

Pale pink	Members of the committee, including the chairman and vice chairman.
Pale Blue	Cabinet Members – They are not members of the committee but attend principally to answer any questions the Committee may have and inform the debate.
Orange	Officers of the council – attend to present reports and give technical advice to the committee
Green	People external to the Council invited to provide information to the committee.
White	Other councillors may also attend as observers but are only entitled to speak at the discretion of the chairman.



Meeting:	General scrutiny committee
Meeting date:	Monday 11 December 2017
Title of report:	Setting the 2018/19 budget and updating the medium term financial strategy
Report by:	Chief finance officer

Classification

Open

Decision type

This is not an executive decision.

Wards affected

(All Wards);

Purpose and summary

To seek the views of the general scrutiny committee on the budget proposals for 2018-19 and updated medium term financial strategy (MTFS).

The committee is invited to make recommendations to inform and support the process for making cabinet proposals to Council regarding the adoption of the budget and associated budget framework items, including providing constructive challenge to the cabinet's proposals.

Recommendation(s)

That:

- (a) having regard to the proposals, the evidence of need provided in Understanding Herefordshire (the joint strategic needs assessment) and the consultation responses, the committee determine any recommendations it wishes to make to Cabinet in relation to:
- the draft MTFS 2018/2021 at appendix 1;
 - the robustness of the savings plans at appendix 2;
 - the draft budget 2018/19 at appendix 3; and

- (b) the committee review the 2017/18 budget book at appendix 5 and determine any recommendations it wishes to make to improve the clarity/transparency of information to be provided in the 2018/19 budget book.**

Alternative options

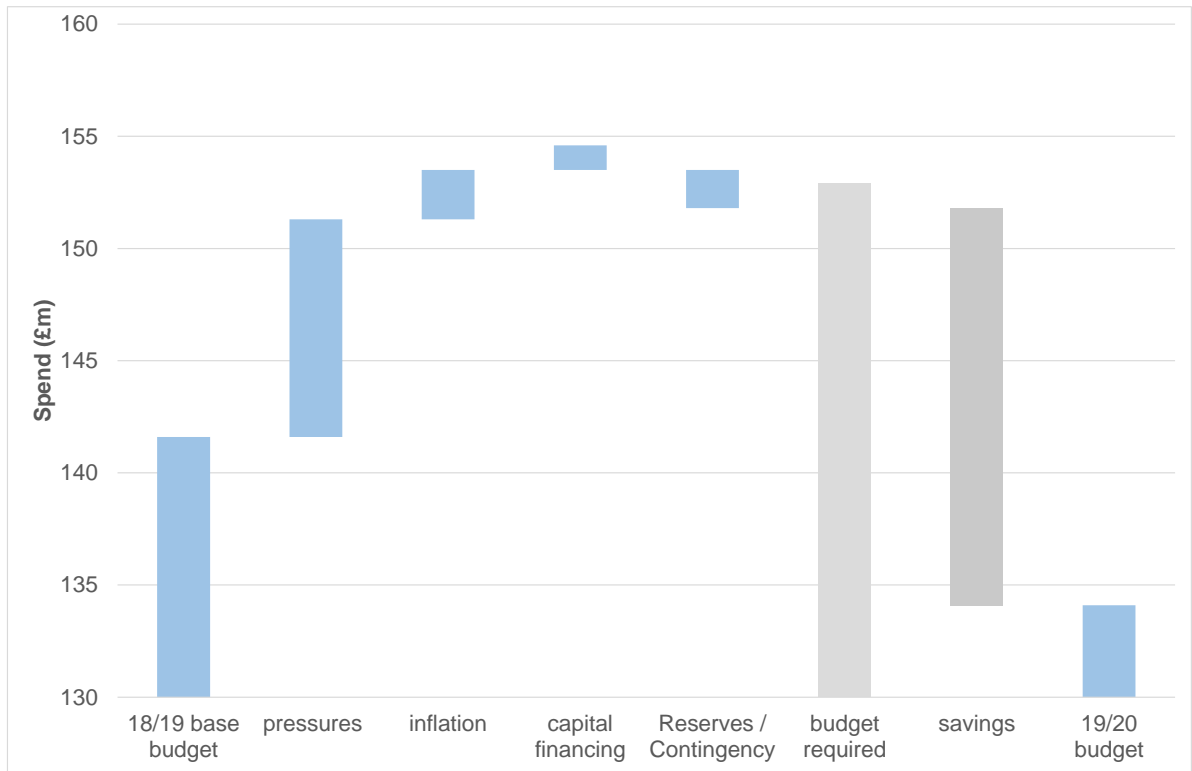
1. There are no alternatives to the recommendations.
2. It is open to the committee to recommend alternative spending proposals or strategies; however given the legal requirement to set a balanced budget should additional expenditure be proposed compensatory savings proposals must also be identified.

Key considerations

3. The MTFS, attached at appendix 1, has been updated to reflect current spending, a review of savings plans, contingencies and demographic pressures. 2020/21 has been included however this is an estimate until the Government confirm the comprehensive spending review. The current comprehensive spending review ends in 2019/20. It assumes a 1.9% general increase in council tax plus an increase of 3% in 2018/19 (1% in 2019/20) in relation to the adult care precept, a total increase of 4.9%. The autumn statement was shared on 22 November and we await confirmation of the settlement which is due in late December.
4. Herefordshire accepted the four year funding settlement in 2016/17 this forms the basis of the MTFS to 2019/20 and an estimate for 2020/21. The draft budget for 2018/19 at appendix 3 is proposed in recognition of managing need and the council's relationship with communities.
5. Council will be asked to approve the 2018-19 budget on 26 January 2017. It will also be asked to approve the updated MTFS to 2020-21 and the treasury management strategy.
6. The Herefordshire Council Corporate Plan 2016 – 2020 was adopted by Council in February 2016. This identified four priorities and was the subject of an extensive consultation exercise. The following vision for Herefordshire Council was developed as part of the Communications Strategy 2016 – 2020 adopted by cabinet in September 2016: 'People, organisations and businesses working together to bring sustainable prosperity and well-being for all, in the outstanding natural environment of Herefordshire.' This vision builds upon our four key priorities and has helped to inform the development of our 2018/19 budget and medium term financial strategy.

Current savings plan 2018-19 to 2019-20

7. The current savings plans require £15.9m of savings, this represents the funding gap arising from increased costs and reduced funding, as shown below.



8. The council has delivered £70m of savings in the financial years 2010-11 to 2016-17, with an additional £7m required in the current financial year. Looking forward an additional £19.2m of savings or additional income in the financial period 2018-19 to 2020/21 is needed. This gives total savings for the financial period 2010-11 to 2020/21 of £96.2m.
8. A base budget exercise for 2018-19 has identified additional pressures in both adults and children's of £7.6m, additional savings have been identified to cover the pressures included in the £19.2m. Savings have been reviewed as part of the budget setting process and directorate challenge sessions were held to validate viability of savings. The budget presentation is shown in appendix 6. These savings plans are attached as appendix 2 and are summarised in the table below.

	2018-19 £m	2019-20 £m	Total 18-20 £m
Adults and wellbeing	5.4	1.5	6.9
Children's wellbeing	2.2	1.1	3.3
Economy, communities and corporate	3.9	2.0	5.9
Treasury management	1.5	0.2	1.7
Total	13	4.8	17.8

Further information on the subject of this report is available from
 Josie Rushgrove, Tel: 01432 261867, email: jrushgrove@herefordshire.gov.uk

9. The majority of savings relate to continued efficiency improvements and changes to service delivery and have been referred to in the public budget consultation. The implementation of individual savings proposals may require further consultation and will be subject to specific governance as necessary, prior to their implementation.

Base budget 2018-19

10. The draft budget for 2018-19 is set out below and detailed in appendix 3. This reflects increases in inflation, pressures, savings and other adjustments.

Draft revenue budget summary 2018-19			
Directorate	Current base budget	Net changes	Proposed base budget
	2017/18		2018/19
	£000	£000	£000
Adults and wellbeing	51,243	686	51,929
Children's wellbeing	21,153	2,249	23,402
Economies, communities and corporate	44,740	(2,779)	41,961
Total directorates net budget	117,136	156	117,292
Centralised corporate costs			4,722
Capital financing - debt repayments			7,827
Capital financing - interest			6,053
Other central budgets			2,885
MRP saving contribution to reserves			3,800
Total net spend (budget requirement)			142,579
Financed by			
Council tax			98,404
Business rates			33,116
Revenue support grant			5,370
New homes bonus			2,540
Rural services delivery grant			3,149
			142,579

Financing

11. The 2018-19 net budget requirement is financed by retained funding from council tax (£98m) and business rates (£33m) as shown in the table above. Assumptions include 4.9% increase in council tax and business rate reliefs being funded via a central government grant. Central government funding is included as accepted in the four year funding settlement.

Better Care Fund

12. The current Better Care Fund (BCF) plan is for two financial years- 2017/18 and 2018/19. As such the draft budget assumes the level of protection for adults social care in 2018/19 from the Better Care Fund is in line with the current plan (being £4.56m and

£0.46m Care Act funding). Internal planning on the allocation of the protection of social care funding for 2018/19 has started based on the BCF plan. Herefordshire is working closely with the health sector in developing the sustainability and transformation plan with the aims of improving the health and wellbeing of the local population, improving the quality and safety of care delivery, and securing ongoing financial sustainability. The BCF plan shares the pathway for the full integration of health and social care by 2020.

13. The BCF plan also includes funding for the Improved Better Care Fund. This is non-recurrent grant funding paid directly to Herefordshire that must be included within the BCF Plan. The funding for 2018/19 is £4.7m. The grant conditions require that the grant funding may be used only for the purposes of meeting adult social care needs; reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready; and ensuring that the local social care provider market is supported. Herefordshire is working closely with health commissioners and providers, and social care providers to develop plans for allocation of the grant funding.

New pressures included in draft budget

14. Additional pressures have been identified that were not anticipated in the MTFs approved in February 2016, these are set out below:

	2018-19
	£000's
Adult services pressures	3,583
Children's services pressures	3,970
ECC pressures	<u>90</u>
TOTAL	<u><u>7,643</u></u>

Reserves and balances

15. The council's revenue reserves are split between general reserves and earmarked reserves that are held for certain purposes.
16. Part of the council's general reserve is held as a strategic reserve to cover emergency events such as unforeseen financial liabilities or natural disasters. This reserve is maintained at a minimum level of between 3% and 5% of the council's net revenue budget.
17. The remainder of the council's general reserve is to support one-off and limited on-going revenue spending and, in line with the four year settlement, for smoothing the impact of the late delivery of savings plans.
18. The council's earmarked reserves, which include school balances, are held to meet identified spending commitments. These reserves will only be used for the purpose for which they were created and will be reviewed annually. If they are no longer required they will be transferred to the general reserve. The predicted earmarked reserves includes a new reserve for the setting aside of savings in minimum reserve provision (MRP) charges following the approval of a revised MRP policy.

19. The projected reserve balances are as follows:

Balance as at	Strategic Reserve	General Reserve	School Balances	Earmarked Reserves	Total Reserves
	£m	£m	£m	£m	£m
31 March 2017	7.3	0.6	7.4	37.3	52.6
31 March 2018	7.1	4.0	7.2	29.3	47.6
31 March 2019	6.8	4.0	7.2	32.3	50.3
31 March 2020	6.8	4.0	7.2	33.0	51.0

Pension deficit

20. Herefordshire Council is a member of the Worcestershire County Council Pension Fund. The pension fund is revalued every three years and was last revalued as at 31 March 2016 when the actuary reviewed mortality rates, salary levels, inflation and asset growth. Herefordshire's proportion of the net deficit on the Worcestershire County Council Pension Fund as at 31 March 2017 was £247m. This represents the shortfall between the estimated value of obligations and the assets held in the pension fund as at the year end. A summary of how this obligation has fluctuated annually is shown below:-

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Present value of liabilities	(423)	(420)	(500)	(486)	(602)
Value of Scheme assets	235	260	289	282	355
Surplus/(Deficit)	(187)	(159)	(211)	(204)	(247)

21. This proportionate level of deficit is normal for council pension funds and relates to falling returns on investments and employees living significantly longer than anticipated when the scheme was initially set-up. Herefordshire council's deficit funding level was 70% on revaluation, nationally funding levels range from 0% to 140%.
22. The council ensures that funding is set aside by the time the benefits come to be paid with revised contribution rates bringing the fund into balance over a period of 18 years. Although the benefits will not actually be payable until employees retire, the council has a commitment to make deficit and in service contributions which are included in the budget proposals. In 2018/19 the council will pay £5m towards the deficit as agreed with the pensions fund's actuaries and the in service contribution rate will be 15.6%.

Budget setting timetable

Date	Action
12 January	Cabinet to consider updated budget, MTFS and treasury management strategy and capital programme for recommendation to Council
26 January	Council to approve 2017/18 budget, updated MTFS and treasury

Further information on the subject of this report is available from
 Josie Rushgrove, Tel: 01432 261867, email: jrushgrove@herefordshire.gov.uk

	management strategy
9 March	Council to approve council tax amounts for 2017/18

Community impact

23. The MTFs and budget demonstrate how the council is using its financial resources to deliver the priorities within the agreed corporate plan.

24. Over the past three years the council has delivered improvement, achievement, positive change and outcomes along the way to deliver our key priorities, including:

Supporting the growth of our economy

- Delivered major public realm improvements to Hereford's centre;
- Opening of the Hereford Greenway and new cycle bridge over the River Wye completing another key link in the city cycle network;
- 368 miles of road resurfaced in the last 3 years - 19% of the entire highway network;
- Filled over 200,000 pot-holes;
- Continued rolled out of "Fasterhire" broadband to over 83% of residents and businesses in the county;
- Enterprise zone established and developed.

Keeping children and young people safe and giving them a great start in life

- Developed New Horizons to enable young adults with learning disabilities to stay in build their independence in Herefordshire rather than out of county;
- Increased the number of local foster carers by 9%, against a national backdrop of reducing numbers;
- Introduction of first Multi Agency Safeguarding Hub in West Mercia;
- Development of new approach to provide housing for vulnerable young adults;
- Development of family based short breaks for children with a disability to give parents more choice.

Enabling residents to live safe, healthy and independent lives

- Restructuring social work teams to provide a clearer service pathway, ensuring rapid assessment for routine cases, along with expert capacity for complex cases, dramatically increasing the proportion of clients reviewed each year;
- Reviewing all contracts and securing cost reductions of 30%-50%, while still maintaining quality and impact in key areas;
- Securing approval of a new housing strategy and housing allocations policy, in a context of major national system change.

25. In accordance with the principles of the code of corporate governance, Herefordshire Council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

Equality duty

26. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:]

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
27. We will carry out service specific equality impact assessments for the service specific budget proposals to assess the impact on the protected characteristic as set out in the Equality Act 2010.
28. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified.

Resource implications

27. The financial implications are as set out in the report. The ongoing operational costs including, HR, IT and property resource requirements are included in the draft budget.

Legal implications

28. When setting the budget it is important that councillors are aware of the legal requirements and obligations. Councillors are required to act prudently when setting the budget and council tax so that they act in a way that considers local taxpayers. This also covers the impact on future taxpayers.
29. The Local Government Finance Act 1992 requires a council to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure. The act also covers the legal issues around council tax setting.
30. Best estimates have to be employed so that all anticipated expenditure and resources are identified. If the budget includes unallocated savings or unidentified income then these have to be carefully handled to demonstrate that these do not create a deficit budget. An intention to set a deficit budget is not permitted under local government legislation.

31. The council must decide every year how much they are going to raise from council tax. The decision is based on a budget that sets out estimates of what is planned to be spent on services. Because the level of council tax is set before the year begins and cannot be increased during the year, risks and uncertainties have to be considered, that might force higher spending more on the services than planned. Allowance is made for these risks by: making prudent allowance in the estimates for services; and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.
32. Local government legislation requires the council's S151 officer to make a report to the full council meeting when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals (the statement is contained within the risk management section of this report). This is done so that members will have authoritative advice available to them when they make their decisions. As part of the Local Government Act 2003 members have a duty to determine whether they agree with the S151 statutory report.

The council's budget and policy framework rules require that the chairmen of a scrutiny committee shall take steps to ensure that the relevant committee work programmes include any budget and policy framework plan or strategy, to enable scrutiny members to inform and support the process for making cabinet proposals to Council.

Risk management

35. Section 25 of the Local Government Act 2003 requires the S151 officer to report to Council when it is setting the budget and precept (council tax). Council is required to take this report into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
36. The budget has been updated using the best available information, current spending, anticipated pressures and the four year grant settlement. This draft will be updated following the autumn statement.
37. The most substantial risks have been assessed as part of the budget process and reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process.
38. There are additional risks to delivery of future budgets including the delivery of new homes, Brexit, government policy changes including changes to business rates and unplanned pressures. We are maintaining a general fund reserve balance above the minimum requirement and an annual contingency budget to manage these risks.
39. Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average, and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on growth management through disease prevention and behaviour change in communities is critical for medium term change. In addition re-setting our relationship with communities focussing services on areas of greatest professional need will support the MTFS.
40. Difficulty in achieving reductions in children's safeguarding costs, we are high spending compared to statistical neighbours and methods of reducing this cost are progressing however some delays have been experienced.

41. We retain the risk of on-going litigation claims which may result in one off costs falling due, a risk mitigation reserve of £3.9m has been set aside to fund this.

Consultees

42. The council's budget consultation took place over a 13 week period from 29 June 2017 until 30 September 2017. A short survey was developed to seek views on which services are important to people and so that people could help shape the way we set our annual budget across our four priority areas.
43. There were a total of 514 standard responses to the consultation, 510 of which were submitted online and 4 were paper copies. This was an increase in the number of responses compared to previous years. Note that these respondents may not necessarily represent the views of the general population, as they were self-selecting and wanted to be consulted. The responses are detailed in appendix 4, The most common areas that the majority of respondents felt that the council should do more within its priorities are; roads, transport and travel, older people and vulnerable people and environment. Further information on responses is available within the summary of budget consultation (appendix 4).
44. During this consultation period, a number of other consultations have been taking place which have helped to inform our overall thinking on the 2018/19 budget and medium term financial strategy. These consultations included: Children centre buildings, Bromyard children centre services, Pharmacy survey, Public Spaces Protection Order (PSPO) alcohol restrictions and School travel.
45. The survey was made available on the council's website and promoted via social media. The budget consultation was also promoted to a wide range of key stakeholders and groups including: political groups on the council, elected members, parish councils, Chamber of Commerce Hereford networking breakfast, Care homes forum, Home care forum, Making It Real service user group, Herefordshire Community Safety Partnership, Spotlight on Children, Herefordshire Schools Forum, Herefordshire Association of Secondary Headteachers, and Herefordshire Primary Headteachers' Forum.

Appendices

Appendix 1 - draft MTFS

Appendix 2 - breakdown of savings plans by directorate

Appendix 3 - detail of draft budget

Appendix 4 - summary of budget consultation

Appendix 5 – Budget book for 2017-18

Appendix 6 – budget presentation

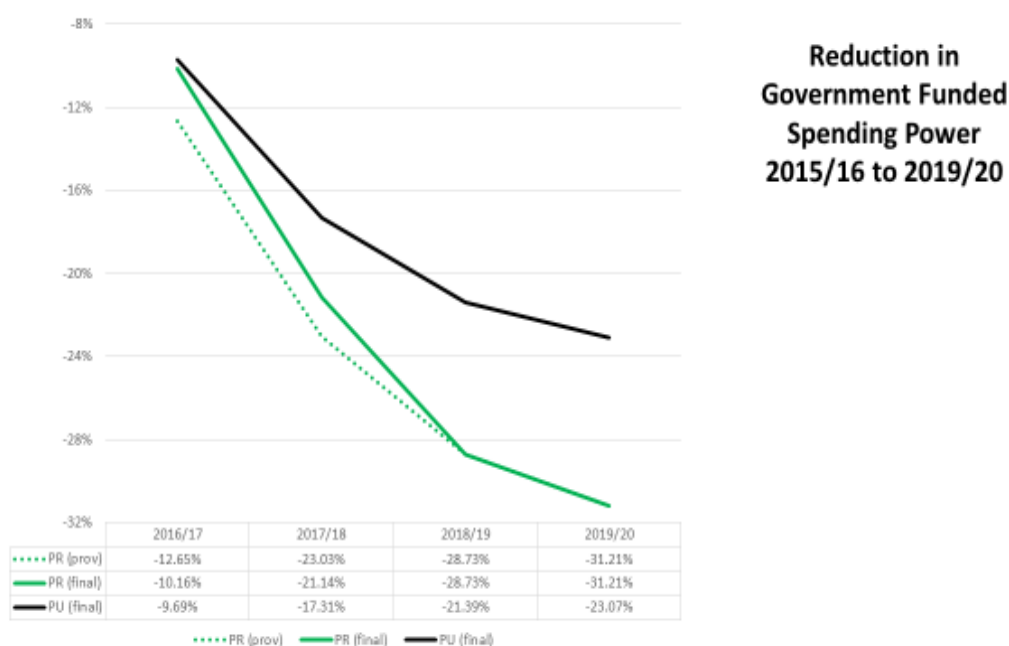
Background papers

None identified.

**Medium Term
Financial Strategy
2018/19 – 2020/21**

1. Background to the Medium Term Financial Strategy

- 1.1. Herefordshire is the one of the most sparsely populated counties in England, with residents dispersed across its 842 square miles. Areas of poverty and deprivation exist in Herefordshire and there are crucial economic, geographic and demographic factors, relating to distance, population sparsity, ageing, social inclusion and market structure. However, as a rural area, it receives on average, 50% less central government assistance than an urban rural area placing Herefordshire at a disadvantage compared to our urban counterparts.
- 1.2. In addition, social isolation is a growing concern, not least because of the disproportionately increasing number of older people living in Herefordshire, but also due to poverty and deprivation. The cost of living in rural areas, for example transport and domestic fuel costs, can be higher than in urban areas. There is also recognition that it is often the most vulnerable members of the community, such as frail elderly people and deprived families who suffer most from the loss of local services and the high cost of living.
- 1.3. 54% of Herefordshire's population live in rural areas of which 42% in the most rural locations. Providing services to a dispersed population across a large geographic area is a challenge and additional resources are required to ensure council services are maintained for all residents in the county
- 1.4. The four year funding settlement has partially recognised these additional pressures by increasing support for the most sparsely populated rural areas by increasing the rural services delivery grant (RSDG), £3.1m in 2018/19 for Herefordshire. Despite this rural councils are worse off than urban ones. (Green (bottom) line rural councils/ Black (top) line urban councils)



- 1.5. Herefordshire's economic base is focused on agriculture and as such its business rates base is low compared to other areas. As such a 1% growth in the business base generates an extra £63.50 per person in Westminster but just £2.20 for Herefordshire. While Government grant systems attempt to make allowance for the additional cost and complexity of delivering services in sparsely populated areas it is not enough for councils like Herefordshire where its sparse population is more evenly distributed throughout the county. To redress this imbalance, the council works with the Rural Services Network (known as SPARSE) and its MP's to seek to improve this position.
- 1.6. Despite these constraints the council has made necessary, difficult decisions to enable it to continue to deliver important services to our residents whilst assessing the challenge of delivering savings of £95m between 2010 and 2021
- 1.7. Without delivering the challenging changes required, Herefordshire Council would have been unable to meet its financial obligations. The council is committed to work within budget and 2017/18 is expected be the 5th successive year that we have done so.
- 1.8. Whilst ensuring that the overall budget is balanced, the council has been carefully building reserves to a prudent level to manage financial risk and to support future needs. Over the past three years the council has delivered improvement, positive change and outcomes along the way to deliver our key priorities, including:

Supporting the growth of our economy

- Delivered major public realm improvements to Hereford's centre.
- Opening of the Hereford Greenway and new cycle bridge over the River Wye completing another key link in the city cycle network.
- 368 miles of road resurfaced - 19% of the entire highway network.
- Filled over 200,000 pot-holes.
- Continued rolled out of "Fasterhire" broadband to over 83% of residents and businesses in the county.
- Enterprise zone established and flourishing with growing numbers of businesses operating from the zone.

Keeping children and young people safe and giving them a great start in life

- Developed New Horizons to enable young adults with learning disabilities to stay in their own homes to build their independence in Herefordshire rather than out of county.
- Increased the number of local foster carers by 9%, against a national backdrop of reducing numbers.
- Introduction of first Multi Agency Safeguarding Hub in West Mercia.
- Development of new approach to provide housing for vulnerable young adults.
- Development of family based short breaks for children with a disability to give parents more choice.

Enabling residents to live safe, healthy and independent lives

- Restructuring social work teams to provide a clearer service pathway, ensuring rapid assessment for routine cases, along with expert capacity for complex cases, dramatically increasing the proportion of clients reviewed each year,
- Reviewing all contracts and securing cost reductions of 30%-50%, while still maintaining quality and impact in key areas,

All of which have contributed to our objective to secure better service, quality of life and value for money.

1.9. The next three years are expected to be equally challenging but the MTFS is designed to provide a robust financial framework through which even more can be delivered to the residents of Herefordshire.

2. Medium Term Financial Strategy

2.1. This Medium Term Financial Strategy (**MTFS**) covers the financial years 2018/19 to 2020/21 and demonstrates how the council will maintain financial stability, deliver efficiencies and support investment in priority services, whilst demonstrating value for money and maintaining service quality. 2020/21 is currently an estimate as we are awaiting the outcome of the next Government comprehensive spending review.

2.2. The MTFS is a key part of the council's integrated corporate, service and financial planning cycle. This process is designed to ensure that corporate and service plans are developed in the context of available resources and that those resources are allocated in line with the corporate priorities set out in the Corporate Plan. Herefordshire's key priority areas are:

- **enable residents to live safe, healthy and independent lives**
- **keep children and young people safe and give them a great start in life**
- **support the growth of our economy**
- **secure better service, quality of life and value for money.**

2.3. All councils are reducing services as the government continues to significantly reduce the funding it provides to local government across England. We are seeing a significant change in the way councils are funded, back in 2010 80% of council spend was funded by grant but by 2020 almost all council expenditure will be funded locally through council tax and business rates. We remain in an austerity period in which the council has identified savings totaling £93m between 2010 and 2020.

2.4. The demand for services continues to grow with the council providing care for more people, particularly in essential areas such as children's safeguarding and adult social care. Cost pressures have been reflected in this MTFS and residual risks will be constantly monitored. Demand management will be key to ensure future financial resilience alongside increased integrated working with the health sector.

2.5. Balancing the MTFS

The MTFS has been set with regard to known funding reductions, additional cost pressures and identified savings of £19.2m for the period 2018/19 to 2020/21

2.6. Value for money

2.6.1. In managing the financial pressures, the council's strategic and corporate plans set out its vision for the county to support a strong, diverse and enterprising business base, operating in an exceptional and connected environment where the transfer of technology and skills

foster innovation, investment and economic growth.

2.6.2. These ambitious plans will accelerate growth and provide opportunities for all who live and work in Herefordshire through strong stewardship and strong partnerships with the private sector. Over the last five years the council's performance has improved across a wide range of services building the foundations for a successful economy and this remains a key priority.

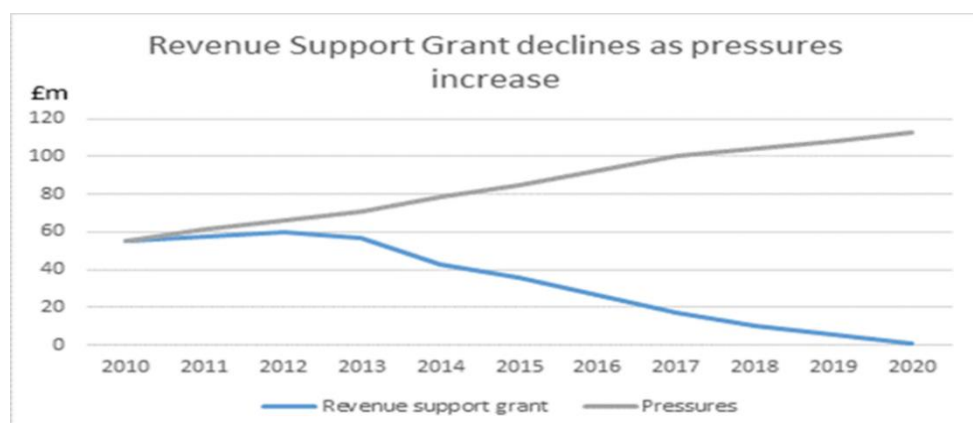
2.6.3. The council has enabled major improvements including the delivery of flood relief schemes, a new livestock market, a privately funded retail and leisure development on the site of the old livestock market, access to superfast broadband, an Enterprise Zone in Rotherwas, improved leisure facilities across the county and improvements to the highway network. A core strategy has been adopted that will provide a blueprint for developing the county over the period to 2031, including the delivery of the Hereford by-pass.

2.6.4. Using cost benchmarking data, the council is able to focus on areas where spend varies from other authorities with similar characteristics and challenges, such as providing adult social care services to a sparsely dispersed aging population. National benchmarking data is currently available to 2015/16 and showed that overall Herefordshire Council is ranked second against its thirteen statistical comparator neighbours on the basis of their cost of service (per revenue outturn).

2.6.5. These improvements have been recognized by our external auditors, Grant Thornton who annually review the value for money and statement of accounts of the council. They do this by looking at key indicators of financial performance, its approach to strategic financial planning, its approach to financial governance and its approach to financial control. In respect of the last financial year (2017/18 they were satisfied that, in all significant respects, the council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources. During the year the council encountered a number of issues around the refurbishment of Blueschool House, this has been investigated by our internal Auditors, SWAP, who have identified a number of areas that lessons can be learned. The council has agreed a process to ensure that the lessons are learnt and will be imbedded.

2.7. National context

2.7.1. The local government finance system has undergone a significant change from a highly-centralised system of funding, with central government grants allocated on the basis of councils' relative spending need, to a system where councils as a group are self-funding and individual councils bear far more spending and revenue risk.



- 2.7.2. The impact of these changes has meant that councils are less reliant on central government grant and more responsible for their financial management, resulting in an increasing funding gap to be met by savings.
- 2.7.3. Pressures on social care costs have been recognised through the introduction of an additional 3% levy on council tax referendum thresholds to be used entirely for adult social care; this will generate £2.7m each year for Herefordshire. The 2016 Autumn Statement provided some additional flexibility to the timing and size of this precept, provided that it does not exceed 6% over the three year period from 2017/18 to 2019/20..
- 2.7.4. The government will introduce the first ever national funding formula for schools, high needs and early years, a detailed consultation was launched in 2016 and the new formulae will be implemented from April 2018.
- 2.7.5. In addition, discussions continue on the national system of business rates with the proposal for councils to retain 100% of business rates (rather than 50% at present) but potentially without the protections for councils with lower numbers of businesses. This additional funding is likely to be accompanied with additional responsibilities, and therefore may require additional savings with an expectation for “national fiscal neutrality”. The council is continuing with its current, sound practices to manage these pressures. The council has indicated that it would be prepared to participate in a pilot scheme in respect of retention of business rates.
- 2.7.6. The 2016 Autumn Statement reflected the latest forecasts from the Office of Budget Responsibility which indicated increasing inflationary pressures and falling government revenues well into 2020 and beyond. This is likely to result in increasing the government’s borrowing requirement and introducing greater uncertainty in the growth and resilience of the UK economy.
- 2.7.7. These national factors create further risk to the council’s core income streams and the increased need to hold reserves at a level sufficient to protect the council from unplanned events.
- 2.7.8. This MTFS period will be extremely challenging for councils and many face difficult decisions about which services are scaled back or stopped altogether. It is against this background that Herefordshire Council’s MTFS has been prepared.

3. The Revenue Budget

- 3.1. The MTFS summarises the council’s financial plans for the next three years, is updated annually, and reflects the current year’s performance and the next year’s budget; it covers the period from 2018/19 to 2020/21,
- 3.2. It is prepared using the Financial Resource Model (**FRM**) which takes into account the corporate financial objectives and plans. The FRM provides an assessment of the overall resource available over the medium term linking the revenue account with the capital investment plan, treasury management strategy and reserves policy to provide a complete

overview of the council's financial position over time. It sets the financial context for corporate and service planning so that the two planning processes are fully integrated.

3.3. Funding Assumptions

3.3.1. The FRM includes a number of key assumptions in respect of funding on which the financial strategy is based. The council's revenue funding assumes:

- Council Tax - a 1.9% increase for 2018/19 and in future years in council tax plus a further 3% in respect of the Adult Social Care precept for 2018/19 and 1% for the Adult Social Care precept for 2019/20, making an overall increase of 4.9%
- Revenue Support Grant is expected to fall in line with the four year settlement agreed between the government and council;
- Increases in business rate reliefs as set in the Autumn Statement.

3.3.2. These will be reviewed each year against further changes in government funding as part of the annual budget process to ensure all relevant and up to date information is reflected in the budget process. Increasingly the council is becoming more dependent on income from Council Tax and Business Rates than funding from central government and this will continue throughout the years covered by the MTFs. It is worth noting the system of business rates is likely to change in 2020/21 and may reduce the level of business rates retained by the council for future years.

Funding Assumptions	2018/19	2019/20	2020/21
	£000s	£000s	£000s
Council Tax	98,404	101,885	104,577
Locally retained business rates	33,116	33,945	47,146
Revenue Support Grant (RSG)	5,370	620	-
New Homes Bonus (NHB)	2,540	1,760	-
Rural Services Delivery Grant (including transitional grant) RSDG	3,149	4,093	-
Base Budget	142,579	142,303	151,723

*Business rates includes top up and Section 31 grants

3.4. Budget Pressure Assumptions

3.4.1. Current planning assumptions include the following:

- inflation - 2%- 2.4% uplift per annum on income and costs, contract inflation indices on non-pay expenditure;
- pay – increased at 1% per annum;
- Living wage and apprenticeship levy
- interest rates – investment income and borrowing costs in line with the Treasury Management Strategy.

3.4.2. The total of directorate pressures included in the FRM are set out in the following table and also reflect the service demand pressures identified within each directorate.

Budget Pressures	2018/19	2019/20	2020/21
	£000s	£000s	£000s
Legislative changes (living wage)	493	541	595
Adults demographic pressures	926	945	973
Childrens service	3,970	-	-
Adults Wellbeing	3,583	-	-
ECC	90	-	-
Contract and pay inflation	2,154	2,277	2,828
Adults contractual inflation	508	529	545
Base Budget	11,724	4,292	4,941

3.4.3. The potential impact arising from the decision of the UK to leave the European Union is likely to influence future government financing and some indications of this have been provided. These changes will be reflected in future planning as they become clearer.

3.4.4. Following the approval of the budget, directorates will be expected to manage any new or additional budget pressures within their own net spending limits.

3.5. Savings Assumptions

3.5.1. The council delivered almost £77m of savings in the financial years 2010/11 to 2017/18 and will be required to generate an additional £19.2m of savings in the financial period 2018/19 to 2020/21 in order to balance its planned expenditure against its income.

3.5.2. Directorate savings have been identified, or revised, as part of the budget process and these are summarised in the table below:

Budget Savings	2018/19	2019/20	2020/21
	£000s	£000s	£000s
Adults and Wellbeing	5,395	1,500	
Children's Wellbeing	2,232	1,050	650
Economy, Communities and Corporate	3,862	2,017	350
Corporate Savings	1,460	200	500
Total	12,949	4,767	1,500

3.5.3. Adults and Wellbeing

Key savings targets are directed toward the following areas to improve service delivery and reduce costs while protecting the most vulnerable members of the community.

Adults and Wellbeing Directorate	2018/19	2019/20	2020/21
	£000s	£000s	£000s
Review, recommissioning and decommissioning of contracts	1,430	-	-
Reducing the need for formal care services by utilising strengths based practices and application of the wider culture change programme.	1,692	600	-
Managing contract inflation and securing contract efficiencies	640	200	-
Maximise income generation through increased client contributions for care services.	500	100	-
Reduction in staffing through combining roles/functions across the Directorate/Partners.	633	600	-
Use of iBCF funding to support core Adult Social Care use of services.	500	-	-
Total	5,395	1,500	-

3.5.4. Children's Wellbeing

Savings proposals have been directed to the following areas to minimize the impact on service delivery

Childrens Wellbeing Directorate	2018/19	2019/20	2020/21
	£000s	£000s	£000s
Manage inflation and secure contract efficiencies	670	200	-
Reduction in the number of looked after children	500	650	650
Capitalisation of the costs of staff working on capital projects	80	-	-
Manage budgets with vacancies	300	-	-
Organisational restructure to reflect the service requirements	682	200	-
Base Budget	2,232	1,050	650

3.5.5. Economy, Community and Corporate Savings Proposal

Directorate savings plans are focused on improving the efficient operation of core services through service re-design, operational efficiency and increased parking income:

Economy, Communities & Corporate	2018/19	2019/20	2020/21
	£000s	£000s	£000s
Efficiency savings	100	180	350
Back Office Services and Corporate Accommodation efficiencies	450	250	
Car Parking charges increase	235		
Reduced cost of Public and School / College Transport and moving public transport information to online only	180	150	
Phased removal of subsidy for Community Transport organisations	60	75	
Phased removal of subsidies to parish councils for the Lengthsman and Parish Paths .	100	100	
Community asset transfer of parks and open spaces	90		
Increased income and efficiency within Public Realm Services	25	25	
Waste & Sustainability Increased income from commercial waste collections.	30	30	
Withdrawal of Museum and Heritage Services subsidy	150	250	
Savings in Customer and Library Services	380		
Accommodation Strategy	367	360	
Review of Current Staffing Budgets	200		
Remove Bypass Bass Budget	170		
Procurement Savings		500	
Organisational redesign savings	725	97	
Hoople Savings	600		
Base Budget	3,862	2,017	350

3.5.6. Corporate Savings Proposals

In addition to directorate savings, this MTFS targets savings related to corporately controlled assets and income to generate the following savings:

Corporate	2018/19	2019/20	2020/21
	£000s	£000s	£000s
Organisational redesign	960	200	-
Asset review	1,400		
Treasury management	742	1,000	-
Economic development	-	-	500
Base Budget	3,102	1,200	500

3.6. Summary

The overall impact on the proposed revenue budget is shown below and demonstrates a balanced MTFS in each of the plan years in line with the governments four year funding settlement:

Revenue Budget	2018/19	2019/20	2020/21
	£000s	£000s	£000s
Base Budget	145,025	142,579	142,303
Pressures	11,945	4,491	10,921
Savings	(14,391)	(4,767)	(1,500)
Revised Base Budget	142,579	142,303	151,723
Funding Available	142,579	142,303	151,723

3.7. Directorate Net Spending Limits

The proposed revenue budget will be allocated to directorates as set out below:

Directorate Budgets	Adults	Children	ECC	Corporate	Total
	2018/20	£000s	£000s	£000s	£000s
2017/18 base Budget	51,158	21,153	44,740	27,974	145,025
Pressures	5,966	4,481	1,083	415	11,945
Savings	(5,195)	(2,232)	(3,862)	(3,102)	(14,391)
2018/19 budget proposal	51,929	23,402	41,961	25,287	142,579
Pressures	3,497	533	1,111	350	5,491
Savings	(1,500)	(1,050)	(2,017)	(1,200)	(5,767)
2019/20 draft budget	53,926	22,885	41,055	24,437	142,303
Pressures	6,882	533	1,111	2,395	10,921
Savings	0	(650)	(350)	(500)	(1,500)
2020/21 draft budget	60,807	22,768	41,816	26,332	151,724

4. The Capital Budget

4.1. The capital investment set out in the capital programme will support the corporate plan priorities by:

- **Improving schools**
- **Enhancing infrastructure**
- **Housing delivery and**
- **Creating job opportunities**

4.2. The Capital Programme 2017/18 was approved by council on 16 December 2016 (commitments from previous years are shown in the appendix). The council's Capital Programme is funded by grants, borrowing and capital receipts. The revenue impact of funding schemes by borrowings are included in the budget in accordance with the Treasury Management Strategy and Prudential Borrowing Indicators. The following table summarises the fully funded capital investment programme and the detailed investment plan is set out in appendix 2.

Capital Investment Programme and Financing	2018/19	2019/20	Total
	£000	£000	£000
Total Expenditure	65,938	36,911	102,849
Prudential Borrowing	22,731	14,547	37,278

Grants and contributions	41,082	22,214	63,296
Capital Receipts	2,125	150	2,275
Total Funding	65,938	36,911	102,849

4.3. As the table demonstrates, capital expenditure can be funded from capital receipts, borrowing, grants and revenue contributions. The council has a policy that ensures capital cash resources are used effectively in support of corporate priorities. As a result, all capital receipts are a corporate resource and not 'owned' or earmarked for directorates unless allocated for a specific purpose. The capital receipts reserve is available to support spending on the creation or enhancement of assets.

4.4. Government support for capital investment is through the allocation of grants, known grant funding allocations for 2017/18 are listed in the appendix but a number, including disabled facilities grant and schools maintenance, are yet to be announced.

4.5. The challenges given to retaining assets will be based on value for money, the delivery of strategic priorities and key service delivery. Surplus properties will either be recycled or disposed of and proceeds will be reinvested. The disposal of land will be allowed after the consideration of sacrificing a capital receipt for transfer of the land for use as social housing, or as a community asset transfer.

5. Treasury Management Strategy

5.1. The council is required to adopt an annual Treasury Management Strategy Statement (TMSS) each year as part of the budget setting process in order to fully recognise the financial implications arising from its revenue and capital budgets through the capital financing requirement to ensure the impact of capital investment is fully reflected in the revenue budget; this is provided through the minimum revenue provision (MRP).

5.2. The TMSS is a summary of the Treasury Management Strategy (TMS) which provides a more detailed analysis of the council's loans and investments and the future outlook for interest rates and financing, supported by the council's external treasury management advisors.

5.3. The TMS for 2018/19 will set out the council's strategy for making borrowing and investment decisions during the year to meet the capital and revenue spending plans approved by council and considers the impact of anticipated future interest rate movements. The TMS is drafted in line the CIPFA Prudential Code for Capital Finance and CIPFA Treasury Management Code, both of which are currently being revised. We are awaiting the release of the revised codes, and any required amendments to the TMS will be made to council.

6. Borrowing

6.1. Total gross outstanding debt at 30 September 2017 was £168.8m of which £23.0m were short term loans and £145.8m fixed rate, long term loans, which are being repaid via the minimum revenue provision.

6.2. The need for new borrowing is based on the capital programme, with draft additions to the programme for 2018/19 indicating an additional borrowing requirement of £5.7m.

7. Investments

- 7.1. During 2017/18 interest rates have remained low and in the year to date, the average daily rate achieved on the council's investments has averaged at 0.3%. An increase in the bank base rate, increasing it from 0.25% to 0.5%, was announced in November 2017.
- 7.2. The council's primary objective in relation to the investment of public funds remains the security of capital and minimisation of risk, which leads to lower returns. The council's Treasury Advisors, Capita, provide regular market intelligence to support the protection of the investment portfolio and cash balances are minimised to reduce the need to borrow.

8. Reserves

- 8.1. The council's useable reserves are split between general reserves and earmarked reserves that are held for certain purposes.
- 8.2. Part of the council's general reserve is held as a strategic reserve to cover emergency events such as unforeseen financial liabilities or natural disasters. This reserve is maintained at a minimum level of between 3% and 5% of the council's net revenue budget.
- 8.3. The remainder of the council's general reserve is to support one-off and limited on-going revenue spending and, in line with the four year settlement, for smoothing the impact of the late delivery of savings plans.
- 8.4. The council's earmarked reserves, which include school balances, are held to meet identified spending commitments. These reserves will only be used for the purpose for which they were created and will be reviewed annually. If they are no longer required they will be transferred to the general reserve. The use of earmarked reserves, excluding school balances, requires the approval of the Chief Finance Officer. The predicted earmarked reserves includes a new reserve for the setting aside of savings in minimum reserve provision (MRP) charges following the approval of a revised MRP policy.
- 8.5. The projected reserve balances are as follows:

Balance as at	Strategic Reserve	General Reserve	School Balances	Earmarked Reserves	Total Reserves
	£m	£m	£m	£m	£m
31 March 2017	7.3	0.6	7.4	37.3	52.6
31 March 2018	7.1	4.0	7.2	29.3	47.6
31 March 2019	6.8	4.0	7.2	32.3	50.3
31 March 2020	6.8	4.0	7.2	33.0	51.0

9. Budget Risks

- 9.1. The most substantial risks have been assessed in the budget process and, where possible, reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process. The proposed budget includes contingency and reserves that, if required, can be used to manage risks.

- 9.2. Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average, and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on demand management through disease prevention and behavioral change is critical for medium term change. In addition re-setting our relationship with communities, focusing services on areas of greatest professional need, will support the MTFS.
- 9.3. There are on-going risks in achieving reductions in children's safeguarding costs, Herefordshire is high spending compared to statistical neighbours and methods of reducing this cost are progressing however some delays have been experienced.
- 9.4. Key areas of focus include, sustaining the current focus on a new relationship with citizens and communities, changing the models of care to more family based provision, managing the price paid where the council is the commissioner and/or where this is taking place with partners with a specific reference to health, improvements in commercial interface including contract management, using technology to enable new ways of working including significant channel shift around self-service and automated business process improvement and a subsequent headcount reduction. A full risk and mitigation summary is provided in Appendix 4.

10. Conclusion

10.1 The council's Medium Term Financial Strategy sets out a challenging but robust financial framework through which planned services and investment can be delivered. It is a fully balanced framework so that:

- revenue expenditure is fully covered by income,
- capital expenditure is fully funded and the associated capital financing cost reflected in revenue budgets,
- effective treasury management ensures financial resources are available as required within a prudent framework
- useable reserves are sufficient to meet specific need and protect against unforeseen events.

11. Appendices

Appendix 1	Net Revenue budget
Appendix 2	Approved Capital Investment Programme
Appendix 3	Reserves Policy
Appendix 4	Risk Assessment

Appendix 1 Net Revenue budget and Directorate Spending Limits 2018/19

Draft revenue budget summary 2018-19			
Directorate	Current base budget	Net changes	Proposed base budget
	2017/18		2018/19
	£000	£000	£000
Adults and wellbeing	51,243	686	51,929
Children's wellbeing	21,153	2,249	23,402
Economies, communities and corporate	44,740	(2,779)	41,961
Total directorates net budget	117,136	156	117,292
Centralised corporate costs			4,722
Capital financing - debt repayments			7,827
Capital financing - interest			6,053
Other central budgets			2,885
MRP saving contribution to reserves			3,800
Total net spend (budget requirement)			142,579
Financed by			
Council tax			98,404
Business rates			33,116
Revenue support grant			5,370
New homes bonus			2,540
Rural services delivery grant			3,149
			142,579

Appendix 2

Approved capital programme

Scheme Name	Prior years £000	2016/17 budget £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
Economy, Communities and Corporate						
Energy from Waste Plant	23,412	16,588				40,000
Hereford City Centre Transport Package (includes Hereford city link road)*	17,575	12,124	5,682	4,000	1,270	40,651
Local Transport Plan (LTP)	annual plan	11,633	11,313	10,341	10,341	
Fastershire Broadband (excludes Gloucester spend in prior years of £9.7m)	9,003	6,605	9,747	7,248		32,603
Hereford Enterprise Zone	5,071	3,150	7,779			16,000
Leisure Centres	7,268	2,784				10,052
Solar Photovoltaic Panels	463	1,671				2,134
Data Centre Consolidation	-	1,170				1,170
Corporate Accommodation	18	1,082	1,771			2,871
South Wye Transport Package (total budget of £35m includes £8m funded by LTP, scheme extends into 20/21)*	1,983	1,000	3,500	14,000	6,200	26,683
Hereford Library Accommodation Works	91	909				1,000
Marches business improvement grants	-	833	833	834		2,500
Highway Depot Improvements	-	800				800
IT Network Upgrade	-	500				500
Software to Enable Remote Access to Desktops and Automate Upgrades	-	500				500
Property Estate Enhancement Works	-	500	500	500	500	2,000
LED street lighting	4,750	905				5,655
Childrens wellbeing						
Colwall Primary School	33	4,800	1,667			6,500
Schools Capital Maintenance Grant	annual plan	1,205				
Peterchurch Primary School	6	1,000	4,494			5,500
Preliminary works to inform key investment need throughout the county			300	1,774		2,074
Expansion for Marlbrook school			2,000	726		2,726
SEN & DDA school improvements			710			710
Schools Basic Need	annual plan	666				
Adults and wellbeing						
Disabled facilities grant	annual plan	1,734	tbc			
Private sector housing improvements			800	800	800	2,400
Subject to funding confirmation						
Herefordshire Enterprise Zone			2,500	3,200	500	6,200
Development Partnership project			600	10,000	10,000	20,600
Highway asset management & major infrastructure investment			14,543	7,735	7,000	29,278
Model Farm, Ross on Wye			2,520	4,250	300	7,070
<i>Other schemes less than £500k</i>		4,877	2,013	530		
Total		77,036	73,272	65,938	36,911	
Financed by						
Prudential borrowing		39,582	24,456	22,731	14,547	
Grant and funding contributions		32,188	39,071	41,082	22,214	
Capital receipts allocated to capital schemes		5,266	9,745	2,125	150	
Total		77,036	73,272	65,938	36,911	

* both of these schemes are supported by the Marches Local Enterprise Partnership (LEP) and the funding allocations are based on the details contained within the scheme business cases, however as schemes develop and work completes, the individual scheme costs may vary but remain within the overall funding envelope as shown below

Scheme		LEP Grant £m	Locally funded £m	Total scheme budget £m
Hereford city centre transport package		16	25	41
South wye transport package		27	8	35
Total		43	33	76

DRAFT

Appendix 3

Reserves Policy

1. Introduction

- 1.1. The Local Government Act 2003 requires the Chief Finance Officer (section 151 officer) to report on the adequacy of reserves and provisions, and the robustness of budget estimates, as part of the annual budget setting process.
- 1.2. Best practice guidance does not advise on the actual level of unallocated general reserves, but on the processes that should be in place. There is a broad range within which a council might reasonably operate, depending on its particular circumstances and each council should make its own judgement, based on the advice of its Chief Finance Officer. In making this decision the Chief Finance Officer takes account of strategic, operational and financial risks. The financial risks are assessed in the context of the council's overall approach to risk management.
- 1.3. CIPFA best practice guidance suggests that a Council should hold a strategic reserve to mitigate the financial impact of major events of between 3% and 5% of its net budget. This guidance has been adopted by the Chief finance Officer for the period of the current MTFS.

2. Adequacy of Proposed Financial Reserves and Robustness of Estimates

- 2.1. The Chief Finance Officer must ensure that the budget setting process, and the information provided is sufficient, to allow council to come to an informed view regarding the 2017/18 council tax requirement, revenue budget, capital programme and Treasury Management Strategy.
- 2.2. While the council continues to operate within the financial constraints arising from increasing financial pressures and reductions in central government financial settlements, robust budget monitoring and a thorough financial planning process should determine the required level of reserves. The level of reserves will be reviewed at each quarter end as part of the council's budget monitoring reports.
- 2.3. Financial and operational risks need to be considered within the context of the Council's overall approach to risk management and account taken of key budget assumptions and existing financial management arrangements.
- 2.4. The council's financial planning process should be sufficient to identify issues with a significant financial impact in order for these to be highlighted to senior officers in a timely manner.
- 2.5. An annual review of the council's reserves and balances is undertaken as part of the annual financial planning exercise and as part of the council's preparation of its annual Statement of Accounts. The level of reserves appears adequate for the forthcoming financial year and financial planning period through the continuing commitment to manage service expenditure within approved budgets
- 2.6. The Council makes appropriate financial provisions for known future liabilities or losses of uncertain timings or amount. These are detailed in the annual Statement of Accounts. The 2015/16 Statement was approved by Audit and Governance Committee on 24 September 2016 and for 2016/17, the draft Statement will be presented to Audit and Governance Committee in July 2017.

3. Review of Reserves

3.1. The overall reserves of the council will be subject to detailed review at the end of each financial year as part of the preparation for the production of the council's statement of accounts, and as part of the council's annual budget setting process to ensure reserves are

- 3.1.1.Relevant,
- 3.1.2.Appropriate, and
- 3.1.3.Prudent.

3.2. The Chief Finance Officer will ensure that the council has in place well established robust and regular budget monitoring processes. These take account of the current level of reserves, the latest budget requirements calling on reserves to meet current commitments and to make contributions to reserves to meet future commitments.

3.3. The Chief Finance Officer must consider strategic, operational and financial risks in assessing the adequacy of the council's reserves position.

4. Use of Reserves

4.1. Approval to use or make contributions to reserves is provided by the Chief Finance Officer, as part of the regular budgetary process, in discussion with the Chief Executive and Leader of the Cabinet

4.2. Movements in reserve will be reported to Council as part of the financial Outturn at the end of the financial year.

5. Conclusion

5.1. The Chief Finance Officer is satisfied that the Council's ongoing approach to its reserves and provisions is robust. The council's strategic reserve is maintained between 3% - 5% of the net budget requirement, at the end of March 2017 the balance was £7.3m (5% of net budget).

5.2. This is sufficient to ensure that the council has adequate resources to fund unforeseen financial liabilities, and that the council's approach to general balances for 2017/18 is deemed appropriate. The level of reserves and expected movement in reserves are set out in the MTFS as part of the annual budget setting process.

Appendix 4
Key risk Assessment

	Key Financial Risks	Likelihood	Impact	Mitigating Actions
1	Unexpected events or emergencies By its nature, the financial risk is uncertain	Low	High	<ul style="list-style-type: none"> Council maintains a Strategic Reserve at a level of between 3% and 5% of its revenue budget for emergency purposes Level of reserve is currently £7.3m (5% of budget)
2	Increasing demand for Adult Social Care Demand for services continue to increase as the population gets older	High	Medium	<ul style="list-style-type: none"> Demand led pressures provided for within our spending plans Activity indicators have been developed and will be reported quarterly alongside budget monitoring
3	Potential Overspend and Council does not deliver required level of savings to balance spending plans Challenging savings have been identified within our spending plans.	Medium	Medium	<ul style="list-style-type: none"> High risk budget areas have been identified and financial support is targeted towards these areas Regular progress reports on delivery of savings to Management Board and Cabinet Budget monitoring arrangements for forecasting year end position in place and forecast balanced Plan to review level of cover available from General reserves in place
4	Potential delay in delivery of Capital Receipts	Medium	Low	<ul style="list-style-type: none"> Potential new capital receipts may be available from further corporate property sales. Capital receipts received will be monitored quarterly
5	Increase in Pension Liabilities Our contributions are influenced by market investment returns and increasing life expectancy.	Medium	Low	<ul style="list-style-type: none"> Spending plans reflect the level of pension contribution required as identified by the Pension Fund's Actuary in 2016 for the next three years
7	Failure to provide safeguarding and placements for children There is an increasing requirement to provide sufficient school places There is a rising number of children requiring specific support	Medium	High	<ul style="list-style-type: none"> Provision has been made in the capital programme to increase school places Directorate plans in place to manage and mitigate demand Ongoing reviews of children already under care of council
8	Volatility in future funding streams in Government funding streams and Business Rates Retention	High	Medium	<ul style="list-style-type: none"> Prudent assumptions made in budget Ongoing review of developing business rate changes Business case to support future investment decisions
9	Brexit Impact of EU exit may lead to increased volatility in economic stability and reduced access to funds	Medium	Medium	<ul style="list-style-type: none"> Reduced reliance on grant funding in all directorates Increased local economic and social investment to increase core income

Appendix 2 – Directorate Savings Plans 2019-20

Savings Proposals				
Adults and Wellbeing Directorate				
Savings Proposal	Impact	2018-19 £000	2019-20 £000	Total £000
Review, recommissioning and decommissioning of contracts by re-designing, reducing and finding alternative ways of delivering services to reduce expenditure within commissioned services. Maximise usage of block contracts to drive efficiencies.	Individual EIA's will be undertaken as each contract is reviewed and recommissioned / decommissioned.	1,430	0	1,430
Reducing the need for formal care services by utilising strengths based practices and application of the wider culture change programme. Managing demand via front door re-design, hospital liaison, Homefirst, short term care pathway and trusted reviewer programme of work. To include a focused approach in respect of areas of practice where development needs have been identified. This will ensure that customers receive appropriate and proportionate support and care relevant to meet their eligible and wider well-being needs in the most cost effective way possible. This proposal also addresses the application of CHC process and practice reviews as well as the review of the AWB transport policy.	Reduction in demand for formal care services and support in line with demographic pressures. The support and care offer from Adult Social Care will be enhanced as a result of the application of a strengths based model. Access to support for those with eligible needs will be improved by ensuring that eligible and wider wellbeing needs are met as part of the AWB offer, with a particular focus on developing and connecting community social support. The equalities impact of this proposal on service users will be negligible as they will be assessed correctly and against the criteria of new services available which meet required eligible and wider wellbeing needs.	1,692	600	2,292
Managing contract inflation and securing contract efficiencies	No impact to service users as analysis of market sustainability undertaken to minimise impact on providers. The equalities impact of this proposal will be low/negligible as it is integral to their contract with the council. Each contractor has an expectation to meet the Equalities Act 2010 criteria and this forms part of the contract monitoring arrangements to ensure that any impact is understood and addressed.	640	200	840
Maximise income generation through increased client contributions for care services.	The impact of the changes will be affordable as all services will only be charged for following individual financial assessments in accordance with Care Act (2014).	500	100	600
Reduction in staffing through combining roles/functions across the Directorate/Partners.	No direct impact on service users. This saving will be achieved through increased productivity as a result of partnership working, mobile working, use of technology and capitalisation of staff costs.	633	600	1,233
Use of iBCF funding to support core Adult Social Care use of services.	The BCF plan has been approved on the basis of a joint agreement on the iBCF funding, this may therefore impact on new programmes of work that may have been developed.	500	0	500
Total		5,395	1,500	6,895

Savings Proposals				
Children's Wellbeing Directorate				
Savings Proposal	Impact	2018-19 £000	2019-20 £000	Total £000
Manage inflation and secure contract efficiencies	The equalities impact of this proposal will be low/negligible. Integral to their contract with the Authority, each contractor has a scheduled expectation to meet the Equalities Act 2010 criteria and is part of the contract monitoring arrangements to ensure that any impact is understood and addressed.	670	200	870
Reduction in the number of looked after children	Will provide better long term outcomes for children who are in care and promote families staying together. The equality impact of this proposal will be low and fits in with the government proposal to ensure as many children as possible are cared for safely at home.	500	650	1,150
Capitalisation of the costs of staff working on capital projects	Reduction in revenue budget requirement as costs paid for from capital budgets	80	-	80
Manage budgets with vacancies	Temporary reduction in budgets where unfilled vacancies reduce the budget requirement in year.	300	-	300
Organisational restructure to reflect the service requirements	Ensuring families benefit from a consistent and established service through a stable and capable workforce.	682	200	882
Total		2,232	1,050	3,282

Savings Proposals				
Economy, Communities & Corporate				
Savings Proposal	Impact	2018-19 £000	2019-20 £000	Total £000
Efficiency savings Initiatives include: Management savings, staff restructures, saving on printing cost, reduction in storage costs at the Modern Records Unit.	No impact - efficiency savings	100	180	280
Back Office Services and Corporate Accommodation efficiencies	No impact - efficiency saving	450	250	700
Car Parking charges increase	Increase in fees to support the Council's sustainable transport policies and manage available spaces to support local economy. Potential adverse impact on trade if charges deter visitors. Structure of charges will aim to address local circumstances and encourage visitors and shoppers to visit Hereford and the market towns. Income will be targeted to support transport services in accordance with the Council's Local Transport Plan. Concessions for 'blue badge' holders are not affected by the recommendations, this includes staff parking in council car parks. Any increase in charges will have an impact on all users of the car parks. The impact will naturally vary according to the necessity and frequency of use and what alternative transport arrangements are practicable. Whilst this impact is non-discriminatory in the sense that it applies to all, it is inevitably an impact that is less easily 'absorbed' by those with lower levels of household income. The balance between the impact on individual users and the wider public interest of the council has been considered, and in this context the proposal is considered to be justified.	235		235
Reduced cost of Public and School / College Transport and moving public transport information to online only	Reduction in public transport services, increased income from parental contributions and post 16 SEN transport users. Further savings from contract efficiencies. A transport funding review is underway which will explore a range of opportunities to reduce costs across all local passenger transport services and alternative sources of funding to support such service. Savings are likely to be achievable through the integration of passenger transport contracts, service efficiencies, moving more users onto commercial and supported bus services and review of eligibility for services. If this approach does not achieve the full savings target, it may be necessary to further reduce public transport subsidy. Public consultation carried out in autumn 2016 will inform decisions for 2017/18. Decisions have already been taken to withdraw transport services and these were subject to a full consultation and EIA . As future proposals are developed consultation and EIA will be undertaken and will form elements of future reporting and consideration by members.	180	150	330
Phased removal of subsidy for Community Transport organisations	The phased reduction in the support to Community Transport (CT) providers commenced in 2015/16 and the exploration of alternative funding sources to support such services. To continue this to full reduction by 2019/20 will have provided a five year transition period for providers to seek opportunities to increase their independent financial viability. Support has been made available for providers to take on more contracted work and also to assist them to increase their capacity. Grants have been available for new fleet and could be made available in future subject to funding being available. CT reductions were considered within the consultation for the transport and travel review 2014 but at that stage there was no proposal to completely withdraw direct council support. If the council wishes to progress full withdrawal of support from 2018/19 then a further consultation and EIA would be required before confirming this decision. Whilst CT provides services for people who are 'disadvantaged' it is noted that this is not in itself a specifically defined protected characteristic within the EIA duty we are aware that the majority of CT users are elderly and/or have a disability which reduces transport options. Consultation in relation to public transport savings will be used to inform this proposal.	60	75	135

Phased removal of subsidies to parish councils for the Lengthsman and Parish Paths .	Decision taken to phase funding out over the MTFS period. The condition of minor roads in Parish areas will be dependent upon whether Parish Councils choose to replace the subsidy with their own resources. Those communities that do not contribute to the funding or provide support to the scheme will see a reduction in the level of service for lower level	100	100	200
Community asset transfer of parks and open spaces	Sports pitch and parks maintenance cost saving through a programme to transfer responsibility for assets to community groups, town and parish councils and others. Impact of this proposal could see communities taking greater care and ownership of their local environment. Positive outcome on communities taking on responsibility for open spaces. If community or interest groups cannot be found and we are unable to continue the current level of maintenance, some users of open spaces may be affected in the reduction of amenity use.	90		90
Increased income and efficiency within Public Realm Services	Increase income from increased enforcement in relation to works carried out by utility companies on the highway (NRSWA) - reduction in highway defects. Investment in fleet and plant to reduce ongoing revenue cost and maintenance. No adverse impact upon service. Environmental service redesign Review of service to streamline and reduce cost of cleansing and monitoring of waste/litter related issues. Improved environment through better coordination.	25	25	50
Waste & Sustainability Increased income from commercial waste collections.	No further impact. Service changes relating to commercial waste collections and waste treatment savings do not impact on residents but on organisations.	30	30	60
Withdrawal of Museum and Heritage Services subsidy	Income generation through charging at the Old House from April 2017, remodel of the learning offer to schools, volunteers to support the opening of the Museum at Broad Street in Hereford. Limited impact on protected characteristics. Though charging may have an impact across all ages, special free open days will take place to support local people able to visit the Old House without cost. Education events to take place at the Old House as part of a schools programme.	150	250	400
Savings in Customer and Library Services	Retained library service across the county, and remodelled customer services following an appointment based approach, a comprehensive digital offer, phone service, and face to face service in Hereford. A full needs and impact assessment completed for October 2016 cabinet. A retained county library services was the key finding of the consultation to mitigate negative impact, along with a delivered service for people who are housebound. For customer services any change to the offer to be delayed until 2018 to understand the impact on people requiring face to face support for benefits.	380		380
Accommodation Strategy	Efficiency savings through moving out of buildings	367	360	727
Review of Current Staffing Budgets	Removing the two unpaid leave days and budgeting on actual scale point, instead of top of the scale.	200		200
Remove Bypass Bass Budget	Budget no longer required as works are now being capitalised.	170		170
Procurement Savings	Savings to our waste contract		500	500
Organisational redesign savings	Efficiency savings	725	97	822
Hoople Savings	Contract and staff savings on the Hoople contract as part of project Nautilus	600		600
Sub Total		3,862	2,017	5,879
Asset Review Capital receipts from sale of assets will be used to support delivery of the medium term financial strategy and meet the priorities of the corporate plan in the most cost efficient way	This may effect some tenants of council owned property The programme of asset disposals are largely based upon realising the value of surplus property or land assets which take account of the property rationalisation proposals set out in the Council's Accommodation Strategy. The Asset Review disposals to date are not considered to be carrying any adverse impacts on any of the groups or classifications considered within the Equalities framework.	1,400		1,400
Organisational redesign savings	Efficiency savings	60	200	260
Sub Total		1,460	200	1,660
Total		5,322	2,217	7,539

Appendix 3 – Detailed 2018-19 budget

PROPOSED REVENUE BUDGET 2018/19							
Service	Current 2017/18 base budget	Pensions, pay and Inflation	Pressures	Savings	Other Adjusts	Proposed 2018/19 base budget	Change
	£000	£000	£000	£000	£000	£000	
Adults and Wellbeing							
Commissioned Care	42,822	(210)	4,856	(3,196)	0	44,273	3.4%
Adults Operations	5,587	59	190	(80)	0	5,756	3.0%
Directorate Management	(1,509)	640	294	(1,550)	11	(2,115)	40.1%
Commissioning/Transformation	4,344	24	404	(569)	(188)	4,015	
Total Adults and Wellbeing	51,243	513	5,744	(5,395)	(177)	51,929	
Children's Wellbeing							
Children's Safeguarding & Early Help	15,708	78	3,417	(1,114)	(82)	18,007	14.6%
Statutory Education Services	5,358	29	553	(581)	223	5,582	4.2%
Directorate Management and Grant Income	87	404	0	(537)	(141)	(187)	(314.9%)
Total Children's Wellbeing	21,153	511	3,970	(2,232)	0	23,402	
Economy, Communities & Corporate							
Highways, Planning, Waste, and Parking	24,510	802	0	(1,360)	(26)	23,926	(2.4%)
Customer, Cultural and Legal Services	6,201	339	0	(945)	22	5,617	(9.4%)
Economic Development and Housing Growth	2,038	(185)	0	(100)	0	1,753	(14.0%)
Directorate Management	565	37	0	75	0	677	19.8%
Corporate Resources (Finance, ICT, Property and HR)	11,426	128	0	(1,532)	(34)	9,988	(12.6%)
Total Economy, Community & Corporate	44,740	1,121	0	(3,862)	(38)	41,961	
Central Corporate Costs	27,974	103	312	(1,460)	(1,642)	25,287	(9.6%)
Total Herefordshire Council	145,110	2,248	10,026	(12,949)	(1,857)	142,579	

Revenue Budget 2018/19			Adults and Wellbeing			
Service	Current 2017/18 base budget	Pensions and Inflation	Pressures	Savings	Other Adjusts	Proposed 2018/19 base budget
	£000	£000	£000	£000	£000	£000
Commissioned Care						
Learning Disabilities	16,947	-48	2,737	(1,345)	0	18,290
Mental Health	3,898	-6	675	(300)	0	4,267
Memory & Cognition	2,453	-13	(564)	(16)	0	1,860
Physical Disabilities	19,146	-141	1,976	(1,532)	0	19,449
Sensory Support	379	-1	33	(3)	0	408
Total Commissioned Care	42,822	-210	4,856	(3,196)	0	44,273
Operations and Management						
Operations	5,587	59	190	(80)	0	5,756
Commissioning	3,200	21	404	(336)	0	3,289
Directorate Management	(1,509)	640	294	(1,550)	11	(2,115)
Public Health	119	0	0	0	-119	(0)
Transformation & Safeguarding	1,025	3	0	(233)	-69	726
Total Operations and Management	8,421	723	888	(2,199)	(177)	7,656
Total Adults and Wellbeing	51,243	513	5,744	(5,395)	(177)	51,929

Revenue Budget 2018/19					Childrens Wellbeing	
Service	Current 2017/18 base budget	Pensions and Inflation	Pressures	Savings	Other Adjusts	Proposed 2018/19 base budget
	£000	£000	£000	£000	£000	£000
Safeguarding and Early Help						
Safeguarding Board and Independent Review	673	8	-	(6)	8	683
Early Help and Family Support	370	5	-	(103)	(18)	254
Front Line Social Workers	2,595	26	-	(155)	-	2,466
Looked After Children - Fostering and Adoption	7,282	25	1,297	(410)	-	8,194
Looked After Children External Placements	3,270	-	2,120	(195)	-	5,195
Social Care Training and Development	359	3	-	(9)	(35)	318
Safeguarding and Early Help Management	1,159	11	-	(236)	(37)	897
Total Safeguarding and Early Help	15,708	78	3,417	(1,114)	(82)	18,007
Statutory Education Services						
Special Educational Needs	3,200	10	523	(146)	-	3,587
Contracts and Commissioning	961	8	30	(325)	57	731
Educational Development	1,121	10	-	(108)	166	1,189
Statutory Education Improvement Services	76	1	-	(2)	-	75
Total Statutory Education Services	5,358	29	553	(581)	223	5,582
Directorate Management and Grant Income						
Directors Office	(119)	404	-	(527)	(132)	(374)
Youth Offending Service	206	-	-	(10)	(9)	187
Total Directorate Management and Grant Income	87	404	-	(537)	(141)	(187)
Total Children's Wellbeing	21,153	511	3,970	(2,232)	-	23,402

Revenue Budget 2018/19						ECC
Service	Current 2017/18 base budget	Pensions and Inflation	Pressures	Savings	Other Adjusts	Proposed 2018/19 base budget
	£000	£000	£000	£000	£000	£000
Highways, Planning, Waste and Parking						
Directorate Services	363	4	0	(5)	0	362
Environment and Waste	14,463	286	0	(40)	(13)	14,696
Highways and Community Services	1,050	5	0	(36)	(24)	995
Public Realm Annual Plan	6,132	250	0	(335)	11	6,058
Regulatory and Development Management Services	836	20	0	(165)	0	691
Technical and Parking Services	(5,517)	3	0	(352)	0	(5,866)
Transport and Access Services	7,183	234	0	(427)	0	6,990
Total Highways, Planning, Waste and Parking	24,510	802	0	(1,360)	(26)	23,926
Customer, Cultural and Legal Services						
Collections, Archives and Leisure	243	300	0	(232)	0	311
Communications and Web	308	3	0	(3)	0	308
Customer and Library Services	1,626	11	0	(493)	7	1,151
Economic Projects	259	3	0	(125)	0	137
Equality, Information and Records	751	3	0	(10)	0	744
Legal Services and Governance	3,014	19	0	(82)	15	2,966
Total Customer, Cultural and Legal Services	6,201	339	0	(945)	22	5,617
Economic Development and Housing Growth						
Community Regeneration	260	3	0	(6)	0	257
Economic Development	865	(196)	0	(4)	0	665
Neighbourhood Planning	103	1	0	(1)	0	103
Growth	272	1	0	(30)	0	243
Regeneration	266	4	0	(57)	0	213
Strategic Planning	272	2	0	(2)	0	272
Total Economic Development and Housing Growth	2,038	(185)	0	(100)	0	1,753

Directorate Management						
Directors	407	4	0	(3)	0	408
Management	158	33	0	78	0	269
Total Directorate Management	565	37	0	75	0	677
Corporate Resources (Finance, ICT, Property and HR)						
Asset Management and Property Services	3,050	(62)	0	(579)	(4)	2,405
Finance	7,174	188	0	(683)	0	6,679
Local Tax, Revenues and Benefits	(1,333)	0	0	0	0	(1,333)
Internal Audit Services	195	0	0	0	0	195
HR, Payroll, Recruitment and Organisational Development	351	2	0	0	0	353
Corporate Management	706	0	0	(20)	0	686
ICT	1,283	0	0	(250)	(30)	1,003
Total Corporate Resources (Finance, ICT, Property and HR)	11,426	128	0	(1,532)	(34)	9,988
Total Economy, Communities & Corporate	44,740	1,121	0	(3,862)	(38)	41,961

Budget and priorities consultation 2017

Version 1.0
Herefordshire Council Intelligence Unit

October 2017

Contents

Key findings:	3
Introduction	5
Methodology	5
Results.....	6
Enable residents to live safe, healthy and independent lives	7
Keep children and young people safe and give them a great start in life.....	13
Support the growth of our economy	17
Secure better services, quality of life and value for money	19
Council Tax	22
Respondent profile	24
Appendix A: Nonstandard/other responses	26
Appendix B: Map of respondents to consultation.....	26
Appendix C: The questionnaire	26

If you need help to understand this document please call the Research Team on 01432 261944 or e-mail researchteam@herefordshire.gov.uk

Key findings:

- The most common areas that the council should do more within it's priorities are; roads, transport and travel, older people and vulnerable people and environment identified by the majority of respondents.
- Over 60 per cent of respondents agreed that 'support with day to day tasks such as shopping, cleaning and gardening' and 'help people feel safe and secure in their communities and homes' were the best ways that communities can support people with vulnerabilities/ disabilities to maintain independent lives.
- 'Provide training and support to individuals so that they can offer support and advice within their own local communities', 'expand the remit of professionals, such as pharmacies and dentists' and "use a time-banking system where volunteers are rewarded through giving their time' gathered the highest responses to how should the council develop a network of groups and individuals across the county, who can offer advice and guidance for people wanting to adopt a healthier lifestyle.
- 57 per cent of respondents said the council should make it easier for people who need care to manage their own budget by letting them 'choose their own care' and 43 per cent said the council should let them 'choose from a selection of providers chosen by the council'.
- The council should 'invest in more roads and transport', 'build new houses itself' and 'encourage housing associations' to prioritise getting more houses built in Herefordshire according to the majority of respondents.
- 68 per cent of respondents agreed that the council should continue investing in promoting childhood immunisation and antenatal, newborn and children screening programmes to achieve national targets in the next year.
- The council should 'focus support to the most disadvantaged families to ensure children are school ready' or 'promote healthy eating for parents and young children' to give the children the best start in life in their early years according to 60 per cent of respondents.
- 88 per cent of respondents said that the council should support young people to make the most of their education and employment opportunities by 'making apprenticeships available across the county and explore transport options to support this'.
- The council should 'improve road network', 'support local business start-ups' or 'promote investment into Herefordshire' to assist in ensuring that the infrastructure and support needed to provide jobs and houses within the local economy is in place according to the majority of respondents.
- 77 per cent of respondents would like the council to invest its capital budget on 'road maintenance' and 50 per cent would like it to invest on 'supporting/facilities for young people'.

- 'School nursing and Health Visiting service' and 'NHS Health Checks' were ranked as the most important public health services that the council should prioritise to commission. 'Stop smoking service' and 'Sexual health service' were ranked as the least important while 'Substance misuse service' and 'Sexual health service' were kept at the middle of the priority list by the respondents.
- There was a clear order of priority on how the council could raise sufficient income; 'Council Tax increase for general use' would be the first priority followed by 'adult social care precept on Council Tax' and 'increased fees/charges'

Introduction

The consultation on Herefordshire Council's priorities and budget for 2017/18 began on Thursday 29 June 2017 and ended on Saturday 30 September 2017. This report presents the key points from the analysis of standard responses received to the consultation questionnaire.

Methodology

The budget consultation questionnaire was designed and quality assured by a project team. The questionnaire was published on the Herefordshire Council website and residents were invited to complete it online. A printable version was made available on the website for residents who preferred to download, print and complete the questionnaire. The consultation was promoted on the council's social media sites (Twitter and Facebook).

This report presents the results of the combined online and paper responses to the questionnaire. The sample base is the number of respondents to the question and is the base from which percentages are calculated. The sample base used is specified for each question. Percentages are presented rounded to the nearest whole number in the tables; however, the charts are based on unrounded percentages.

Note that if respondents could select more than one answer to a particular question, the percentages may add up to more than 100 per cent.

Where comments have been provided these are listed in full but have been anonymised and corrected for spelling where appropriate.

There were a total of 514 responses to the questionnaire, of which 510 were submitted online and four were completed paper copies.

Results

The following analysis represents 514 responses received to the consultation questionnaire.

Appendix A contains the responses received as letters and e-mails to the consultation. The analysis of free text comments and suggestions to the questionnaire are included in this report. The full list of comments and suggestions will be published as a separate document.

Q1. Are there any areas within these priorities that you think the council should do more?

Seventy seven per cent of respondents said that there are other priorities that the council should do more.

Table 1: responses to Q1

	Number of respondents	Per cent of respondents
Yes	381	77%
No	116	23%
Total respondents	497	100%
Not answered	17	

If 'Yes', please specify below:

The analysis of this question indicated that frequently cited suggestions were around several areas such as:

- ❖ **Roads** (new roads, maintenance of existing roads, road safety and accelerate the bypass)
- ❖ **Transport and travel** (improved public transport, sustainable transport and promoting active travel)
- ❖ **Older people and vulnerable people** (safeguarding, social care provision, employment for people with disabilities, services for offenders etc.)
- ❖ **Environment** (maintain parks and countryside, waste recycling, litter clearance and protect the outstanding beauty of the county)

Enable residents to live safe, healthy and independent lives

Q2. How can communities support people with vulnerabilities/disabilities to maintain independent lives? (Please tick all that apply)

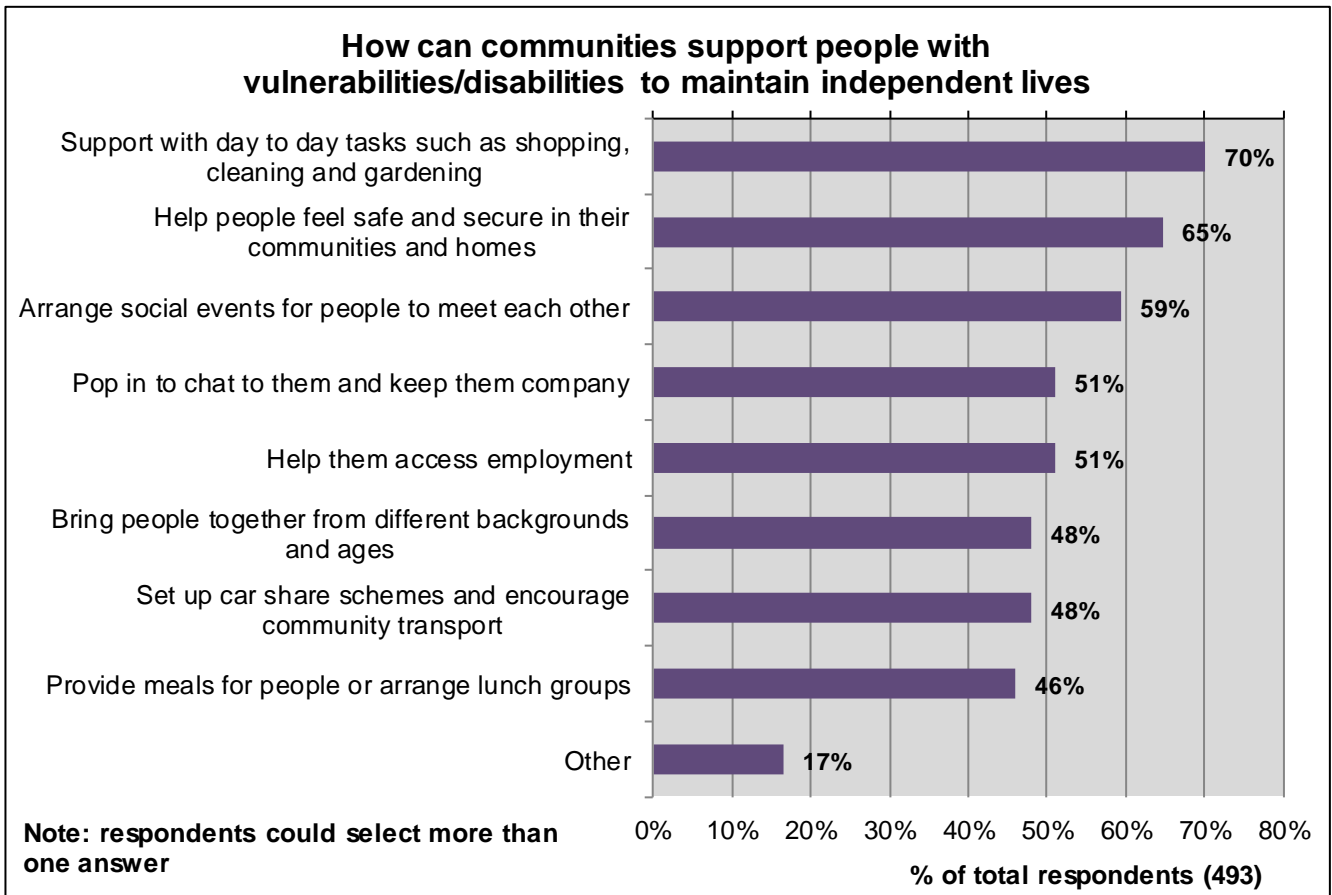
According to over 60 per cent of respondents 'support with day to day tasks such as shopping, cleaning and gardening' and 'help people feel safe and secure in their communities and homes' were the best ways that communities can support people with vulnerabilities/ disabilities to maintain independent lives. Also there were high consensus for 'arrange social events for people to meet each other', 'pop in to chat to them and keep them company and for 'help them access employment' in terms of supporting people with vulnerabilities/disabilities to maintain independent lives (Table 2).

Table 2: responses to Q2

	Number of respondents	Per cent of respondents
Support with day to day tasks such as shopping, cleaning and gardening	346	70%
Help people feel safe and secure in their communities and homes	319	65%
Arrange social events for people to meet each other	293	59%
Pop in to chat to them and keep them company	252	51%
Help them access employment	252	51%
Bring people together from different backgrounds and ages	237	48%
Set up car share schemes and encourage community transport	237	48%
Provide meals for people or arrange lunch groups	227	46%
Other	82	17%
Total respondents	493	100%
Not answered	21	

Note: respondents could select more than one answer

Chart 1: responses to Q2



Other, please specify:

The analysis indicated that the most common suggestions were:

- ❖ **Providing activities for healthy living** (e.g. walking, visiting outdoors, healthy eating, healthy cooking)
- ❖ **Proving practical help** (form filling, help with internet access etc.)
- ❖ **Council to coordinate the volunteer support** (liaise with volunteers, organisations and people with vulnerabilities/disabilities and their families)
- ❖ **Ensure safety** (CCTV in public places, extra visible police presence)

Q3. How should the council develop a network of groups and individuals across the county, who can offer advice and guidance for people wanting to adopt a healthier lifestyle? (Please tick all that apply)

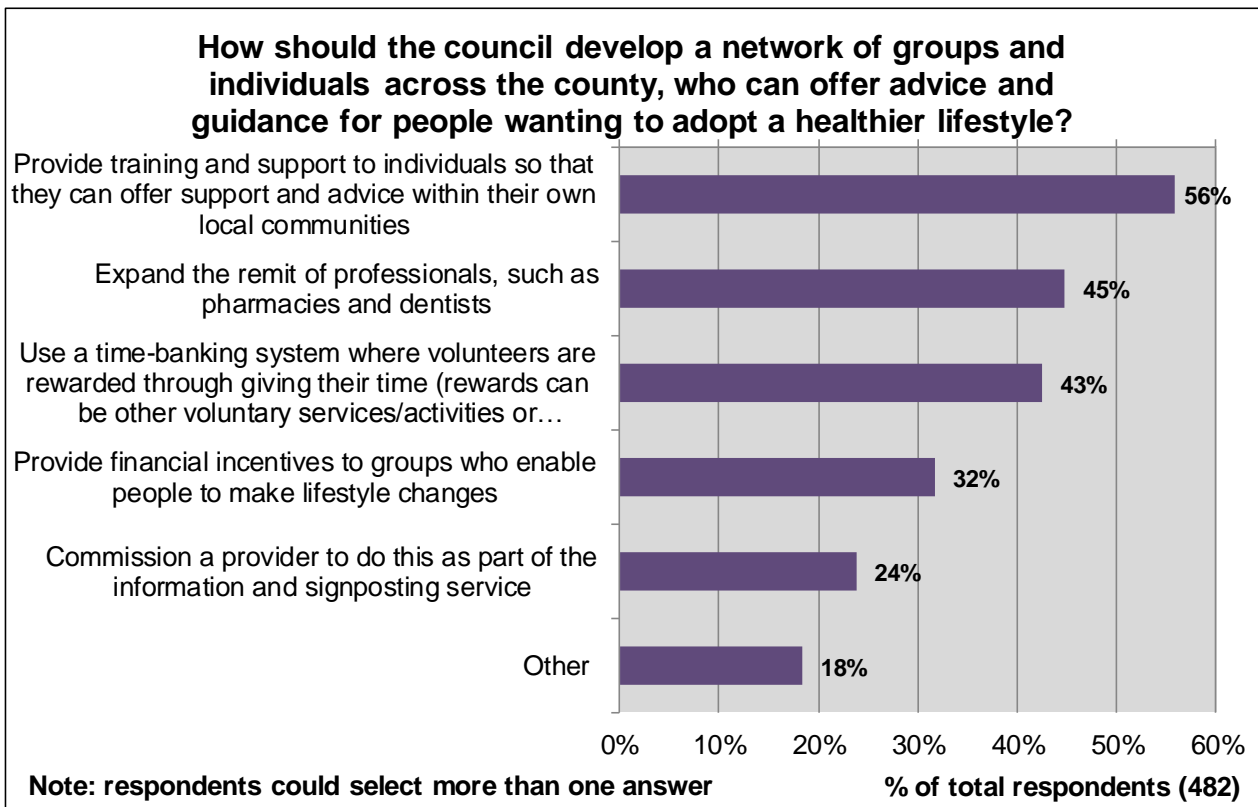
According to the majority of respondents (56 per cent) the council should ‘provide training and support to individuals so that they can offer support and advice within their own local communities’ to develop a network of groups and individuals across the county who can offer advice and guidance for people wanting to adopt a healthier lifestyle. Around 45 per cent of respondents think that the council should ‘expand the remit of professionals, such as pharmacies and dentists’ or ‘use a time-banking system where volunteers are rewarded through giving their time’. A third (32 per cent) of respondents think the council should ‘provide financial incentives to groups who enable people to make lifestyle changes’ and a quarter (24 per cent) of respondents think the council should ‘commission a provider to do this as part of the information and signposting service’ to develop a network of groups and individuals across the county to offer advice and guidance for people wanting to adopt a healthier lifestyle.

Table 3: responses to Q3

	Number of respondents	Per cent of respondents
Provide training and support to individuals so that they can offer support and advice within their own local communities	269	56%
Expand the remit of professionals, such as pharmacies and dentists	216	45%
Use a time-banking system where volunteers are rewarded through giving their time (rewards can be other voluntary services/activities or discount schemes etc.)	205	43%
Provide financial incentives to groups who enable people to make lifestyle changes	153	32%
Commission a provider to do this as part of the information and signposting service	115	24%
Other	89	18%
Total respondents	482	100%
Not answered	32	

Note: respondents could select more than one answer

Chart 2: responses to Q3



Other, please specify:

The analysis of comments identified 'other' common suggestions such as:

- ❖ **Providing support for existing groups** (financial support, incentives, publicity)
- ❖ **Coordinate with professionals** (GPs, healthy lifestyle trainers, district nurses and community health groups)
- ❖ **Establish a place where people can get hold of free advice and information**

Some respondents suggested that 'adopting a healthier lifestyle' is an individual's responsibility therefore it should not be included in council's remit.

Q4. How should the council make it easier for people who need care to manage their own budget?

According to fifty seven (57) per cent of respondents the council should make it easier for people who need care to manage their own budget by letting them ‘choose their own care’, while 43 per cent think the council should let them ‘choose from a selection of providers chosen by the council’.

Table 4: responses to Q4

	Number of respondents	Per cent of respondents
Choose their own care	278	57%
Choose from a selection of providers chosen by the council	212	43%
Total respondents	490	100%
Not answered	24	

**Q5. How should the council prioritise getting more houses built in Herefordshire?
(Please tick all that apply)**

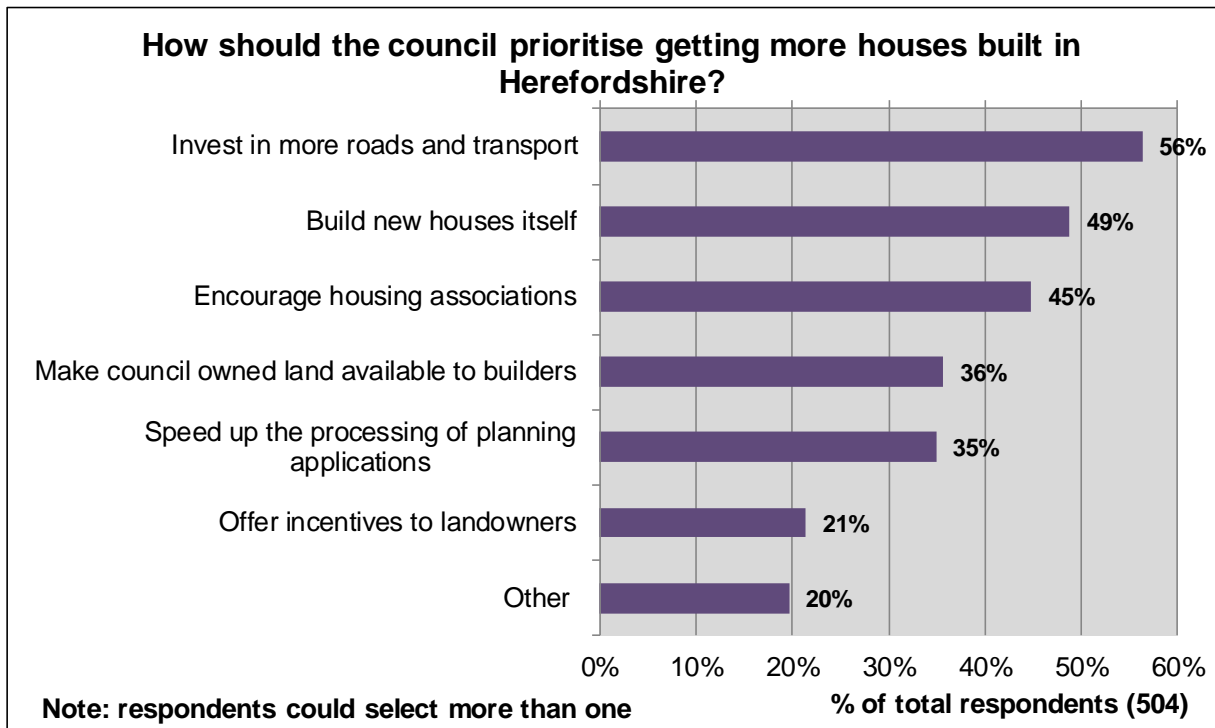
The council should ‘Invest in more roads and transport’, ‘build new houses itself’ and ‘encourage housing associations’ to prioritise getting more houses built in Herefordshire according to the majority of respondents (56 per cent, 49 per cent and 45 per cent respectively). Fewer proportion of respondents (21 per cent) think the council should ‘offer incentives to landowners’ to prioritise getting more houses in Herefordshire. A fifth of respondents (20 per cent) selected ‘other’ ways that the council should prioritise this.

Table 5: responses to Q5

	Number of respondents	Per cent of respondents
Invest in more roads and transport	284	56%
Build new houses itself	246	49%
Encourage housing associations	226	45%
Make council owned land available to builders	180	36%
Speed up the processing of planning applications	176	35%
Offer incentives to landowners	108	21%
Other	99	20%
Total respondents	504	100%
Not answered	10	

Note: respondents could select more than one answer

Chart 3: responses to Q5



Other, please specify:

Analysis of comments identified the most common 'other' suggestions as follows:

- ❖ **Renovate derelict properties** (empty properties, spaces above shops etc.)
- ❖ **Develop brown field sites** (e.g. former industrial sites and incentives to develop brown field sites)
- ❖ **Improve planning permission process to encourage development** (less complex, speedy process, reduce the upfront cost on planning applications and reduce the S106/CIL charges)

Some respondents have expressed concerns about whether getting more houses before improving infrastructure and sufficient public services (e.g. schools, surgeries) would be the right way forward for the county.

Keep children and young people safe and give them a great start in life

In 2016/17 Herefordshire achieved national uptake targets for childhood immunisation and antenatal, newborn and children screening programmes. This is central to the council's policy of giving children a great start in life.

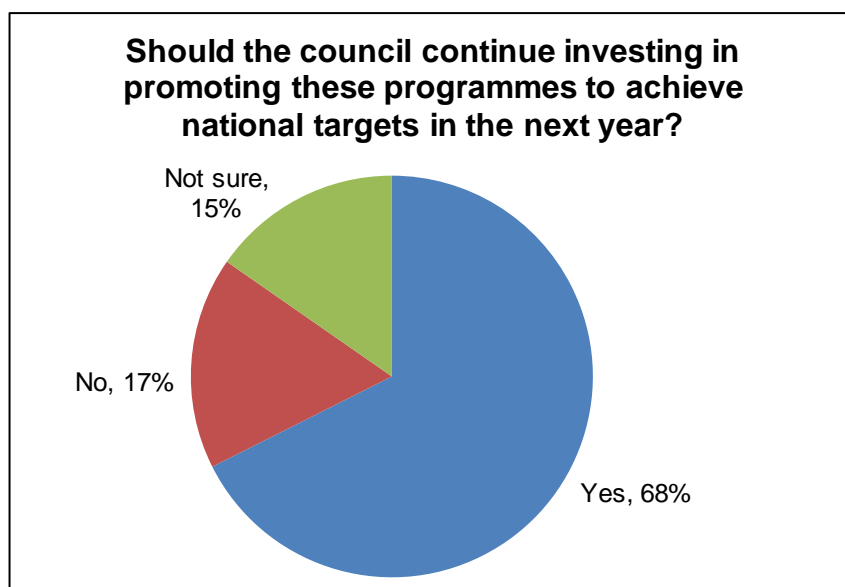
Q6. Should the council continue investing in promoting these programmes to achieve national targets in the next year?

Over two thirds of respondents (68 per cent) agreed that the council should continue investing in promoting childhood immunisation and antenatal, newborn and children screening programmes to achieve national targets in the next year. Seventeen per cent do not think that the council should continue investing in promoting these programmes while 15 per cent were not sure about this. (Table 6)

Table 6: responses Q6

	Number of respondents	Per cent of respondents
Yes	344	68%
No	87	17%
Not sure	78	15%
Total respondents	509	100%
Not answered	5	

Chart 4: responses to Q6



Q7. How should the council work with parents and other services to give children the best start in life in their early years? (Please tick all that apply)

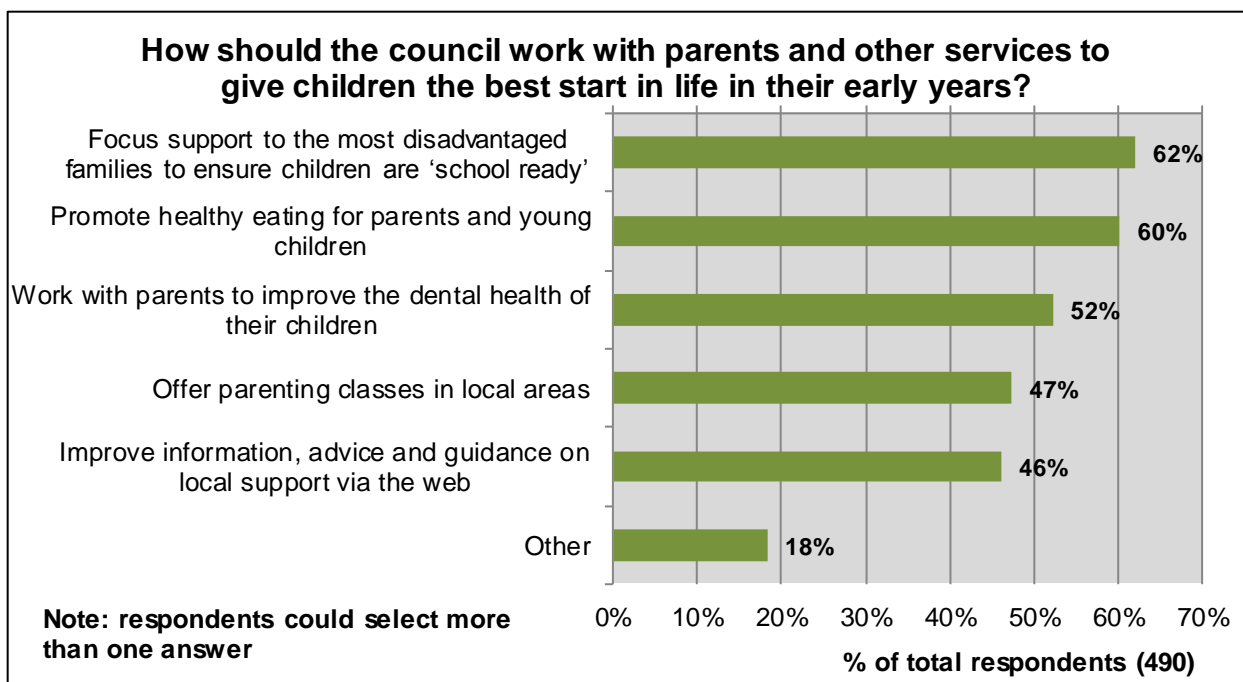
The council should 'Focus support to the most disadvantaged families to ensure children are 'school ready' and 'Promote healthy eating for parents and young children' to give children the best start in life in their early years according to 60 per cent of respondents. 'Work with parents to improve the dental health of their children' or 'offer parenting classes in local areas' or 'Improve information, advice and guidance on local support via the web' also ranked highly. Less than a fifth chose 'other' things that the council should work with parents and other services to give children the best start in life in their early years.

Table 7: responses Q7

	Number of respondents	Per cent of respondents
Focus support to the most disadvantaged families to ensure children are 'school ready'	304	62%
Promote healthy eating for parents and young children	295	60%
Work with parents to improve the dental health of their children	256	52%
Offer parenting classes in local areas	232	47%
Improve information, advice and guidance on local support via the web	226	46%
Other	90	18%
Total respondents	490	100%
Not answered	24	

Note: respondents could select more than one answer

Chart 5: responses to Q7



Other, please specify:

Among the other suggestions provided, the most common suggestions were:

- ❖ **Through already established organisations/groups** (Children’s Centres, community centres, libraries etc.)
- ❖ **Health education through schools and nurseries** (healthy eating, healthy lifestyles, dental health)
- ❖ **More funding to local organisations and charities** (children centres, family projects, Sure Start)
- ❖ **1-2-1 support for vulnerable parents/carers and more support for full time working parents**

Q8. How should the council support young people to make the most of their education and employment opportunities? (Please tick all that apply)

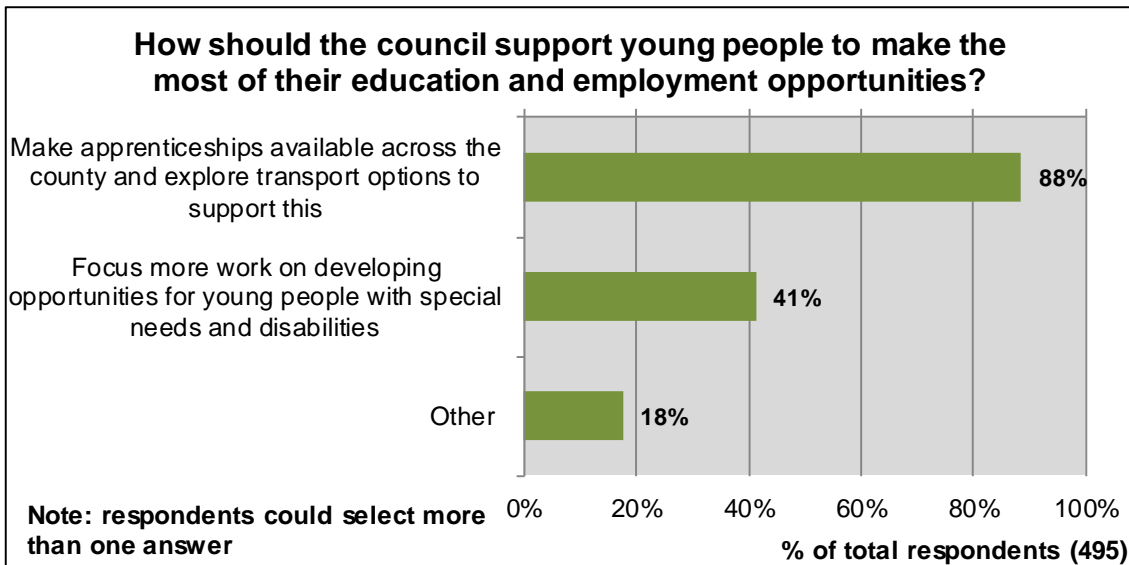
The large majority of respondents (88 per cent) said that the council should support young people to make the most of their education and employment opportunities by ‘making apprenticeships available across the county and explore transport options to support this’. Forty one per cent thought the council should ‘focus more work on developing opportunities for young people with special needs and disabilities’ while 18 per cent thought there are ‘other’ things that the council should do in terms of supporting young people to make the most of their education and employment opportunities.

Table 8: responses to Q8

	Number of respondents	Per cent of respondents
Make apprenticeships available across the county and explore transport options to support this	438	88%
Focus more work on developing opportunities for young people with special needs and disabilities	204	41%
Other	87	18%
Total respondents	495	100%
Not answered	19	

Note: respondents could select more than one answer

Chart 6: responses to Q8



Other, please specify:

The analysis of comments identified 'other' common suggestions such as:

- ❖ **Improve career guidance and advice** (Independent free advice, bringing back the, Work with schools to reinstate good careers advice, not just emphasis on university admission, mock interviews with potential employers)
- ❖ **Public transport to schools and colleges** (free or affordable fares and more regular services across county)
- ❖ **More work experience and vocational training opportunities** (wide range of employers, mentoring schemes, hands on work placements, vocational training through schools)
- ❖ **Create employment and better paid jobs with in the county** (more industries especially in information technology, employments/apprenticeships for young people with disabilities)

Support the growth of our economy

Q9. How should the council assist in ensuring that the infrastructure and support needed to provide jobs and houses within the local economy is in place? (Please tick all that apply)

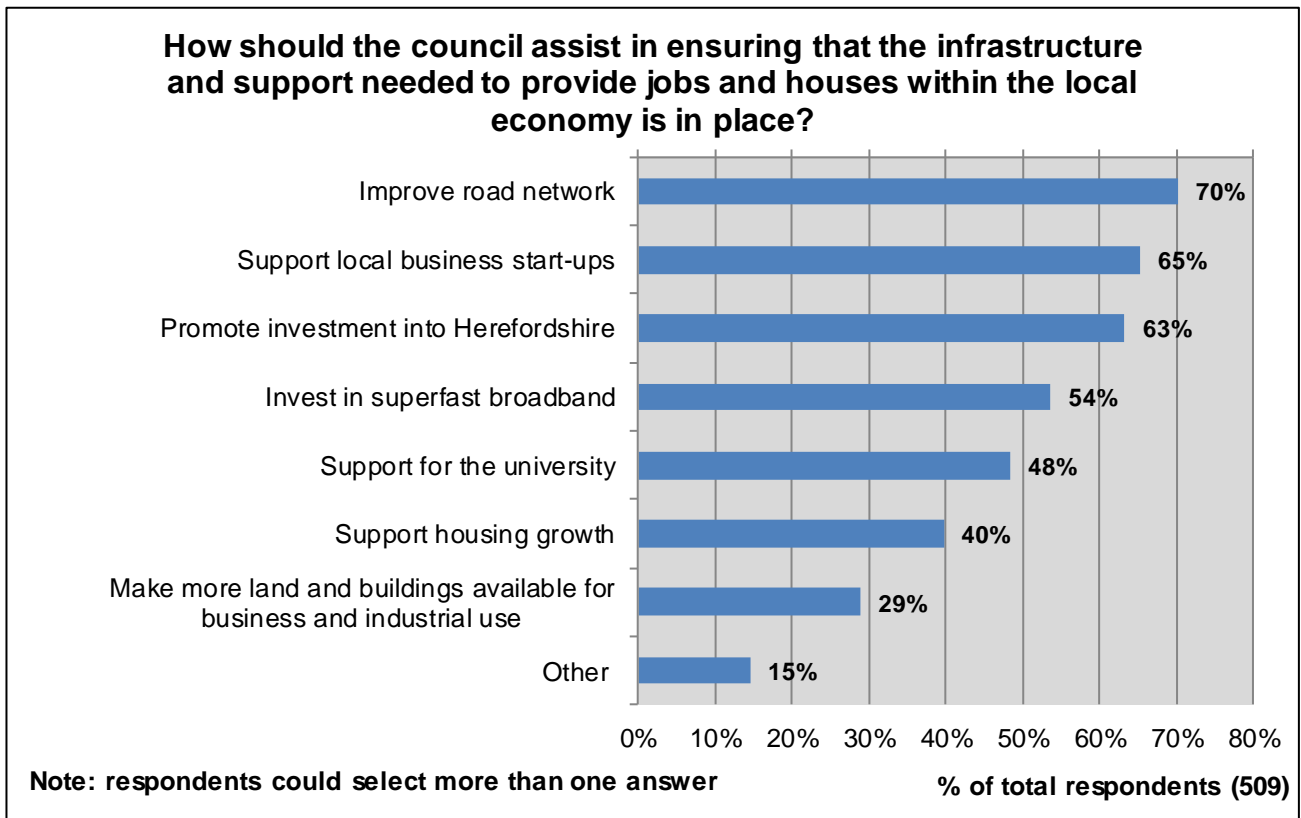
According to the majority (70 per cent) of respondents the council should 'improve road network' to assist in ensuring that the infrastructure and support needed to provide jobs and houses within the local economy is in place. 'Supporting local business start-ups', 'promoting investment into Herefordshire', 'investing in superfast broadband' and 'support for the university' are next in line for the council to assist in and were agreed by 65 per cent, 63 per cent, 54 per cent and 48 per cent of respondents respectively (Table 9)

Table 9: responses to Q9

	Number of respondents	Per cent of respondents
Improve road network	357	70%
Support local business start-ups	332	65%
Promote investment into Herefordshire	322	63%
Invest in superfast broadband	273	54%
Support for the university	246	48%
Support housing growth	202	40%
Make more land and buildings available for business and industrial use	147	29%
Other	74	15%
Total respondents	509	100%
Not answered	5	

Note: respondents could select more than one answer

Chart 7: responses to Q9



Other, please specify:

The analysis of comments made to this question indicated that the most common suggestions were:

- ❖ **Improve public transport network** (free public transport for school and college children, regular bus service across Herefordshire, train station in Rotherwas etc.)
- ❖ **Improve roads** (develop a road network to connect to motorways, reduce traffic and Hereford bypass)
- ❖ **Improve alternative travel** (more cycle routes, promote walking and cycling, park and ride facility in the city)
- ❖ **Reduce business rates to attract investors/businesses** (cheap industrial units, low rents for empty properties to encourage business start-ups)
- ❖ **Invest in recreational infrastructure to promote tourism** (footpaths, flower displays, remove litter etc.)

Secure better services, quality of life and value for money

Q10. The capital budget funds schemes and investments which will derive a long term benefit for the county. Capital expenditure is funded from the sale of land and assets, borrowing and annual contributions from the revenue budget. Where should we invest our capital budget? (Please tick all that apply)

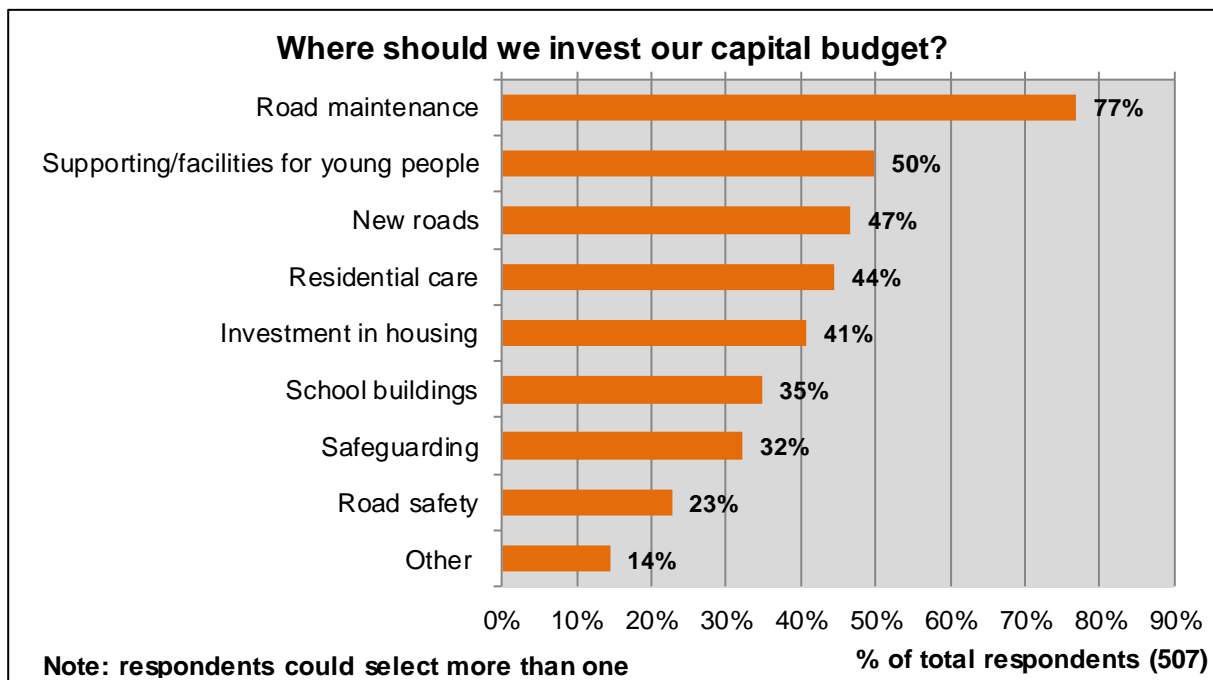
Seventy seven per cent of respondents would like the council to invest its capital budget on 'road maintenance' and 50 per cent would like it to invest on 'supporting/facilities for young people'. 'New roads', 'residential care' and 'investment in housing' were next on the list of investments that respondents would like the council to invest in.

Table 10: responses to Q10

	Number of respondents	Per cent of respondents
Road maintenance	389	77%
Supporting/facilities for young people	252	50%
New roads	236	47%
Residential care	225	44%
Investment in housing	206	41%
School buildings	176	35%
Safeguarding	163	32%
Road safety	115	23%
Other	73	14%
Total respondents	507	100%
Not answered	7	

Note: respondents could select more than one answer

Chart 8: responses to Q10



Other, please specify:

Among the other suggestions where the council should invest its capital budget, the following were the most commonly cited suggestions:

- ❖ **Transport** (improved public transport, subsidised transport for elderly and young)
- ❖ **Roads** (Road maintenance, /road network improvements and road safety, bypass, new bridge in the city)
- ❖ **Reduce traffic** (safe cycling routes, more walking and cycle schemes, accessible parking)
- ❖ **Tourism and culture** (clean countryside, encourage small family businesses, capitalise Herefordshire's unique selling point-the beautiful county)

Some respondents expressed concerns about selling land and assets to fund capital expenditure, instead respondents suggested that the council should use these to gain income and use for providing farm apprenticeships etc.

Q11. The council is responsible for improving the health of its residents and commission a number of public health services. How would you choose to prioritise the following services? (1 = most important and 6 = least important)

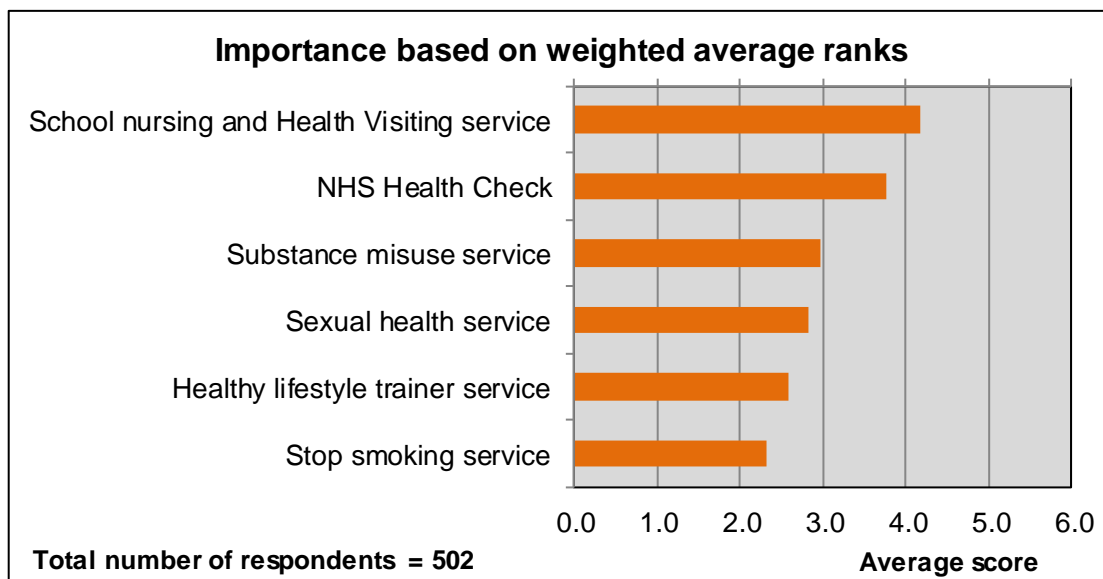
This ranking question calculates the average ranking for each answer option to determine which option (service) was most preferred overall. The answer option with the largest average ranking is the most preferred option. Weights are applied in reverse. In other words, the respondent's most important option (which the respondent ranked as 1) has the largest weight, and respondent's least important option (which the respondent ranked in the last position) has a weight of 1.

There were some clear messages from the distribution of the ranks (see Chart 9); 'school nursing and Health Visiting service' and 'NHS Health Checks' were ranked as the most important public health services that the council should prioritise to commission. 'Stop smoking service' and 'Sexual health service' were ranked as the least important public health services that the council should prioritise to commission.

Table 11: proportion of responses to Q11 based on total respondents who ranked at least one option

Options (services)	Rank (1 = most important and 6 = least important)					
	1	2	3	4	5	6
School nursing and Health Visiting service	38%	21%	11%	7%	5%	5%
NHS Health Check	26%	22%	13%	10%	11%	12%
Substance misuse service	8%	15%	18%	17%	19%	9%
Sexual health service	3%	11%	25%	22%	17%	9%
Healthy lifestyle trainer service	8%	9%	15%	17%	14%	23%
Stop smoking service	7%	10%	9%	14%	18%	27%

Chart 9: services ranked based on weighted averages



Council Tax

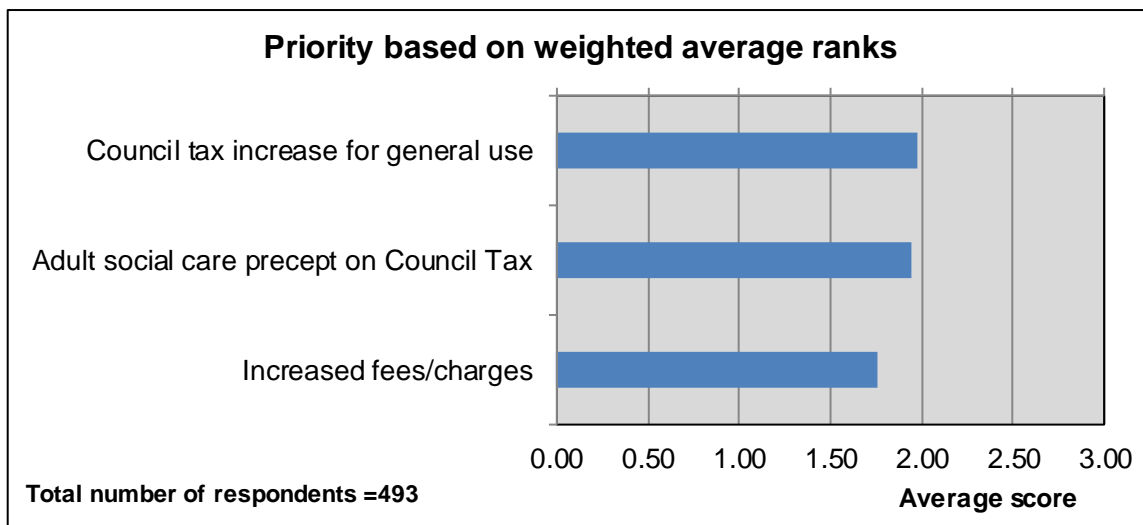
Q12. In order to ensure the council raises sufficient income, how would you choose to prioritise the following options? (1 = first and 3 = last)

According to the distribution of ranks there was a clear order of priority that how the council raise sufficient income; 'Council Tax increase for general use' would be the first priority followed by 'Adult social care precept on Council Tax' and 'Increased fees/charges' (Table 12).

Table 12: proportion of responses to Q12 based on total respondents who ranked at least one option

Options	Rank (1 = first and 3 = last)		
	1	2	3
Council tax increase for general use	34%	30%	31%
Adult social care precept on Council Tax	31%	43%	21%
Increased fees/charges	31%	20%	43%

Chart 10: options ranked based on weighted averages



Q13. Do you have any other comments you would like to make?

There were over 200 comments made to provide any other comments. The initial analysis indicated that the most common themes/suggestions/priorities emerged from the comments were:

- ❖ **Roads, transport and traffic** (improve road conditions, maintenance of roads, improve transport network for rural areas and public transport, reduce traffic etc.)
- ❖ **Herefordshire's outstanding natural beauty and heritage** (preserve and conserve beautiful country side, encourage tourism)
- ❖ **Support for economy** (support for local small businesses, improve tourism)
- ❖ **Improve services for all** (focus on everyone rather than adult and children social care, free or affordable parking, library services etc.)
- ❖ **Do not support the university**
- ❖ **Funding** (lobby government for more funding, increase council tax for all and justify the rise)

Many respondents expressed concerns about the council's internal spending (staffing costs, building renovations, office moves etc.), too many councillors and their allowances.

The full list of comments received to all questions will be published as a separate document.

Respondent profile

- Two per cent of respondents represented an organisation or a group while 98 per cent were individuals. The organisations that responded to the consultation were:

Bromyard Walkers are Welcome

Hereford business community

Herefordshire Wildlife Rescue

Kingsland Parish Council

North Bromyard Group Parish Council

Sutton St Nicholas Parish Council

Wye Ruin It

AS IF*

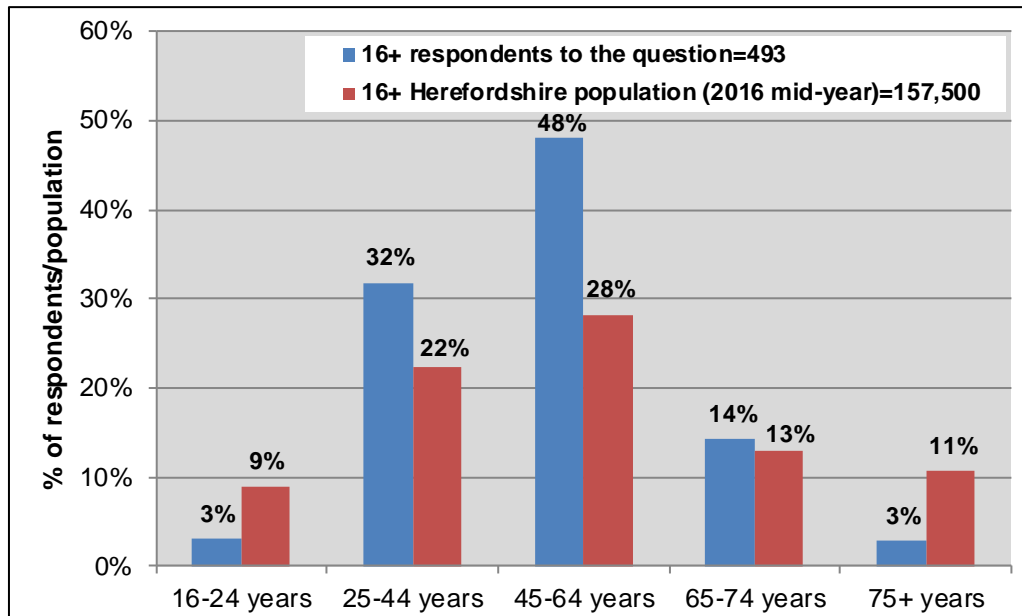
Trust (charitable) trustee*

**unable to verify the organisation names*

- 442 respondents provided their full postcode- please see map (appendix B- map of respondents to consultation)
- 53 per cent of respondents to the survey were females and 47 per cent were males (Herefordshire population profile: 51 percent to 49 percent)¹
- 17 per cent were aged 65 years or over, 48 per cent were aged 45-64 years, 32 per cent were aged 25-44 years and three per cent were 24 years or younger. According to chart 11 it is clear that people aged 24-64 years were largely over represented in the consultation.

¹ The Population of Herefordshire 2016 (<https://factsandfigures.herefordshire.gov.uk/media/48832/population-of-herefordshire-2016-v20.pdf>)

Chart 11: age distribution of survey respondents and Herefordshire population



- Twenty one (21) per cent of respondents' day-to-day activities were limited a little or limited a lot because of a health problem or disability which has lasted, or is expected to last, at least 12 month.
- Ninety five (96) per cent of respondents identified themselves as English, Scottish, Welsh or British; three per cent identified themselves as another national identity.
- Of the respondents who answered the question about their ethnicity, 96 per cent identified themselves as 'white' and three per cent as 'other white'. This composition is slightly different to the adult population ethnicity profile of the county, where five per cent were 'other white' and two per cent were 'non-white' (according to the 2011 Census).
- Eleven (11) per cent of respondents felt that they had been treated differently (positively or negatively) because of who they are.

In addition to the standard survey responses, there were six responses received as emails/letters from the following (please see appendix A):

- Mortimer ward councils
- Market Towns Forum
- Bromyard Walkers are Welcome
- Herefordshire Ramblers
- Four members of public

End

Appendix A: Nonstandard/other responses

Appendix B: Map of respondents to consultation

Appendix C: The questionnaire

From: Mortimer ward councils

Dear Herefordshire Council,

Following discussions with neighbouring parish councils, the Mortimer Ward Councils wish to submit the following response:

Following an in-depth discussion it was agreed to submit the following budget priorities to Herefordshire Council:

Mortimer Ward had identified three main investment priorities:

- Roads;
- Drainage;
- Broadband.

Roads

The highway network throughout the County was in a very poor state of repair and requires significant investment to bring it back up to an acceptable standard.

Investment in the Enhanced Lengthsman Scheme to continue to enable parish councils to carry out pothole repairs was essential whilst funding was sought to carry out long term repairs and resurfacing works.

Drainage

The network of highway drainage was in a poor state of repair. Investment had not been made to keep the drainage network clear and in a good state of repair. This had resulted in drainage issues which was in turn undermining the highway network.

Herefordshire Council is urged to provide further investment in a proactive gulley cleaning initiative.

Broadband

In order to support the tourism industry and small businesses additional investment in upgrading broadband throughout the Council was requested.

The role of Town and Parish Councils

The Parish Councils in Mortimer Ward believe that Herefordshire Council should consider devolving some of the maintenance responsibilities from Balfour Beatty to Parish Councils under the Enhanced Lengthsman Scheme to enable local parish councils to deliver cost effective maintenance of C and U roads, roadside verges and open spaces.

Regards

Paul Russell
Clerk to the Council

From: Market Towns Forum

Dear Herefordshire Council,

On behalf of the Market Towns Forum, which is made up of Market Towns in Herefordshire, the following response to the budget consultation has been agreed:

The following priorities have been identified by the Market Towns Forum:

- The continuation of financial support for the Enhanced Lengthsman Scheme;
- The continuation of financial support for the P3 scheme;
- Increased expenditure on highway network improvements with greater clarity and consultation with local parish and town councils on priorities;
- Town centre/public realm improvements in market towns;
- Additional investment in public transport especially in rural areas where an economic case can be made;
- Improved waste collection and litter bin emptying to improve cleanliness and care of the county for both residents and visitors;

In order to help achieve improved service delivery and some cost savings the Market Towns Forum would like to see the following initiatives developed:

- Options to work hand in hand with town and parish councils to help deliver open spaces maintenance, litter bin emptying and other quality of life services on behalf of local residents;
- The option for town and parish councils to act as contractors to HC, to receive payment to help deliver services contracted to town and parish councils.

The Market Towns Forum is made up of the following towns in Herefordshire:

Bromyard & Winslow

Hereford City Council

Kington Town Council

Ledbury Town Council

Leominster Town Council

Ross on Wye Town Council

Regards

Paul Russell

(Secretary to the MTF)

Town Clerk, Leominster Town Council

From: Bromyard Walkers are Welcome

I have responded to the questionnaire but there is only limited opportunity to make broader points.

First, maintenance of public rights of way is a statutory duty. It is not an optional extra. It is doubtful whether Herefordshire's present performance and resourcing complies with this statutory obligation. To reduce it further will increase the likelihood of legal challenge.

Secondly, walking makes a huge contribution to the local economy. Tourism delivers a Gross Value Added of £150m per annum, 5% of the county total. Farming contributes 8%. This will be jeopardised by any further reductions in funding as the walking infrastructure falls into increasing disrepair. It is particularly counter-productive to abolish the P3 scheme, as currently proposed, which costs £50,000 p.a. or 0.03% of the council's required spending. P3 delivers outstanding value by using volunteer labour and local contractors who are far more cost-effective than the exorbitant rates billed by BBLP.

Thirdly, the health benefits of walking, through reduction in cardio vascular disease and improvements to mental and physical well-being are well attested. Investment and promotion here will help to reduce demand on other Council services and the NHS.

Tom Fisher

Chairman, Bromyard Walkers are Welcome

From: Herefordshire Ramblers

Dear Sir / Madam,

I have NOT responded to the questionnaire as there is only limited opportunity to make broader points.

As Chair of Herefordshire Ramblers I believe it is very important that I make the following comments regarding "walking" in all its aspects as a response to the 2018/19 Budget Priorities Consultation.

Walking will help achieve Herefordshire Council's stated aspiration for the future: "*People, organisations and businesses working together to bring sustainable prosperity and well-being for all, in the outstanding natural environment of Herefordshire.*"

The council's strategic objectives and the four priorities as described within the corporate plan are to:

- Enable residents to live safe, healthy and independent lives;
- Keep children and young people safe and give them a great start in life;
- Support the growth of our economy; and
- Secure better services, quality of life and value for money.

These can be helped by getting more people out walking and by maintaining the Rights of Way Network in the county.

Firstly, the health benefits of walking, through reduction in cardio vascular disease, other medical conditions and improvements to mental and physical well-being are well established and reported. Investment and promotion here will help to reduce demand on other Council services and the NHS. Walking is the most sustainable means of exercise there is.

Secondly, maintenance of public rights of way is a statutory duty, not an optional extra. It is doubtful whether Herefordshire's present performance and resourcing complies with this statutory obligation or duty. To reduce it further will increase the likelihood of legal challenge.

Thirdly, walking makes a huge contribution to the local economy. Tourism delivers a Gross Value Added of £150m per annum, 5% of the county total. Farming contributes 8%. This will be jeopardised by any further reductions in funding as the walking infrastructure falls into increasing disrepair. It is particularly counter-productive to abolish the P3 scheme, as currently proposed, which costs £50,000 p.a. or 0.03% of the council's required spending. P3 delivers outstanding value by using volunteer labour and local contractors who are far more cost-effective than the exorbitant rates billed by the Council's contractor BBLP.

Fourthly, the allocation of £5 million pounds grant to be spent on Herefordshire roads (Highways) secured by Jesse Norman MP, will be of great help to Herefordshire Council but it begs the question: As Public Rights of Way (PROW) are Highways, how much of this £5

million will be spent in maintaining or improving PROW's in the county? A small proportion would restore the whole PROW network in the whole county.

If there are any points that you may wish to discuss further please feel free to contact me.

Regards,

Arthur Lee

Chair - Herefordshire Ramblers

Email responses from residents

Email 1:

Sirs, Please give high priority to Ledbury area bus services and library resources

Regards

<name removed>

Email 2:

It is extremely sad how little or not at all , the council consider the importance of rural areas food drink or farming. Hereford will become another Telford, part of Birmingham, thanks to our councillors accepting far more housing than suggested. and probably a great many people from Birmingham will be rehoused in Hereford houses. Supposed to be for locals needing housing. The decimation of ancient varieties of trees and also species destroyed forever. the compulsory purchase of high grade Agricultural land NEEDED FOR FOOD, is not even considered. 'the royal society' in London organised a talk 'feeding 10 billion in two thousand and fifty' if no more agricultural land is lost it may be possible? But the food will be very different to what we have today." It would seem that we are leaving the problems in the laps of the next generation. few take seriously what our generation have done or are doing. It is totally ignored, by the so called people who try and rule us. Scrap the bypass ring rd. call it what you will. Stop spending OUR money on unnecessary things when we do not want them. Tell us what you are doing before NOT after you do it.

<name removed>

Email 3:

Having a daughter with SEN and an EHC plan I feel you need to be aware that it is important for funding not to be cut in this area. My daughter is finding the pressures of school difficult with funding of 20,000 a year. She is being pushed into integration more as there are funding cuts to schools, she is in a specialist provision and she is needing high levels of support so please don't cut this as my child and other children will suffer and their families too, not just educationally but socially and emotionally. She is suffering immensely with anxiety so please think carefully about the affects your cuts have to the minority of population who struggle and their families.

Many thanks

<name removed>

Email 4:

Good Morning,

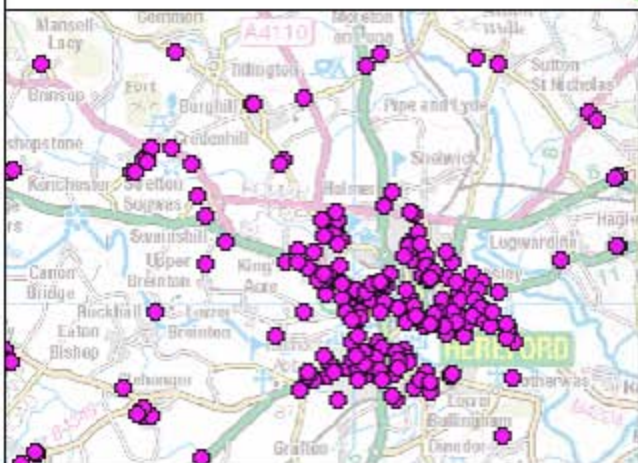
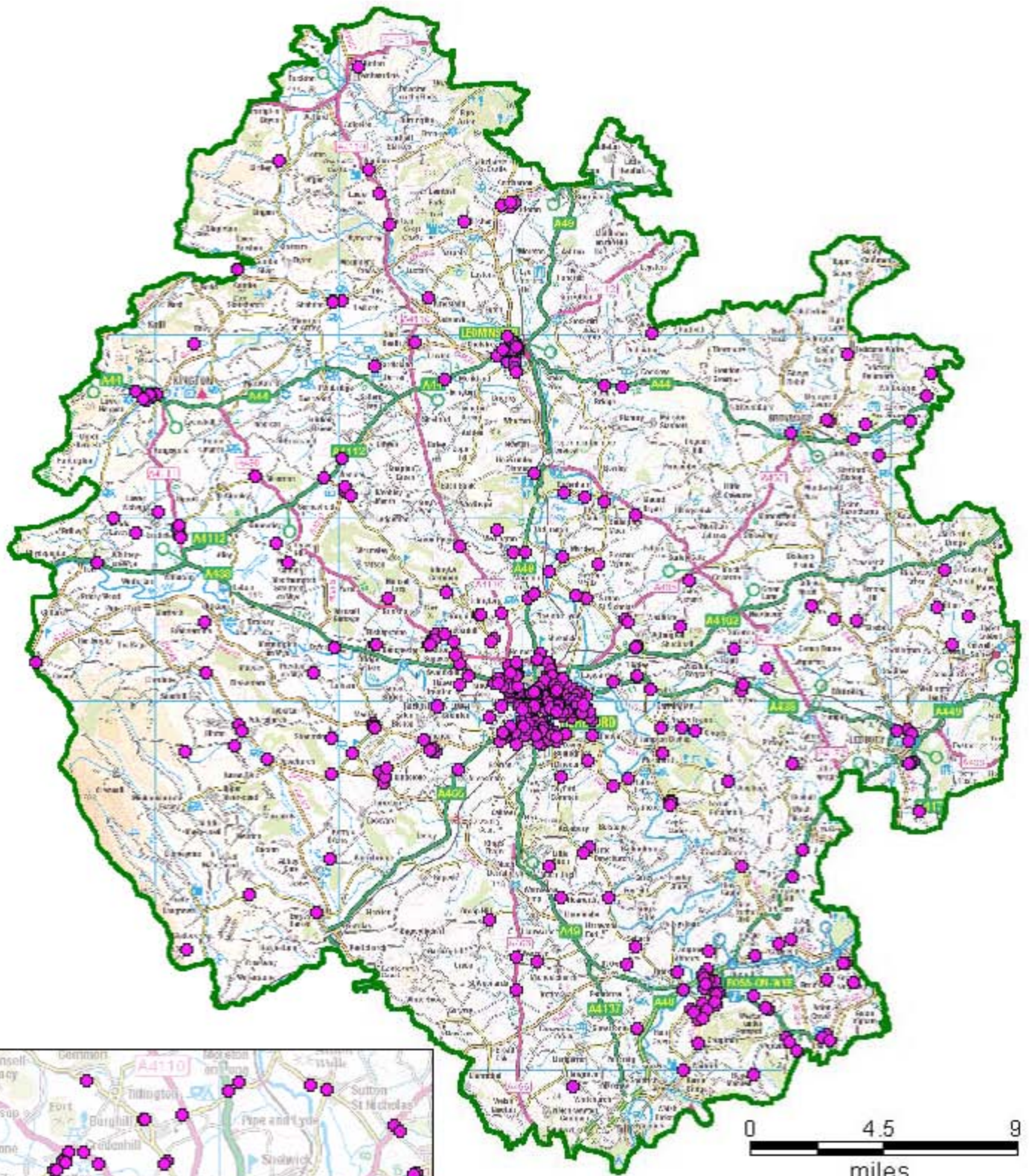
Whilst there are European grants about I feel that Herefordshire Council should start claiming some along with lottery money to start up some community interest companies. Such as care homes and Intermediate Care Units. The N.H.S. will not look into them as it would cost too much in Herefordshire and would not pay due to the lack of population. It would also take a lot of organising.

These units could be run on a not for profit basis which would cut down on the extortionate amounts of money you will need to find for care in the years to come. They would also take strain off the N.H.S.

In effect you would be able to cut out the middle man. The prices charged by care companies and homes so that the owners make a fortune. Look after your staff better and pay them a decent rate of pay that goes unrewarded for many years of dedication and hard work. It is about time someone took responsibility for the changes needed instead of ignoring it. This could save a fortune.

Yours sincerely

<name removed>



Budget Priorities consultation – 2018/19

The questionnaire

Herefordshire Council's aspiration for the future

Herefordshire Council's aspiration for the future is: *"People, organisations and businesses working together to bring sustainable prosperity and well-being for all, in the outstanding natural environment of Herefordshire."*

The council's strategic objectives are described within the corporate plan. The four priorities are to:

- Enable residents to live safe, healthy and independent lives;
- Keep children and young people safe and give them a great start in life;
- Support the growth of our economy; and
- Secure better services, quality of life and value for money.

Q1 Are there any areas within these priorities that you think the council should do more?

Yes, please specify below

No

Enable residents to live safe, healthy and independent lives

Q2 How can communities support people with vulnerabilities/disabilities to maintain independent lives?

(Please tick all that apply)

- Support with day to day tasks such as shopping, cleaning and gardening
- Arrange social events for people to meet each other
- Pop in to chat to them and keep them company
- Help them access employment
- Help people feel safe and secure in their communities and homes
- Provide meals for people or arrange lunch groups
- Bring people together from different background and ages
- Set up car share schemes and encourage community transport
- Other (please specify)

Q3 How should the council develop a network of groups and individuals across the county, who can offer advice and guidance for people wanting to adopt a healthier lifestyle? (Please tick all that apply)

- Provide financial incentives to groups who enable people to make lifestyle changes
- Use a time-banking system where volunteers are rewarded through giving their time (rewards can be other voluntary services/activities or discount schemes etc.)
- Expand the remit of professionals, such as pharmacies and dentists
- Provide training and support to individuals so that they can offer support and advice within their own local communities
- Commission a provider to do this as part of the information and signposting service
- Other (please specify)

Q4 How should the council make it easier for people who need care to manage their own budget?

- Choose their own care
- Choose from a selection of providers chosen by the council

Q5 How should the council prioritise getting more houses built in Herefordshire? (Please tick all that apply)

- Encourage housing associations
- Build new houses itself
- Invest in more roads and transport
- Speed up the processing of planning applications
- Make council owned land available to builders
- Offer incentives to landowners
- Other (please specify)

Keep children and young people safe and give them a great start in life

In 2016/17 Herefordshire achieved national uptake targets for childhood immunisation and antenatal, newborn and children screening programmes. This is central to the council's policy of giving children a great start in life.

Q6 Should the council continue investing in promoting these programmes to achieve national targets in the next year?

- Yes
- No
- Not sure

Q7 How should the council work with parents and other services to give children the best start in life in their early years? (Please tick all that apply)

- Offer parenting classes in local areas
- Focus support to the most disadvantaged families to ensure children are 'school ready'
- Promote healthy eating for parents and young children
- Improve information, advice and guidance on local support via the web
- Work with parents to improve the dental health of their children
- Other (please specify)

Q8 How should the council support young people to make the most of their education and employment opportunities? (Please tick all that apply)

- Focus more work on developing opportunities for young people with special needs and disabilities
- Make apprenticeships available across the county and explore transport options to support this
- Other (please specify)

Support the growth of our economy

Q9 How should the council assist in ensuring that the infrastructure and support needed to provide jobs and houses within the local economy is in place? (Please tick all that apply)

- Improve road network
- Invest in superfast broadband
- Support housing growth
- Promote investment into Herefordshire
- Support local business start-ups
- Make more land and buildings available for business and industrial use
- Support for the university
- Other (please specify)

Secure better services, quality of life and value for money

Q10 The capital budget funds schemes and investments which will derive a long term benefit for the county. Capital expenditure is funded from the sale of land and assets, borrowing and annual contributions from the revenue budget. Where should we invest our capital budget? (Please tick all that apply)

- | | |
|---|---|
| <input type="checkbox"/> New roads | <input type="checkbox"/> Road safety |
| <input type="checkbox"/> School buildings | <input type="checkbox"/> Investment in housing |
| <input type="checkbox"/> Road maintenance | <input type="checkbox"/> Safeguarding |
| <input type="checkbox"/> Residential care | <input type="checkbox"/> Supporting/facilities for young people |
| <input type="checkbox"/> Other (please specify) | |

Q11 The council is responsible for improving the health of its residents and commission a number of public health services. How would you choose to prioritise the following services? (1 = most important and 6 = least important)

	1	2	3	4	5	6
School nursing and Health Visiting service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stop smoking service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Substance misuse service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Healthy lifestyle trainer service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sexual health service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NHS Health Check	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Council tax

Council Tax and business rates currently only meet around 30% of the council's costs. Furthermore, grants from government have been drastically cut in recent years (to around 10%) and will be almost eliminated by 2020. There are a number of council services which are chargeable and provide an income, such as car parking, planning, licensing and burial services.

Q12 In order to ensure the council raises sufficient income, how would you choose to prioritise the following options? (1 = first and 3 = last)

	1	2	3
Council tax increase for general use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Adult social care precept on Council Tax	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increased fees/charges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q13 Do you have any other comments you would like to make? Please state below:

About you

Q14 Are you responding on behalf of an organisation or group, or as an individual?

Organisation or group

Individual

If you are responding on behalf of an organisation or group please tell us the name of the organisation/group:

If you are responding as an individual please answer the following questions about yourself. This information helps us to understand the profile of respondents and whether views vary amongst different groups of people across the county. It will only be used for the purpose of statistical monitoring, treated as confidential and not used to identify you.

Q15 What is your full postcode?

Q16 What is your gender?

Male

Female

Q17 What is your age band?

0-15 years

25-44 years

65-74 years

16-24 years

45-64 years

75+ years

Q18 Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Yes - limited a lot

Yes - limited a little

No

Q19 **How would you describe your national identity? (Please tick all that apply)**

- | | | |
|---|-----------------------------------|--------------------------------|
| <input type="checkbox"/> English | <input type="checkbox"/> Scottish | <input type="checkbox"/> Welsh |
| <input type="checkbox"/> Northern Irish | <input type="checkbox"/> British | <input type="checkbox"/> Irish |
| <input type="checkbox"/> Other | | |

Q20 **How would you describe your ethnic group?**

- White British/English/Welsh/Scottish/Northern Irish
 Other White (please specify below)
 Any other ethnic group (please specify below)

Q21 **Do you feel that the council has treated you differently (positively or negatively) because of who you are? (e.g. your gender, age, disability or ethnicity)**

- Yes No

Thank you

You can complete this questionnaire online at: www.herefordshire.gov.uk/budgetconsultation but completed hard copies can be sent to:
Herefordshire Council Research Team, Freepost SWC4816, PO Box 4, Hereford, HR4 0BR

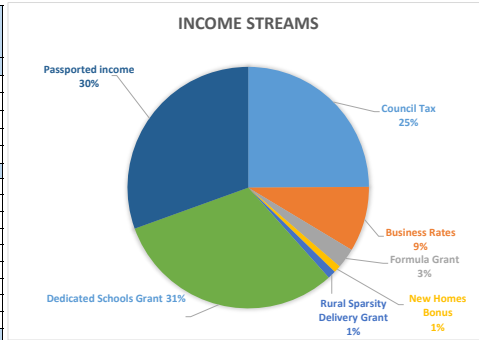
Data Protection Act 1998

The data collected in this form will only be used for the purpose of statistical monitoring. This information will only be retained for as long as is considered necessary for monitoring purposes and then it will be destroyed. At all times it will be kept in accordance with the Act.

Herefordshire Council
Revenue Budget Book 2017-18

Summary

	Total Budget	Income flows through the Council	Operational Budget	Cost per head of Population	Cost per Band D Property
	£000	£000	£000	£s	£s
Service Expenditure:					
Adults and Wellbeing	84,042	(32,009)	52,033	276.63	493.87
Children's Wellbeing	141,554	(119,964)	21,590	114.78	204.92
Economies, Communities and Corporate	68,076	(21,079)	46,997	249.85	446.07
Corporate	80,038	(55,635)	24,403	129.73	231.62
Budget Requirement	373,711	(228,687)	145,024	770.99	1,376.49
Financing:					
Council Tax			93,049	494.68	883.17
Business Rates			32,612	173.38	309.54
Formula Grant			10,090	53.64	95.77
New Homes Bonus			3,585	19.06	34.03
Rural Sparsity Delivery Grant			4,093	21.76	38.85
Adult Social Care support grant			885	4.70	8.40
Transitional Grant			576	3.06	5.47
Reserves one offs			135	0.72	1.28
Total Financing	0	0	145,025	771.00	1,376.50



Adults and Wellbeing

Services within this directorate support adults within the county to enable them to live healthy, happy and independent lives within their local communities. This area includes residential and nursing care, health and wellbeing services and safeguarding of vulnerable adults.

Adults and Wellbeing	Total Budget	Income flows through the Council	Operational Budget	Cost per head of Population	Cost per Band D Property	Description
	£000	£000	£000	£s	£s	
Learning Disabilities	20,159	(3,212)	16,947	90.09	160.85	581 spot purchase clients
Memory and Cognition / Mental Health	8,201	(1,850)	6,351	33.76	60.28	373 spot purchase clients
Physical Support	27,883	(8,737)	19,146	101.79	181.72	1,389 spot purchase clients
Sensory Support	450	(71)	379	2.01	3.60	35 spot purchase clients
Client Sub-Total	56,692	(13,870)	42,822	227.66	406.45	
Operations	7,762	(2,176)	5,587	29.70	53.02	212.34 full-time equivalent staff
Commissioning	5,364	(3,108)	2,256	11.99	21.41	46.72 full-time equivalent staff
Directorate Management	3,303	(3,039)	265	1.41	2.51	1 full-time equivalent staff
Public Health	9,660	(9,542)	119	0.63	1.12	Contracts for Health visitors, school nurse, smoking cessation, sexual health
Transformation & Safeguarding	1,260	(275)	985	5.24	9.35	18.09 full-time equivalent staff
Non Client Sub-Total	27,350	(18,139)	9,211	48.97	87.43	
Adults and Wellbeing Total	84,042	(32,009)	52,033	276.63	493.87	

Children's Wellbeing

The children's wellbeing directorate is responsible for services relating to safeguarding, family support and education. Services include safeguarding of children, adoption and fostering, additional educational needs, school admissions and adult and community learning.

Children's Wellbeing	Total Budget	Income flows through the Council	Operational Budget	Cost per head of Population	Cost per Band D Property	Description
	£000	£000	£000	£s	£s	
Additional Needs	3,244	(44)	3,200	17.01	30.37	Special Educational Needs and Disabilities, Education, Health and Care Plan work, Short Break contracts and children with disabilities services
Children's Commissioning	3,687	(2,566)	1,121	5.96	10.64	Whitecross PFI, troubled families and education grants
Development and Sufficiency	1,630	(376)	1,254	6.67	11.91	School admissions, school buildings and places, early help for families and children centre services
Education Improvement	233	(90)	143	0.76	1.36	Statutory services to schools and early years providers, including support for safeguarding and minority groups
Education and Commissioning	8,793	(3,075)	5,718	30.40	54.27	
Safeguarding and Review	925	(252)	673	3.58	6.39	Statutory safeguarding review services and Safeguarding Board
Early Help and Family Support	1,200	(302)	897	4.77	8.52	Family support workers and early help services
Social workers teams	2,322	(4)	2,317	12.32	21.99	85.16 fte social workers with an average caseload of 24 cases
Looked after Children:	3,482	(25)	3,457	18.38	32.81	
- Residential Placements	1,076	0	1,076	5.72	10.22	6 placements at an average cost of £162k
- External Foster Placements	1,455	0	1,455	7.74	13.81	34 placements at an average cost of £42k
- In house Fostering	2,863	0	2,863	15.22	27.18	167 placements at an average cost of £17k

- Adoption	718	(57)	661	3.51	6.27	28 placements at an average cost of £10k
- Kinship	464	0	464	2.47	4.41	39 placements at an average cost of £12k
- Special Guardianship	324	0	324	1.72	3.08	53 placements at an average cost of £6k
Safeguarding & Early Help Management	1,518	0	1,518	8.07	14.41	Providing essential team and service management to support social workers and carry out statutory decisions such as fostering
Safeguarding & Early help	16,347	(640)	15,707	83.50	149.08	
Directorate	190	0	190	1.01	1.81	Youth offending contract
Childrens Wellbeing	25,330	(3,715)	21,615	114.91	205.16	
DSG	116,224	(116,249)	(25)	(0.13)	(0.24)	23,212 Pupils, directly funding schools and support
Childrens incl DSG	141,554	(119,964)	21,590	114.91	205.16	

Economies, Communities and Corporate

ECC is dedicated to ensuring that communities in Herefordshire are sustainable and provide attractive, safe and well managed places to live and work. Services within this area include libraries and museums, electoral

Economies, Communities and Corporate	Total Budget £000	Income flows through the Council £000	Operational Budget £000	Cost per head of Population £s	Cost per Band D Property £s	Description
Directorate Services	363	0	363	1.93	3.45	Directorate Services
Environment and Waste	16,964	(1,749)	15,215	80.89	144.41	88,000 tonnes of waste collections from 84,213 properties
Highways and Community Services	1,050	0	1,050	5.58	9.97	Highways and Community Services
Public Realm Annual Plan	6,132	0	6,132	32.60	58.20	Public Realm Annual Plan
Regulatory and Development Management Services	4,200	(3,365)	836	4.44	7.93	589 new houses built
Technical and Parking Services	1,890	(7,357)	(5,467)	(29.06)	(51.89)	Technical and Parking Services
Transport and Access Services	9,468	(2,247)	7,221	38.39	68.54	Public transport
Total – Highways, Planning, Waste and Parking	40,068	(14,718)	25,350	134.77	240.61	
Collections and Leisure	258	(54)	204	1.09	1.94	Collections and Leisure
Communications and Web	308	0	308	1.64	2.92	Communications team
Customer and Library Services	1,903	(187)	1,716	9.12	16.29	Customer and Library Services
Special projects (Broadband)	395	(136)	259	1.38	2.46	Special projects (Broadband)
Information, resilience and equality	1,109	(358)	751	3.99	7.13	Information Data
ICT (Herefordshire Council)	1,900	(617)	1,283	6.82	12.17	ICT contracts
Legal Services and Governance	3,444	(431)	3,013	16.02	28.60	Includes electoral services and registrars
Total – Customer, Cultural and Legal Services	9,317	(1,782)	7,535	40.06	71.52	
Community Regeneration	285	(25)	260	1.38	2.47	Community Regeneration
Economic Development	1,146	(281)	865	4.60	8.21	Economic Development
Growth Management	251	0	251	1.33	2.38	Growth Management
Neighbourhood Planning	253	(150)	103	0.55	0.98	Neighbourhood plans
Regeneration	411	(103)	308	1.64	2.92	Support to the community & voluntary and business sectors through the provision of; funding advice, project support, European policy development and the administration of a wide range of grants to meet the Council's objectives.
Strategic Planning	251	0	251	1.33	2.38	Progressing statutory elements of the Local Plan, including the Hereford Area Plan, Minerals and Waste Local Plan and Travellers' Sites Development Plan Document.
Total – Economic Development and Housing Growth	2,597	(559)	2,038	10.84	19.35	
Directors	567	(3)	564	3.00	5.36	Management
HR, Payroll, Recruitment and Organisational Development	351	0	351	1.87	3.33	HR, Payroll, Recruitment and Organisational Development
Total – Directorate Management	919	(3)	916	4.87	8.69	
Asset Management and Property Services	7,004	(3,894)	3,110	16.53	29.52	Number of corporate properties
Finance Support	786	0	786	4.18	7.46	Corporate finance and Grant Thornton external audit fees
Hoople SLA	5,355	(94)	5,261	27.97	49.94	Back office function for finance, ICT, HR and payroll
Insurance	1,100	0	1,100	5.85	10.44	Public liability and buildings insurance
Internal Audit Services	225	(30)	195	1.04	1.85	SWAP contract
Corporate Management	706	0	706	3.75	6.70	Corporate Management
Total – Corporate Resources	15,176	(4,018)	11,158	59.32	105.91	
Total – Economies, Communities and Corporate	68,076	(21,079)	46,997	249.85	446.07	

Corporate

Corporate	Total Budget £000	Income flows through the Council £000	Operational Budget £000	Cost per head of Population £s	Cost per Band D Property £s	Description
Corporate	56,479	(51,756)	4,723	25.11	44.83	Debt relating to borrowing and pension, collection fund and housing benefit
Consolidated Revenue Account	23,559	(3,879)	19,680	104.63	186.79	
Corporate Total	80,038	(55,635)	24,403	129.73	231.62	

Total Portfolios	373,711	(228,687)	145,024	770.99	1,376.49	
-------------------------	----------------	------------------	----------------	---------------	-----------------	--

Budget Presentation

December 2017

What the Council has to do

Approve the Council Tax base
Approve the rate of Council Tax

Approve the net spending limit for each major service element (Directorate)
Approve the Gross Revenue Budget

Set a robust and sustainable budget
Set the Precept Level (to include all other precepts)

Transparency

Information with Council Tax bill

Publishing spend over £500

The Revenue Budget

Budget Book

The Capital Program

Treasury Management Strategy

What has happened since last budget

General Election

First bank rate rise in a decade

Deconstruction of revenue budgets

Further savings and pressures identified

Budget book

Review of capital programme reporting

External risks

Natural events

Weather / flu pandemic

Global events

Wars / conflicts / commodities / political

Legislative events

New laws / changes in responsibilities

Internal risks

Demography
Health system

Timing
Inflation

Pay settlements

Budget 2018/19 As per MTFS Jan 17	Adults £000s	Children £000s	ECC £000s	Corporate £000's	Total £000's
MTFS Base Budget 17/18	51,158	21,153	44,740	27,974	145,025
Pressures	2,383	511	1,083	103	4,080
Savings	(1,950)	(1,572)	(1,800)	(2,142)	(7,464)
Draft 18/19 Budget	51,591	20,092	44,023	25,935	141,641

97

Proposal for balanced budget in 2018/19.

Base budget review has identified £7.6m of recurring pressures.

Additional savings of £7.8m identified.

Summary of savings	Adults £000s	Children £000s	ECC £000s	Corporate £000's	Total £000's
MTFS savings previously agreed	1,950	1,572	1,800	500	5,822
Further savings	600	660	2,062	960	4,282
New savings	3,583	0	0	0	3,583
Reduction in public Health not in base	200	0	0	0	200
Total	6,333	2,232	3,862	1,460	13,887

100

AWB

December 2017

Total amount of savings required – 2018/19

AWB Directorate	£000s
MTFS approved savings	1,950
Additional savings	600
Budget shortfall (gap) – base budget exercise	3,583
Public Health grant reduction 2018/19 – c.2.5%	200
Total requirement	6,333
Additional 1% precept	(938)
TOTAL savings requirement	5,395

101

AWB Additional pressures – 2018/19

AWB Directorate	£k
Reversal of one-off budget funding from 17/18	650
Public Health non-recurrent contribution to AWB in 17/18	200
DP Surplus – reduction in income budget	450
LD Residential cost pressures	840
LD Dom/Day care cost pressures	600
PS (Older people) Nursing – demand pressures	780
PS (Older people) Dom care – demand/cost pressures	<u>630</u>
Total budget pressures	4,150
Partially offset by:-	
Additional iBCF funding allocated to meet ASC needs	(377)
Reductions in MH/M&C (Older People) budget requirement	<u>(190)</u>
Budget shortfall/gap	3,583

102

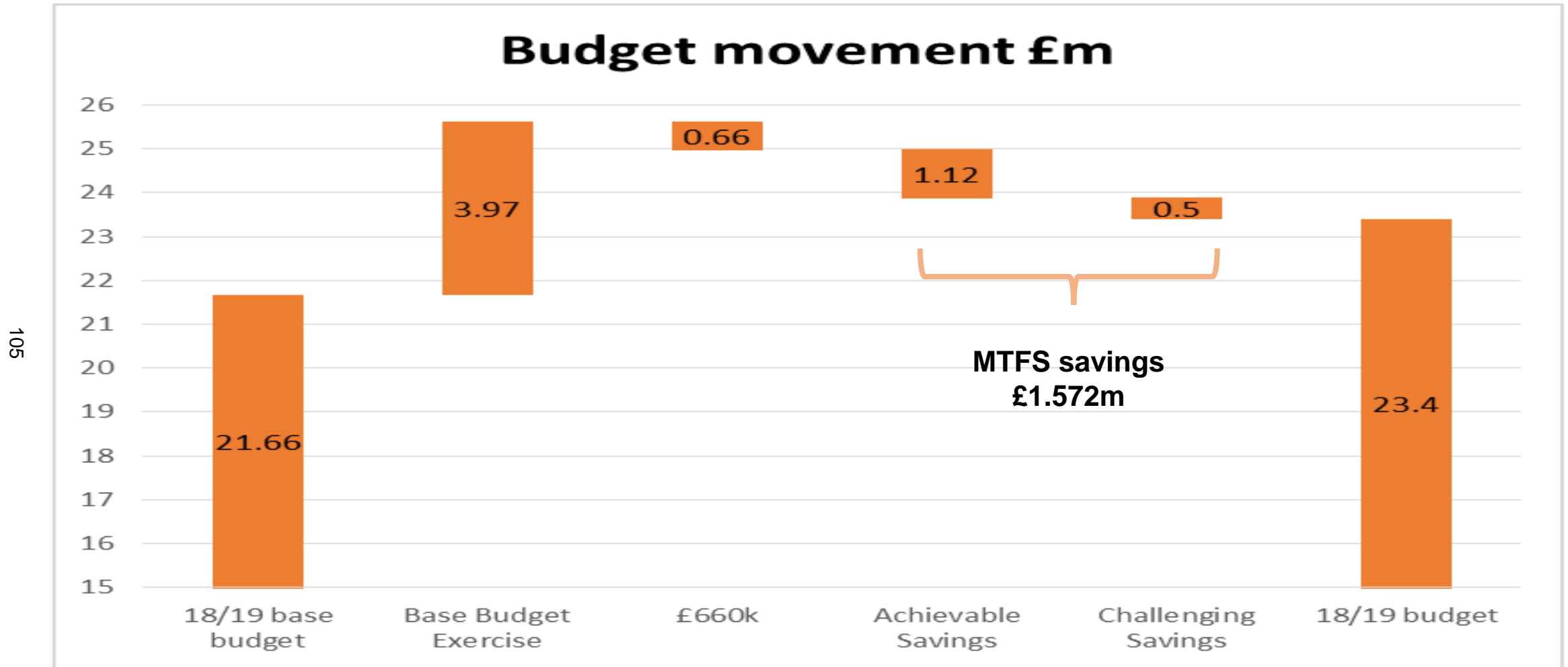
AWB Savings 2018/19

Savings Proposal	Expected Saving	Delivered	Outstanding (RAG)			Total
			Green	Amber	Red	
Decommissioning of Block Contacts and Redesign	400	400	0	0	0	400
Price banding	200	200	0	0	0	200
iBCF: Workforce Savings	200	200	0	0	0	200
Implementation of the ASC Pathway (inc spot purchase of day opps)	1,422	0	0	1,422	0	1,422
Review of transport policy	20	0	0	20	0	20
Review of day opps block purchase (Elizabeth Fitzroy)	140	0	140	0	0	140
Options appraisal for DoLS	150	0	0	150	0	150
CHC Review	250	0	200	50	0	250
Saving from holding of block payment beds to average of 13	150	0	0	150	0	150
Redesign of Shaw contract (Waverly House)	100	0	0	80	20	100
PH: Sexual Health Contract	250	0	0	250	0	250
PH: Substance Misuse	250	0	0	250	0	250
PH: Public Health nursing	80	0	80	0	0	80
Staff savings: Public Health	120	0	0	120	0	120
Staff savings: Housing Solutions	38	0	38	0	0	38
Staff savings: Transformation and Commissioning	111	0	0	111	0	111
Staff savings: Capitalisation of staff costs	122	0	122	0	0	122
Staff savings: OT	42	0	42	0	0	42
Change in policy on disregards (AADL)	500	0	0	500	0	500
iBCF: Use of unallocated funding	500	0	0	0	500	500
BCF: Reduction in RAAC	200	0	0	200	0	200
PH: Reduce budget to match uptake of NHS health checks	75	0	75	0	0	75
PH: Reduce budget to match uptake of smoking cessation	75	0	75	0	0	75
						0
						0
Total AWB Savings	5,395	800	772	3,303	520	5,395

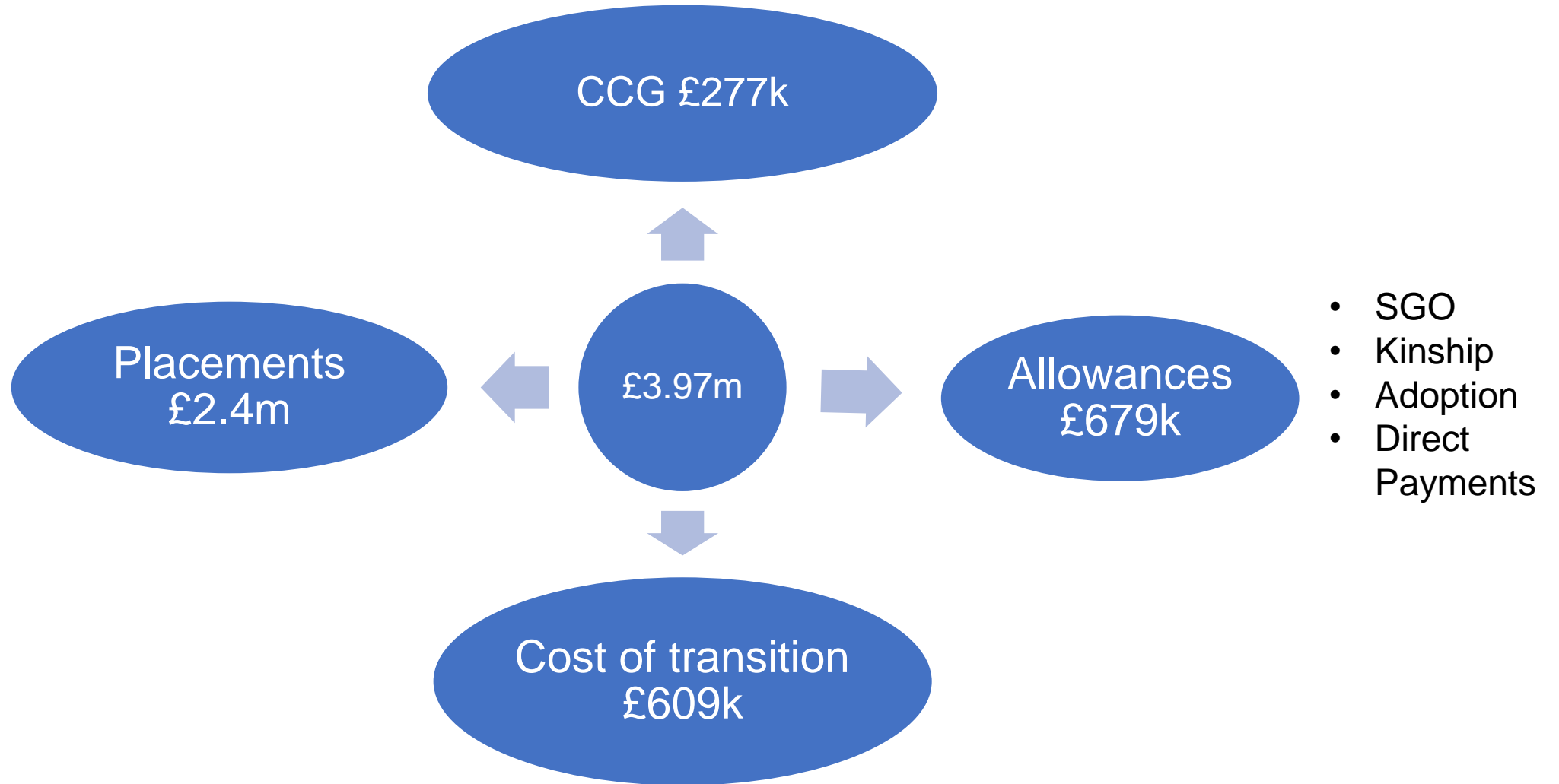
CWB

December 2017

CWB Budget for 2018/19



Full year effect of supporting children



Children MTFs Savings £1,572k

Savings Proposals	2018/19 £000's	2018/19 FTE's	2019/20 £000's	2019/20 FTE's	Total £000's	Total FTE's
Inflation	400		200		600	
Reduction in LAC costs	500		650		1,150	
Shortbreaks	100				100	
NYAS contract	40				40	
HIPPS contract	150				150	
Capitalisation of staff costs	80	2.0			80	2.0
Childrens Centres contracts	70				70	
Training spend	50				50	
Vacancy factor	100	3.0			100	3.0
Structure for safeguarding			200	6.0	200	6.0
Early help and early years	82	2.0			82	2.0
Total	1,572	7.0	1,050	6.0	2,622	13.0

Childrens additional savings £660k

Savings Proposals	2018/19 £000's	2018/19 FTE's	2019/20 £000's	2019/20 FTE's	Total £000's	Total FTE's
Adult Learning	46	1.0	-	-	46	1.0
Commissioning Team and Management	97	1.8	-	-	97	1.8
Education and asset management Structures	90	2.0	-	-	90	2.0
Vacancy Factor	200	7.0	-	-	200	7.0
Business Support	40	1.0	-	-	40	1.0
Improvement Plan	40	0	-	-	40	0
YOS contract	10	0	-	-	10	0
Fieldwork structure	51	1.0	-	-	51	1.0
Safeguarding and training staff	86	1.5	-	-	86	1.5
Total	660	15.3	-	-	660	15.3

ECC

December 2017

ECC additional savings £2.062m

Savings Proposals	2018/19 £000's	2018/19 FTE's	2019/20 £000's	2019/20 FTE's	2020/21 £000's	2020/21 FTE's	Total £000's	Total FTE's
Accommodation Strategy	367		360		-		727	
Hoople Savings	500	14	-		-		500	14
	100						100	
ECC Savings	705	6	72	2	-		777	8
	390		25				415	
Procurement Savings – Waste & Property Contracts	-		500		200		700	
Amey								
ECC Total	2,062	20	957	2	200		3,219	22
Target	2,100		0		0		2,100	
Green	1,172		432				1,604	
Amber	890		525		200		1,615	
Red								

110

Questions?

111



Meeting:	General scrutiny committee
Meeting date:	Monday 11 December 2017
Title of report:	Proposed 2018/19 capital bids and approval
Report by:	Head of corporate finance

Classification

Open

Decision type

This is not an executive decision

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

All Wards

Purpose and summary

To review the proposed capital programme including proposed investment additions for 2018/19 onwards and determine whether to make any recommendations to inform and support the cabinet in developing its recommendations to Council.

Appendix 1 provides details of the proposed additions to the existing capital programme that have been identified and the impact of approving these additions.

Recommendation(s)

That:

- (a) the committee determines any recommendations it wishes to make to the executive to inform and support the development of the capital programme to be recommended to Council.**

Alternative options

1. There are no alternatives to the recommendation.
2. It is open to the committee to recommend that some or all of the proposed new capital investment options are taken forward, the opportunities identified in the report are recommended due to the needs detailed in this report.
3. It is open to the committee to recommend alternative capital investment options. No alternative options have been made to date and suggestions would require review in line with the review completed on the options presented in this report as detailed in the body of this report.

Key considerations

4. The capital programme reflects capital investment generating benefit to the county for a period in excess of one year.
5. The approved capital programme can be viewed here https://www.herefordshire.gov.uk/downloads/file/1526/capital_programme_201718 . The profiling of capital spend and forecasting against budget is reported to Cabinet as an appendix to the quarterly performance report.
6. The approved capital programme requires updating for funding secured post approval, being:-
 - a. £3,818k secured from the Departments for Transport's Tranche 2A of the Local Highways Maintenance Challenge Fund, invested in accordance with the detailed business case produced in support of the council's bid and in accordance with all award criteria;
 - b. Disabled facilities grant of £1,706k. An annual grant allocation to be spent on individual grants supporting independent living;
 - c. Schools capital maintenance grant of £1,200k. An annual grant for maintaining school properties on a highest need first basis.
7. The latest version of the approved budget and forecast outturn is provided in Appendix 2.
8. As part of the 2018/19 budget setting process, officers were requested to present priority capital investment needs for 2018/19.
9. All proposals submitted as urgent need are included in Appendix 1 along with a description of what each proposal includes. Proposals have been prioritised based on the following criteria:-
 - a. Consequence on not being included in 2018/19, high score indicates urgency;
 - b. Legal need for inclusion, high score represents a legal need to include;
 - c. Political support secured, high score demonstrates support;

- d. Linkage to the corporate plan, high score where scheme provide high level of support;
 - e. Funded, high score where the proposal has secured funding;
 - f. Deliverability, high score where the scheme is ready to go;
 - g. Risk, high score if the scheme decreases exposure to risk.
10. Each of the criteria above has been given an indicative mark out of 5, the higher the score the higher the need to include. Each proposal's score out of a maximum score of 35 is shown in Appendix 1.
11. Approval of provision in the capital programme is not an approval to proceed. Each project will be subject to its own governance and business case before any spend may be incurred.

Community impact

12. The capital investment proposals support the overall corporate plan and service delivery strategies in place. The overall aim of capital expenditure is to benefit the community through improved facilities and by promoting economic growth. A specific community impact assessment, including any health and safety implications or corporate parenting responsibilities, will be included in the decision report required prior to any new capital scheme commencing and incurring spend.
13. The code of corporate governance reflects Herefordshire Council's commitment to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review. The scrutiny of proposed additions supports adherence to the council's code of corporate governance principles.

Equality duty

14. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
- A public authority must, in the exercise of its functions, have due regard to the need to -
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
15. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. An equalities impact assessment will be carried out prior to any new scheme commencing and will form part of the approval process required ahead of incurring capital spend

Resource implications

16. The proposed additions at Appendix 1 total £17,210k. Of this, £10,785k is proposed to be funded by capital grants, redirected funding allocations, capital receipts or returns on investment. This leaves £6,425k requiring financing from prudential borrowing. Of this the cost of financing £718k of prudential borrowing repayment costs will be funded from additional revenue streams generated by the investment, leaving £5,707k prudential borrowing to be funded by the revenue budget, £4,707k in 2018/19. The revenue implications of securing this new borrowing is supported in the current Medium Term Financial Strategy and Treasury Management Strategy which included an estimation of £5m new prudential borrowing per annum over the strategy period.
17. The additional borrowing requirement will be reflected in an update to the treasury management strategy going to full Council in January with actual borrowing being secured as cash funding is required at the optimal interest rate available at that time.
18. Individual capital scheme resourcing implications will be detailed in the approval to precede decision.

Legal implications

19. The council is under a legal duty to sensibly manage their own capital finance. The council is able to borrow subject to limits set by the council and any nationally imposed limits and it must do so in accordance with the prudential code on borrowing.
20. The Local Government Act 2003 allows the council to borrow for any purpose relevant to its functions under any enactment and for the purposes of the prudent management of its financial affairs.
21. Before approval of any individual scheme it will be necessary to ensure that the need for the scheme arises out of a legal obligation on the council for its provision. Any scheme must be procured in accordance with the council's own contract procedure rules and appropriate contractual documentation put in place to protect the council's interests.

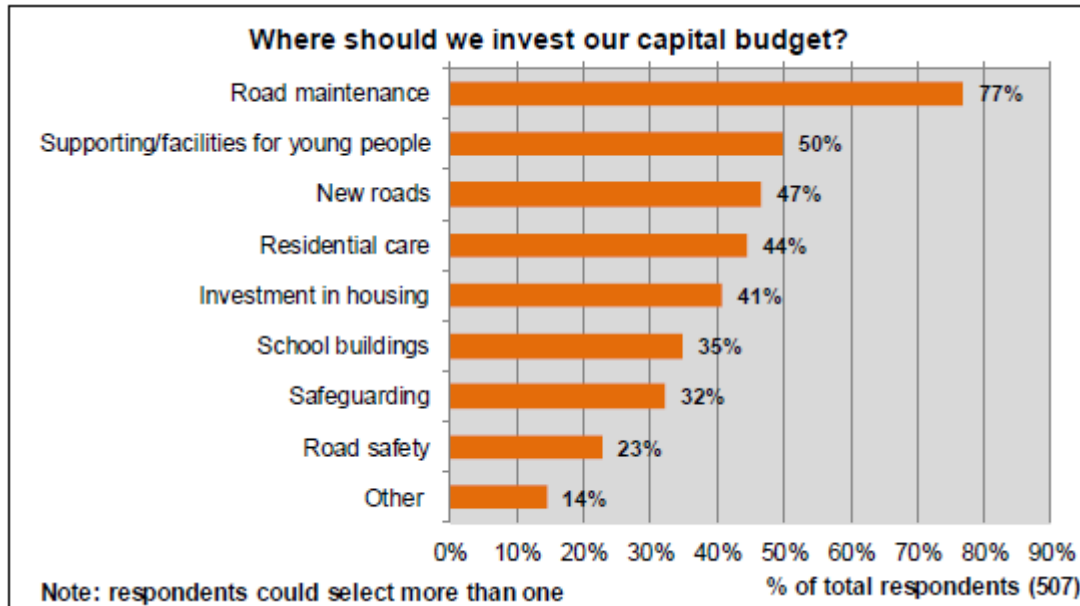
Risk management

22. Monthly budget control meetings give assurance on the robustness of budget control and monitoring, to highlight key risks and to identify any mitigation to reduce the impact of pressures on the council's overall position
23. Capital projects inherently provide risks in their delivery, both in time and budget. Individual scheme reporting and associated project boards exist to mitigate these risks. More recently a review of capital policies and processes are underway and will lead to cascading clarity on governance and mitigating scheme risks.
24. The proposed additions have been reviewed in relation to risks, both in deliverability, costs, impact and associated scheme interdependencies. The individual scheme detail of the risks will be provided as individual schemes progress to approval to deliver.

Consultees

25. A number of proposed additions have already been made in consultation with lead members, the details of this and any wider community engagement will be undertaken

and reported as part of the decision approval to progress with an individual scheme. The proposals align to the council's corporate plan priorities consulted with as part of the budget consultation completed over the summer which asked residents on where they thought capital investment should be directed, a summary of their responses is shown below.



Appendices

Appendix 1 Proposed capital investment additions for 2018/19

Appendix 2 Current status of approved capital programme

Background papers

Proposals received

Proposed capital investment additions for 2018/19 (subject to Cabinet or Cabinet member approval)

Scheme name	Description	Capital spend			Prudential borrowing			
		2018/19 £000	future years £000	Total £000	FUNDING IDENTIFIED	2018/19 £000	future years £000	Total £000
Schemes requiring prudential borrowing								
Hereford by-pass	Package of transport improvements including a new western bypass to enable core strategy growth and improvements in the city centre.	2,450	-	2,450	External grants, capital receipts & developer contributions being sought.	2,450	-	2,450
Marlbrook extension from 2 form entry to 3 form entry school	To build an additional classroom block and remodel some parts of the current building to make Marlbrook school a full 3 form entry school with associated early years provision.	3,085	1,000	4,085	Previous scheme underspend of £50k, £1,359k being PB funding redistributed from Colwall and basic need grant contributing £1m	676	1,000	1,676
Strangford closed landfill site - Leachate Collection System	Improve the leachate systems currently in place by increasing the capacity of the tanks to reduce risk of leaking and number of site visits.	31	-	31	Possible less site visit costs and landowner litigation cost avoidance	31	-	31
Gypsy & Traveller Pitch Development and Refurbishment -phase 1	To provide new traveller pitches at existing sites in Grafton and Bromyard	360	-	360	HCA grant and rental income	360	-	360
Proposed Planned Property Maintenance Programme 2018-19	Maintenance schemes have been identified from the condition data held by property services, investment is required to protect the users of the property or preserve the delivery of services from the sites, only urgent investment need proposed.	740	-	740	None	740	-	740
Temporary Accommodation at schools Replacement with extension Programme	Removal of temporary modular building at Almeley with permanent build accommodation.	450	-	450	None	450	-	450
		7,116	1,000	8,116		4,707	1,000	5,707
Schemes requesting funded prudential borrowing								
Leominster cemetery extension	To increase the area of Leominster cemetery to safeguard future use and income.	193	-	193	Income to fund borrowing cost	193	-	193
Three Elms Trading Estate - Council Occupation Rationalisation to Improve Revenue	Work to be carried out on various units to improve current working conditions to bring them in line with health and safety requirements and enable the rental of units to external customers to generate further income for the council.	125	-	125	Rental income to fund borrowing repayment costs	125	-	125

Replacement roof over Units 1-6 Tarsmill Court, Rotherwas	Replacement of leaking roofs.	400	-	400	Rental income to fund borrowing repayment costs	400	-	400
		718	-	718		718	-	718
Schemes not requiring prudential borrowing								
Investment in the condition of the strategic network to support the local economy, secure safety and resilience	Investment in Condition of the Strategic Network will be delivered through the Forward Programme and Annual Plan in accord with the Public Realm Services Contract.	4,600	-	4,600	Bids to the Local Highway Challenge Fund and £8m reserves	-	-	-
Investment in the condition of bridge structures to ensure access for communities	Investment in the Condition of Structures will be delivered through the Forward Programme and Annual Plan in accord with the Public Realm Services Contract	500	-	500	Bids to the Local Highway Challenge Fund and £8m reserves	-	-	-
School buildings capital maintenance grant	To be spent on maintenance works at maintained schools with the program of works to be developed based on priority ranking of the school condition reports. Actual funding allocations are confirmed around December 2017/January 2018.	1,200	-	1,200	£1.2m Education and Skills Funding Agency grant	-	-	-
Disabled facilities grant	To provide adaptation grants on an application basis. Actual funding allocations are confirmed around December 2017/January 2018.	1,706	-	1,706	£1.7m DCLG grant	-	-	-
Children centre changes	The proposals reflect the decision of the changes to the children centre provision outlined and agreed in the cabinet report of 14th September 2017.	370	-	370	Capital receipt expected to be in excess of the capital cost	-	-	-
		8,376	-	8,376		-	-	-
TOTAL		16,210	1,000	17,210		5,425	1,000	6,425

Appendix 1
Proposed capital investment additions for 2018/19 (subject to Cabinet or Cabinet member approval)

Scheme name	Description	score	Capital spend			Capital funding			Total prudential borrowing £000
			2018/19 £000	future years £000	Total £000	2018/19 £000	future years £000	Total £000	
Schemes requiring prudential borrowing									
Hereford by-pass	Package of transport improvements including a new western bypass to enable core strategy growth and improvements in the city centre.	22	2,450	-	2,450	-	-	-	2,450
Marlbrook extension from 2 form entry to 3 form entry school	To build an additional classroom block and remodel some parts of the current building to make Marlbrook school a full 3 form entry school with associated early years provision.	22	3,085	1,000	4,085	2,409	-	2,409	1,676
Strangford closed landfill site - Leachate Collection System	Improve the leachate systems currently in place by increasing the capacity of the tanks to reduce risk of leaking and number of site visits.	17	31	-	31	-	-	-	31
Gypsy & Traveller Pitch Development and Refurbishment -phase 1	To provide new traveller pitches at existing sites in Grafton and Bromyard	21	360	-	360	-	-	-	360
Proposed Planned Property Maintenance Programme 2018-19	Maintenance schemes have been identified from the condition data held, investment is required to protect the users of the property or preserve the delivery of services from the sites	17	740	-	740	-	-	-	740
Temporary Accommodation at schools Replacement with extension	Removal of temporary modular building at Almeley with permanent build accommodation.	14	450	-	450	-	-	-	450
Sub total			7,116	1,000	8,116	2,409	-	2,409	5,707
Schemes requesting funded prudential borrowing									
Leominster cemetery extension	To increase the area of Leominster cemetery to safeguard future use and income.	20	193	-	193	-	-	-	193
Three Elms Trading Estate - Council Occupation Rationalisation	Work to be carried out on various units to improve current working conditions and enable the rental of units to external customers	19	125	-	125	-	-	-	125
Replacement roof over Units 1-6 Tarsmill Court, Rotherwas	Replacement of leaking roofs.	15	400	-	400	-	-	-	400
Sub Total			718	-	718	-	-	-	718
Schemes not requiring prudential borrowing									
Investment in the condition of the strategic network	Investment in Condition of the Strategic Network will be delivered through the Forward Programme and Annual Plan in accord with the Public Realm Services Contract.	29	4,600	-	4,600	4,600	-	4,600	-
Investment in the condition of bridge structures	Investment in the Condition of Structures will be delivered through the Forward Programme and Annual Plan in accord with the Public Realm Services Contract	29	500	-	500	500	-	500	-
School buildings capital maintenance grant	To be spent on maintenance works at maintained schools with the program of works to be developed based on priority ranking of the school condition reports.	29	1,200	-	1,200	1,200	-	1,200	-
Disabled facilities grant	To provide adaptation grants on an application basis. Actual funding allocations are confirmed around December 2017/January 2018.	22	1,706	-	1,706	1,706	-	1,706	-

Children centre changes	The proposals reflect the decision of the changes to the children centre provision outlined and agreed in the cabinet report of 14th September 2017.	23	370	-	370	370	-	370	-
Sub total			8,376	-	8,376	8,376	-	8,376	-
TOTAL			16,210	1,000	17,210	10,785	-	10,785	6,425
<i>Prudential borrowing requirement</i>						5,425	1,000	6,425	
<i>Funded prudential borrowing</i>						718		718	
Corporately funded prudential borrowing						4,707	1,000	5,707	

Appendix 2

Current status of approved capital programme

Scheme Name	Spend in prior years	brought forward slippage / (accelerated spend)	2017/18 budget	additional funding secured / (outstanding)	forecast carry forward (slippage)/ accelerated spend	2017/18 forecast	2018/19 budget	2019/20 budget	Total scheme budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Economy, Communities and Corporate									
Hereford City Centre Transport Package	27,790	1,909	5,682		(1,909)	5,682	4,000	1,270	40,651
Local Transport Plan (LTP)			11,313	3,818		15,131	10,341	10,341	
Fastershire Broadband	15,641	(33)	9,747		(2,247)	7,467	7,248		32,603
Hereford Enterprise Zone	6,476	1,745	7,779		(4,524)	5,000			16,000
Leisure Centres	9,225	827			(30)	797			10,052
Solar Photovoltaic Panels	503	1,631			(1,552)	79			2,134
Corporate Accommodation	1,485	(385)	1,771		114	1,500			2,871
South Wye Transport Package *	3,612	(629)	3,500		527	3,398	14,000	6,200	26,683
Marches business improvement grants	833		833			833	834		2,500
IT Network Upgrade		500				500			500
Property Estate Enhancement Works	500		500			500	500	500	2,000
LED street lighting	5,161	494			(207)	287			5,655
Herefordshire Enterprise Zone Shell Store			2,500		(2,037)	463	3,200	500	6,200
Development Partnership project			600		(150)	450	10,000	10,000	20,600
Highway asset management			14,543	(6,543)		8,000	7,735	7,000	29,278
Model Farm, Ross on Wye			2,520	(2,520)		0	4,250	300	7,070
Other schemes less than £500k		1,237	1,033		1,006	3,276	530		
Childrens wellbeing									
Colwall Primary School	2,300	2,533	1,667		(1,262)	2,938			6,500
Schools Capital Maintenance Grant				1,200		1,200			
Peterchurch Primary School	6	1,000	4,494		(5,493)	1			5,500
Expansion for Marlbrook school			2,000		(1,790)	210	726		2,726
SEN & DDA school improvements			710			710			710
Brookfield School Improvements		390	980		(1,390)	(20)			1,370
Other schemes less than £500k		2,722	300	319	(1,443)	1,898	1,774		
Adults and wellbeing									
Disabled facilities grant				1,706		1,706			
Private sector housing improvements			800		(100)	700	800	800	2,400
Other schemes less than £500k		1,021		200	(115)	1,106			
Total		14,962	73,272	(1,820)	(22,602)	63,812	65,938	36,911	
* total budget of £35m, extends into 2020/21									
Financed by									
Prudential borrowing			24,456				22,731	14,547	
Grant and funding contributions			39,071				41,082	22,214	
Capital receipts allocated to capital schemes			9,745				2,125	150	
Total			73,272				65,938	36,911	



Meeting:	General scrutiny committee
Meeting date:	Monday 11 December 2017
Title of report:	Public Accountable Body for NMiTE
Report by:	Cabinet member finance, housing and ICT

Classification

Open

Decision type

This is not an executive decision

Wards affected

All Wards

Purpose and summary

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.

Accountable body status means that the council will be accountable for funding allocated to the new university project by central government. Accountability involves receiving funds from central government, ensuring those funds are allocated and spent in accordance with any funding conditions specified, and providing reports on that expenditure.

The council has been approached by NMiTE to provide this role and, if approved, would work to support independence as soon as practical.

Recommendation(s)

That:

- (a) the committee determine any recommendations it wishes to make to the executive to consider when determining whether to act as accountable body for public funding to support establishment of a new university in Hereford.**
- (b) the chief finance officer be authorised, following consultation with the monitoring officer and cabinet member corporate strategy and budget, to enter into such legal documentation as are appropriate to protect the Council's interests.**

Alternative options

1. There are no alternatives to the recommendation.
2. It is open to the committee to determine recommendations to inform or aid cabinet's decision making.

Key considerations

3. On 26 October the Department for Education (DfE) announced up to £15m funding over three years to support the establishment of the new university in Hereford, NMiTE (New Model in Technology & Engineering). In addition to this funding, NMiTE is due to receive further funding, £8m, through the Marches Local Enterprise Partnership (LEP). The recommendation is for the council to act as the accountable body for the DfE funding announced and a project accountable body role in support of the Marches LEP funding.
4. NMiTE aims to become the first new 'greenfield' university in the UK for 30 years, addressing the growing need for engineering talent in sectors such as advanced manufacturing, artificial intelligence and cyber-security.
5. The funding relies on the meeting of a set of milestones and criteria and will be used to develop the faculty, campus and curriculum, creating a new institution.
6. NMiTE aims to take its first cohort of students in September 2020, with development cohorts in 2018 and 2019.
7. The council providing accountable body status involves making approved government funding will available to NMiTE on the basis of the project meeting specified milestones and criteria in order to satisfy that it is delivering value for money. This will be detailed in legal documentation that are appropriate to protect the Council's interests. As at the date of this report the Council has been presented with a memorandum of understanding (MOU) which is currently being constructed. The Council's legal services team are also recommending that there should be a legally binding funding agreement that the Council enters into with the Department for Education, and a separate legally binding 'flow-down' agreement that the Council enters into with NMiTE. However this document structure and the documents themselves need to be agreed with the Department and NMiTE but are likely to include:-
 - a. Payment schedule
 - b. Agreed milestone evidence specification
 - c. NMiTE governance

- d. Agreed formal change request procedure
 - e. NMiTE agreed monthly financial reporting template
8. By being the accountable body the council is required to ensure that funding is provided against the achievement of reaching agreed milestones as detailed in the MOU. The council will also be required to ensure funding is released to NMiTE in line with the agreed payment schedules. In addition the accountable body needs to be satisfied that:-
- a. expenditure is in line with the relevant financial and contract procedure rules, attached at appendix 1.
 - b. commitments are not made until income is secured.
 - c. effective systems for auditing and monitoring expenditure are established and maintained.
 - d. a proper audit trail is maintained with appropriate records and copy invoices for expenditure incurred and justifiable commitments to meet the needs of NMiTE to support the release of funds
 - e. all supporting records are maintained in line with the appropriate retention schedule.
9. The existing partnership agreement will be reviewed and revised as appropriate to reflect any change in roles and responsibilities and maintain effective partnership governance arrangements in accordance with our framework for partnership governance.

Community impact

- 10. Acting as accountable body will help support the establishment of NMiTE which will in effect support the council's corporate plan priorities of giving young people a great start in life and support the growth of our economy.
- 11. The opportunity of attending a new university in Hereford could also help to promote the life chances of those children we, as the council, are parents to.
- 12. In accordance with its approved code of corporate governance, the council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

Equality duty

- 13. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
A public authority must, in the exercise of its functions, have due regard to the need to -
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

14. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

15. The DfE grant funding, which comprises both capital and revenue funding, will only be released upon the reaching of agreed milestones as defined in the MOU. It is the accountable bodies' role to provide this assurance. The MOU sets out the financial arrangements which have been agreed to support the central Government Section 31 Grant funding of New Model in Technology & Engineering.
16. The funding will be received through a section 31 grant of the Local Government Act 2003 which enables a grant to be paid to the council on terms as determined. The associated terms will be shared following reaching agreement on the joint MOU.
17. Use of funds will be in accordance with HM Treasury's guidance entitled 'Managing Public Money' which can be accessed via the following link
<https://www.gov.uk/government/publications/managing-public-money>
18. No council funds will be payable to NMiTE however the management of the flow of funds between the accountable body and NMiTE will require resourcing. The cost of resourcing these additional operational tasks is to be financed from a share of the grant allocation.
19. Accountable body status only applies to the grant funding stream, private funding to NMiTE would be managed directly by NMiTE and be visible to the council on the cashflow documentation, included at appendix 2

Legal implications

20. The grant funding to the Council is to be made by the Department for Education under section 31 of the Local Government Act 2003, which confers upon a Minister of the Crown the power to pay a grant to a local authority in England towards expenditure incurred or to be incurred by it. The amount of a grant, the manner of its payment and the conditions attaching to it are to be such as the Department may determine; these conditions may, in particular, include provisions as to the use of the grant and provisions as to circumstances in which the whole or part of the grant must be repaid. It will be apparent that the Council may have limited scope to negotiate the terms of this grant. However, the Council will ensure that the provisions of the grant are 'flowed-down' to NMiTE under a separate legally binding agreement that is to be entered into with them. This will similarly address matters such as amount of a grant, the manner of its payment and the conditions attaching to it, including its use and repayment by NMiTE. The MOU which has been presented to the Council is a three-way agreement that is to be entered into between the Council, the Department and NMiTE. It is expressed not to be legally binding and accordingly will need to refer to and reflect the terms of the two funding agreements that the Council will enter into.
21. There is no formal legal status of, nor responsibilities flowing from, the Council being a 'publically accountable body' in receipt of the grant funding. However, the Council's general duties relating to the use of public money and expenditure would continue to apply. In addition, the S31 terms need to be observed. The Council will need to ensure that these terms are flowed down to and are observed by NMiTE.

22. The Council does not have a duty to enter into these arrangements but it has the power to do so under Section 1 of the Localism Act 2011 which confers upon the Council a power to do anything that individuals generally may do (the general power of competence); any pre-commencement restrictions or post-commencement limitations which would apply to the exercise of this power have been identified.

Risk management

23. The legal documentation will clarify the risks of entering this arrangement. Ultimately the Department for Education could require the Council to repay the grant funding that it has been received and which it will have paid to NMiTE. Whilst this obligation will also be passed down to NMiTE through the flow-down agreement, it is possible that NMiTE would not be able to make any required repayment, which would therefore leave the Council out of pocket. The risk of any claw-back can be managed/mitigated by ensuring compliance with the grant funding terms through the monitoring and reporting obligations that will be put in place.
24. In addition the council needs to be aware that if ineligible expenditure is incurred by NMiTE this would not be covered by the grant and could therefore cause a cashflow concern to NMiTE which may lead to a reputational risk.
25. These risks will be identified and monitored within the corporate finance risk register.
26. The draft MoU has a right for the Council, the Department for Education and NMiTE to terminate on giving not less than three months' notice. However, this document is not expressed to be legally binding and appropriate rights of termination will need to be included in the legally binding funding agreements that will also be entered into

Consultees

27. None

Appendices

Appendix 1 NMiTE control procedures

Appendix 2 NMiTE cashflow

Appendix 3 Presentation

Background papers

None identified

**New
Model**
In Technology
& Engineering

Standing Orders

(including Financial and Procurement Regulations)

November 2017

Contents		Page Number
Part 1	General Provisions	3
Part 2	Governance	5
Part 3	Board Scheme of Delegations	35
Part 4	Financial Regulations	38
Part 5	Procurement Regulations	60
Appendices		83

DRAFT

Part 1 – General Provisions

1 Background

1.1 New Model in Technology & Engineering (the NMiTE) was incorporated on 3 December 2013 as a NMiTE limited by guarantee (NMiTE Number 08800142). The NMiTE intends to become a charity and to meet the conditions for registration as an English provider of higher education under the regime of the Office for Students. Until such time it will act and comply with the rules and regulations set by Higher Education regulatory bodies in order to comply with the standards of a publicly accountable body which is in receipt of government grants and funding.

1.2 The strategic objectives¹ of the NMiTE are to:

- to advance education by establishing, maintaining, developing and running in or near the City of Hereford and elsewhere in the County of Herefordshire a tertiary education centre with a view to it obtaining university status, and
- to advance such other exclusively charitable purposes compatible with the advancement of a tertiary education centre seeking to obtain university status as the Directors in their absolute discretion determine.

2 Status of the Standing Orders

2.1 This document sets out the the standing orders for the conduct of meetings of the NMiTE Board, and NMiTE's financial and procurement regulations. The financial and procurement regulations amplify the NMiTE's broad policies relating to financial control and compliance to procurement legislation and good practice in order that the NMiTE attracts the best value for money in its contracting arrangements. For the time being, the Board has decided to adopt the procurement regulations practised in the public sector, specifically those approved for use by University of Warwick. This document and therefore the standing orders and financial and procurement regulations within it were approved by the Board at its April 2017 meeting. The regulations apply to the NMiTE, the Directors, Co-opted Members, Staff, Contracted Professionals, and Volunteers.

2.2 The financial and procurement regulations support the NMiTE's memorandum and articles of

¹ The NMiTE's strategic objectives will be updated as and when it becomes a Charitable Trust and also these will change as part of the process of achieving the highest level of Approved Provider status with the Office for Students (OFS). Higher education institution (HEI) is a term from the Further and Higher Education Act 1992. According to the Act, it means any provider which is one or more of the following: a UK university; a higher education corporation; a designated institution. OFS may choose to fund higher education institutions for teaching and research if they meet the conditions of grant. Higher education institutions are also required to subscribe to the Office of the Independent Adjudicator.

association and also regulate any conditions/bequests attached to any donation.

- 2.3 The purpose of these financial and procurement regulations is to provide control over the totality of the NMiTE's resources. They provide Directors and management with assurances that the resources are being properly applied for the achievement of the NMiTE's strategic and charitable objectives and that it is in compliance with relevant procurement legislation and with best practice in the higher education sector.
- 2.4 Compliance with the financial and procurement regulations is compulsory for all individuals² connected with the NMiTE. An individual who fails to comply with the financial and procurement regulations may be subject to disciplinary action under the NMiTE's disciplinary policy. The Board will be notified of any such breach through the Audit & Risk Committee. It is the responsibility of the COO to ensure that all individuals¹ are made aware of the existence and content of the NMiTE's financial and procurement regulations.
- 2.5 The COO will conduct periodic reviews of the financial and procurement regulations and will recommend to the Board necessary and proposed additions and changes for its approval.
- 2.6 In exceptional circumstances, the Audit & Risk Committee may authorise an exemption from the detailed provisions herein on application from the CEO, who in time will also be the Accounting Officer when NMiTE is designated by the Office for Students as an Approved Provider. Any such exemption will be reported to the Board at the earliest opportunity.

² Directors, Co-opted Members, Staff, Contracted Professionals, and Volunteers.

Part 2 – Governance: Standing Orders for the Board

1. MEETINGS

General

- 1.1 The meetings of the Board shall be held at such time and place as the Board may from time to time determine, subject to the provisions of the remainder of these Standing Orders.

Chair's/Deputy Chair's/Company Secretary's Power

- 1.2 The Chair (or, in her/his absence, the Deputy Chair, or in her/his absence, the Company Secretary) may at any time alter the time and/or place already decided upon for a meeting, or may order the convening of a meeting.

Requisitions

- 1.3 The convening of a meeting may be requested at any time by written requisition signed by three members of the Board, specifying the nature of the business desired to be transacted at such meetings. The Chair will determine whether to accede to such a requisition. If she/he does not so accede, she/he will write to the members giving reasons and report the matter to the next meeting of the Board.

Emergencies

- 1.4 In case of emergency certified by the Chair (or, in her/his absence, the Deputy Chair or in her/his absence, the Company Secretary), a meeting of the Board may be convened always providing that at least three members shall be present even though:

- (1) notice shall not have been given as required by these Standing Orders and/or
- (2) the quorum of members prescribed in these Standing Orders may not be met.

The business transacted at an emergency meeting shall be reported to the next scheduled meeting of the Board and must be confirmed at the latter meeting or by correspondence with all members of the Board prior to that (to the extent that the authority of the Board is required in that connection).

2. QUORUM

Number of Members

2.1 The quorum of the Board shall be 7 independent members if the total number of members of the Board is between 10 and 15 members (15 is the maximum number of members including employee and student members). During the start-up period of the NMiTE, the membership of the Board will be less than 15 and therefore the quorum will be smaller as follows:

- (1) 5 members – a quorum of 3 independent members
- (2) 6 to 10 members – a quorum of 5 independent members

General Rule on Transaction of Business

2.2 The general rule is that no business shall be transacted at any meeting of the Board unless the prescribed quorum of members is present.

Exception to the Rule

2.3 Notwithstanding the general rule, a meeting may proceed, in respect of any item or items on the agenda, if, in accordance with the provisions of 1.4, the Chair has certified an emergency and three members of the Board are present.

3. CHAIRING MEETINGS

The Presiding Member

3.1 Meetings shall be chaired by:

- (1) The Chair; or
- (2) The Deputy Chair (in the absence of the Chair); or
- (3) Any other member of the Board selected by resolution of the members present (in the absence of both the Chair and the Deputy Chair).

3.2 Any power or duty assigned to the Chair in relation to the conduct of a Board meeting may be exercised by the person presiding at that meeting.

Powers of the Presiding Member

3.3 The member presiding at any meeting shall decide all questions of order, relevancy and competency arising at that meeting. However, any member present may take exception to any such ruling. In that event, the person presiding shall, without further

discussion, submit the matter to that meeting, and his/her ruling shall not take effect unless it is supported by a simple majority of members present.

4 ADJOURNMENTS

- 4.1 The Board may adjourn any meeting to any other time and any other place following a motion proposed by the presiding member.

5. MINUTES OF MEETINGS

Keeping of Minutes

- 5.1 Draft minutes shall be circulated to Board Members in accordance with these Standing Orders.
- 5.3 Draft minutes shall be submitted to the next meeting of the Board for approval.
- 5.4 Minutes which are being submitted for approval shall be taken as read and then approved, with or without amendment. No discussion shall be allowed on such minutes except as to their accuracy.
- 5.5 Approved minutes shall be deemed to be a true record of the meeting to which they relate and they shall be signed by the person presiding at the meeting at which they were approved.
- 5.6 The approved minutes of each meeting of the Board shall be digitally secured on the Company's server and kept for access by members on application to the Company Secretary.

Publication of Minutes

- 5.6 Once approved by the Board, non-confidential minutes of Board meetings will be a matter of public record and made publicly available on the NMiTE website. This will be in line with the NMiTE's policy and protocol on matters of confidentiality and non-confidentiality.

Records of Attendance

- 5.7 In the minutes of any Board meeting the names of members present and officers in attendance at the meeting shall be duly recorded together with their arrival and departure times.
- 5.8 A register shall be kept showing details of attendance of members at meetings.

6. NOTICE OF MEETINGS AND AGENDA

Documents to be Provided Prior to Meetings

6.1 Five clear working days at least before any meeting of the Board, there shall be issued to every member a copy of the following:

- (1) A notice convening the meeting, giving its time and place;
- (2) A statement of the business to be transacted at that meeting (in these Standing Orders referred to as the agenda);
- (3) All reports and other documents referred to in, or to be read with, the agenda.

However, any report or other document, a copy of which cannot for good reasons be circulated with the agenda, may nevertheless, by agreement of the Chair, be circulated at a later date in advance of the meeting or tabled at the meeting, and duly considered. If due notice of any meetings, or any agenda, is not issued to any member, those defects shall not affect the validity of the relevant meeting or of any subsequent meeting.

Matters/Business to be Discussed

6.2 No matter or business shall be discussed or decided at a meeting, if reference to this is not set forth in the agenda, except with the consent of a majority of members present at that meeting.

6.3 Any member may require that any subject may be placed on the agenda and that any document relating to such subject shall be circulated, on giving seven working days' notice in writing to the Company Secretary

Order of Business

6.4 Subject to paragraph 6.5 below, the order of business at every meeting of the Board shall be as follows:

- (1) To choose a person to preside (if the Chair and Deputy Chair are both absent).
- (2) To note apologies and declare any interests
- (3) To approve as a correct record and sign the minutes of the last Board meeting.
- (4) To dispose of business (if any) remaining or arising from that previous meeting.
- (5) To deal with any business expressly required by statute to be done.
- (6) To deal with any business in the order in which it is listed in the agenda.
- (7) To deal with any other business.

- 6.5 The foregoing order of business may be varied by the person presiding at his/her discretion, with the consent of a majority of the members present at the relevant meeting.

7 A DEFERRED OR WITHDRAWN PAPERS

At Board Meetings, Papers may on Occasion be Deferred or Withdrawn

- 7.1 On occasion, papers on the Board agenda may be deferred due to time constraints or pending the outcome of some other event. No action should be taken on deferred papers until the paper is re-submitted and approved by the Board. Deferred papers will be noted on the matters brought forward/outstanding matters list until the required action is taken by the relevant Director.
- 7.2 On occasion, papers on the Board agenda may be withdrawn either prior to, or at a Board meeting. In such instances the papers are recorded as withdrawn and returned to the relevant Director by the Company Secretary. No action should be taken in respect of any withdrawn paper. If any action is requested by the Board this should be recorded on the matters brought forward/outstanding matters list.

8. VOTING

Mode of Decision-Making

- 8.1 Every question shall (except where otherwise required by law or otherwise provided in these Standing Orders) be determined by a simple majority of the members present and voting.
- 8.2 The member presiding at the meeting shall have a second or casting vote in cases of equality (i.e. a tied vote).
- 8.3 The votes shall be taken by a show of hands or otherwise as the meeting shall decide.

Records of Votes

- 8.4 On the request of any member, a record shall be made in relation to each member of how that member voted and of whether that member abstained.

9. DISCLOSURE OF PECUNIARY AND PERSONAL INTERESTS

The Legal Obligations

- 9.1 **Disclosure of pecuniary interests.** Board members are required at the beginning of all meetings, working groups or other official meetings related to NMiTE, to declare their interests before the start of the meeting in relation to any specific item on the agenda.

The Company Secretary will keep a Register of Pecuniary and Personal Interests related to any specifically mentioned declaration and provide all Directors with an Annual Return to be completed by all Directors/Trustees (declaring all relevant interests).

Staff are required to declare their interests as part of their contractual requirements and any changes to their circumstances need to be reported to the HR Manager and the Company Secretary. All relevant interests will be recorded on Personnel files for the period of employment.

The Requirements of The Code

9.2 Members are also reminded of the requirements of these codes of practice for Board Members in relation to disclosure of interests.

10 Board Statement of Primary Responsibilities and Matters Reserved for the Board

Statement of Primary Responsibilities

10.1 *The Board's Terms of Reference are compliant with the Higher Education Code of Governance issued by the Committee of University Chairs unless otherwise stated and explained. The Board's primary responsibilities are as follows (The Statement of Primary Responsibilities are listed here as a first step to establishing NMiTE. However, in future these responsibilities will be set out in a separate document to be updated/amended every year for re-approval by the Board at its first meeting of the academic year):*

- (1) To safeguard the good name and values of NMiTE.
- (2) To approve the mission and strategic vision of the Institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
- (3) To determine the ethical values to be promoted throughout the Institution.
- (4) To delegate authority to the Founding President, as Chief Executive, for the academic, corporate, financial, estate and human resource management of the Institution. To establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Chief Executive.
- (5) To ensure the solvency of the NMiTE and the safeguarding of the NMiTE's assets.
- (6) To ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by NMiTE are appropriate and sufficient to safeguard public funds.

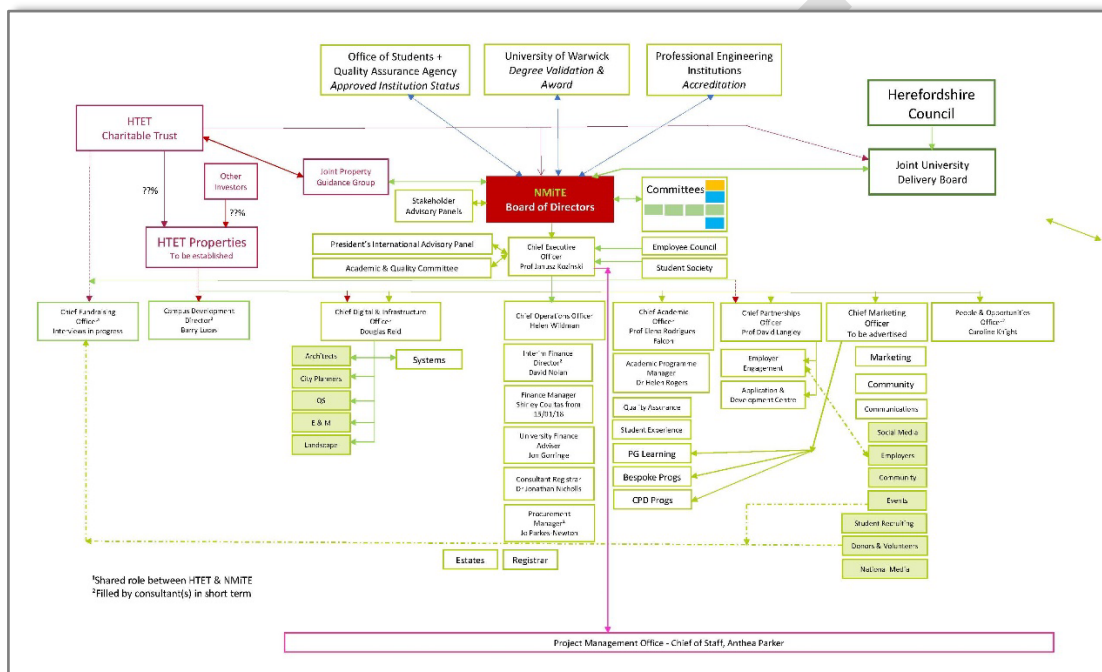
- (7) To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
- (8) To ensure processes are in place to monitor and evaluate the performance and effectiveness of the Institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
- (9) To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
- (10) To conduct its business in accordance with best practice in higher education corporate governance having regard to the principles of public life drawn up by the Committee on Standards in Public Life.
- (11) To appoint the Founding President as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
- (12) To appoint a Secretary to the Board (Company Secretary) and to ensure that, if the person appointed has managerial responsibilities in the Institution, there is an appropriate separation in the lines of accountability.
- (13) To be the employing authority for all staff in the Institution and to be responsible for establishing a human resources strategy.
- (14) To be the principal financial and business authority of the Institution, to ensure that proper financial records are kept, to approve the annual budget and financial statements, and to have overall responsibility for the Institution's assets, property and estate.
- (15) To secure the efficient, economical and effective management of all the NMiTE's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds and private donations are not put at risk.
- (16) To ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution.
- (17) To plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure.
- (18) To approve an annual budget before the start of each financial/academic year – 1 August to 31 July.
- (19) To determine fees and charges. To approve the Institution's tuition fee strategy and widening participation policies.

- (20) To approve the NMiTE's strategic objectives and financial statements.
- (21) To be the Institution's legal authority and, as such, to ensure that systems are in place for meeting all the Institution's legal obligations, including those arising from contracts and other legal commitments made in the name of the Institution.
- (22) To make such provision as the Board sees fit for the general welfare of students, in consultation with the Academic Board or whatever entity is established.
- (23) To ensure that systems are in place to provide equality and diversity of opportunity for staff and students.
- (24) To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the Institution. This will be in line with NMiTE's strategy and policies on fundraising which will be approved by the Board.
- (25) To ensure that the Institution's Instrument and Articles of Association are observed and that appropriate advice is available to enable this to happen.

10.2 Other Matters that are considered by the Board

- (1) To approve expenditure in relation to any project, initiative or acquisition which falls outside those authorities delegated to the executive.
- (2) To approve the creation or dissolution of any subsidiary that will or does form part of the Institution.
- (3) To ensure that the Institution has in place relevant policies which uphold the ethical values of the Institution, particularly in terms of research, business development and corporate social responsibility.
- (4) To approve the appointment of Members of the Board and the filling of casual vacancies.

- (5) To appoint the Founding President as Chief Executive, and to put in place suitable arrangements for monitoring his/her performance as well as appoint, grade, suspend, dismiss and determine the pay and conditions of the NMiTE Senior Leadership Team (SLT) which, in the initial phase of the start-up, will consist in addition to the Founding President (the Chief Executive Officer), Chief Operating Officer, Chief Academic Officer, Chief Marketing Officer, Chief Partnerships Officer, Chief Digital & Infrastructure Officer, Chief Fundraising Officer³ and the People & Opportunities Officer (see the following structure chart).



- (6) To approve the establishment and membership of any NMiTE Committees, Councils, Forums or Panels which are the responsibility of the Board, including (but not be restricted to):
- the Employee Council with one member elected to represent ten employees from which a Chair and Vice Chair shall be elected by staff of NMiTE and a committee of not more than 10 members (elected as one constituent group rather than separate representation from specific groups of staff). The Chair shall have a seat on the Board. The committee shall have a direct relationship with SLT; the CEO shall be accountable to the Employee Council meeting twice yearly. *(This will require further discussion and agreement by the Board)*
 - All students will be entitled to join the Students' Society (Students' Union). The Board's responsibilities as regards the Student's Society are detailed in a separate policy paper - **Requirements to be Observed in relation to the Students' Union – Education Act 1994**
 - The Academic & Quality Committee chaired by the Chief Executive (CAO)
 - the Staff Appeals Committee from which a Panel shall be identified by the Committee (or Chair) for any individual case.

³ The Chief Fundraising Officer may be employed in a shared role with Herefordshire Tertiary Education Trust (HTET).

- (e) the Student Disciplinary Appeals group from which a Panel shall be identified by the Committee (or Chair) for any individual case.
 - (f) the Student Suspension Review Panel, the membership of which shall be identified by the Committee (or Chair) separately for any individual case.
 - (g) the Special Committee to be convened in the event of the dismissal of holders of senior posts including the Chief Executive and the Company Secretary to the Board.
-
- (7) To receive the annual report of the Audit & Risk Committee for submission to Office for Students & QAA, together with an annual report for each of the other Board Committees.
 - (8) To receive the Office for Students' annual assessment of institutional risk.
 - (9) To approve amendments to the Standing Orders and the Academic Regulations (as approved by the Academic & Quality Committee).
 - (10) To approve the annual calendar of meetings for the Board and Committees.
 - (11) To ensure that the Institution has a written statement of policies, and to monitor the implementation of such policies through the receipt of an annual report. See the following table, which is not a definitive list of policies, but will evolve as the Board develop NMiTE.

Policy		
<p>HR Ultimately a fully encompassing Staff Handbook will be compiled which will include the induction process and will have a core of policies and specific policies depending on role for individual Company Directors.</p>	<ul style="list-style-type: none"> • Employment Code of Practice • Code of Conduct • Bullying and Harassment • Grievance, Disciplinary • Equality/Equity • H & S, welfare and hygiene at work • Salary Policy • Holiday • Sickness, Injury and maternity • Safeguarding • Company property • Use of computer equipment • Email and internet • Gifts • Termination • Expense policy • Relocation policy 	<ul style="list-style-type: none"> • Promotion policy and procedure • Staff appraisal policy • Substance Misuse • Whistleblowing • Anti-bribery • Safeguarding and Child Protection • Capability procedures • Disciplinary procedures • Work Life Balance • External affairs communications policy • Social media policy • Avoidance of redundancy and redundancy procedure policy • Modern Slavery Act 2015 statement
<p>Finance</p>	<ul style="list-style-type: none"> • Finance Handbook/financial regulations • Accounts payable procedures • Delegation of authority policy • Procurement Policy • Anti-bribery policy 	<ul style="list-style-type: none"> • Travel, expenses and benefits for volunteers policy • Comprehensive finance handbook developed by the Chief Operating Officer • Treasury management
<p>IT – this will be developed with the IT department and evolve over the time of the development of the IT infrastructure.</p>	<ul style="list-style-type: none"> • Code of Conduct • Rules for use of NMITE computers • Business continuity plan • Security policy • IT Strategy • ICT Acceptable Use Policy • Information Framework • Associates IT Access Control Policy • IT Procurement Policy • Mobile Devices Policy • Network Security & Connection Policy 	<ul style="list-style-type: none"> • Procurement policy • Acceptable use policy <ul style="list-style-type: none"> ○ Access by Ex-Employees to IT Accounts ○ IT Arrangements for Leavers and their Managers ○ Retention of IT System Log files, Deleted Emails and Leavers' Accounts

	<ul style="list-style-type: none"> • Network and Technology Policy 	<ul style="list-style-type: none"> • ICT AUP Code of Practice for Students
Governance	<ul style="list-style-type: none"> • Policy framework for official Documents • Data Quality Policy • Management of Conflicts of Interests Policy • Risk Management Policy • Directors service agreement 	<ul style="list-style-type: none"> • Director appraisal plan • Director succession plan • Director skills matrix • Instrument of Government • Freedom of Speech Policy
Data Protection	<ul style="list-style-type: none"> • Data Protection Policy • Information Framework • Information Security Policy • Information and Records Management Policy • Intellectual Property Policy • Guidelines for the writing of references for students • Retention of Key School Records 	<ul style="list-style-type: none"> • Data Protection: Fair processing of student personal information • Freedom of Information Policy <ul style="list-style-type: none"> ○ FOI Procedure ○ FOI Fees Statement ○ FOI Complaints Procedure
Estates and Buildings	<ul style="list-style-type: none"> • Emergency Planning Policy • Environmental Sustainability Statement • Estates Masterplan • Estates Tendering Procedures • Campus Security Policy • CCTV Policy 	<ul style="list-style-type: none"> • Carbon Management Plan • Fair Trade Policy • Naming the University Estate Policy • Sustainable Environment Policy • Transport
Other	<ul style="list-style-type: none"> • Service level agreement for consultants • Conflict of interest Policy • Environmental Policy • Customer Charter • Admissions policies • Charging and remissions • Governors/directors allowances. 	<ul style="list-style-type: none"> • Equality of information and objectives • Statement of procedures for allegations of abuse against staff • Staff appraisal policy • Accessibility plan

11. The Employee Council - NMITE Employee Participation Model

TO BE RE WRITTEN WHEN EMPLOYEE DELIBERATIONS COMPLETE

DRAFT

12. THE COMMON SEAL (when obtaining Charitable Status) – The use of the Common Seal is detailed in a separate Policy Paper

Custody of the Seal

- 12.1 Always when not in use, the Common Seal of the Executive (“the Seal”) shall be kept locked in a manner and in a place as agreed by the Chief Executive.

Affixing the Seal

- 12.2 The Seal shall not be set to any document without the authority of a resolution of the Board unless the affixing of the Seal is consequential to a relevant decision.

- 12.3 In this Standing Order, “a relevant decision” is a decision which duly authorises:

- (1) The acceptance of any tender; or
- (2) The purchase, sale, letting or taking of any property; or
- (3) The making of any contract.

Attestation

- 12.4 The Seal when applied to a document shall be attested by two of the following:

- (1) The Chair of the Board
- (2) The Company Secretary
- (3) Any member of the Board other than the Chair
- (4) The Chief Executive

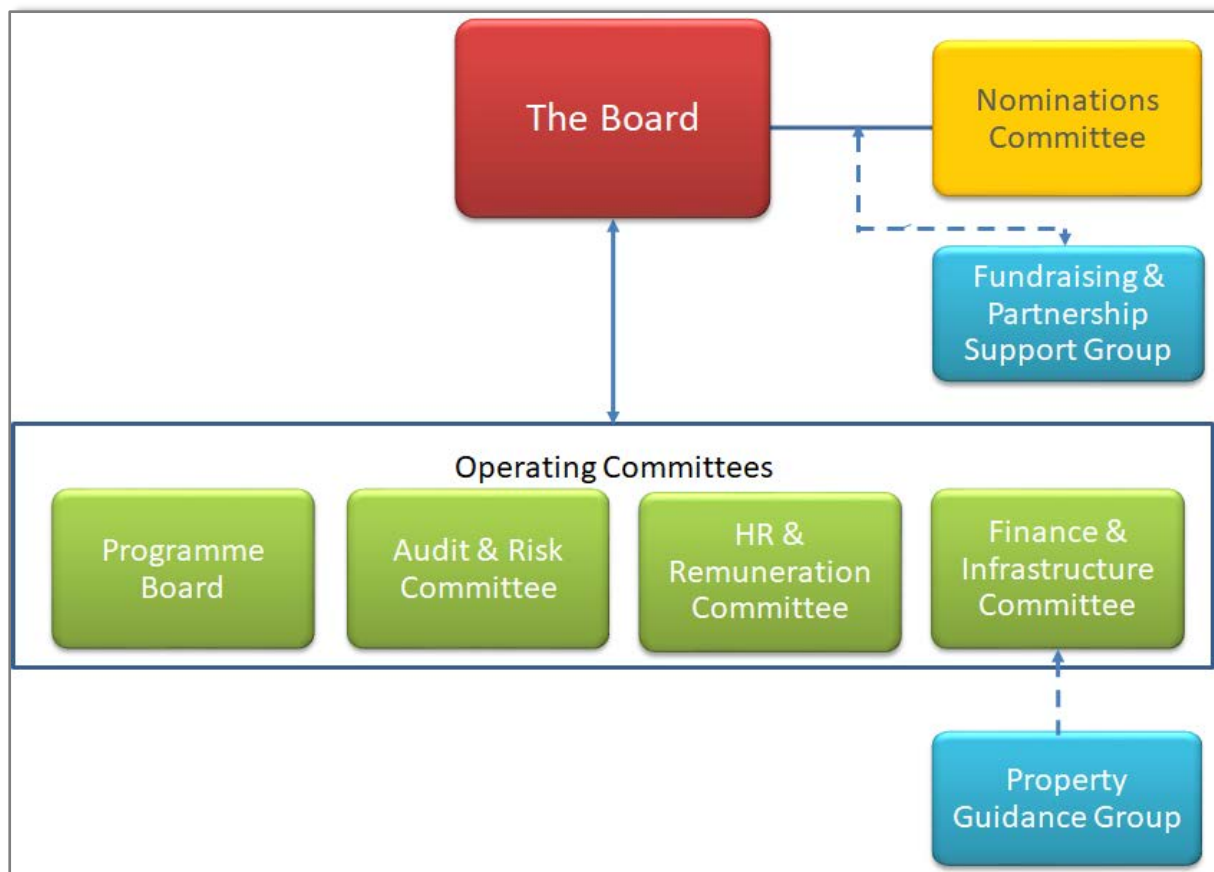
Records of Attestation

- 12.5 The Company Secretary attesting the execution of any document under the Seal shall ensure that a record of the of that document is entered in a book which must be kept for that purpose.

13. COMMITTEES

Constitution of Committees

13.1 The Board may constitute committees of its members, to which it may delegate such of its functions as it may specify, with such terms of reference and with such powers as it may determine. The Board has adopted the following Committee structure in order to undertake its business. Membership, quoracy, and frequency of meetings is shown in Appendix A and the Main Committees terms of reference are detailed in Appendix B.



13.2 Unless any such committee is explicitly delegated with powers of determination, all findings of that committee shall be of an advisory nature only.

Procedures of Committees

13.3 The Board, through the Nominations Committee, shall appoint the Chair of any committee which it may establish.

13.4 The provisions of these Standing Orders shall apply as if the committee were referred to instead of the Board, except that no business shall be transacted at any meeting of any committee unless at least two Board Members are present.

- 13.5 Each committee shall observe its Terms of Reference (See appendix B) which shall be approved by the Board
- 13.6 Any such committee shall, subject to any directions by the Board, meet at such times and at such places as the committee may from time to time determine.

14 DELEGATION BY THE BOARD

Delegations

- 14.1 The Board may decide to delegate, where it has power to do so, responsibility for specified matters to:
- (1) A committee of the Board; or
 - (2) Any committee of officers; or
 - (3) Any officer.

Any specific delegation may refer to posts, as distinct from referring to the individuals who occupy those posts.

Scheme of Delegations See part 3

- 14.2 A scheme of delegations, which will be updated regularly, provides Board guidance covering:
- (1) Matters which are delegated, and
 - (2) Matters which are reserved for decisions by the Board (see paragraph 10.2).

15 EMERGENCY ACTION

Procedure

- 15.1 Between meetings of the Board, the Chief Executive (or in his / her absence, the nominated Officer) after consultation with the Chair (or, in his/her absence, the Deputy-Chair or Secretary to the Board), may authorise such action to be taken on behalf of the Executive as may be required with respect to matters which will not admit delay, provided that all such action must be reported to the next scheduled meeting of the Board.

16 INSPECTION OF DOCUMENTS

Member's Right to Inspect

- 16.1 A Board Member may, for the purposes of his/her duty as such member but not otherwise, on application to the Secretary to the Board, inspect any document of a committee or of the Board and if copies are available shall on request be supplied with a copy of such a document.

Professional/Pecuniary Interests

- 16.2 A Board Member shall not knowingly inspect and shall not call for a copy of any document relating to a matter in which he or she is professionally interested or in which he or she has directly or indirectly any pecuniary interest.

17 APPOINTMENTS

Canvassing

- 17.1 Canvassing of members of the Board for any appointment under the Executive shall disqualify the candidate concerned for that appointment.
- 17.2 A member shall not solicit for any person for any appointment by the Executive.
- 17.3 A member shall not solicit for any public or private enterprise or third party in relation to any appointment/contract.

18 References

- 18.1 A member shall not give a written testimonial of a candidate's ability, experience or character for submission to the Executive with an application for appointment unless the applicant is currently that member's employee.

19 Disclosure of Relationships

- 19.1 Every applicant for a post as an officer or appointee of the Executive shall be required, when making application, to disclose in writing whether to his/her knowledge he/she is related to any Board member officer of the Executive or principal adviser.
- 19.2 An applicant who fails to so disclose shall be disqualified for such appointment and, if appointed, shall be liable to dismissal without notice.

20 CONFIDENTIALITY

- 20.1 All agenda reports and other documents and all proceedings of the Board or of a committee shall be treated as confidential unless and until:
- (1) The Board or the Chairman decides otherwise; or
 - (2) They become public in the ordinary course of the Executive's business; or
 - (3) Confidentiality is, in all the circumstances, incompatible with any right of access to information conferred by the Freedom of Information Act 2000.

21 DUTY TO PROMPTLY RAISE CONCERNS WITH BOARD

- 21.1 A Board Member who considers it his/her duty in the public interest to raise any question affecting the policies, procedures, reputation, integrity or impartiality of the Executive should do so promptly with the Board.

22 DOSSIER OF CONTROLS

- 22.1 The Board and all officers shall comply with the Financial Memoranda (contracts between public funding bodies and the Company) and the Dossier of Controls.

23 REVOCATION AND VARIATION OF STANDING ORDERS

Suspension

- 23.1 No Standing Order adopted by the Board shall be suspended at any meeting of the Board except by consent of at least five members present thereat.

Variation and Revocation

- 23.2 The Standing Orders for the time being, may from time to time be varied or revoked and additional Standing Orders may be adopted. Such variations, revocations and/or additions may only be made with the consent of 75 percent of the members of the Board.

DRAFT

Part 3 - Board Scheme of Delegations

1. Scheme of Delegations

- 1.1 Regardless of any delegation, the Board continues to have discretion to decide any matter which is within the scope of its statutory functions.
- 1.2 The matters listed in Part 2 Governance, section 10.2, are reserved to the Board.
- 1.3 The functions specified in following table are delegated to the post-holders specified in that table. (In the present context as a start-up, a reference to any post refers not just to an individual who is a post-holder, but also to anybody who is temporarily authorised to carry out the duties of that post).

(1)	<p>Write- Off Limits</p> <p>Authority to write off an invoiced debt or waive a claim up to a limit of £50.</p>	<p>SLT Member and approved by the Finance Manager</p>
(2)	<p>Staff Ex-gratia payments</p> <p>Authority to approve extra contractual and ex-gratia payments up to £1,000 provided this does not exceed the overall budget, or unless considered novel or contentious, or have or could have significant future cost implications.</p>	<p>COO</p>
	<p>Budgetary Planning and Control</p> <p>The Board approves the staffing structure presented by the Chief Executive. The Chief Executive is delegated to appoint employees according to the number and grades approved by the Board. The CEO may appoint external consultants to posts and will be required to meet this within existing budgets. The CEO is responsible for all other contracted services that are in line with the annual budget approved by the Board.</p> <p>The COO will be responsible to the Finance & Infrastructure Committee for reporting all variations to the budget. Any variation to the public funded element of the budget must, in addition, be approved by the respective funding body(s). The Finance Manger will provide a Monthly Monitoring Pack for scrutiny by the Finance & Infrastructure Committee; and copies tothe CEO and SLT members and specific budget holders</p> <p>All budgets will be centrally controlled and allocated in line with the 'approved budget'.</p>	<p>CEO</p> <p>COO</p>

<p>All appointments will be approved by the HR & Remuneration Committee and scrutinised in line with the approved establishment/head count.</p> <p>All contracted services will be allocated according to need.</p> <p>Remuneration and all other expenditure will be allocated and procured in line with the 'Capitalisation/Revenue Analysis' agreed with the DfE which established the basis of the Revenue and Capital Grant allocations. The delegation of budgets will not proceed until all senior staff and the respective budget holders are in place. For delegation to proceed additional budgetary control procedures are to be put in place.</p> <p>Budgets and expenditure will remain centrally controlled. The People & Opportunities Manager will oversee the making all appointments and be responsible for –</p> <ul style="list-style-type: none"> • Structure and posts – maintaining establishment control • Job descriptions/specifications • Appointing recruitment consultants • Advertising in the appropriate media • Controlling all remuneration offers • Interview process to ensure equal opportunities and appropriate assessments are undertaken to appoint the right individuals • Negotiating starting salaries within budget and issuing contracts of employment • Maintaining staff records • Staff benefits • Pensions • Relocations • Staff expenses • Staff grievances • Whistleblowing policy • Agreeing variations to contracts in line with budgets • Reporting to the CEO and budget holders the position financial and performance management targets of key individual members of staff; and reporting variations to the CEO prior to commitment. <p>Ordering services, goods and works for non-pay expenditure. All budget holders will be responsible for contracting services but will agree with the Procurement Manager all contracted services for all thresholds detailed in the Procurement Regulations. All non-pay expenditure will be centrally controlled</p>	<ul style="list-style-type: none"> • The COO will be responsible for all budgetary control in the first year November 2017 to July 2018. • All appointments will be undertaken by the CEO and SLT members. • All remuneration will be agreed by the HR & Remuneration Committee and ratified by the Board • People & Opportunities Manager (POM) will manage all appointments. Any variation to remuneration will be agreed with the CEO and reported to the HR & Remuneration Committee provided the overall budget is not affected and that differentials are not impaired as it affects a particular post. • No position in the structure will be appointed 'in advance of need'. • POM will instruct the Finance Manager of a new appointment provided by a New Starter Form detailing the remuneration details of the new appointments • The Finance Manager will enter the details onto the
--	--

	<p>with delegations to budget holders to be considered in the academic year 2018/19.</p> <p>COO will be responsible for placing orders once the procurement process has been completed. Orders are placed on-line subject to approval by the Finance Director. Invoices will be passed to the Finance Manager for payment, once authorised by the budget holder.</p>	<p>Payroll System ready for approval by the Director of Finance</p> <ul style="list-style-type: none"> • The COO/ Procurement Manager/& SLT representative jointly will ensure all services are contracted on a priority needs basis (see Procurement Regulations herein and Procedures). All budgets will be allocated for a given purpose supported by the need to build the new institution. No service will be procured 'in advance of need'. • The Finance Director will be responsible for overall control of revenue and capital spending. The Finance Manager will maintain the appropriate accounting records to reflect the appropriate Chart of Accounts in line with the reporting requirements of the funding bodies and the Public Accountable Body. • The Finance Director will provide all the necessary Finance Reports and commentaries for Capital and Revenue Spending. • The Finance Manager will be responsible for maintain all finance records including the Xero Accounting, on-line expenses system, and timesheet management system.
--	--	---

<p>(4)</p>	<p>Financial Administration</p> <p>The COO is the designated officer responsible for ensuring the financial administration of the NMiTE's affairs.</p> <p>In particular, he/she is responsible for preparing annual estimates of income and expenditure, for consideration and approval by the Board, and for the management of budget and resources, within the estimates approved by the Board.</p> <p>The COO shall demonstrate his or her oversight of financial matters by signing the balance sheet and the statement of corporate governance and internal control within the annual financial statements.</p> <p>All orders for services shall be raised by the appropriate SLT member and have access to the on-line ordering system in Xero. The COO/ shall authorise the payments in line with the budgets provided.</p> <p>*Prior to the COO being in post these duties shall be undertaken by the Interim COO and Secretary to the Board (Interim Finance Director)</p>	<p>COO</p> <p>COO Finance Director/Finance Manager</p>
<p>(5)</p>	<p>Payroll</p> <p>The People & Opportunities Manager (POM) will be responsible for issuing Start-up/Leavers or variations to payroll for approval by the CEO.</p> <p>The CEO will authorise all Start-up/Leaver/Variation Forms.</p> <p>Payroll will be overseen by the POM, and all transactions will be processed by the Finance Manager. The Finance Manager will ensure all staffing details are correct and in line with the budget and start-up instructions.</p> <p>The Finance Manager will calculate the HMRC, Pensions, and other deductibles; manage and maintain records for</p> <ul style="list-style-type: none"> • Pay records and calculations • Payslips • HMRC returns – P32s/P45s/P60s/P11Ds etc. • Manage and update tax code changes <p>Finance Director will check all records every month.</p>	<p>CEO</p> <p>POM/Finance Manager</p> <p>(Finance Manager)</p> <p>Finance Director</p>

	<p>Finance Director will reconcile the payroll for each month and authorise the payment with the bank for staff net pay, HMRC, pensions, and other authorised deductibles.</p>	
	<p>Banking Arrangements</p> <p>Banking arrangements require the raising of a payment and the authorisation to be carried by separate individuals. Those with access to banking arrangements are referred in the following column.</p> <p>Banking signatures will be the CEO, COO, Finance Director and Company Secretary</p> <p>All bank transactions will require two signatures. The Finance Manager will set up all bank transactions to be authorised and executed by two of the authorised signatories</p> <p>Transactions will be limited to £20,000. Transactions over £20,000 will require the approval of the COO.</p> <p>All banking arrangements will be managed by the COO and the Finance Director.</p>	<p>COO</p> <p>Finance Director</p> <p>Company Secretary</p> <p>CEO</p>
	<p>Income</p> <p>The Finance Director will be responsible for managing the following income sources supported by the Finance Manager:</p> <ul style="list-style-type: none"> • DfE Capital and Revenue Grants • Local Growth Funds from the Marches LEP/DCLG • Capital and Revenue Donations/Bequests (Earmarked) • Capital and Revenue Donations (Unearmarked) • Trading Income • Tuition Fees <p>The Finance Director will oversee all grant claims and monitoring reports for the DfE/LEP funding and co-ordinating the requirements of the Public Accountable Body (Herefordshire Council).</p> <p>The Finance Director will also be supported by all SLT members in providing all evidence supporting the claims and the achievements of the DfE milestones.</p>	<p>Finance Director/Chief Fundraising Officer</p> <p>SLT Members</p> <p>Chief Fundraising Officer</p>

<p>Donations will be managed on a case by case basis to meet the conditions and bequest of the donors. The Chief Fundraising Officer will maintain a record for all donors and ensure that NMiTE is compliant with the fundraising regulations and Charity Commission best practice.</p> <p>Income from employers and others for services rendered. The Finance Director will ensure that all income collectable through contract and services rendered are managed through the Finance Manager. The Finance Manager will maintain a record of all collectable income and manage the recovery of all debtors raised.</p> <p>The Chief Academic Officer supported by The Registrar will maintain all student records and be responsible for all student systems. The Finance Director will ensure that all income from students is collected and banked.</p> <p>Debtor Control</p> <p>All debtor income will be controlled by the Finance Manager. The Finance Manager will be responsible for the Debtor Control System and report to the Finance Director on all outstanding amounts and recovery procedures.</p>	<p>Chief Partnerships Officer</p> <p>Finance Manager</p> <p>Chief Academic Officer</p>
<p>Time Management System</p> <p>The Chief of Staff is responsible for the Time Management System and that all online timesheets are completed and approved for month end reporting.</p> <p>The Chief of Staff, as Programme Manager, is responsible for reporting to the CEO on staff productivity, Project Implementation Targets, and milestone achievements.</p>	<p>Chief of Staff</p>

1.4 The Board delegates all other matters (“the residual matters”) to the Chief Executive. (In the present context, the term “Chief Executive” includes any person deputising for the Chief Executive). All other activities are governed by the appointment of individual post-holders as and when they are appointed. Until then there are few delegations and the Board makes decisions on all matters outside these delegations.

1.5 The residual matters delegated to the Chief Executive are categorised as follows:

Governance

- Approval of arrangements for dealing with complaints.
- Approval of principles of Executive policy on Freedom of Information.

Policy, Strategy, Plans, Budgets and Risk Register

- Approval of format and principles of developing and reporting policies, strategies, plans, budgets and register risks.

Land & Property Issues

- There are no delegations for Land and Property – all negotiations and acquisitions need the approval of the Board that shall benefit from observations of the Property Guidance Group

Authority to Incur Expenditure Generally

- Generally, the Annual Budget approval by the Board provides authority to incur all expenditure specified within the Budget.
- Whenever such expenditure on a heading or programme (e.g. procurement strategy for all major services) requires to be tendered, then the authority to incur such expenditure (i.e. before being tendered) will require specific approval by the Board. See Procurement Regulations and Procedures.

1.6 The delegations set out in this Scheme do not diminish, or in any respect, affect:

- The Chief Executive's accountability for the actions of all officers;
- Any Director's accountability for the action of all officers within that Director's division.

1.7 In the event of any conflict between any provision of this scheme and any provision of any Board approved financial regulations the relevant provision of the regulation shall prevail.

Part 4 – Financial Regulations

1 Financial Planning

1.1 The Chief Operating Officer (COO), supported by the Finance Team, is responsible for preparing annually a financial plan for approval by the Board and for preparing financial forecasts for monitoring purposes. Financial plans should be consistent with the strategic plans and property strategy approved by the Board. The key contacts for finance are detailed in Appendix C.

1.2 Budget objectives

The Board will, from time to time, set budget objectives for the NMiTE. These will help the COO in preparing his or her more detailed financial plans for the NMiTE. See budget cycle in paragraph 2.3.

1.3 Resource allocation

Resources are allocated annually by the Board and on the basis of the above objectives. CEO, and SLT are responsible for the economic, effective and efficient use of resources allocated to them.

1.4 Budget preparation

The COO in collaboration with SLT members is responsible for preparing each year an annual revenue budget and capital programme (if any) for submission to the Board. The budget should also include monthly cash flow forecasts for the year and a projected year-end balance sheet (if required in future).

During the year, the COO is responsible for submitting revised budgets for submission to the Board for approval.

1.5 Capital programme

The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs whether or not they are funded from capital grants or capitalised for inclusion in the NMiTE's financial statements. Expenditure of this type can only be considered as part of the capital programme approved by the Board.

The COO will establish protocols for the inclusion of capital projects in the capital programme for approval by the Board. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. They are summarised at Appendix F and G.

The COO will also establish procedures for the approval of variations.

The COO is responsible for providing regular statements concerning all capital expenditure to the Board for monitoring purposes.

Following completion of a capital project, a post-project evaluation or final report should be submitted to the Board including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project.

The Chief Digital & Infrastructure Officer will be responsible for individual capital development projects reporting to the Finance & Infrastructure Committee on the progress of each development and for the Capital Programme overall. The COO, supported by the Finance Director, will report on financial implications, provide support on funding and financing of projects, make the necessary grant claims as well as providing the necessary financial monitoring.

1.7 Other major developments

Any new aspect of business, or proposed establishment of NMITE or joint venture, which will require an investment in buildings, resources or staff time should be presented for approval to the Board.

The COO will establish protocols for these major developments to enable them to be considered for approval by the Board. These will set out the information that is required for each proposed development as well as the financial criteria that they are required to meet. They are summarised at Appendix G.

2 Financial Control

2.1 Budgetary control

The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder who must ensure that day-to-day monitoring is undertaken effectively.

Significant departures from agreed budgetary targets must be reported immediately to the COO and, if necessary, corrective action taken.

The Finance & Infrastructure Committee is charged with monitoring the annual budget and all projects included in the Capital Programme and in the Project Implementation Programme. Reports to the Finance & Infrastructure Committee will be provided on a monthly basis and monitoring of performance will be reported to the Board by the Chair of the Committee. The reports will provide analysis on financial progress, variations to plan and on the performance and achievability of outcomes in line with the DfE milestone targets. All Board members will receive a regular monthly monitoring report but it will be the responsibility of the Finance & Infrastructure Committee to challenge officers on performance.

2.2 Financial information

The budget holders are assisted in their duties by management information provided by the COO.

The COO is responsible for supplying budgetary reports on all aspects of the NMiTE's finances to the Board on a basis determined by the Board but subject to any specific requirements of any external stakeholder. These reports are presented to the Board, which has overall responsibility for the NMiTE's finances.

The COO is responsible for:

- Setting the Annual Budget;
- Long Term Financial Planning; and
- And for the process of approving the Annual Accounts.

2.3 Changes to the approved budget

All changes proposed to the approved budget will be considered by the Finance & Infrastructure Committee (FIC) and material variations approved by the Board.

The timetable below shows the main stages of the Budget Planning Round.

Month/Year	Activity
Jun/Jul	<p>Formal planning guidance issued by the Finance Director. This will provide for reported position and any variations on the grant funding profiles provided by the DfE/DCLG/The Marches LEP and the Public Accountable Body, Herefordshire Council.</p> <ul style="list-style-type: none"> ▪ Changes to accounting practice. ▪ Budgeting metrics to be used for the forthcoming academic year e.g. inflation indices and interest rates. ▪ Use of unspent balances
Jul-Dec	<ul style="list-style-type: none"> ▪ Budget holders prepare the financial forecasts for their respective areas of responsibility in line with the management cost centres in the Chart of Accounts and other institutional wide programmes i.e. they cost the Institution's Strategic Plans. The key cost centres are: <ul style="list-style-type: none"> - Academic Programmes - Campus & Infrastructure - Business Development & Marketing

	<ul style="list-style-type: none"> - Fundraising - Creating the Institution <ul style="list-style-type: none"> ▪ The involvement of central finance staff in this process is paramount with central control remaining a key role in the first budgetary cycle. Devolving more responsibility to the budget holders will happen as the organisation becomes more mature and the risks associated with financial planning are minimised. ▪ The financial forecast is reviewed and approved by the respective SLT members and the CEO. ▪ The financial forecasts are submitted to Finance & Infrastructure Committee for scrutiny, and to the MoU auditors, the Public Accountable Body, and the funding bodies. ▪ All comments are then passed to the Finance Director for final approval of the budget by the Board.
Sep/Oct	Actual income and expenditure for the last financial year is analysed by Finance into the same activity categories as used in planning.
Beginning of Dec	<p>Submitted to Finance & Infrastructure Committee (FIC)/ Regulatory Bodies</p> <ul style="list-style-type: none"> ▪ Financial forecasts including Annual Revenue Budget, Capital programme and Cash flow (geared to fiscal years as a result of the funding and milestone targets in future years deliverable in March. ▪ Annual/Quarterly Reports on funding position supplied by MoU Auditors ▪ Student number forecasts (when planned) ▪ Every three years - Strategic Plans
Mid Dec	<p>Feedback from FIC/Regulatory Bodies</p> <ul style="list-style-type: none"> ▪ Review financial forecasts submitted ▪ Consolidate individual feedback ▪ Create NMiTE wide analyses of income and expenditure

	<p>Board</p> <ul style="list-style-type: none"> ▪ Develop and review Strategic Plans ▪ Review and consolidate forecast of non-financial data and reassessed target setting for the Project Implementation Plan
Jan/Feb	<p>Strategic Plans are reviewed.</p> <ul style="list-style-type: none"> ▪ Finance & Infrastructure Committee review the Strategies ▪ For other Institutions the meeting will be chaired by an appropriate person (e.g. the Fitzwilliam Strategic Plan review meeting is chaired by Chair of the School of Arts & Humanities)
Feb/Mar	<p>Finance</p> <ul style="list-style-type: none"> ▪ Considers plans i.e. Financial (SLT), Strategic (SLT), Fundraising (CFO) , Income Generation Strategy (CPO) ▪ Agrees provisional allocations to SLT, and Project Manager re the Project Implementation Plan
Apr	Finance & Infrastructure Committee consider Plans and Allocations
May	The Board considers the Plans and Allocations
May/Jun	Budget Report in the public domain and sent to Regulatory Bodies
Jun	Budget Report approved by the Board after considerations from FIC and the Board
Jul/Aug	Departmental budgets produced by Finance Manager and passed to budget holders
Aug	Budgets uploaded into Xero by Finance Manager.

2.4 Virement

All virements will need approval by the FIC and budget variations affecting the use of public funds reported relevant funders. See Scheme of Delegations.

2.5 Treatment of year-end balances

At the year end, budget holders will not generally have the authority to carry forward a balance on their budget to the following year unless the FIC has approved the proposal.

Unspent public funds may not be carried forward from one fiscal year to the next unless requested to and approved by the relevant funding body.

3 Accounting Arrangements

3.1 Financial year

The NMiTE's financial year, is an academic year, and will run from 1 August until 31 July the following year.

3.2 Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards and guidelines, in particular meeting the statutory obligations including the current HE/FE SORP and Charities SORP and such requirements defined by the Office for Students.

3.3 Format of the financial statements

The financial statements are prepared in accordance with the Office for Students and Charities Commission standards (once NMiTE has registered with the Charities Commission) and are to be adopted for the financial year ending 31 July 2017.

3.4 Capitalisation and depreciation

New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at an independent valuation. Buildings will be depreciated in equal installments over their estimated remaining useful life. Land will not be depreciated.

Expenditure incurred on repair or refurbishment may not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of the depreciated valuation is greater than the current book value. The extension of existing buildings may be capitalised.

Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost per item is £1,000 or more. Grouped items (e.g. a suite of computers) with an individual value of less than £1,000, but a group value of £1,000 or more, will be capitalised. Capitalised assets other than land and buildings will be depreciated over a period of between 3 and 10 years commencing in the month following acquisition.

3.5 Accounting & Administrative records

The COO is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

The NMiTE is required by law to retain prime documents for six years or more. These include:

- minutes and contracts
- official purchase orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- paid cheques
- all payroll records.

The COO will make appropriate arrangements for the retention of electronic records.

The COO should ensure that retention arrangements comply with any specific requirements of any donor or public funding body..

Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the donor/funder.

3.6 Public access

Under the terms of the Charities Act 1993, the Board is required to supply any person with a copy of the NMiTE's most recent financial statements within two months of a request. The Act enables the Board to levy a reasonable fee and this will be charged at the discretion of the COO. The NMiTE will also allow members of the public to inspect the statement of accounts during normal working hours, provide copies to local libraries and make a summary available on the NMiTE's website.

3.7 Taxation

The COO, supported by the Finance Director, is responsible for budget holders, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues, to the NMiTE. Therefore the COO will issue instructions on compliance with statutory

requirements including those concerning VAT, PAYE, national insurance, corporation tax and Gift Aid.

The COO is responsible for maintaining the NMiTE's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

4 Audit Requirements

4.1 General

External auditors shall have authority to:

- access NMiTE premises at reasonable times
- access all assets, records, documents and correspondence relating to any financial and other transactions of the NMiTE
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee/Director of the NMiTE to account for cash, stores, equipment or any other NMiTE property under his or her control
- access records belonging to third parties, such as contractors, when required.

The COO, supported by the Finance Director, is responsible for drawing up a timetable with the external auditors for the preparation of annual accounts and will advise staff/Directors accordingly.

The financial statements should be reviewed by the Audit & Risk Committee and, on their recommendation will be submitted to the Board for approval.

4.2 External audit

The appointment of external auditors for the main financial statements of the NMiTE will take place annually and is the responsibility of the Board. The Board will be advised by the Audit Committee.

The primary role of this external audit is to report on the NMiTE's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the relevant audit code of practice and the Auditing Practices Board's statements of auditing standards.

During the period of the draw-down of DfE and LEP funding the external auditors will have additional responsibilities to provide assurance to the DfE, DCLG, the Marches LEP and Herefordshire Council as the Publicly Accountable Body. Such additional duties will be defined under the MoU and associated documentation between DfE, Herefordshire Council and NMiTE.

The MoU Audits will take place every quarter and report on compliance and performance of the actual spend against budget and achievement of milestones. The auditors will be responsible for reporting to the external auditors and the Section 151 Officer of Herefordshire Council on NMiTE performance reporting on any non-compliant issues and ensuring that all payments and funds to be committed are justified on a basis of need. Full Annual Reviews will be carried out by the auditors in February of each year during the support funding fiscal period between 2017/18 to 2019/20. This will include an opinion on the achievability of the milestone targets set by the DfE.

4.3 Internal Audit

In the first 2-3 years of operation the requirement for internal audit will not be necessary. The regular quarterly audits, and the Full Annual Reviews by the external auditors will ensure there is a continuous audit presence during the financial year and all areas of high risk will be reviewed to support the any drawdown of funding.

4.4 Fraud and corruption

It is the duty of all Directors and staff and the Board to notify the COO immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

The COO shall immediately invoke the fraud response plan, which incorporates the following key elements (see Appendix D for Public Interest Disclosure Act 1998, Appendix E the Seven Principles of Public Life, and Appendix H on Fraud Response Plan for fuller details):

- The Chair of the Board and the Chair of the Audit & Risk Committee of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report
- the COO (or an appropriate person) shall inform the police if a criminal offence is suspected of having been committed
- the Audit & Risk Committee shall commission such investigation as may be necessary of the suspected irregularity
- those commissioned to carry out an investigation, shall prepare a report for the Audit & Risk Committee on the suspected irregularity. Such report shall include advice on preventative measures.

4.5 Value for money

The NMiTE should keep under review its arrangements for managing all the resources under its control through the Audit & Risk Committee, taking into account guidance on good practice issued from time to time by public funding bodies, the National Audit Office, the Public Accounts Committee or other relevant bodies.

4.6 Other auditors

The NMiTE may, from time to time, be subject to audit or investigation by external bodies such as Office for Students, the European Court of Auditors, HM Revenue and Customs. They have the same rights of access as external auditors.

5 Treasury Management

5.1 Treasury management strategy.

The Board is responsible for approving a treasury management strategy (if it has long term borrowings or significant reserves to invest) setting out the policies for cash management, long-term investments and borrowings. The Board has a responsibility to ensure implementation, monitoring and review of such policies.

All executive decisions concerning borrowing, investment or financing will be determined by the policy parameters set by the Finance & Infrastructure Committee and approved by the Board) and an appropriate reporting system set up to monitor performance of investments made. The COO will report to the Board in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her (including a Mid-Year Monitoring Report and an Annual Report on the past year's performance. The COO, with the Board's approval, will require external expert advice on developing an investment strategy.

5.2 Appointment of bankers and other professional advisers

The Board is responsible for the appointment of the NMiTE's bankers and other professional financial advisers (such as investment managers, if required). The appointment shall be for a specified period after which consideration shall be given by the Board to competitively tender the service. The NMiTE current bankers and other professional advisors are:

BANKERS

Handelsbanken
Hereford Branch
Broadway House
32 – 35 Broad Street
Hereford
HR4 9AR

ACCOUNTANTS

Thorne Widgery Accountancy Limited
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford, HR4 7BS

LEGAL ADVISERS

To be appointed

5.3 Banking arrangements

The COO is responsible for liaising with the NMiTE's bankers in relation to the NMiTE's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the COO, who shall make proper arrangements for their safe custody.

Only the COO may open or close a bank account for dealing with the NMiTE's funds (by strict instruction from the Board). All bank accounts shall be in the name of the NMiTE.

All internet transactions, direct debits, standing orders cheques or other banking transactions shall be authorized by two of these authorised Officers: COO, Finance Director, Company Secretary and CEO

The upper limit of electronic transaction is currently set at £20,000 per transaction.

All automated transfers on behalf of the NMiTE, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Board.

The COO is responsible for ensuring that all bank accounts are subject to regular reconciliation.

6 Income

6.1 General

The COO is responsible for ensuring that appropriate procedures are in operation to enable the NMiTE to receive all income to which it is entitled. All receipt forms, invoices, tickets or other official documents in use and electronic collection systems must have the prior approval of the COO. All income receipts should be addressed to NMiTE's Offices or paid directly into the NMiTE's bank accounts.

Levels of charges for contract research, services rendered, goods supplied and rents and lettings are determined by procedures approved by the Board.

See Scheme of Delegations for the prompt collection, security and banking of all income received; for ensuring that all grants notified by the funding body are received and appropriately recorded in the NMiTE's accounts; and for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

6.2 Maximisation of income

It is the responsibility of all SLT members/staff to ensure that revenue to the NMiTE is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the COO of sums

due so that collection can be initiated.

6.3 Receipt of cash, cheques and other negotiable instruments

All monies received from whatever source must be recorded on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments.

All monies received must be paid to the Finance Office. The custody and transit of all monies received must comply with the requirements of the NMiTE's insurers.

All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous expenses or be paid into a petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the NMiTE.

Receipts by credit or debit card: In the first year of operation there will be no credit/debit cards issued by NMiTE.

Internet receipts: any Director/staff wishing to arrange for payment to be made to NMiTE by the internet should seek guidance from the COO at an early stage.

6.4 Collection of debts

The COO should ensure that:

- debtors' invoices are raised promptly on official invoices, in respect of all income due to the NMiTE (the Finance Director will be responsible for ensuring that procedures are in place raising invoices)
- invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account
- any credits granted are valid, properly authorised and completely recorded
- VAT is correctly charged where appropriate, and accounted for
- monies received are posted to the correct debtors account
- swift and effective action is taken in collecting overdue debts
- outstanding debts are monitored and reports prepared for management.

Only the COO can implement credit arrangements and indicate the periods in which different types of invoice must be paid.

Requests to write off debts must be referred in writing to the COO for submission to the Finance & Infrastructure Committee for consideration and possible write-off.

7 Other Income-Generating Activity

7.1 European Union (EU) and other matched funding

Any such project requires the approval of the Board prior to any commitment being entered into. Such approval shall be dependent upon eligible matching funds are available and that the project is financially viable by the application of the NMiTE's costing and pricing policy. The Finance Director is responsible for submitting bids for funding, subject to approval by the Board; and where successful, for submitting income claims.

8 Intellectual Property Rights and Patents

8.1 General

Certain activities undertaken within the NMiTE including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

8.2 Patents

The Board is responsible for establishing procedures to deal with any patents accruing to the NMiTE from inventions and discoveries made by staff in the course of their research.

8.3 Intellectual property rights

In the event of the NMiTE deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by the NMiTE.

9 Expenditure

9.1 General

The Finance Manager is responsible for making payments to suppliers of goods and services to the NMiTE.

9.2 Scheme of delegation/financial authorities

When control is transferred from the centre the CEO and SLT members are responsible for purchases within his or her area of responsibility. Purchasing authority may **not** be delegated to any other individual within NMiTE. In exercising this delegated authority, budget holders are required to observe the purchasing policies. The Board will review the approved budget holders on an annual basis.

The COO shall keep a record of the authorised signatories and the budget holders must supply him or her with their specimen signatures authorised to certify invoices for payment.

Budget holders are not authorised to commit the NMiTE to expenditure without first reserving sufficient funds to meet the purchase cost.

All purchases shall require the approval of the COO.

9.3 Procurement

The NMiTE requires the budget holders, irrespective of the source of funds, to obtain goods, works and services on the basis of “Best Value” demonstrating a balance between the most economically advantageous offer and consideration of quality, design delivery requirements and sustainability. Factors to be considered in determining lowest cost are noted in Part 5 Procurement Regulations.

9.4 Purchase orders

The ordering of goods and services shall be in accordance with the NMiTE’s purchasing policy outlined in Part 5 Procurement Regulations and Appendices I and J.

Official NMiTE orders must be placed for the purchase of all goods or services, except for personal expenses claims (also budget holders will have oversight of budgets and budgetary control for travel, accommodation and subsistence expenses for all Directors and individual claims and need to ensure effective control over these claims).

In exceptional circumstances, urgent orders may be given orally, but must be confirmed by an official purchase order endorsed ‘confirmation order only’ not later than the following working day. It is the responsibility of the Finance Manager to ensure that all purchase orders refer to the NMiTE’s conditions of contract (Appendix J). Invoices will be returned to suppliers unless an NMiTE order number is referenced.

9.5 Purchasing cards

There will be no purchasing cards issued to staff for at least first year of operation.

9.6 Business charge cards

There will be no business charge cards issued to staff for at least first year of operation.

9.7 Tenders and quotations

Budget holders must comply with the NMiTE’s tendering procedures contained in the NMiTE’s tendering practice, which are applicable as follows:

- a Purchases in total valued up to £15,000 excluding VAT – one formal quotation but officers must be able to demonstrate value for money has been obtained and that all other relevant aspects of NMiTE’s Procurement Regulations have been followed. See NMiTE’s Financial Regulations on obtaining value for money.

- b Purchases in total valued between £15,001 and £35,000 (inclusive) – at least two formal quotations must be obtained (see Part 5 The Procurement Regulations, section 13)
- c Purchases in total valued between £35,001 and £75,000 (inclusive) – at least three formal quotations must be obtained (see Part 5 The Procurement Regulations, section 13)
- d Purchases in total valued between £75,001 and up to relevant EU limit – formal tendering arrangements must be followed (see Part 5 The Procurement Regulations, section 13)
- e Purchases in total valued more than the relevant EU limit – The Public Contracts Regulations must be followed (see Part 5 The Procurement Regulations, section 14).

The main points covered by the NMiTE's code of tendering practice are described in Part 5 The Procurement Regulations.

9.8 Post-tender negotiations

Post-tender negotiations (i.e. after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

- it would not put other tenderers at a disadvantage
- it would not have attracted different tenderers to participate in the process
- it would not affect their confidence and NMiTE in the NMiTE's tendering process.

However, complex rules govern post tender negotiations and the advice of the Commercial Team should be sought prior to commencing negotiations in accordance with 13.60 below. In each case, a statement of justification should be approved by the budget holder prior to the event, showing:

- background to the procurement
- reasons for proposing post-tender negotiations
- demonstration of the improved value for money.

All post-tender negotiations results are signed-off by the budget holder on the advice of the commercial team.

9.9 Contracts

Building (works) contracts are the responsibility of the Board and are administered by the Chief Digital & Infrastructure supported by the Campus Development Director.

Proposals will normally be initiated by the NMiTE's Estates Manager in respect of planned replacements and general improvement schemes.

Proposals shall be presented in the form of costings or investment appraisals prepared in conjunction with the COO, supported by the Finance Director, as appropriate for Board consideration. Investment appraisals should comply with the appropriate HM Treasury guidance.

Following consideration and approval by the Board, submissions should be forwarded to the funding body where appropriate (e.g. the LEP). If the required agreement is secured from the funding body, funding body procedural rules shall be followed. Funding body guidance on best practice should be followed even when funding body approval is not required.

The achievement of value for money will be an objective in the letting of all contracts.

Conditions of contract for the purchase of goods and services will be followed as described in the NMiTE's procedures described at Appendix J.

9.10 EU Procurement Rules

The COO is responsible for ensuring the NMiTE complies with its legal obligations concerning EU procurement legislation. EU procurement principles of equal treatment, non-discrimination and proportionality apply to all contracts, regardless of value. However, specific EU Procurement Rules apply to all contracts with a total value exceeding a threshold value. Please see the procurement regulations at 14 below.

The COO will advise budget holders on the thresholds that are currently in operation. A breach of these EU regulations is actionable by a supplier or potential supplier.

It is the responsibility of the budget holders to ensure that they and their staff/advisers comply with EU regulations by notifying the COO of any potential purchase that is likely to exceed the thresholds. This will need to be done well in advance in order to permit advertisements in journals such as the *Official Journal of the European Union* (OJEU).

The COO is also required to submit to the funding body annually details on expenditure which exceeds the threshold. Copies of the relevant documentation falling into this category must be provided by budget holders to the COO.

9.11 Receipt of goods

All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

All goods received shall be entered onto an appropriate goods received document or electronic receipting system on the day of receipt. If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

9.12 Payment of invoices

The procedures for making all payments shall be in a form specified by the COO with all invoices being sent directly to NMiTE Offices and **not** to the budget holders. The COO will make arrangements for authorisation either digitally or directly through the office. At no time should

the original invoice leave the NMiTE offices.

The details should be entered on the Accounting system to start the process of accounting and recording the age of the invoice and the appropriate charge in the accounts for the cost.

The COO is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by digital banking arrangements, computer cheques or BACS transfer each week. In exceptional circumstances the COO will authorize the preparation of cheques for urgent payments.

Budget holders are responsible for ensuring that expenditure within their areas of responsibility does not exceed funds available. In the first year of operation all budgetary control will be centrally managed with budget holders overseeing their areas of responsibility and invoking the necessary authorisations to transact the business. In future delegated authority to budget holders will be allowed. In the event they do exceed their budgets the Chair of Finance & Infrastructure Committee will suspend the delegated authority of the budget holder, on the advice of the COO, to incur further expenditure. Such delegated authority may not be reinstated, if at all, the situation has been regularised.

This will be done by observing the following priorities:

1. Budget holder and the Finance Director to complete a revised budget for the year
2. The expenditure is brought into line during the year to meet the expected (prudent assessment) income for the rest of the year (e.g. to seek better value for money by more effective use of volunteers to replace contracted professionals)
3. Payment scheduling during the austerity period:
 - a. Income received during this period will first go to paying staff salaries and essential operational expenditure to keep NMiTE operational
 - b. If there is excess income after a. then regular/operational creditors should be paid for the current period
 - c. If there is excess income after a. and b. then the aged creditors should be paid
 - d. That sufficient reserves are built up to meet 3 months operational expenditure (i.e. a.+ b.).
 - e. Lifting the suspension on delegated powers will only take place once the Chair of Finance & Infrastructure Committee is satisfied the aged creditor have been completely paid off, reserves have been built up to the required level and NMiTE is operating to normal credit terms with its creditors.

Suppliers should be instructed by the budget holder to submit invoices for goods or services to Finance. Invoices will receive authorisation digitally from the budget holder.

Care must be taken by the budget holder to ensure that discounts receivable are obtained.

Payments will only be made by the COO against invoices that have been certified for payment by the appropriate budget holder.

Certification of an invoice will ensure that:

- the goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
- where appropriate, it is matched to the order
- invoice details (quantity, price discount) are correct
- the invoice is arithmetically correct
- the invoice has not previously been passed for payment
- where appropriate, an entry has been made on a stores record or inventory

9.13 Director/Staff reimbursement

The NMiTE's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the creditors system without SLT members/staff having to incur any personal expense. However, on occasion, SLT members/staff may incur expenses, most often in relation to travel, and are entitled to reimbursement.

Where such purchases by SLT members/staff are planned, the COO and the relevant budget holder may jointly approve cash advances to SLT members/staff who are going to incur expenditure on the NMiTE's behalf. Upon completion of the travel or project to which the advance relates, within one week a final account must be prepared to demonstrate how the advance was disbursed and any unspent balance repaid. Under no circumstances will a second advance be approved when the final accounting for an earlier advance to an individual is still outstanding.

9.14 Petty cash

The COO shall make available to budget holders such imprests as he or she considers necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.

Requisitions for reimbursements must be sent to Finance, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

Anyone granted a float is personally responsible for its safe-keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the NMiTE's insurers when not in use and will be subject to periodic checks by the Finance Manager.

Standard NMiTE petty cash books are supplied by Finance and must be used for recording all imprest accounts.

At the end of the financial year a certificate of the balances held should be completed by the budget holder responsible for the float and counter-signed by the Finance Manager.

9.16 Late payment rules

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

- small businesses can charge interest on overdue invoices
- interest is chargeable on sales made after 1 November 1998
- the rate of interest is currently 8% per annum above the official daily rate of the Bank of England
- the Act also applies to overseas organisations
- the NMiTE can be sued for non-payment.

In view of the penalties in this Act, the Board requires that authorised invoices must be passed for payment as soon as possible after they are received subject to funds being available.

10 Pay Expenditure

10.1 Remuneration policy

All NMiTE staff will be appointed to the salary scales approved by the Board and in accordance with appropriate conditions of service. All letters of appointment must be issued by the People and Opportunities Manager. SLT contracts shall be issued by the CEO & POM.

The Board will determine what other benefits, such as pensions, cars, medical and life insurance, are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

10.2 Appointment of staff

All contracts of service shall be concluded in accordance with NMiTE's approved human resource practices and procedures and all offers of employment with NMiTE shall be made in writing by the appropriate budget holder. Budget holders shall ensure that the People and Opportunities Manager is provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

10.3 Salaries and wages

The Finance is responsible for all payments of salaries and wages to all staff including payments for overtime or services rendered. Salaries will be paid on the fifteenth day of every month except when the fifteenth day is a Saturday or Sunday, in which case salaries will be paid on the

Friday preceeding.

The budget holders will be responsible for keeping Finance informed of all matters relating to human resources for payroll purposes. In particular these include:

- appointments, resignations, dismissals, supervisions, secondments and transfers
- absences from duty for sickness or other reason, apart from approved leave
- changes in remuneration other than normal increments and pay awards
- information necessary to maintain records of service for pensions, income tax and national insurance.

The Finance Manager is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

The Finance Manager shall be responsible for keeping all records relating to payroll including those of a statutory nature.

All payments must be made in accordance with NMiTE's payroll procedures and comply with HM Customs & Revenue regulations.

10.4 Pension schemes

The NMiTE is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

The COO, supported by the Finance Director, is responsible for day-to-day pension matters, including:

- paying contributions to various authorised NMiTE pension schemes
- preparing the annual return to various NMiTE pension schemes

The HR & Remuneration Committee will maintain NMiTE Pension Policy which is approved by the Board for administering eligibility to pension arrangements and when deductions should begin or cease for staff.

10.5 Travel, subsistence and other allowances

All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed on-line. The Finance Manager is responsible for instructing staff on eligibility of claims according to NMiTE's Expenses Policy. All claims are made a month in arrears and must be submitted by the seventh of the month following the period of claim.

Claims by SLT members/staff must be authorised by their budget holder/senior manager. The certification by the budget holder shall be taken to mean that:

- the journeys were authorised

- the expenses were properly and necessarily incurred
- the allowances are properly payable by NMiTE
- consideration has been given to value for money in choosing the mode of transport or choice of supplier.

10.6 Overseas travel

All arrangements for overseas travel must be approved by the Board in advance of committing NMiTE to those arrangements or confirmation of any travel bookings. Arrangements for overseas travel by Directors of the Board shall be approved by the Chair of the Board. Arrangements for travel by the Chair shall be approved by the Board.

Where spouses, partners or other persons unconnected with NMiTE intend to participate in a trip, this must be clearly identified in the approval request. NMiTE must receive reimbursement for the expected costs it may be asked to cover for those persons in advance of confirming travel bookings.

10.7 Severance and other non-recurring payments

Severance payments shall only be made in accordance with relevant legislation and under a scheme approved by the Board. Professional advice should be obtained where necessary. No amounts shall be expended that exceed the budget allocated for the purpose. All such payments shall be authorised by the Chair of the Board and calculations checked by the Secretary to the Board.

All matters referred to an industrial tribunal shall be notified to the Board at the earliest opportunity in order that budget provision may be made as necessary. All determinations of tribunals must be similarly notified.

11 Assets

11.1 Land, buildings, fixed plant and machinery

The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Board and where relevant with reference to the funding body's requirements where public funds are involved.

11.2 Fixed asset register

The Finance Manager is responsible for maintaining NMiTE's register of land, buildings, fixed plant and machinery.

11.3 Inventories

The Finance Manager is responsible for maintaining inventories for all plant, equipment, furniture and stores with a value in excess of £50.

11.4 Stocks and stores

The Finance Manager is responsible for establishing adequate arrangements for the custody and control of equipment, stocks and stores.

The Finance Manager is responsible for ensuring that regular inspections and stock checks are carried out. Equipment, stocks and stores of a hazardous nature should be subject to appropriate security checks.

11.5 Safeguarding assets

Budget holders are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They will consult the Finance Manager in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by NMiTE shall, so far as is practical, be effectively marked to identify them as NMiTE property.

11.6 Personal use

Assets owned or leased by NMiTE shall not be subject to personal use without proper authorisation.

11.7 Asset disposal

Disposal of equipment and furniture must be in accordance with procedures agreed by the Board.

Disposal of land and buildings must only take place with the authorisation of the Board. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

11.8 All other assets

Budget holders are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the NMiTE, whether tangible (such as stock – see above) or intangible (such as intellectual property), including electronic data.

12 Funds Held on Trust

12.1 Gifts, benefactions and donations

The Chief Fundraising Officer is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the NMiTE and initiating claims for recovery of tax where appropriate.

12.2 NMiTE funds/Earmarked Donations

The Chief Fundraising Officer is responsible for maintaining a record of the requirements for each NMiTE fund/earmarked donation and for advising the Board on the control and investment of fund balances.

The Board is responsible for ensuring that all NMiTE's funds are operated within any relevant legislation and the specific requirements for each NMiTE. They will also be responsible for investment of fund balances.

13 Other

13.1 Insurance

The COO is responsible for NMiTE's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be considered and approved by the Board on an annual basis.

The COO is responsible for effecting insurance cover as determined by the Board. He or she is therefore responsible for obtaining quotes, negotiating claims and maintaining the necessary records. The COO will keep a register of all insurances affected by NMiTE and the property and risks covered. He or she will also deal with NMiTE's insurers and advisers about specific insurance problems.

Budget holders must ensure that any agreements negotiated with external bodies cover any legal liabilities to which NMiTE may be exposed. The COO's advice should be sought to ensure that this is the case. Budget holders must give prompt notification to the COO of any potential new risks and additional property and equipment that may require insurance and of any alterations affecting existing risks. Budget holders must advise the COO immediately of any event that may give rise to an insurance claim. The COO will notify NMiTE's insurers and, if appropriate, prepare a claim in conjunction with the budget holder for transmission to the insurers.

All SLT members/staff using their own vehicles on behalf of NMiTE shall maintain appropriate insurance cover for business use.

17.2 Security

Keys to safes or other similar containers are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the COO immediately.

The COO shall be responsible for maintaining proper security and privacy of information held on NMiTE's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998. A data protection officer, the COO, shall ensure compliance with the Act and the safety of documents.

The COO is responsible for the safekeeping of official and legal documents relating to NMiTE (e.g. signed copies of deeds, leases, agreements and contracts etc.). All such documents shall be held in an appropriately secure, fireproof location and copies held at a separate location.

17.3 Provision of indemnities

Any SLT member/staff asked to give an indemnity, for whatever purpose, should consult the COO before any such indemnity is given.

DRAFT

Part 5 - Procurement Regulations

1 Introduction

- 1.1 The primary objective of the NMiTE's Procurement Regulations is to ensure that all contracts for works, goods and services are entered in a manner that secures value for money and is demonstrably free from impropriety.
- 1.2 NMiTE's Procurement Regulations also ensure that:
- a contract selection and award procedures are conducted transparently and proportionately, in a non-discriminatory and properly regularised manner and in accordance with relevant legal requirements
 - b strategic service delivery and supply partners are used wherever possible to ensure value for money is obtained and the cost of procurement is minimised. To avoid lengthy and costly procurement procedures NMiTE will generally use framework agreements where these meet NMiTE's needs and offer best value)
 - c NMiTE will support supply chain diversity and local economy by (specific measures e.g. dividing contracts into smaller lots; seeking quotations from local organisations; holding tender workshops; publicising its procurement pipeline and holding supply chain events) to encourage local organisations to tender successfully for contracts.
 - d NMiTE's strategic policies are taken into account, for example in promoting the economic development of the Marches, surrounding counties, Hereford City and Herefordshire County and in relation to protecting the environment (NMiTE's Green Policy)
 - e alternative methods of procurement compatible with the objectives of the Procurement Regulations can be considered
 - f procurement procedures are kept under review to ensure continuous improvements to services and provide best value to NMiTE and its wider community of stakeholders
- 1.3 The Procurement Manager has overall responsibility for the preparation of NMiTE's Procurement Regulations. The COO has delegated responsibility for implementing NMiTE's Procurement Regulations.
- 1.4 The COO works very closely with the Procurement Manager due to the significant legal issues involved in contracting and procurement activity.
- 1.5 It should be noted that NMiTE's Procurement Regulations form part of NMiTE's Constitution and are to be read in conjunction with other sections of the Constitution:

The Functions of Committees and Delegations

The Budgetary Control Framework Rules

The Financial Regulations

- 1.6 Wherever it is mutually advantageous to do so, NMiTE should seek to conduct procurements in collaboration with partner organisations (such as University of Warwick as the Southern Universities Purchasing Consortium (SUPC) <http://www.supc.ac.uk/> and Improvement and Efficiency West Midlands (IEWM). [Improvement and Efficiency West Midlands](#)).⁴
- 1.7 It should also be noted that failure to observe NMiTE's Procurement Regulations or observe the requirements of the Bribery Act could lead to disciplinary or legal action. (See NMiTE Policy on Gifts & Bribery)
- 1.8 All contracts shall contain provisions to this effect. All financial limits outlined in this document exclude Value Added Tax (VAT).

STANDARDS OF CONDUCT

2 Declarations of Interest

- 2.1 SLT members/staff must ensure that they comply with the provisions of the relevant Code of Conduct including on the Declaration and Registration of Interests and the Disclosure of Financial Interest requirements.

3 Gifts and Hospitality

- 3.1 Any offer of gift, favour or hospitality made by any person or firm doing or seeking to do business with NMiTE must be treated with extreme caution. Please read NMiTE's *Anti-bribery and Anti-corruption Policy*.
- 3.2 Any such offers must be noted on the appropriate form and reported to the Secretary to the Board who shall maintain and make available to NMiTE's auditors a register of such matters.
- 3.3 Acceptance of gifts and hospitality must be in accordance with NMiTE's policy on such matters.

⁴ It must be noted that each partner will need to comply with their own Procurement Regulations, which may have key differences to NMiTE's Procurement Regulations – for example, the European Procurement Directive features different financial thresholds in respect to other public bodies. If contracts are to be established which are applicable to two or more partners the Procurement Regulations of each partner must be adhered to, and it is possible that separate contractual documents will have to be established for each partner as they are separate legal entities. Officers must ensure the Regulations and Governance procedures of each partner are followed throughout the procurement process. Where costs are to be shared between collaborating bodies it is advised that a formal agreement detailing such arrangements is drawn up between the partners.

4 Honesty (Codes of Conduct)

- 4.1 All SLT members must follow the appropriate policies and Financial Regulations.
- 4.2 All employees must follow the appropriate polices and Financial Regulations.
- 4.3 All SLT members must make sure that employees, consultants, volunteers involved in an in-house tender for a contract submission do not take part in the preparation of tender documentation or the decision on the award of such a contract.

OFFICER RESPONSIBILITIES

5 Chief Executive's Responsibilities

- 5.1 The Chief Executive is responsible for resolving issues concerning the operation of NMiTE's Procurement Regulations, seeking advice as necessary from the COO **and** the Procurement Manager.

6 SLT Members' Responsibilities

- 6.1 All SLT members are responsible for:
 - a. monitoring compliance with NMiTE's Procurement Regulations in relation to contracts funded by their budget
 - b. appointing their staff/advisors representatives and ensuring they support them in their role and obtain regular briefings from them
 - c. appointing a senior member of staff to the Commercial Team
 - d. bringing the provisions of NMiTE's Procurement Regulations to the attention of their staff
 - e. ensuring that the contracts within their areas of responsibility are legal, comply with Procurement Regulations and Financial Regulations and protect NMiTE's interests fully.
- 6.2 The COO has overall responsibility for the preparation and review of NMiTE's Procurement Regulations but must do so in agreement with the Procurement Manager.

7 Procurement Manager's Responsibilities

- 7.1 The Procurement Manager is responsible for:
 - a providing guidance to SLT members on the operation of NMiTE's Procurement Regulations and all contracting and procurement activity
 - b working with the COO on the preparation and review of the Procurement Regulations

- c assisting the COO with the resolution of questions regarding the interpretation of NMiTE's Procurement Regulations
- d advising on the preparation of contract documentation and maintaining a Contract Procedures Exemption Register for informing relevant officers of any information received that calls into question the suitability of a contractor, consultant, agency or any other person carrying out work for NMiTE.

8 Budget holders Responsibilities

- 8.1 The CEO shall appoint a Procurement Managers to take responsibility for contracts with an estimated total value (excluding VAT) more than £75,001. The Contract Management Representative will be responsible for maintaining and providing timely information regarding the contracts register to the Commercial Team.
- 8.2 Budget holders are responsible for liaising fully with the Commercial Team and the Procurement Manager on all matters relating to contracting and procurement.
- 8.3 Budget holders are responsible for agreeing exemptions from the formal tendering procedures with the COO and/or the Procurement Manager. All exemptions are to be approved in writing and reported in line with the requirements of section 18 of NMiTE's Procurement Regulations.
- 8.4 Budget holders are responsible for liaising with officers administering contracts regarding any reports concerning failures by contractors to comply with contractual obligations or otherwise satisfactorily complete work.
- 8.5 Budget holders are responsible for advising the COO and the Procurement Manager of any concerns they receive regarding the suitability of a supplier to carry out work for NMiTE.
- 8.6 The Procurement Manager is responsible for maintaining records of the:
 - a contracts awarded including the nature and value of contracts and the names of successful tenderers
 - b total value of contracts awarded to each successful tenderer during each financial year
 - c names of unsuccessful tenderers and reasons why their tenders were not accepted if the reason is other than price
 - d details of any failure by a tenderer to comply with instructions to tenderers
 - e details of the reasons for any tenders being withdrawn and details of failures by contractors to submit tenders after having requested and been invited to do so
 - g contractors' performance

- h reasons for opening late tenders and reasons for exceptions to tendering procedures .

8.7 The COO is responsible for deciding the retention of tender and contract documentation in accordance with NMiTE's Record Retention Schedule.

9 COO's Responsibilities⁵

9.1 Working to the COO, the Commercial Manager is responsible for providing advice on all aspects of NMiTE's Procurement Regulations save for the legal issues. The responsibility for the legal aspects of NMiTE's Procurement Regulations rests with the Company Secretary/and NMiTE external advisors.

9.2 The Commercial Manager is responsible for

- a. chairing NMiTE's Commercial Team. (Each Chief Officer shall appoint a senior officer to be a member of the Commercial Team and the membership shall include the Procurement Manager).
- b. Approval of waivers
- c. Approval of new suppliers in accordance with the approval procedure - for example when a request for a new supplier is received by finance (or when an invoice is received without an existing supplier record) procurement shall check whether the request relates to a requirement for which there is an existing contract; how the requirement has been (or is to be procured); and require the completion (by the supplier) of a simplified due diligence questionnaire to ensure their good standing.

9.3 NMiTE's Commercial Team shall be organised on a category management basis.. The Commercial Team will meet quarterly to fulfil the following responsibilities:

- a continually reviewing NMiTE's Procurement Strategy and making recommendations on appropriate enhancements to the COO to take forward in consultation with the Procurement Manager for approval in line with NMiTE's arrangements for decision making
- b developing a procurement pipeline of NMiTE's requirements over the next 3 years so that sufficient time; resources and budget can be allocated to ensure that procurements can be carried out efficiently and effectively to ensure that NMiTE's requirements are met;
- c maintaining a register of current contracts above £15,000 and publishing details of these as appropriate to ensure transparency of expenditure in accordance with ICO guidance https://ico.org.uk/media/for-organisations/documents/1245/definition_document_for_universities_and_higher_education_institutions.pdf

⁵ In time, there will be an officer responsible for commercial activities who reports to the COO. In the short term the Procurement Manager will provide the advice on all aspects of NMiTE's Procurement Regulations to the Board, SLT members and staff of NMiTE. Any legal aspects requiring expert advice will be sought from NMiTE appointed consultant advisors.

- d monitoring compliance with NMiTE's Procurement Regulations and reporting non-compliance to the COO and the Procurement Manager for appropriate action and preparing an annual report on the operation of and compliance with NMiTE's Procurement Regulations as a basis for the COO, in consultation with the Procurement Manager, to report to the Audit & Risk Committee
- e continually reviewing NMiTE's Procurement Regulations to ensure they keep pace with developing best practice and advising amendments as necessary
- f prescribing the information needed from each SLT member and maintaining a central contract register of the information provided
- g reviewing the Procurement Regulations Exemption Register and preparing an annual report on the exemptions recorded for the Procurement Manager
- h reviewing NMiTE's sustainable procurement strategy;
- i providing training and support for employees involved in procurement activities
- j organising supply chain events, promotion of opportunities (including the content of the procurement web pages) and activities to promote supply chain diversity and the economic regeneration of Herefordshire;
- k managing the content and processes within NMiTE's e-tendering system, including the management of any procurement processes and the support and training of employees utilising the system.

10 Responsibilities of all Officers

10.1 All staff are responsible for:

- a following NMiTE's Procurement Regulations and any codes of practice, guidance or instructions provided by the Commercial Team and the Procurement Manager
- b following all relevant English and European procurement legislation
- c following NMiTE's policy requirements and legislation on Equalities and Environmental concerns including the Equalities Act 2010 and the Public Sector Duty Policy and seeking advice from the Commercial Team and the Procurement Manager in the case of any uncertainty so ensuring that any departure from these Procurement Regulations is agreed with the Commercial Manager **and** the Procurement Manager
- f following NMiTE's Employee Code of Conduct and rules on confidentiality
- g following NMiTE's Financial Regulations and the systems and procedures that are in place to control budgets properly
- h declaring any interest that could influence their judgement in contracting matters to their SLT member and the Procurement Manager
- i not taking part in **any** decisions relating to the procurement of work, goods or services if they are part of a formal in-house bid for that work

- j reporting any suspected fraudulent, corrupt or other irregularity to NMiTE's Auditor
- k ensuring that value for money is evidenced through the procurement process
- l applying appropriate monitoring arrangements to all contracts to ensure the management of risk and the projected delivery of services and benefits.

[Note: Sections 11 and 12 are intentionally blank]

Formal Tendering Procedure

Introduction

- 13.1 NMiTE, will engage with external suppliers to create large-scale strategic service delivery partnerships. This form of commissioning will become more common as NMiTE seeks to secure longer term efficiency gains and it is likely that it will involve larger amounts of more complex services within each contract's scope. Officers must use NMiTE approved strategic service delivery partners if the work required is within the scope of NMiTE's service delivery contracts. Should officers be unclear of the scope of such contracts, they should seek advice from the Commercial Team prior to proceeding with any procurement exercise.
- 13.2 Wherever possible major suppliers should be encouraged to retain the services of local/regional SMEs and third sector operators within the local supply base
- 13.3 The following procedures must be followed for all types of procurement. Official orders should be raised for works, goods and services in line with NMiTE's Financial Regulations.
- a **Purchases in total valued up to £15,000 (excluding VAT)** – one formal quotation but officers must be able to demonstrate value for money has been obtained and that all other relevant aspects of NMiTE's Procurement Regulations have been followed. See NMiTE's Financial Regulations on obtaining value for money.
 - b **Purchases in total valued between £15,001 and £35,000 (inclusive)** – at least two formal quotations must be obtained (see 13.7 to 13.11)
 - c **Purchases in total valued between £35,001 and £75,000 (inclusive)** – at least three formal quotations must be obtained (see 13.7 to 13.11)
 - d **Purchases in total valued between £75,001 and up to relevant EU limit** – formal tendering arrangements must be followed (see 13.12 to 13.71)
 - e **Purchases in total valued more than the relevant EU limit (currently circa £172,514 for goods and services and £4,104,394 for works)** – The Public Contracts Regulations must be followed (see section 14).
- 13.4 As the value, size and complexity of the contract increases, the degree of risk to NMiTE will also increase. Before procuring any contract, the officer responsible shall produce a

business case in the form of an options appraisal to support the requirement for a procurement. The officer shall ensure that for all contracts valued at £75,001 (and over), the report shall contain comments obtained from the Commercial Team (including comments from legal and financial services) to ensure that the procurement has complied with standing orders. For contracts, below this level, a summary report shall be produced outlining the justification for the quotation process. The report shall be submitted to the relevant officer authorised to approve the procurement under the Scheme of Delegations. Where the value of a contract exceeds £75,000, a formal risk assessment must be undertaken and a managed risk register maintained throughout the procurement process.

- 13.5 Any variation from the Procurement Regulations should be subject to authorisation via the waiver procedure. The officer responsible shall produce a waiver report setting out the reason for the variation, containing comments obtained from the Commercial Manager, (who shall obtain comments from legal and financial services as appropriate). This report shall be submitted to the relevant officer authorised to approve the waiver under the Scheme of Delegations.

Formal Quotation Procedure

- 13.6 The requisite number of formal quotations must be obtained for all purchases (other than those within the scope of a strategic service delivery contract or where a legally compliant Framework Agreement is utilised – see section 15) where between £15,001 and £75,000 in total (see 13.3).
- 13.7 A quotation is a written offer to execute works; supply goods or provide services detailing what is to be provided and the cost for this
- 13.8 Officers must produce a description of the goods or specification of the services required before seeking quotations. This will enable a fair comparison of prices. The level of detail in the description or specification will depend on the value and type of goods or services being purchased. Advice can be obtained from the Commercial Team.
- 13.9 Formal quotations should contain as a minimum the following information and be issued to all suppliers in the same standardised format requesting:
- a date and reference number
 - b supplier company details
 - c officer/service area name
 - d item/part number
 - e description specification
 - f quantity required
 - g unit/service cost

- h total cost
- i delivery information
- j payment details
- k any special requirements
- l details of any discounts or rebates
- m conformance with specification
- n acceptance of NMiTE T&Cs
- p confirmation of no impropriety

- 13.10 Every person or firm who makes a quotation must be treated fairly and equally.
- 13.11 Any departures from the formal quotation procedures must be discussed with the Commercial Team who will agree or otherwise any exception in consultation with the Commercial Manager. A record must be kept of the reasons for, and approval given for, departing from the formal quotation procedure.
- 13.12 When Officers are engaging in procurement activity on behalf of third parties who will be the actual contracting entity, and NMiTE is therefore acting as the agent of the other party, they must adhere to the NMiTE's Procurement Regulations recognising that NMiTE may be held liable for any complaints or challenges relating to the process.⁶
- 13.13 Formal tendering procedures apply to all contracts with a total value between £50,001 and the prevailing European procurement limits for goods, services and works except for those with an NMiTE approved strategic service delivery contract. To ensure that European Procurement Rules are properly applied, including aggregation rules, Officers should liaise with the Commercial Team before commencing any procurement with an estimated value more than £75,000. Aggregation rules also apply to NMiTE formal tenders, and requirements must not be artificially split to fall below the £75,000 threshold to avoid following the correct process. (However, if appropriate procurement should be split into lots to facilitate the participation of SMEs.) Further guidance is available at 14.6 and advice should be sought from the Commercial Team if uncertain.
- 13.14 It is important to respect confidentiality during all stages of the formal tendering process. Officers must not disclose any information they have about potential suppliers to other persons/suppliers potentially competing for the same contract.

⁶ The documents sent to bidders in such cases must contain a disclaimer saying that NMiTE will not be held liable should the contracting entity not follow NMiTE's recommendation in making an award. NMiTE must provide a written recommendation to the third party regarding making the award, pointing out that if they make a different choice to that recommended it will be at their own risk. Advice on wording can be obtained from the Commercial Team.

- 13.15 Advice and guidance on how to describe the works, goods or services required for formal tendering purposes can be obtained from the Commercial Team.
- 13.16 In accordance with regulation 111 of the Public Contract Regulations 2015, officers should note that they should not issue a PQQ for any tender below the EU threshold. However, a selection questionnaire (including a proportionate version for quotations) should be used on all procurements.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/558531/PPN_8_16_StandardSQ_Template_v3.pdf

Selecting Potential Tenderers

- 13.17 Potential suppliers must be sought by placing advertisements in the most appropriate media, in addition to NMiTE's e-tendering portal⁷, in accordance with 13.17.
- 13.18 Advertisements for potential suppliers may be placed at the officer's discretion in relevant trade or professional journals, local and national newspapers or national websites administered by responsible bodies, and **must** be placed in the EU Journal (OJEU) if the contract is likely to exceed the relevant EU threshold. All contracts with a potential value exceeding £15,000 must be advertised on NMiTE's e-tendering portal ("the Portal"), in addition to any discretionary advertising by other means. Furthermore, details of all contracts with a potential value exceeding £75,000 must be published on the UK Cabinet Office's Contracts Finder portal and the information provided shall include at least the following:
- (a) the internet address at which the procurement documents may be obtained;
 - (b) the time by which a prospective tenderer must respond if it wishes to be considered;
 - (c) how and to whom a prospective tenderer is to respond; and
 - (d) any other requirements for participating in the procurement

Where advertisements are published in OJEU such publication must **precede** their appearance on the Portal, or any other supplementary means of advertising, to comply with EU regulations. Note, for clarity, publication is still required on the Portal if OJEU is used, and must quote the specific OJEU Reference for the contract, which suppliers should be asked to quote in their application. As a rule, officers should leave 48 hours between the time of OJEU publication and any subsequent publication in other media.

- 13.19 The only occasions when procurements do not need to be advertised on the Portal is when the contract value will be less than £15,000, or if an existing strategic service delivery contract or Framework Agreement is to be used to source suppliers and advertising is therefore not required.

⁷ NMiTE is reviewing appropriate e-Tendering Portals.

- 13.20 For formal tenders (values more than £75,001), the minimum number of tenderers required is three. If officers find that they have less than the minimum number of applications (market failure) they must consult with the Commercial Team before they proceed further. In considering whether to proceed on the basis of fewer than 3 tenders, the Commercial Team will consider the reasons for market failure. For example, any market feedback as to the reasons for no response; whether the specification was complete, accurate, was packaged appropriately and of a size to be commercially attractive and if so, directed at capable suppliers; whether sufficient time was provided for responses (such time being proportionate to the complexity of the requirement); whether the period during which quotations were requested affected the likelihood of responses e.g. during an industry shut-down or holiday period and whether any budget set was adequate. Should the Commercial Team consider that the market failure is capable of remedy (and doing so will ensure best value), the Commercial Team may recommend withdrawal and recommencement of the process (rectifying any issues considered to have caused the market failure).
- 13.21 The procurement strategy, specification and evaluation strategy must be agreed before the commencement of the procurement.
- 13.22 The entire process of advertising, selecting suppliers to tender, through to final award, is highly prescribed under European law for all procurements over the relevant threshold. Advice needs to be sought from the Commercial Team before commencing a procurement more than the EU thresholds (including ensuring sufficient time is allowed to carry out a compliant process, which, (depending on complexity) can take between several months to years). For procurements below the European thresholds, the advice in paragraphs 13.26 to 13.71 applies.
- 13.23 Pre-procurement market consultation can be carried out to gauge market interest and specification of the requirement, commercial and legal terms etc. Sufficient time should be allowed within the procurement process for any market consultation to be carried out and this should be included within the procurement pipeline. Whilst this may include approaching suppliers directly, the opportunity to participate in the market consultation should be advertised transparently via the appropriate medium e.g. for procurement with a value above the EU threshold via a Prior Information Notice (PIN) in the OJEU. In any event, information gathering and market consultation should be carried out transparently and ensuring equal treatment, including not providing consultation participants with an advantage over non-participants. To ensure this, as a minimum all information provided to market consultation participants shall also be provided when the procurement is advertised and a summary of the results of the market consultation should be published. Further advice can be obtained from the Commercial Team.
- 13.24 A standard business questionnaire should be used to collect information from the potential suppliers. The method for selecting tenderers must:
- a be transparent
 - b treat all tenderers in the same way
 - c keep the process clear and simple and transparent

d record all the selection decisions which shall be proportionate.

13.25 On all procurements, officers must utilise the CCS Standard Questionnaire to ensure that suppliers are of good financial and professional standing. In addition, officers must also use the approach set out in the CCS Standard Questionnaire when selecting suppliers to participate in a procurement (pre-qualification i.e. shortlisting) (as set out at 13.16 above):

- a past performance on similar contracts (quality and costs)
- b technical capacity
- c specialist experience in the type of products and services being procured
- d financial situation
- e public and employer's liability insurance arrangements
- f health and safety arrangements
- g equalities policy
- h written references on the contractor's reputation
- i environmental policies.
- k The good standing of an organization - essential as there are mandatory and compulsory grounds for exclusion).

13.26 Officers may also use information from referees and from company searches to assess which persons or firms to invite to submit a tender in accordance with the CCS Standard Questionnaire as set out at 13.16 above:

Inviting tenders

13.27 In accordance with regulation 53 of the Public Contract Regulations 2015, NMiTE's e-tendering system is the default option for the publication of procurement documents. To access these documents, prospective tenderers must register on the e-tendering portal. For each tender, the following procurement documents will be published:

- A letter of invitation
- Instructions to tenderers
- Form of Tender
- Specification
- Schedule of Rates/pricing documentation
- Terms and Conditions of the Contract (see 13.27)
- Quality requirements/method statement questions

- Tender Evaluation Criteria
- Any relevant supporting information

- 13.28 A copy of NMiTE's standard contract terms shall be included so that the tenderer is aware of the terms and conditions that will form part of the final contract. When an industry standard contract is used, advice should be sought from the Commercial Manager on which of the standard clauses to incorporate.
- 13.29 Tenderers must be instructed to return their tendering documentation via the e-tendering portal, rather than by any other method. In addition, tenderers must be told that tenders which are received by other means, or received after the deadline, will not be accepted. See 13.40, 13.43 & 13.48 below.
- 13.30 Tenderers should be advised that tenders will be opened at the same time and no advantage is secured by seeking to delay submission until the last moment.
- 13.31 The invitation to tender must state that NMiTE does not bind itself to accepting the lowest or any tender.
- 13.32 The invitation to tender will set out how NMiTE deal with any mistakes it identifies in the tender documentation submitted. If the mistake is capable of correction (ensuring equal treatment of tenderers and transparency to the marketplace), NMiTE will publish a clarification informing tenderers how the mistake will be corrected. If the mistake is material (necessitating additional time for tenderers to incorporate the correction into their tenders/quotations), then the deadline for responses will be extended in accordance with 13.36 below. If the deadline for responses to the OJEU contract notice is still open and if a material correction is required to ensure transparency of opportunity to the marketplace, then NMiTE will publish a correction notice as appropriate (e.g. for procurements above the EU threshold via OJEU). If the mistake is not capable of correction (ensuring transparency and equal treatment of tenderers), then NMiTE will withdraw and/or re-advertise the opportunity as appropriate.
- 13.33 The invitation to tender must set out the criteria that will be used to select the preferred supplier. This criteria should include all weightings, sub-weightings and any guidance or marking criteria by which tenders are to be evaluated. The assessment criteria must not prevent fair competition or discriminate between tenderers in any way. They must also comply with relevant legislation.
- 13.34 The tender should be assessed according to the Most Economically Advantageous Tender (MEAT) criteria which can be the lowest price, but typically will be a price-quality assessment reflecting the qualitative, technical, sustainable and social aspects of the tender submission as well as price and such assessment criteria may include the following factors:
- a) experience and skills of staff performing the contract where staff quality can have a significant impact on contract performance
 - b) financial proposals

- c) contract management arrangements
- d) quality including technical merit and functional characteristics
- e) delivery proposals
- f) social value
- g) environmental factors
- h) innovation

13.35 During the live tender period (i.e. the period between first advertisement and the deadline for tender submission), all communications with tenderers must be recorded in the clarification log on the e-tendering Portal. The clarification log will record all enquiries which are raised during the respective period and the relevant responses. The identity of the tenderer who has raised the query **must not** be disclosed.

Receiving Tenders

13.36 The original tender return date should be fixed and unchanged except in appropriate and necessary circumstances. Any extension should not provide either advantage or disadvantage to any of the tenderers. And if an extension is necessary due to the publication of further information (including the correction of mistake), the length of such extension shall be proportionate to the length of time that will be required by tenderers to request any further information from NMiTE as a result; consider such information and make any required revisions to their tenders / quotations.

13.37 Should it be necessary to extend the time limit for the submission of tenders all potential tenderers should be informed of the new date in good time before the original submission date. Any information should be issued to tenderers no later than 6 calendar days prior to the deadline for receipt of tenders. If this is not possible, a proportionate extension will be applied (see 13.36 above)

13.38 NMiTE's e-tendering Portal will automatically record the time, date and name of the tenders as they are received.

13.39 Tenders cannot be opened until the final deadline for receiving them. All tenders will be stored in the secure e-tendering portal until the requisite deadline for opening them.

13.40 In exceptional circumstances, officers, in consultation with and the approval of the Procurement Manager, can accept a late tender (see the section "Late Tenders" below). The core principle is that tenders should not be rejected if the delay is due to the actions of NMiTE, a third party, or force majeure as 'e.g. unavailability of the etendering portal or internet connectivity. NMiTE considers the allowance of sufficient time to complete document upload (including allowing for any problems that may be encountered with upload speed etc.) as within the control of Tenderers.

Opening and Recording Tenders

13.41 All tenders relating to a contract will be opened at the same time automatically using NMiTE's preferred electronic procurement system. This system will formally record the date and time for audit purposes.

13.42 Once the tenders have been opened, they will be stored securely in the electronic portal.

Late Tenders

13.43 Any tenders received after the deadline must be rejected unless there are exceptional circumstances in accordance with paragraph 13.40.

13.44 If it is decided to accept a late tender, it must be treated in the same way as all other tenders. The full details of the decision to accept the late tender must be recorded.

13.45 If the late tender is rejected, a record should be kept on file for two years with the other documents from the tender opening. The tender should be opened, under the same conditions as the other tenders, merely to ascertain the return name and address. The tenderer should be informed in writing of the reasons for rejecting the tender, i.e. that it was received late and is therefore deemed to be non-compliant under NMiTE's Procurement Regulations.

Assessing Tenders

13.46 Before assessing the tenders, the Responsible Officer needs to check that each part of them meets the requirements of the specification. The Responsible Officer also needs to make sure that there are no mistakes and that nothing is missing.

13.47 If there are substantial omissions of data or documentation that make it impossible to assess the tender, this should be fully recorded and the tender rejected.

13.48 If the tenderer has omitted ancillary documents, made an obvious error in calculating figures, or has otherwise made an error in their tender they may be allowed, to ensure proportionality of assessment treatment, to correct any minor non-compliance or mistakes or to provide any necessary clarification. However, where a tenderer fails to allow sufficient time for the punctual submission of his tender, then the tender submission will be rejected in accordance with paragraphs 13.43 to 13.45.

13.49 A record of all mistakes must be kept and attached to the tender documents together with any corrections agreed with the tenderer.

13.50 The correct tenders can then be assessed in accordance with the assessment criteria that have previously been agreed in accordance with these formal tendering procedures.

13.51 The assessment criteria used for the tender evaluation must be the same in all respects as the criteria advised to prospective suppliers at the beginning of the process.

13.52 Assessment details are strictly confidential and must not be passed on to anyone else. During the assessment, tender documentation must be kept secure and confidentiality preserved. If, in a major tendering exercise, the documentation is going to be copied or divided to aid the assessment process, a record should be maintained to identify those to whom such documents have been issued and the date returned.

13.53 The Responsible Officer shall retain a complete set of documents in a secure place in case any parts of the documentation go missing.

13.54 Once the assessment has been completed the Responsible Officer should produce a report showing:

- a the result of the assessment of each tender
- b a comparison of assessment results
- c the recommendation on which tenderer should be offered the contract.

In addition, for procurements more than the OJEU threshold, a report should be produced in accordance with regulation 84 of the Public Contract Regulations 2015. The Responsible Officer should seek further advice from the Commercial Team regarding preparing such reports.

Accepting and Rejecting Tenders

13.55 The Procurement Officer should accept the tender that the most economically advantageous tender in accordance with paragraph 13.33. i.e.:

- a it is the lowest priced tender; or
- b it is the most cost effective tender

Where this is not the lowest tender, the Responsible Officer should explain in writing, giving objective reasons why that tender is preferred, and seek approval from the Commercial Manager to proceed to appoint. A note should be placed on file to show that the Commercial Manager has reviewed the evaluation process and agreed with the outcome.

13.56 The Responsible Officer should always consider whether their recommendation for awarding the contract should be put before a SLT member, the Finance & Infrastructure Committee (FIC) or the Board for formal approval **before** contacting the successful tenderer. The Functions Scheme sets out NMiTE's procedures for making decisions. If in doubt, seek advice and approval from the Commercial Team and the Commercial Manager. Tenderers should be told at the outset if FEC or the Board approval will be needed.

13.57 The officer should write to inform the successful tenderers of the decision as soon as possible **after all necessary approvals have been received.**

13.58 Care should be taken when issuing letters informing the tenderer that they have been successful as an unqualified acceptance of the tender may create a binding contract before the formal documentation has been completed and signed by the appropriate authorised signatories. In the case of an EU-compliant process the contract cannot be formally awarded until the losing bidders have been informed and the mandatory standstill period has elapsed without any challenges arising from the bidders.

13.59 Unsuccessful tenderers should be informed of the outcome of the tendering process at the same time that the successful tenderer is notified. All bidders should be provided with a comprehensive briefing on the results of the tender to understand the relative merits of their tender when compared to that of the successful bidder. This is particularly important as losing bidders or third parties may ask for such information under the Freedom of Information Act, it is essential that full details are recorded and can be supplied easily for all tender exercises, both above and below the EU thresholds. Debriefs should also be provided to successful tenderers

Negotiating

13.60 The Responsible Officer must comply with the following conditions when negotiating on price or material aspects of quality with tenderers:

- a guidance must be sought from the Commercial Team who will consult with the Commercial Manager as necessary before advising on the appropriate course of action
- b the Responsible Officer must be accompanied by another officer during negotiations with tenderers and a full written record of all discussions should be made and signed by both officers. The results of the negotiation process must be shared with the Commercial Team
- c all negotiations must be carried out at NMiTE's offices
- d officers must not discuss one tenderer's detailed prices, conditions or terms with another tenderer
- e officers must respect the confidentiality of information provided by tenderers
- f if negotiations lead to a material change in the description of the work, goods or services or other terms, the officer must invite everyone who has provided a tender to re-tender on the basis of the revised contract. And if a change from the description as advertised, a new tender process if the changes might attract different tenderers.

13.61 If there is an in-house tender for a contract, negotiations must not take place without permission from the Commercial Team as outlined in 13.60 a above.

Awarding a Contract

13.62 Before awarding any contract, the officer responsible shall produce a written report evaluating each tender received against the evaluation criteria. The officer shall ensure

that for all contracts valued at £75,001 (and over), the report shall contain comments obtained from the Commercial Team (including comments from legal and financial representatives) to ensure that the procurement has complied with standing orders. For contracts, below this level, a summary report shall be produced outlining the justification for the quotation process. The report shall identify the supplier who has submitted the highest score in the evaluation, and recommend the award of the contract to that supplier. This report shall be submitted to the relevant officer authorised to award the contract under the Scheme of Delegations.

- 13.63 The Commercial Team will ensure that each contract is signed by an Authorised Signatory in accordance with the following thresholds:
- a officers as authorised by the Director up to £15,000.
 - b SLT members may authorise payments up to £100,000.
 - c The CEO may authorise payments up to £250,000.
 - d The Chair of FIC must authorise all payments in excess of £250,000 (excluding VAT).
 - e All amounts exclude VAT.

If the value of the contract exceeds £250,000 then approval needs to be sought from the COO.

Contracts worth more than £250,000 must be executed under seal⁸ in accordance with paragraph 17.1.

- 13.64 Officers are responsible for seeking advice from Legal Services if they are not clear about the form of contract to be used or changes are needed to the standard form of contract used by NMiTE.
- 13.65 The Commercial Team is responsible for recording the details of all contracts over £15,000 in the Contracts Register and observing the transparency regulations – para 9.3.
- 13.66 Officers must keep a record of each contract, including all the quotes and letter they have received and notes of telephone calls and meetings about selecting suppliers. These records must be made available to internal or external audit as required by them.
- 13.67 In accordance with the Public Contract Regulations 2015 and the Late Payment of Commercial Debts Regulations 2013 and to maximise performance under the contract; NMiTE will process all undisputed invoices within 30 days of receipt. The same shall apply to contractors in respect of any subcontractor arrangements applied under the applicable contract(s). All contracts shall contain provisions to this effect.

Publication of Contract Details

⁸ This will only be necessary once the Company has become a registered Charity through the Charity Commission.

- 13.68 CEO and SLT members must ensure that all contracts comply with all NMiTE governance policies.
- 13.69 Officers must not give tenderers or suppliers any information about the bids or affairs of any other tenderer or contractor unless the law requires it. All information relating to tendering and contracting procedures is confidential.
- 13.70 The only information officers should make public is the name of the successful tenderer. However, this information must not be released until the contract has been awarded and signed.
- 13.71 New government guidance on transparency also now states that officers should “engage in early discussions with suppliers, and in advance of any contract award, the types of procurement and contracts information which can be disclosed to the public, and then to ensure publication of that information in an accessible format.” Guidance below.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/596904/PPN0117-UpdateToTransparencyPrinciplesv1.1.pdf
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/592358/TransparencyPrinciplesFebruary2017.pdf

14 EUROPEAN PROCUREMENT RULES

- 14.1 Whilst the European Procurement Rules prevail, officers are expected to follow the principles set out in NMiTE’s Procurement Regulations.
- 14.2 The European Procurement Rules⁹ are complex with significant penalties if the legislative requirements are not strictly adhered to. All officers are therefore responsible for seeking advice and guidance at all stages of the process for the Commercial Team. EU procurement principles of equal treatment, non-discrimination and proportionality apply to all contracts, regardless of value.
- 14.3 The following table sets out the public sector thresholds for 1 January 2016 to 31 December 2017:

	Supplies	Services	Works
Public Sector Contracting Authorities	£ 172,514	£ 172,514	£ 4,104,394

For the latest information regarding the EU thresholds for procurement, please visit the EU Procurement website via the following link:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484497/PPN_1815_New_Thresholds_2016.pdf

⁹ Set out within the EU procurement directives and applied into English law via the Public Contract Regulations 2015).

- 14.4 The figures are revised every two years on 1 January and officers should check with the Commercial Manager for the latest values.
- 14.5 If a contract for supplying works, goods or services will be worth more than the limits set out in the table above, the contract is likely to be governed by both the EU Procurement Rules and English Law. Note that the calculation of the value of the contract is to be as detailed in paragraph 14.7.
- 14.6 To ensure that contracts are advertised in accordance with the EU Procurement Rules, requirements should be valued not merely in respect of individual contracts, but also including the value of requirements of a similar nature were it is appropriate for these contracts to be commissioned together. The procurement strategy, procurement pipeline and individual pre-procurement business case should analyse the nature of the requirements (ideally in the context of a category strategy) to establish the most appropriate route to market. This should include reference to any justification for carrying out separate procurements and or the appropriate length of contracts in order to demonstrate that procurements have not been packaged to come underneath the value at which the EU Procurement Rules apply. In addition, the suitability of requirements to be split into lots to facilitate the participation of SMEs should be considered.
- 14.7 There are specific provisions relating to the calculation of contract values, based on the contract's duration. It is important that contract values are transparently advertised not just to present an attractive opportunity to the marketplace, but also to make sure that capable suppliers are not deterred or excluded by an over or under valuation. The basic rule is that value should be calculated on the basis of the total value of the contract including any extensions or options. This particularly important when it is considered that under the EU Procurement Rules the advertised expenditure represents the maximum value that can be expended in relation to a contract, prior to a new procurement process being required.
- 14.8 Valuation and aggregation rules are complex. To ensure that the aggregation rules are properly applied Contract managing representatives should liaise with the Commercial Team for all contracts more than £75,000 and to this end it is important that all potential requirements are included within the procurement pipeline so that the appropriate route to market can be confirmed as part of the procurement strategy to ensure that all requirements can be fully, efficiently and timely met.
- 14.9 Before commencing a European procurement process, officers must discuss the next steps with the Commercial Team and the Company Secretary.

Awarding Contracts Subject to the European Procurement Rules

- 14.10 Contact the Commercial Team or your external procurement consultants for advice before issuing an award notification, or if an unsuccessful tenderer challenges the award of the contract at any time during the standstill period or at any time during the process.
- 14.11 To ensure compliance with European Procurement Rules there must be a minimum standstill period of 10 calendar days between advising all tenderers of the award decision and the actual award of the contract (to end on midnight of the 10th after the date the notification was sent).
- 14.12 The purpose of the standstill period is to allow any unsuccessful tenderers the opportunity to challenge any award decision. Where a legal challenge is made within the 10 day standstill period, the contract cannot be awarded until the outcome of the application to the court is known. It is imperative that no correspondence amounting to an acceptance letter is issued during this period.
- 14.13 The written notification to the unsuccessful tenderers which triggers the standstill period must contain:
- The award criteria
 - The tenderer's score (where appropriate)
 - The winning tenderer's score (where appropriate)
 - The reasons for the decision, including a comparative summary of the characteristics and relative advantages of their bid and the winning bid.
- 14.14 The European Procurement Rules require tender results to be published in the Official Journal within 30 days of the date a contract is awarded. This must be done in consultation with the Commercial Manager.
- 14.15 The Commercial Team and the Procurement Manager must be consulted on all EU procurements to ensure that the correct procedure is followed.

15 FRAMEWORK CONTRACTING

- 15.1 Framework contracting involves selecting a contractor from a list of contractors on an approved "Framework" for given works, goods or services. The contractors are included on the Framework following a tendering exercise to establish capability, quality and value. The tendering procedures will have had to comply with the EU Procurement Rules.
- 15.2 Purchasers can enter into subsequent 'call-off' contracts from a Framework. Framework contracting is becoming increasingly prevalent to avoid duplication of effort and achieve best values via economies of scale.
- 15.3 Frameworks can be externally formed (for example. by Government) or internally formed (for example. by NMiTE). The number of approved contractors on a Framework can vary but the minimum number should be three.

- 15.4 When an external Framework is formed general terms and conditions are agreed between the Framework contractors and the Framework organiser. These pre-agreed terms and conditions will form a major part of any purchaser's 'call-off' contract and contractors are not obliged to agree to any amendments to them.
- 15.5 Framework Agreements can be established for a maximum of 4 years (unless special justification can be made for a longer period). Any subsequent call-offs under the framework may be for a duration longer than four years provided this is justified by the nature of the call off contract e.g. such factors as the time needed for contract performance, where maintenance of equipment with an expected useful life of more than four years is necessary or where extensive training of staff to perform the contract is needed.
- 15.6 Officers must take the following steps to ensure compliance with the EU Procurement Rules when using a Framework contract;
- a all the contractors on a Framework that are capable of meeting the purchaser's specification must be allowed to submit a bid against that specification.
 - b the reasons for selecting a smaller number of contractors on a Framework must be clearly evidenced and should indicate why the excluded contractors were not capable of meeting NMiTE's requirements.
 - c award of contract must be on the basis of the criteria for the Framework as set out in the Framework agreement itself, that is, within the original tender documentation setting up the Framework.
- 15.7 The Commercial Team and the Procurement Manager must be consulted on all Framework contract procurements and an pre-procurement options appraisal to establish that the use of a framework provides best value shall be carried out.

16 OTHER PROCUREMENT PROCEDURES

- 16.1 There are a number of other procurement procedures that may be available in particular circumstances:
- a) design contests, particularly in the fields of planning, architecture, civil engineering and information technology.
 - b) concession contracts where contractors derive income from the completed work, for example, such as a concession which will allow the provider to generate income such as the operation of leisure or catering facilities.
- 16.2 The Commercial Team and the Procurement Manager must be consulted regarding any proposals to follow any such procedures.

17 **CONTRACTS UNDER SEAL¹⁰**

- 17.1 All contracts over £250,000 in value shall be sent to Legal Services for execution under NMiTE's seal.

18 **EXEMPTIONS FROM NMiTE'S PROCUREMENT REGULATIONS**

- 18.1 Exemptions from NMiTE's Procurement Regulations are only allowed in exceptional circumstances such as there being insufficient suppliers for the goods, works or services being procured. Permission must be obtained for any exemption from the Commercial Manager **and** the Company Secretary. Major contracts may be subject to the European Procurement Rules and the Procurement Manager cannot provide an exemption from those requirements.
- 18.2 A written application for an exemption from NMiTE's Procurement Regulations must be made to the Procurement Manager setting out the reasons for the application. The Procurement Manager must respond within 21 days. If agreed by the Procurement Manager, the exemption must be approved in accordance with NMiTE's Constitution.
- 18.3 The normal procedure for the completion of Exemption Forms is for the Responsible Officer to obtain the signature of their Director on the form to demonstrate their approval of the request, and then forward the form to the senior Commercial Manager for their approval. If the Commercial Manager is satisfied they will forward to the Procurement Manager or their deputy for final approval and signature. The Company Secretary will retain a register of all approved extensions.
- 18.4 Tenders need not be invited in accordance with the provisions of NMiTE's Procurement Regulations if an urgent decision is required, for example for the protection of life or property or to maintain the functioning of a public service, however such examples normally relate to the existence of a genuine public emergency such as unsafe building or public health concern. Wherever possible though, at least two quotations must be obtained and any decision made or contract awarded shall be reported to the relevant SLT member, the Chair of FIC and the Board. Such emergency contracts should be let for as short a period as possible to allow their replacement with a contract that is fully compliant with the Procurement Regulations at the earliest practical opportunity.

¹⁰ This will only be necessary once the Company has become a registered Charity through the Charity Commission.

Glossary of Terms

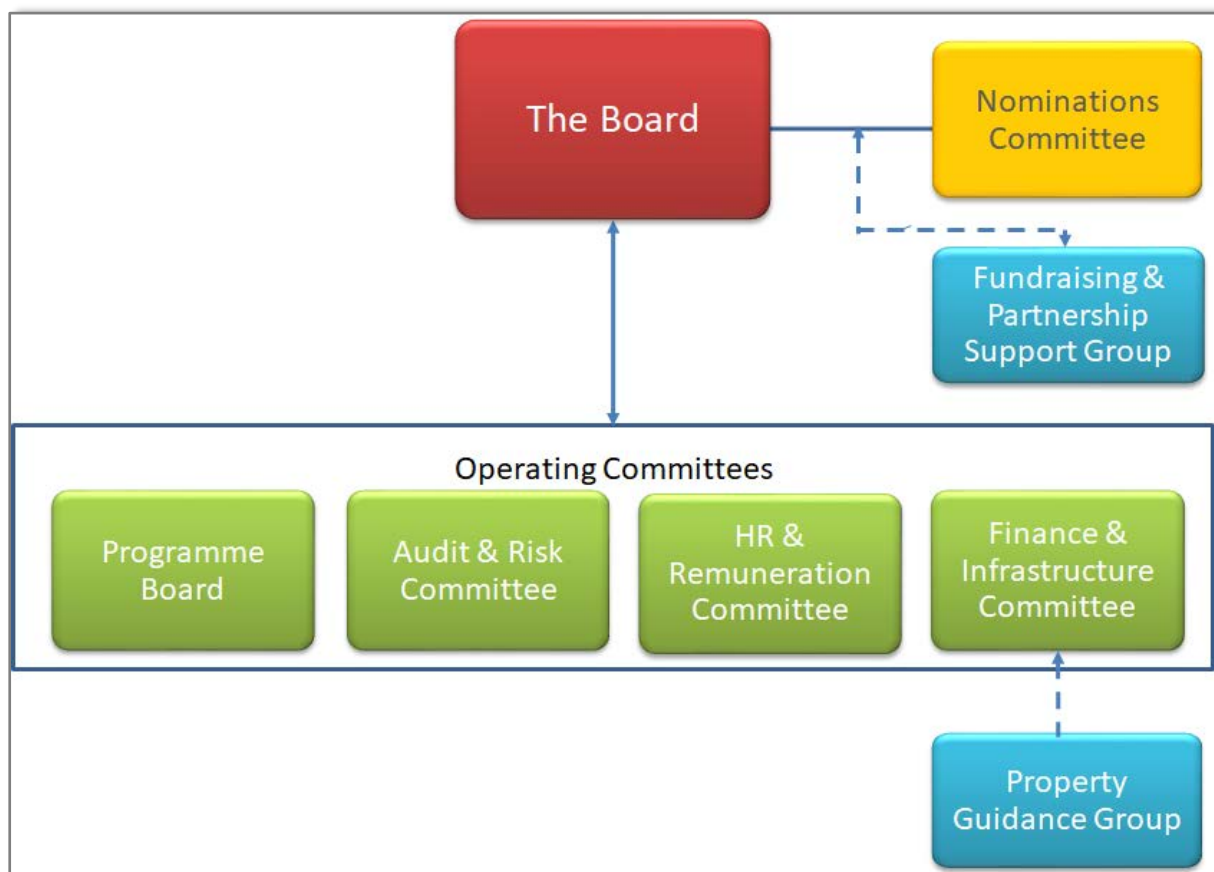
Authorised Signatory	This would usually be the budget holder for any given activity.
Commercial Team	NMiTE's team which specialises in dealing with the tendering process.
Procurement Manager	Responsible for officially recording and overseeing approvals and seeking professional legal advice where necessary.
Commercial Manager (appointed consultant in the short term)	The head of the Commercial Team.
SLT Member	The person who is responsible for looking after contracts in a given service area.
MEAT Criteria	The principles by which tenders are judged by; namely, the Most Economically Advantageous Tender.
Responsible Officer	The person who is responsible for a particular procurement.

Appendices

Appendix A	Committee Structure
Appendix B	Main Committees' Terms of Reference
Appendix C	Key Contacts in the Finance
Appendix D	Main Features of the Public Interest Disclosure Act 1998
Appendix E	The Seven Principles of Public Life from the Report of the Committee for Standards in Public Life (The Nolan Report)
Appendix F	Summary of Protocols for Proposed Capital Expenditure
Appendix G	Summary of Protocols for Proposed Major Developments
Appendix H	Fraud Response Plan
Appendix I	Conditions of Contract for the Purchase of Goods
Appendix J	Main Points Included in the NMiTE's Code of Tendering Practice

DRAFT

APPENDIX A: COMMITTEE STRUCTURE



Governance

NMiTE will be an independent, not-for-profit, world-class teaching university. NMiTE is currently a company Limited by Guarantee (No: 08800142) and has applied for Registered Charity status with The Charity Commission. It will be applying to the Office for Students for the highest level of Approved Status. NMiTE will not be a private university but classified as an alternative provider. It is currently lead by an eleven strong non-executive Board of Directors, of which seven have been appointed:

Chair Dame Fiona Kendrick DBE

Deputy Chair Sir Eric Thomas

Directors Ian Falconer

Ken Temple

David Sheppard

Karen Usher

Senior Engineering Director from PLC

Senior Engineering Director from larger SME

Representative University of Warwick

Elected Chair Employee Council
Elected Chair of the Student Society
Ex Officio Prof Janusz Kozinski – Founding President & Chief Executive
Co Secretary David Nolan
Observer Stephen North; Department for Education
(See Appendix A for Biographies)

The balance of trustees will be recruited from business and in due course alumni to provide a breadth of professional experience commensurate with the needs of the institution. The Board will appoint a Stakeholder Advisory Council representing local, regional and national stakeholders.

The Board is responsible for the development of strategy, the management of risk, the selection of the Senior Leadership Team (SLT) and holding them to account. The Board will meet monthly until the SLT is established as an Executive Committee meeting monthly. Thereafter the Board will meet 4-6 times per academic year including an annual retreat. The Board is supported by a number of specialist sub committees.

Nominations

Implementation Programme Board

Audit & Risk

HR & Remuneration

Finance & Infrastructure

Guidance & Support

Property Guidance Group

Fundraising & Partnership

Committee Terms of Reference and preliminary Membership is set out in Appendix B.

It is for the Nominations Committee arrange the interview and selection of Board Members and appoint Chairs of sub-committees. Board and Committee members are appointed for a period of two years and may serve for up to three terms.

In addition, the Board has the benefit of advice from a range of advisers covering property, law, finance, university governance, curriculum, degree validation and accreditation, urban planning and architecture

APPENDIX B: MAIN COMMITTEES TERMS OF REFERENCE

OPERATING COMMITTEES

Programme Board

1. Composition & Frequency

1.2 The Board shall appoint up to five members to serve on the Programme Board. The Board may co-opt additional members who are not Directors of the Board.

1.3 The quorum for the Committee meetings shall be three.

1.4 The Chair of the Committee shall be appointed by the Board initially. Future appointments shall be appointed upon the recommendations of the Nominations Committee.

1.5 The NMiTE Company Secretary shall be an ex-officio member of the Committee.

1.6 In attendance CEO, COO, CDIO

1.7 Membership:

Chair: Janusz Kozinski Senior Responsible Owner
 Chief Operating Officer Senior Stakeholder
 Chief Academic Officer Senior Stakeholder
 Chief Digital & Infrastructure Officer Senior Stakeholder
 Chief Fundraising Officer Senior Stakeholder
 Chief Marketing Officer Senior Stakeholder
 Chief Partnership Officer Senior Stakeholder
 Rep Finance & Infrastructure Key Adviser
 Rep Academic & Quality Key Adviser
 Rep H& & Remuneration Key Adviser
 Company Secretary Key Adviser
 Anthea Parker Programme Manger
 1.8 Frequency: Monthly

Purpose

The purpose of the NMiTE Implementation Board is to provide overall governance for the programme. The Board's role is to define the purpose and objectives for the programme, to set the vision, approve the changes required and to then steer the programme to implement the changes and realise the required outcomes that will achieve the end vision.

Key duties include:

- a. Setting the Programme Vision and associated measures of success;
- b. Commissioning and approving the Programme structure and timetable;
- c. Supporting the development and approval of the Programme delivery and Benefits Plans;
- d. Commissioning Projects in the Programme Portfolio;
- e. Taking on Project Executive responsibility for approved Projects;
- f. Taking collective responsibility for steering Projects through their delivery lifecycle;
- g. Agreeing significant variations to the programme plan
- h. Owning resolution of specific risks and issues within the programme
- i. Ensuring there is an effective system of cost control in place and receive regular reports on the current and planned expenditure relating to the delivery of the programme
- j. Provide leadership, advice and decision-making support to the Programme Delivery Teams
- k. Reviewing the realisation of Benefits;
- l. Communicating progress against the programme's measures of success.

The Programme Board is chaired by the Senior Responsible Officer (SRO) who is the overall sponsor of the Programme. The board member's role is to ensure that the programme maintains its business focus, has clear authority and that the context, particularly in the delivery of change and the realisation of benefits is being actively managed.

Objectives and Scope

The objectives of the NMiTE Implementation Programme Board are to ensure that programme is:

- Representing Academic, Industry and Community input and priorities;
- Focussed on delivering changes that will realise outcomes to achieve the end vision;
- Making collective decisions that ensure that the programme delivers these changes;
- Managed in accordance with the MSP methodology;
- Working to planned delivery dates and addressing any changes in scope;
- Commercially, legally and financially robust, minimising risks to the University;

Deliverables

The deliverables of the NMiTE Implementation Programme Board will include:

- Reviewing and approval of Programme deliverables;
- Providing commitment to actively support and to resource the programme;
- Monitoring progress vs the programme deliverables
- Agreeing and formalising any changes to programme scope
- Monitoring engagement with the programme across the organisation and externally
- Communicating key decisions and programme status
- Establishing and reporting on programme resourcing, costs and dependencies
- Establishing and reporting on outcome benefits and measures of success

These deliverables will be managed by the Programme Manager (Programme Roadmap and Programme Plan), the Programme Communications Manager (Communications Plan) and recorded by way of the Programme Board minutes.

Agenda, Timescales and Commitment

Meetings of the NMiTE Implementation Programme Board will take place on a monthly basis (aligned with organisation board meetings) and include formal reporting from the Programme Manager and Project Managers, when appropriate.

The agenda of the meetings will be as follows:

1. Minutes and actions from previous meetings;
2. Programme Deliverables for review and approval;
3. Review of Programme Dashboard/Roadmap;
4. Review and approval of any changes required to Programme scope;
5. Review of Benefits delivery and measures of success;
6. Review of Programme level resourcing, costs and dependencies;
7. Specific items for discussion;
8. Resolution of any Issues or Risk escalated from the Programme Steering Group;
9. Confirm items for communication vs. Communications Plan; and

Structure and representation

The Programme Board will be chaired by the Chief Executive and will involve a core membership that includes:

- Executive officers
- Committee members
- Subject matter experts

Audit & Risk Terms of Reference

1. Composition & Frequency

1.1 The Board shall appoint up to five members to serve on the Audit & Risk Committee. The Board may co-opt additional members who are not Directors of the Board.

1.2 The quorum for the Committee meetings shall be three.

1.3 The Chair of the Committee shall be appointed by the Board initially. Future appointments shall be appointed upon the recommendations of the Nominations Committee.

1.4 The NMiTE Company Secretary shall be an ex-officio member of the Committee.

1.5 In attendance CEO, COO, Finance Manager

1.6 Membership:

Chair: Ian Falconer

Mark Edwards

Director to be appointed

Senior local Accountancy Practitioner

1.7 Frequency: Three times per year

2. Effectiveness

a. To advise the Board of Directors on the effectiveness of the institution's internal control system including control for securing economy, efficiency and effectiveness.

b. To monitor, annually or more frequently if necessary, the implementation of approved recommendations relating to both internal audit reports and external audit reports and management letters.

c. To monitor the effectiveness of the internal and external audit services.

3. Internal Audit

a. To advise the Board of Directors on the appointment of the internal audit services (and head of internal audit, if applicable).

b. To consider and advise the Board of Directors on the audit needs assessment, and strategic and short-term audit plans for the internal audit service.

c. To consider and advise the Board of Directors on internal audit reports.

4 External Audit

a. To advise the Board of Directors on the appointment and remuneration of external auditors and the scope of their work.

b. To consider and advise the Board of Directors on external audit reports and management letters.

5. Co-option

The Committee may co-opt members from time to time for a specified period and purpose.

6 Chair and Deputy Chair

The Chair of the Audit Committee will be appointed for a period of two years by the Board on recommendation of the Board. The Committee shall elect from its members at its first meeting of each year a Deputy Chair.

7. Meetings

The Committee will meet at least four times per year. For the purposes of a meeting the quorum will be 4 members.

8. Reporting

The minutes of Committee meetings will be tabled for discussion and/or action at the subsequent meeting of the Audit Committee and reported to the Board.

HR & Remuneration Terms of Reference

1. Composition & Frequency

1.1 The Board shall appoint up to five members to serve on the HR & Remuneration Committee. The Board may co-opt additional members who are not Directors of the Board.

1.2 The Board shall appoint up to five members to serve on the HR & Remuneration Committee. The Board may co-opt additional members who are not Directors of the Board.

1.3 The quorum for the Committee meetings shall be three.

1.4 The Chair of the Committee shall be appointed by the Board initially. Future appointments shall be appointed upon the recommendations of the Nominations Committee.

1.5 The NMiTE Company Secretary shall be an ex-officio member of the Committee.

1.6 In attendance CEO, COO, People & Opportunities Officer

1.7 Membership:

Chair: Ken Temple

Fiona Kendrick for CEO & SLT Review

Karen Usher

Director to be appointed

1.8 Frequency: TBD

2. The Remuneration Committee shall be responsible for preparation of a framework for pay and conditions of service of holders of senior posts for approval by the Board in accordance with the articles of Government of NMiTE. Senior postholders are:

- The Chief Executive
- Chief Operating Officer
- Chief Academic Officer
- Chief Digital & Infrastructure Officer
- Chief Marketing Officer
- Chief Partnerships Officer
- Chief Fundraising Officer
- People and Opportunities Officer

2. The Remuneration Committee shall be responsible for monitoring arrangements for the appointment grading, suspension and dismissal of holders of senior posts in accordance with the articles of Government of NMiTE and for appraisal of Senior Leadership Team and the Company Secretary.

3. The Remuneration Committee shall be responsible for preparation of a policy framework covering other employment issues affecting holders of senior posts.

4. The Remuneration Committee shall discharge any responsibility of the Board for appointment of holders of senior posts or consideration of hearings or appeals concerning holders of senior posts under disciplinary or grievance procedures.

5. The Remuneration Committee shall agree with the postholders their performance targets for the coming year, assess their performance for the previous year and apply any performance related reward as agreed at the outset of their planned targets. The Committee will also monitor performance in year.

6. Reporting

The minutes of Committee meetings will be tabled for discussion and/or action at the subsequent meeting of the Remuneration Committee and reported to the Board.

Finance and Infrastructure Committee Terms of Reference

1 Composition & Frequency

- 1.1 The Board shall appoint up to five members to serve on the Finance & Infrastructure Committee. The Board may co-opt additional members who are not Directors of the Board.
- 1.2 The quorum for the Committee meetings shall be three.
- 1.3 The Chair of the Committee shall be appointed by the Board initially. Future appointments shall be appointed upon the recommendations of the Nominations Committee.
- 1.4 The NMiTE Company Secretary shall be an ex-officio member of the Committee.
- 1.5 In attendance CEO, COO, CDIO
- 1.6 Membership:

Chair: Director to be appointed

David Sheppard

Jon Gorringer – acting chair

Mavis McDonald

Toby Kinnaird

1.7 Frequency: Monthly

2 Financial Responsibilities 2.1 To recommend financial regulations for approval by the Board.

2.2 To act on behalf of the Board in the application and supervision of financial regulations approved by the Board.

2.3 To make recommendations to the Board on:

- The annual estimates of income and expenditure;
- Salaries of staff;
- Financial statements;
- The appointment of an independent firm of accountants to complete the annual financial statements;
- Major variations of expenditure;
- Capital expenditure requirements including loans (if required);
- Submission of funding applications;
- NMiTE's accommodation strategy/property requirements (initially before responsibilities are officially transferred to the Board of NMiTE); and
- NMiTE's business plan (initially before responsibilities are officially transferred to the Board of NMiTE).

2.4 To receive regular reports on the HTET's financial position, ensure short term budgets are in line with longer term plans, and, on behalf of the Board, determine action to be taken within the overall budgets previously approved by the Board.

2.5 To keep under review the financial implications of the HTET Fundraising Strategy and NMiTE's Capital Development and Accommodation Plans (initially before responsibilities are officially transferred to the Board of NMiTE), including performance against targets, and to advise the Board accordingly.

2.6 To approve HTET's investment policies within the programme approved by the Board.

2.7 To approve fees and charges for recommendation to the Board.

2.8 To advise the Board and review arrangements for ensuring the solvency of the NMiTE and the safeguarding of assets.

2.9 To pursue value for money and the efficient and effective use of resources, and ensure that financial considerations are taken into account by Directors and HTET staff at all relevant stages in reaching decisions.

3 Estates Strategic Direction 3.1 To develop and oversee the NMiTE Estates strategy, and modify this periodically, taking account of the overall strategic direction of the University.

3.2 To monitor progress on targets and goals set out in the Estates Strategy and the implementation of capital development plans.

3.3 To assist the development and delivery of the Estates Strategy, ensuring broad compliance with NMiTE's strategic commitments and statutory duties to manage and reduce carbon emissions and broader sustainability commitments.

3.4 To consider and endorse or reject estates business plans and make recommendations of their priority.

3.5 To endorse acquisitions, disposals and leases of land and property in accordance with the levels set out in the approved Scheme of Delegations.

3.6 To endorse the award of and acquisition of all goods, services and works on approved estates-related business plans and formal acceptance of contracts in accordance with the levels set out in the approved Scheme of Delegations.

3.7 To endorse an annual capital estates programme for consideration by the Board, to monitor progress in taking forward the agreed programme, to advise on any matters of concern and recommend proposals for subsequent amendments to the programme as appropriate.

3.8 To endorse proposals from any Estates Working Groups.

3.9 To endorse estates policies.

3.10 To consider estates management implications associated with changing legislation, local government planning and governance requirements.

3.11 To consider and advise on significant matters related to the size of and deployment of Estates recurrent budget and operational matters for which the Chief Operating Officer wishes advice or support.

4 Health and Safety 4.1 To act on behalf of the Board in Health and Safety matters, including consideration of the Health and Safety Annual Report on behalf of the Board, ensuring that any concerns identified by the Committee are reported to the Board.

5 Risk and Performance

5.1 The Committee shall review the risks and mitigation plans related to the scope of its responsibilities and report to the Board as appropriate.

6 General Responsibilities of the Finance & Infrastructure Committee

6.1 To consider and advise on such matters as the Board may refer to the Committee from time to time.

6.2 To review on an annual basis the extent to which the Committee meets its terms of reference.

6.3 To report its proceedings to the Board.

7 Attendance at Meetings

7.1 The Committee may at any time request attendance by Directors, Directors with Portfolio, staff, co-opted members, contracted professionals, and volunteers of the NMiTE.

8 Frequency of Meetings

8.1 The Committee shall meet monthly by telephone or face-to-face such that the associated reports and recommendations can be fed into the main Board meetings for review and approval as required.

NOMINATIONS COMMITTEE

Nominations Terms of Reference

1. Composition & Frequency

- 1.1. The Board shall appoint up to three members to serve on the Nominations Committee. The Board may co-opt additional members who are not Directors of the Board.
- 1.2. The quorum for the Committee meetings shall be three.
- 1.3. The Chair of the Committee shall be appointed by the Board initially. Future appointments shall be appointed upon the recommendations of the Nominations Committee.
- 1.4. The NMITE Company Secretary shall be an ex-officio member of the Committee.
- 1.5. In attendance CEO, COO, CDIO
- 1.6. Membership:

Chair: Fiona Kendrick

Ken Temple

David Sheppard

Company Secretary

- 1.7. Frequency: Twice yearly and when needed

2. The Nominations Committee shall be responsible for keeping under review requirements for appointment or reappointment of Company Directors, including changes in the number, composition or balance of interest represented on the Board, and making recommendations to the Board.

3. The Nominations Committee shall be responsible for the oversight of arrangements made to recruit, inform and interview potential Directors, and to make recommendations to the Board for appointment.

4. The Nominations Committee shall be responsible for the oversight of arrangements made for Director development and training.

5. The Nominations Committee shall be responsible for keeping under review the general governance procedures of the Board.

6. Reporting

The minutes of Committee meetings will be tabled for discussion and/or action at the subsequent meeting of the Nominations Committee and reported to the Board.

SUPPORT COMMITTEES

Fundraising & Partnership Support Group

Chair: Edward Harley

Janusz Kozinski

Karen Usher

Others TBA

TEXT TO BE COMPLETED

Property Guidance Group

Chair: Mavis McDonald

Ian Falconer

Jon Gorringe

Noel Manns

David Nolan

Jonathan Nicholls

Jonathan Preece

David Sheppard

In attendance CEO, COO, CDIO

Frequency: monthly

Purpose of Group

1. To provide guidance to the Trustee/Directors and senior executives of NMiTE on all property and infrastructure matters
2. To assist in the development of a campus masterplan and contribute to the selection of professional advisers
3. To contribute to the development of the project's property strategy - in particular the understanding of risk - and to offer guidance in its production on behalf of both boards
4. To support the Campus Development Director in the long-term assembly of campus locations
5. To review and offer guidance on the terms and conditions of the acquisition of all sites;
6. To support and offer guidance on the selection and retention of: development partners, joint venture partners
7. To support and offer guidance on negotiations with funders
8. To support NMiTE's Chief Digital & Infrastructure Officer in the construction and delivery of the campus in particular in the assessment of major tenders
9. To provide guidance to the specification and selection of all professional advisers
10. To actively support the planned community engagement programme - *Your City in Your Hands* – in particular key stakeholders (Herefordshire Council, Hereford City Council, Historic England, Marches LEP, Business Improvement District, Civic Society et al)

APPENDIX C: KEY CONTACTS IN FINANCE

INTRODUCTION

1 The NMiTE finance is located at the TBA

The finance office is normally open between 9.00 am and 5.00 pm. T: 01432 371111

DRAFT

APPENDIX D: MAIN FEATURES OF THE PUBLIC INTEREST DISCLOSURE ACT 1998

SUMMARY

The Act came into force on 2 July 1999. It encourages people to blow the whistle about malpractice in the workplace and is designed to ensure that organisations respond by acting on the message rather than against the messenger. The Act applies to employees blowing the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It applies whether or not the information is confidential and extends to malpractice occurring in the UK and any other country or territory. In addition to employees, it covers trainees, agency staff, contractors, home workers, trainees and every professional in the NHS. Employment law restrictions on minimum length of service and age do not apply. At present, the Act does not cover the genuinely self-employed, volunteers, the army, intelligence services or police officers. The Act has been described as 'the most far reaching whistleblower protection in the world'.

INTERNAL DISCLOSURES

A disclosure in good faith to a manager or the employer will be protected if the whistleblower has a reasonable suspicion that the malpractice has occurred, is occurring or is likely to occur.

REGULATORY DISCLOSURES

The Act protects disclosures made in good faith to prescribed bodies such as the Health and Safety Executive, the Financial Services Authority and the Inland Revenue, where the whistleblower has a reasonable belief that the information and their allegation(s) are substantially true.

WIDER DISCLOSURES

Wider disclosures (e.g. to the police, the media, MPs, and non-prescribed regulators) are protected if, in addition to the tests for regulatory disclosures, they are reasonable in all the circumstances and they meet one of the three preconditions. Provided they are not made for

personal gain, these preconditions are that the whistleblower:

- reasonably believed they would be victimised if they raised the matter internally or with a designated regulator
- reasonably believed a cover-up was likely and there was no regulator
- had already raised the matter internally or with a prescribed regulator.

An employee who makes a wide, public disclosure is more likely to be protected if there was no internal procedure set up.

FULL PROTECTION

Where the whistleblower is victimised in breach of the Act they can bring a claim to an employment tribunal for compensation. Awards are uncapped and based on the losses suffered. Additionally, where an employee is sacked, they may apply for an interim order to keep their job. Not all disclosures made by an employee are protected under the Act. Those that are include criminal acts, health and safety violations, breaches of legislation and miscarriages of justice. However, such acts are only protected as long as the disclosure is made in good faith to the employer, or any other person authorised under a procedure set up by the employer for this purpose. (Disclosures can also be made to appropriate regulatory bodies, such as the Health and Safety Executive.) Where an employee reasonably suspects malpractice (and this includes any crime), they will be protected from victimisation where they raise the matter in good faith with a person who is legally responsible for whistleblowing.

QUALIFYING AREAS

The qualifying areas consist of information that the employee reasonably believes tends to show one or more of the following matters is either happening now, took place in the past, or is likely to happen in the future:

- a criminal offence
- the breach of a legal obligation
- a miscarriage of justice
- a danger to the health or safety of any individual
- damage to the environment
- deliberate covering up of information tending to show any of the above five matters.

APPENDIX E: THE SEVEN PRINCIPLES OF PUBLIC LIFE FROM
THE REPORT OF THE COMMITTEE FOR
STANDARDS IN PUBLIC LIFE
(THE NOLAN REPORT)

SELFLESSNESS

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only

when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

DRAFT

APPENDIX F: SUMMARY OF PROTOCOLS FOR PROPOSED CAPITAL EXPENDITURE

Proposed capital projects should be supported by:

- A statement that demonstrates the project's consistency with the strategic plans and estates strategy approved by the Board.
- An initial budget for the project for submission to the Board. The budget should include a breakdown of costs including professional fees, VAT and funding sources.
- A financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans.
- An investment appraisal in an approved format which complies with HM Treasury's 5 Case Model guidance on option and investment appraisal.
- A demonstration of compliance with normal tendering procedures and the NMiTE's financial regulations. This will require careful consideration where partnership arrangements are in place.
- A cash flow forecast.

DRAFT

APPENDIX G: SUMMARY OF PROTOCOLS FOR PROPOSED MAJOR DEVELOPMENTS

The proposal should be supported by a business plan for three years which sets out:

- a demonstration of the proposal's consistency with the strategic plans approved by the Board and with the NMiTE's powers under current legislation
- details of the market need and the assumptions (based on reference data) of the level of business available
- details of the business and what product or service will be delivered
- an outline plan for promoting the business to the identified market and achieving planned levels of business
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues
- details of any premises and other resources required
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions
- contingency plans for managing adverse sensitivities
- consideration of taxation and other legislative or regulatory issues
- a three-year financial forecast for the proposal including a monthly cash flow forecast and details of the impact on the NMiTE's cash flow forecast for the financial years in question.

APPENDIX H: FRAUD RESPONSE PLAN

PURPOSE

- 1 The purpose of this plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity. The use of the plan should enable the NMiTE to:
 - prevent further loss
 - establish and secure evidence necessary for criminal and disciplinary action
 - notify the appropriate body(ies), if the circumstances require in a timely fashion and without contamination of any evidence
 - recover losses
 - punish the culprits
 - deal with requests for references for employees disciplined or prosecuted for fraud
 - review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud
 - keep all personnel with a need to know suitably informed about the incident and the NMiTE's response
 - inform the police
 - assign responsibility for investigating the incident
 - establish circumstances in which external specialists should be involved
 - establish lines of communication with the police.

INITIATING ACTION

- 2 All actual or suspected incidents should be reported without delay to COO or the Chair of NMiTE Board. The COO or the Chair should, within 24 hours, hold a meeting of the following group to decide on the initial response:
 - another independent Director and
 - the NMiTE Secretary.
- 3 The group will decide on the action to be taken. This will normally be an investigation, led by an independent Director.

PREVENTION OF FURTHER LOSS

- 4 Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the group will decide how to prevent further loss. This may require the suspension, with or without pay, of the suspect. It may be necessary to plan the timing of suspension to prevent the suspect from destroying or removing evidence that may be needed to support disciplinary or criminal action.
- 5 In these circumstances, the suspect should be approached unannounced. They should be supervised at all times before leaving the NMiTE's premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the NMiTE. Any security passes and keys to premises, offices and furniture should be returned.
- 6 Advice should be obtained on the best means of denying access to the NMiTE while suspects remain suspended (for example, by changing locks and informing security staff not to admit the individuals to any part of the premises). Similarly, access permissions to the NMiTE's computer systems and records should be withdrawn without delay.

ESTABLISHING AND SECURING EVIDENCE

- 7 A major objective in any fraud investigation will be the punishment of the perpetrator, to act as a deterrent to other personnel. The NMiTE will follow disciplinary procedures against any member of staff who has committed fraud. The NMiTE will normally pursue the prosecution of any such individual.
- 8 The NMiTE will:
 - maintain familiarity with the NMiTE's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation
 - establish and maintain contact with the police where appropriate
 - establish whether there is a need for Directors/staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act
 - ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

RECOVERY OF LOSSES

- 9 Recovering losses is a major objective of any fraud investigation. The NMiTE shall ensure that in all fraud investigations, the amount of any loss will be quantified. Repayment of losses

should be sought in all cases.

- 10 Where the loss is substantial, legal advice should be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The NMiTE would normally expect to recover costs in addition to losses.

REFERENCES FOR EMPLOYEES DISCIPLINED OR PROSECUTED FOR FRAUD

- 11 The Chair of the Board shall prepare any answer to a request for a reference having regard to employment law.

REPORTING TO DIRECTORS

- 12 Any incident shall be reported without delay by the COO to the chairs of both the NMiTE and the Audit Committee.
- 13 Any variation from the approved fraud response plan, together with reasons for the variation, shall be reported promptly to the chairs of both the Board and the Audit Committee.
- 14 On completion of a special investigation, a written report shall be submitted to the Audit Committee containing:
- a description of the incident, including the value of any loss, the pEPple involved, and the means of perpetrating the fraud
 - the measures taken to prevent a recurrence
 - any action needed to strengthen future responses to fraud, with a follow-up report on whether or not the actions have been taken.

REPORTING LINES

- 15 The group shall provide a confidential report to the Chair of the Board, and the Chair of the Audit Committee, at least monthly, unless the report recipients request a lesser frequency. The scope of the report shall include:
- quantification of losses
 - progress with recovery action
 - progress with disciplinary action

- progress with criminal action
- estimate of resources required to conclude the investigation
- actions taken to prevent and detect similar incidents.

RESPONSIBILITY FOR INVESTIGATION

- 16 Special investigations shall not be undertaken by management.
- 17 Some special investigations may require the use of technical expertise. In these circumstances, the group may approve the appointment of external specialists to lead or contribute to the special investigation.

REVIEW OF FRAUD RESPONSE PLAN

- 18 This plan will be reviewed for fitness of purpose at least annually or after each use. Any need for change will be reported to the Audit Committee for approval.

DRAFT

APPENDIX I: CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS

LIST OF HEADINGS

- interpretation
- variation of conditions
- specification
- identification of goods
- packaging
- containers and pallets
- forms
- delivery
- property and risk
- rejection of goods
- default by contractor
- force majeure
- price and payment
- indemnity
- insurance
- transfer and sub-contracting
- patents, etc.
- confidentiality
- inducements to purchase
- insolvency
- publicity
- law

APPENDIX J: MAIN POINTS OF THE NMiTE'S CODE OF TENDERING PRACTICE

- Duty to comply by the NMiTE's staff.
- EU Procurement Rules to be complied with.
- Competitive tendering procedure, which will:
 - ensure fairness of competition
 - ensure that companies invited to tender are financially and technically able to meet the NMiTE's requirements
 - indicate the terms of the contract
 - outline the appropriate British standards to be complied with.
- Quotation procedure, which will indicate:
 - the minimum number of firms that should be expected to provide quotations
 - lists of available firms in existence which have been approved by the NMiTE that might undertake the work specified
 - the terms by which the contractors will be paid
 - the national requirements concerning good practice that should be followed.
- Submission of tenders (e.g. time, date, etc.).
- Receipt and safe custody of tenders and records.
- Admissibility and acceptance of tenders.
- Acceptance of tenders/quotations.
- Justification of acceptance of tenders not at the lowest price.

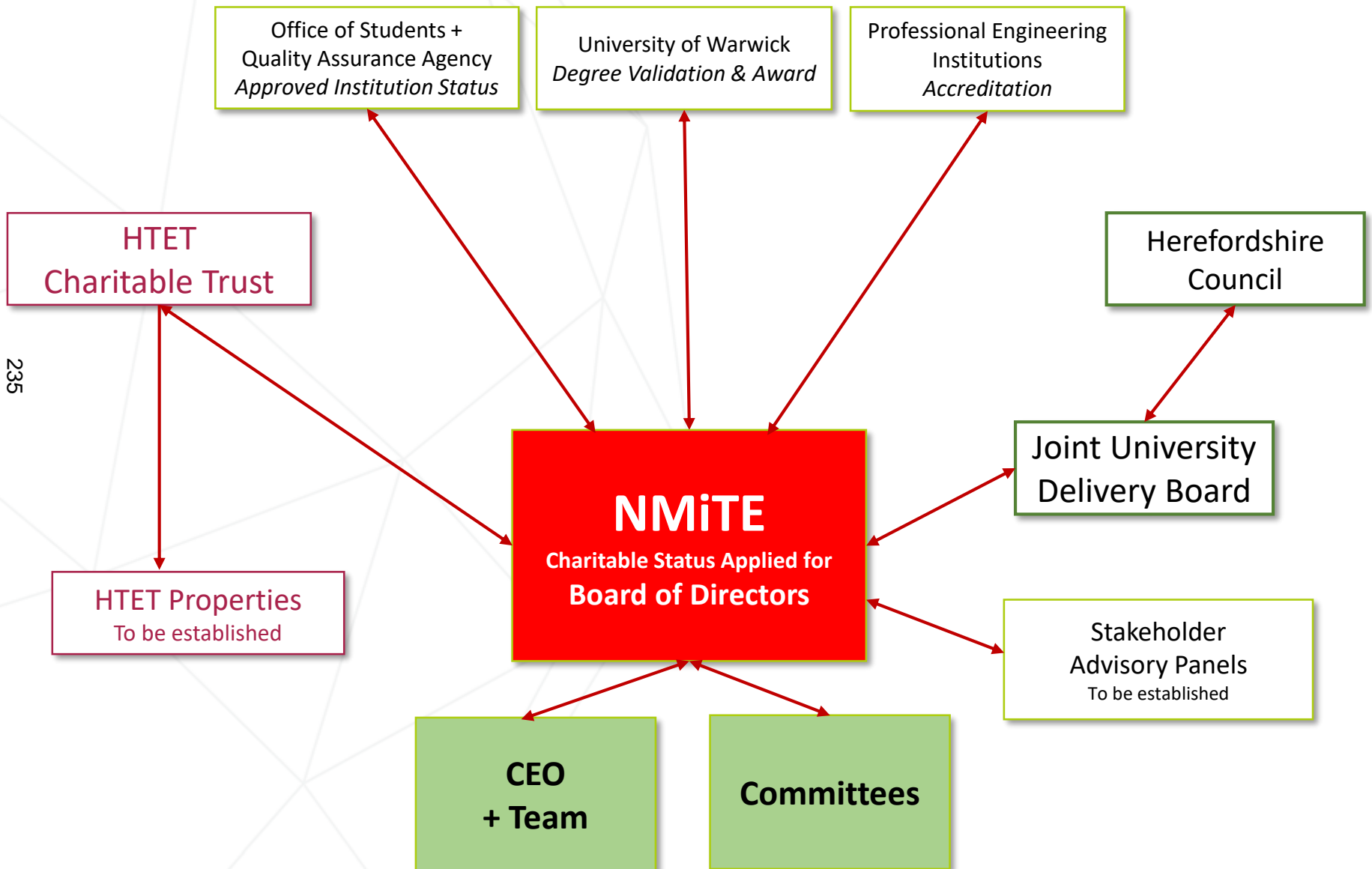


A University for Hereford

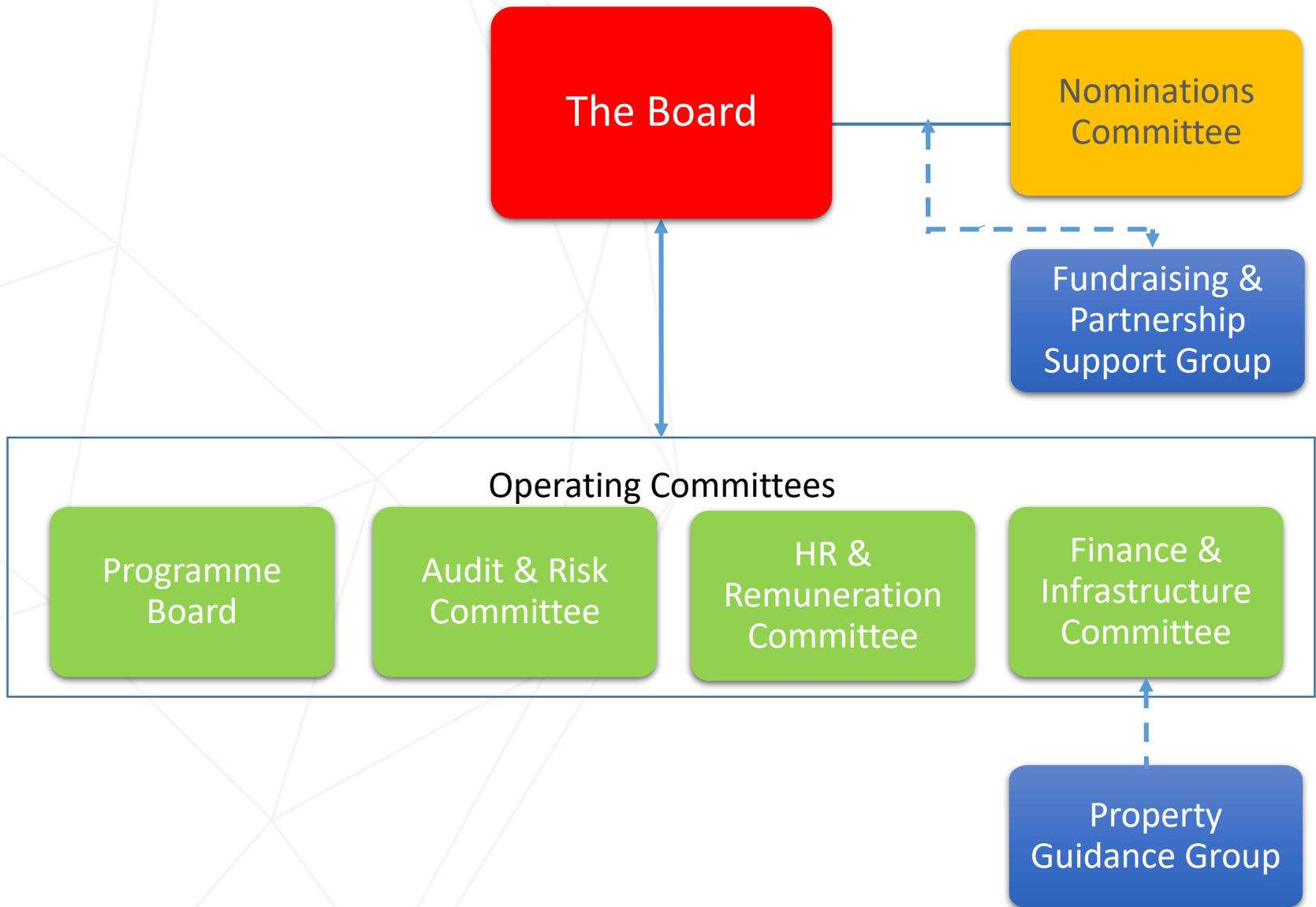
NMiTE

Governance & Control

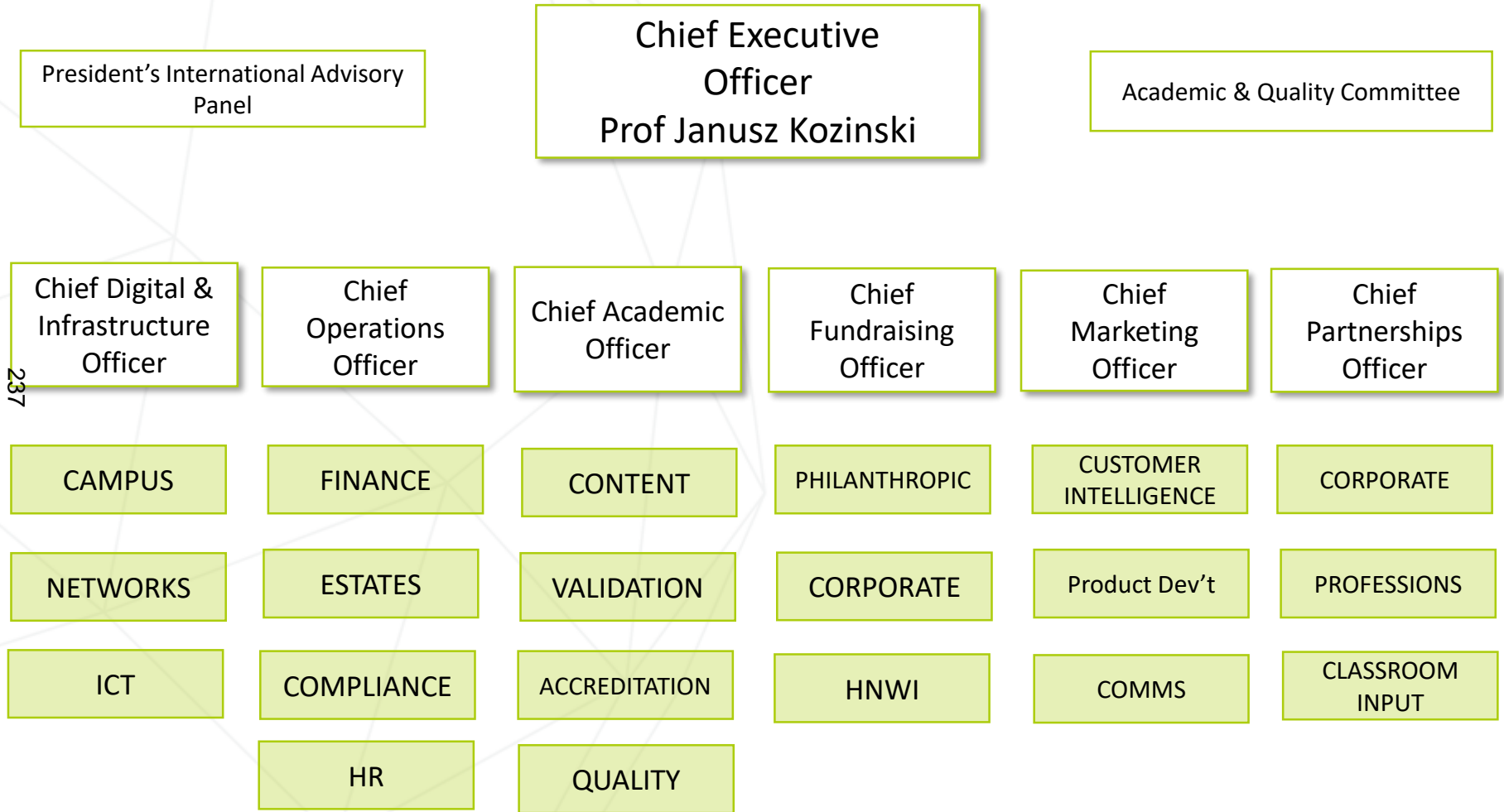
Corporate Relationships



Board Committees



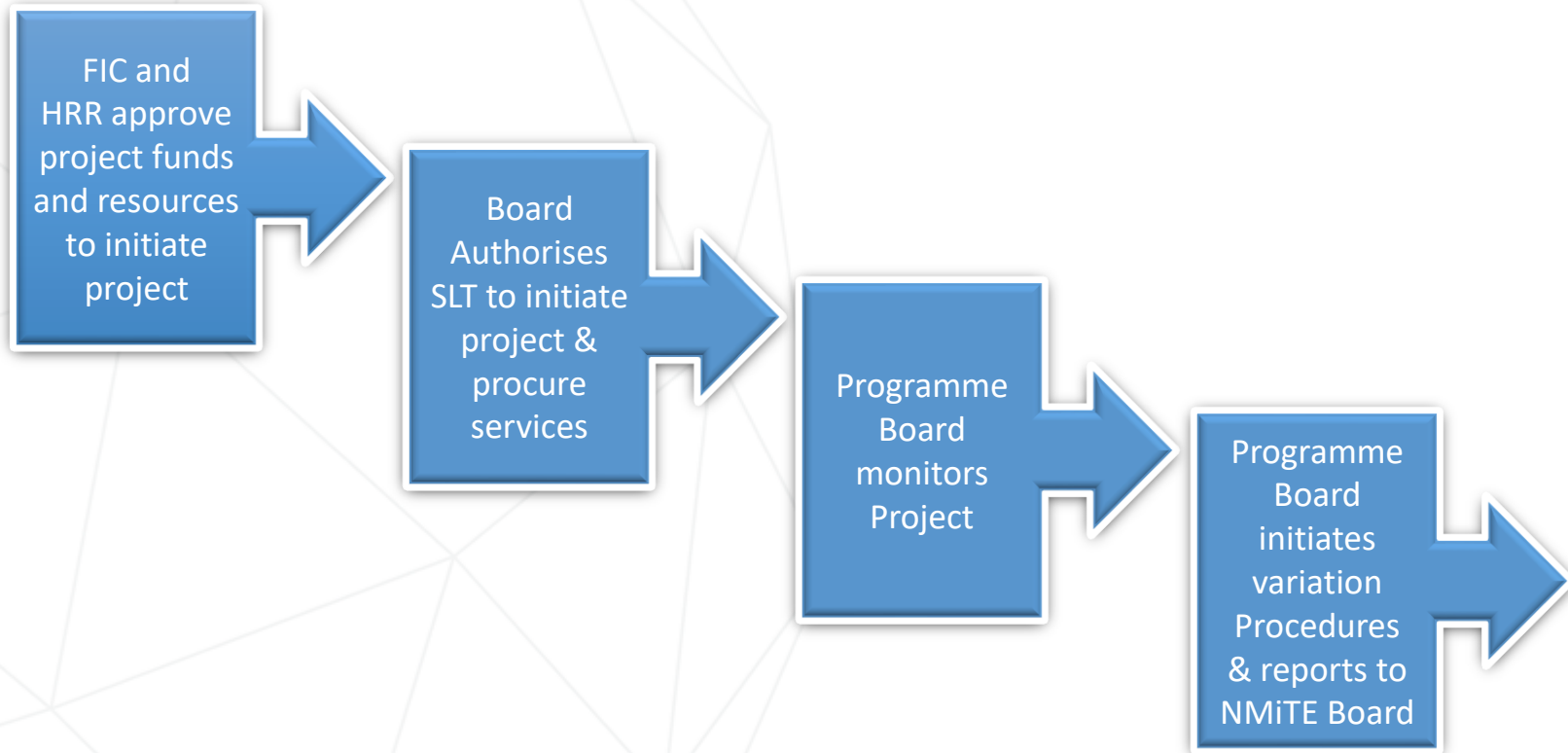
NMiTE Structure



NMiTE Implementation



Decision Process & Monitoring

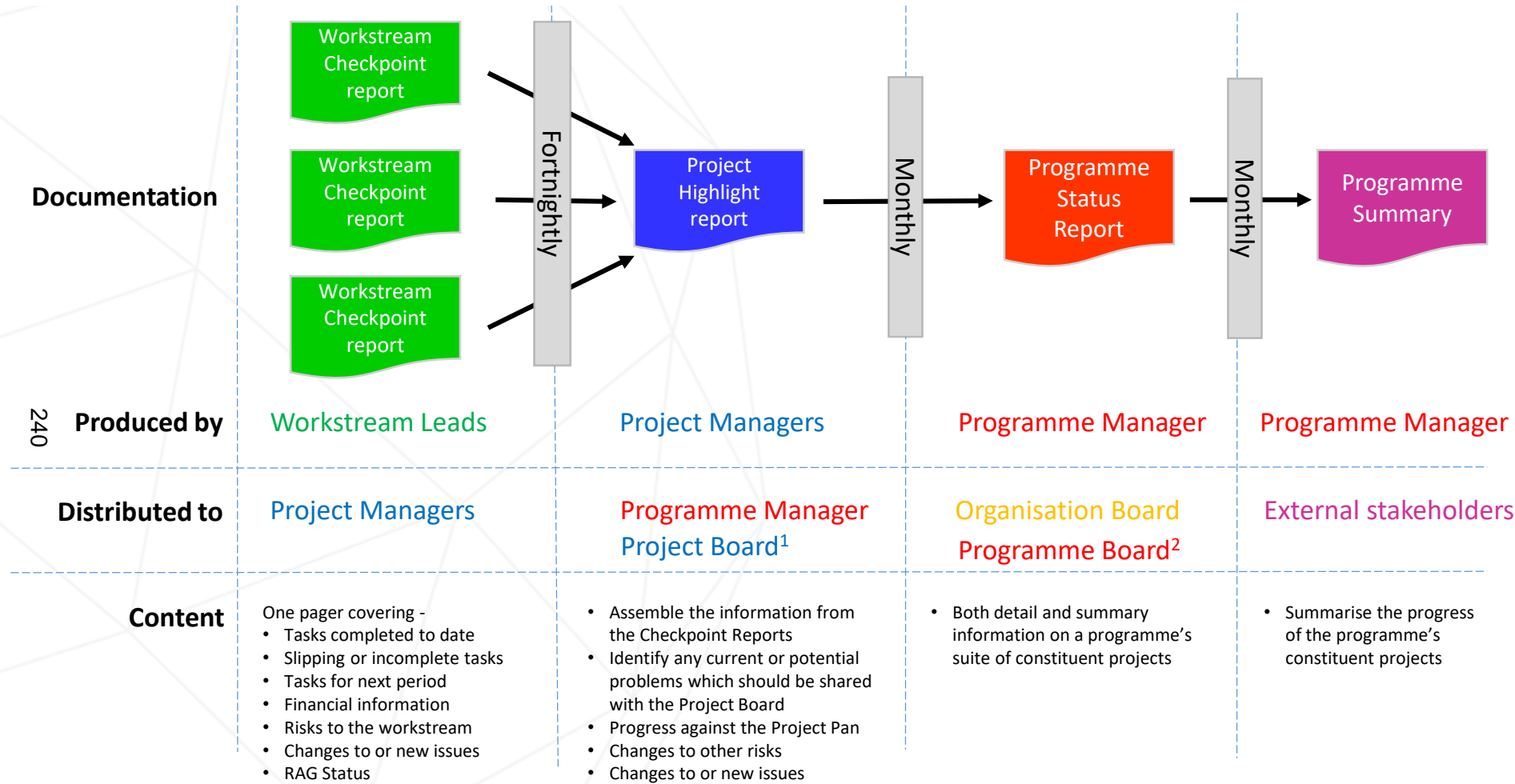


239

Monthly financial reporting: P&L, Cashflow, variations and amendments, including updates to the Risk Register to Finance & Infrastructure Committee (FIC)

People: no hires without Human Resources & Remuneration Committee (HRR) approval of variation to establishment

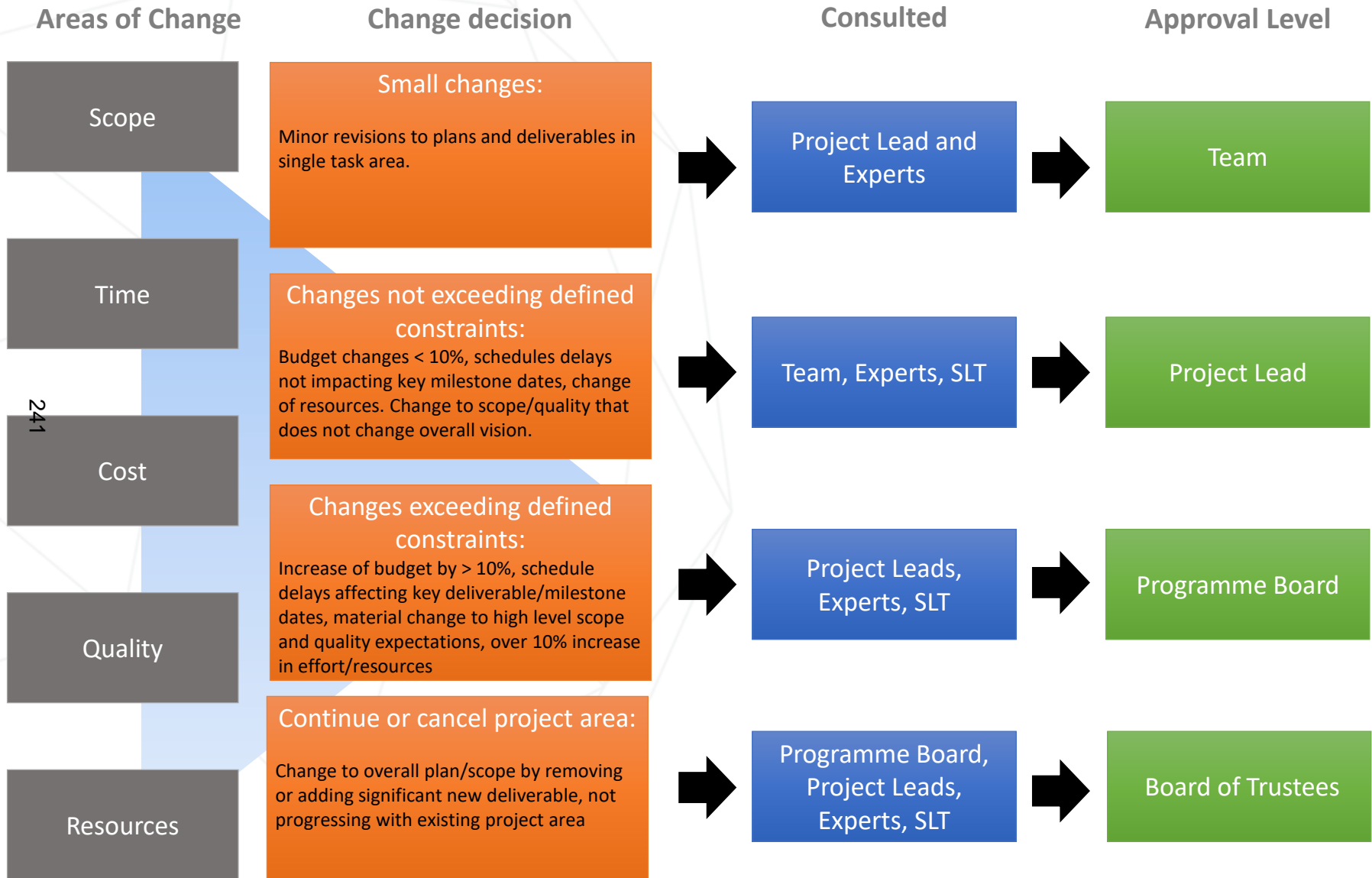
NMITE Progress Reporting Framework



240

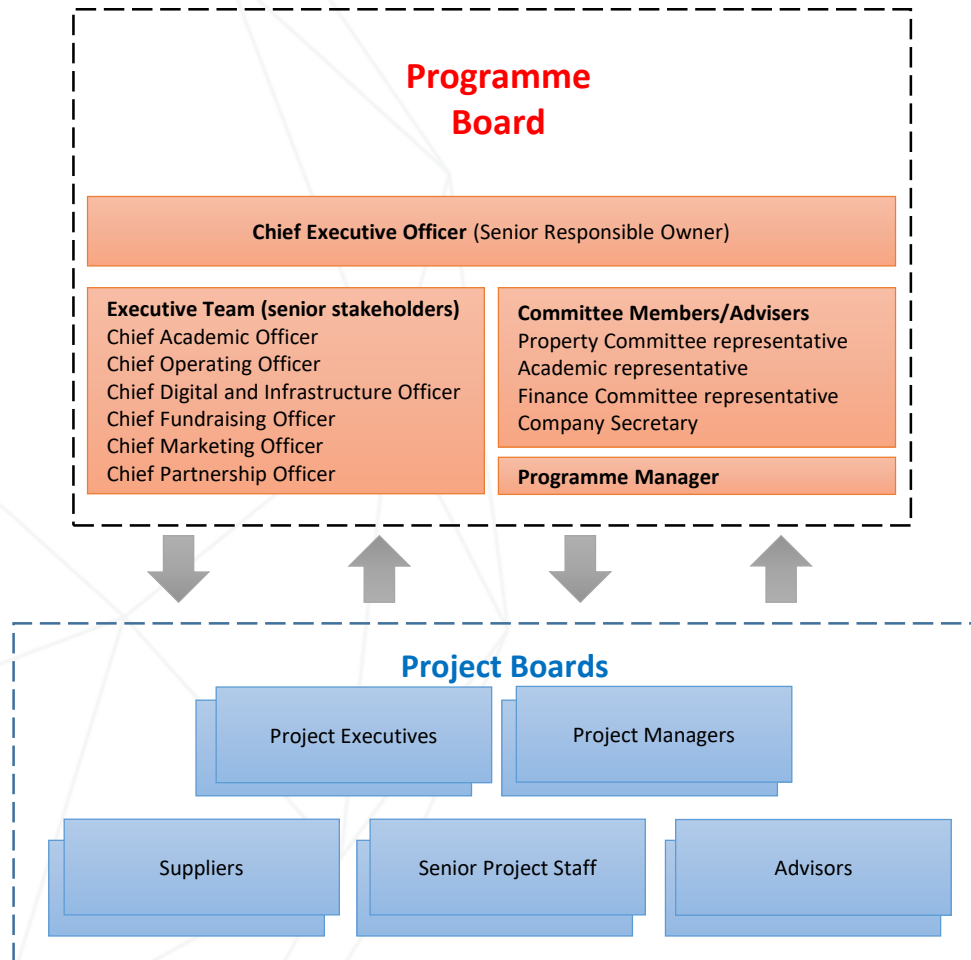
¹ Project Board consists of project Manager and all Workstream Leads for that project
² Programme Board consists of Chief Executive, senior leadership and nominated individuals

NMiTE Implementation Change Control



241

Programme Board Reporting Structure



NMiTE Budget & Cashflow Assumptions

Introduction

The establishment of NMiTE as a university is divided into five interlinked workstreams coordinated through the NMiTE Programme Office. Each workstream's activity is broken down as follows.

1. Academic Programme Development, Validation & Accreditation

- a. The University of Warwick (UoW) will validate the primary NMiTE MEng academic programme. Preliminary validation to be approved by May '18. UoW must approve: programme content, recruitment of faculty, quality control process teaching facilities, student support & welfare services and student residential accommodation.
- b. The second phase of validation will require the detailed development of detailed course content.
- c. Working initially with the Institution of Engineering & Technology (IET) and then other engineering accreditation bodies the team with expert support will seek to accredit the NMiTE programme.
- d. Faculty recruitment, selection & training. Tutors/mentors/coaches will be recruited nationally and internationally from academe, engineering practice and education.
- e. The Chief Partnerships Officer's (CPO) key task will be to engage engineering employers to provide problems for the classroom, coaches/mentors, internships and participate in student recruitment and selection.
- f. Based on market intelligence the academic team will, in conjunction with the CPO and Chief Marketing Officer (CMO) develop a suite of sector/segment specific upskilling/productivity enhancing/Continual Professional Development (CPD) programmes for cash sale Q4 '18
- g. Working with Chief Operating Officer (COO) the academic team will support the application to the Office for Students for the highest level of Approved Provider Status.

2. Campus & Infrastructure Development

- a. Learning Spaces – specify, procure, deliver and operate – mostly refurb one/two new build for 1,100 students
- b. Learning hardware & Software - create procure and deliver from global suppliers
- c. Living spaces– specify, procure, deliver and operate from third party suppliers
- d. Admin spaces – specify, procure, deliver and operate - refurb
- e. Public realm – in collaboration with Herefordshire Council
- f. ICT specify, procure, deliver and operate.

3. Business Development, Marketing & Communications

- a. Gathering segmented market intelligence and engineering employer needs in particular communities of interest and trade associations
- b. Developing products/services to satisfy employers needs
- c. Develop a suite of correlated propositions to persuade and engage key audiences viz:

- i. Students + their teachers & parents
 - ii. Employers
 - iii. Potential employees
 - iv. Herefordshire Community
 - v. Government, Regulators & Engineering Profession
- d. Selecting & managing a range of specialist communications suppliers to create an implement an interdisciplinary multi-media campaign.

4. Fundraising

- a. NMiTE is committed to raising £55M over the next five years. This funding will come from three sources: Industry & Foundations (£25M), Academic & Philanthropic Gifts (£15M), and Private Sponsorship (£15M).
- b. Industry & Foundations (£25M) – An active Corporate Sponsorship Programme has been developed to attract industry to participate in the funding of the university by the provision of grants, equipment and services, and scholarships. Five levels of corporate participation have been identified, and the costs associated with the development and delivery of the programme have been identified and accounted for. A \$1.5M (Canadian) gift of equipment has already been committed (Quansar Inc.) and conversations are underway with Cisco, Siemens, Huawei, Qinetiq, and Cargill. Organisations will be clustered in communities of interest (e.g., Costain and Laing O’Rourke with Severn Trent and other water companies) where these companies have expressed an industry-wide need to address the quantity and quality of engineering education.
- c. In addition to Industry Partnerships, NMiTE has recently tasked our Academic Programme Head to research and prepare presentations for other potential Academic grants from Europe, the UK and the US which focus on improving teaching and curriculum development in the field of engineering and science.
- d. Academic & Philanthropic Gifts (£15M) – NMiTE has developed, and will continue to develop, relationships with organisations including Garfield Weston Foundation, The Lloyds Registry Foundation, The Dyson Foundation, Wolfson Foundation, Gatsby Foundation, the Goldsmiths, Carnegie Foundation, Worshipful Company of Engineers, the Mercers and other UK and international foundations and non-profits who support higher education, teaching, women in science, engineering, higher education reform, economic development, productivity development and other topics which the NMiTE project champions. To date, £3.5M in grants are in various stages of development.
- e. Private Sponsorships & Campaigns (£15M) – Already NMiTE is planning a second campaign to further engage the population of Herefordshire in the project. The IGNiTE Campaign will be launched in January 2018 and will seek, over 5 years, to raise an additional £2M from Herefordshire as the project develops.

5. Creating & Operating the establishment

- a. NMiTE will be required to build the governance arrangements for the new institution and to develop all policies and systems and procedures to develop the operating functions of the organisation.
- b. The provision of funding provides support for day to day operating costs for the new start-up.
- c. Interests costs for overdraft facilities, bridging finance and loan finance is also provided for.

DfE Funding – Revenue Budget for the Tasks to 31/07/2020		
1.	Academic Programme Development, Validation & Accreditation	£7.285 million
2.	Campus & Infrastructure Development	£1.203 million
3.	Business Development, Marketing & Communications	
4.	Fundraising	£2.324 million
5.	Creating & Operating the establishment	£2.794 million
Total		£13.606 million
DfE Funding – Capital Budget for the Tasks to 31/07/2020		
2.	Campus & Infrastructure Development	£1.352 million
Total DfE Funding		£14.958 million

6. LEP Funding (Capital Building Programme)

The LEP Capital Budget for the programme to 31/07/21 is £8 million. This funding will be matched in time resulting in an overall minimum capital budget of £16 million. The cashflow provides an indication of the **match** for the first three years of the LEP funding, that is, for 2017/18, 2018/19 and 2019/20. The Quanser donations (see Consolidated Cashflow, Line 78) is used to match the LEP funding in 2017/18.

2017/18	2018/19	2019/20	2020/21	Total
£600,000	£2,000,000	£2,000,000	£3,400,000	£8,000,000

245

The Cashflow Assumptions

The cashflow is based on the last submissions of the Green Book Case and the Capitalisation Analysis provided to the DfE. The first two years of expenditure, 2017/18 and 2018/19, show revenue which is wholly funded by the DfE. In 2019/20 both DfE and NMiTE activity combine. For simplicity, this cashflow provides the revenue activity funded by the DfE, independent accountants have been appointed to undertake review the whole of NMITE budgets and in particular to stress test the cashflows. They will provide a detailed review of the combined activity for 2019/20 and a review of 2020/21, the first year of operation without government funding.

The cashflow also provides indications of revenue and capital donations and the LEP to 2019/20 as shown in paragraph 6 above (See Consolidated Cashflow). The table below shows the growth in staff numbers in the earlier years which is also reflected in the cashflow. Separate tabs for each workstreams provide a reconciliation of each year's funding and for the overall funding from the DfE.

		2017/18	2018/19	2019/20	2020/21	2021/22	2036/37
		No.s	No.s	No.s	No.s	No.s	No.s
Student Numbers		0	25	50	350	700	5,000
Basic Salaries							
£000s	Employees	No.s	No.s	No.s	No.s	No.s	No.s
> 100	Senior Leadership Team	7	7	7	7	7	7
50-80	Senior Officers		1	1	2	2	12
45	Team Managers	0	1	2	2	2	22
35	Admin Officers	1	2	3	3	3	22
30	Senior Support Staff	1	1	2	2	2	36
22	Support Staff	2	2	3	3	3	48
Teaching Team (academic & practitioner)							
65	Senior Team Leaders (Tutors)	1	1	1	1	1	9
50	Team Leaders (Tutors) & Curriculum Project Mgrs	1	1	3	4	5	34
40	Tutors & Project Leaders	3	5	10	15	30	210
30	Technicians	1	2	3	4	6	59
30	Senior Academic Support Staff		1	3	4	7	21
22	Academic Support Staff	1	1	2	3	6	53
Total Staff FTE		18	25	40	50	74	533
Teaching staff		7	11	22	31	55	386
Ratio Students/Teaching Staff			2:1	2:1	11:1	13:1	13:1

2017/18	2018/19	2019/20	2020/21	2021/22	2036/37
---------	---------	---------	---------	---------	---------

Senior Leadership Team =

Chief Executive Officer
 Chief Operating Officer
 Chief Academic Officer
 Chief Digital & Infrastructure Officer
 Chief Marketing Officer
 Chief Partnership Officer
 Chief Fundraiser

Employment Benefits

Defined Benefit Contributory Pension Scheme

Employer contribution 16.5% of salary

Employee Contribution min 6% of salary

Insurances include health and life cover

NOTE: Salaries are based on University of Warwick pay scales and analysis of vacancies in the Times Higher Education Supplement and jobs.ac.uk

Budget & Cashflow DfE & LEP Grants

2017/18													
Mar-Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Total
Total Employees FTE	3.00	3.00	3.00	3.00	5.00	7.00	9.00	9.00	11.00	12.00	16.00	18.00	
REVENUE	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash	232.18	137.91	80.70	45.33	520.33	9.23	1,963.38	1,662.77	2,715.25	2,250.22	1,747.32	1,546.17	
REVENUE													
EMPLOYMENT COSTS													
Academic Programme					13.73	23.29	39.49	45.29	55.42	80.54	83.32	75.32	416.40
Campus & Infrastructure					19.39	20.65	21.83	34.89	26.89	26.89	27.79	27.79	206.10
Business Development & Marketing					8.78	15.20	11.94	11.14	13.61	34.88	35.78	35.78	167.09
Fundraising					8.10	8.10	8.10	8.10	21.60	21.60	29.94	36.00	141.54
Creating & Operating the Institution					11.59	21.33	28.13	28.13	28.13	28.13	33.53	33.53	212.46
Total Employment Costs					61.58	88.56	109.48	127.54	145.64	192.03	210.34	208.41	1,143.59
IMPLEMENTATION COSTS													
Academic Programme					23.53	56.68	65.81	110.81	129.65	147.99	164.36	197.36	896.18
Campus & Infrastructure					10.30	10.69	12.00	13.67	13.87	14.37	14.67	14.67	104.25
Business Development & Marketing					56.40	102.18	99.92	71.18	62.89	67.01	57.31	57.71	574.58
Fundraising					4.17	14.17	8.17	9.67	13.13	22.13	14.72	18.40	104.57
Creating & Operating the Institution					124.67	98.57	105.23	107.64	99.85	59.36	39.75	39.66	674.74
Creditors to be paid in December & January					230.45	40.00							270.45
Total Implementation Costs					449.53	322.29	291.13	312.97	319.39	310.86	290.81	327.79	2,624.77
Total Revenue Costs				0.00	511.10	410.85	400.61	440.51	465.04	502.89	501.15	536.20	3,768.35
Revenue Grants				475.00		2,365.00		1,493.00					4,333.00
Donations							100.00						100.00
Donor 5 (Academic Programme) Revenue											300.00		300.00
Revenue													0.00
Total Income	0.00	0.00	0.00	0.00	475.00	0.00	2,365.00	100.00	1,493.00	0.00	0.00	300.00	0.00
Closing Cash Revenue Account	137.91	80.70	45.33	520.33	9.23	1,963.38	1,662.77	2,715.25	2,250.22	1,747.32	1,546.17	1,009.98	

Budget & Cashflow DfE & LEP Grants

		2017/18												Total	
		Mar-Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Total
Total Employees FTE			3.00	3.00	3.00	3.00	5.00	7.00	9.00	9.00	11.00	12.00	16.00	18.00	
CAPITAL															
Opening Capital		0.00	0.00	300.00	300.00	300.00	300.00	216.00	287.00	180.00	681.26	1,645.88	1,528.50	1,570.13	
DfE Grant 17/18 Capital expenditure							57.00	89.00	94.00	69.50	52.50	56.00	27.00	17.00	462.00
DfE Grant 18/19 Capital expenditure															0.00
DfE Grant 19/20 Capital expenditure															0.00
Donor 2 Ingenuity Studios - expenditure			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00	60.00	60.00	60.00	240.00
		0.00	0.00	0.00	0.00	0.00	57.00	89.00	94.00	69.50	112.50	116.00	87.00	77.00	702.00
Loan Interest @ 5.5%											1.38	1.38	1.38	1.38	5.50
Principal Repayments on 25 Year Loans															0.00
Bridge Interest @ 5.5%										1.24	1.51				2.75
Total Interest										1.24	2.89	1.38	1.38	1.38	8.25
Growth Fund supported Expenditure															
Teaching Equipment Quanser									150.00				250.00		400.00
Purchase 1A Offa Street							27.00		243.00						270.00
Studio & Lab furniture & fit out for above+ 6B St Peters Sq									40.00	40.00	40.00				120.00
Purchase Building 2										250.00					250.00
Studio & Lab furniture & fit out for above										40.00					40.00
Purchase Building - Berrows Building											1,000.00				1,000.00
Studio & Lab furniture & fit out for above												30.00	30.00	30.00	90.00
Purchase Site 1 (Gaul Street Car Park)															0.00
Design, Build & Fit Out (Gaul St Centre)															0.00
Shell Store Fit out															0.00
Purchase site 2															0.00
Design, Build & Fit Out Site 2															0.00
Total Capital Expenditure							84.00	89.00	527.00	400.74	1,155.39	147.38	368.38	108.38	2,880.25
Capital Receipts															
Grant DfE (see lines 45 to 47)								160.00		302.00					462.00
Grant DCLG (LEP) (see lines 58, 59, 60 & 61)									270.00	330.00	1,000.00				1,600.00
Loan Hereford Council			300.00												300.00
Commercial Loan/Lease Finance															0.00
Bridge Finance (see line 73)										270.00	330.00				600.00
Bridge Finance repayment (see line 73)											-270.00	-330.00			-600.00
Donor 1 Quanser Inc - £950k Gift of teaching equipment (see line 57)									150.00				250.00		400.00
Donor 2 (For Ingenuity Studios) (see line 48)											60.00	60.00	60.00	60.00	240.00
Donor 3 (for Berrows) (see line 62)											1,000.00				1,000.00
Donor 4 (Learning Experience) (see line 63)													100.00		100.00
Donor 5 (Capital Items for Academic programme)												300.00			300.00
Donor 6 (Shell store) (see line 66)															0.00
Donor 7 (Gaul St Centre) (see line 64)															0.00
Donor 8 (Purchasing of Teaching Equipment)														250.00	250.00
Donor 9 (Donation for named facilities Gaul Street Centre) (see line 65)															0.00
Total Capital Receipts		0.00	300.00	0.00	0.00	0.00	0.00	160.00	420.00	902.00	2,120.00	30.00	410.00	310.00	4,652.00
Closing Capital		0.00	300.00	300.00	300.00	300.00	216.00	287.00	180.00	681.26	1,645.88	1,528.50	1,570.13	1,771.75	
CONSOLIDATED CASH															
Opening Revenue & Capital		0.00	232.18	437.91	380.70	345.33	820.33	225.23	2,250.38	1,842.77	3,396.51	3,896.09	3,275.82	3,116.30	
Closing Revenue & Capital		0.00	437.91	380.70	345.33	820.33	225.23	2,250.38	1,842.77	3,396.51	3,896.09	3,275.82	3,116.30	2,781.73	
		Mar-Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Total
Highlighted cells show match to LEP funding.		2017/18													

Budget & Cashflow DfE & LEP Grants

	2018/19												Total
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	
Total Employees FTE	18.00	20.00	22.00	24.00	24.00	27.00	28.00	30.00	30.00	30.00	30.00	30.00	
Students		25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00		
REVENUE	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash	1,009.98	1,010.95	639.81	584.08	522.54	509.90	238.24	102.51	4,433.10	4,054.68	3,676.27	3,271.61	
REVENUE													
EMPLOYMENT COSTS													
Academic Programme	75.32	97.42	82.02	87.83	87.83	97.95	109.02	104.70	104.70	104.70	130.95	129.31	1,211.78
Campus & Infrastructure	27.79	27.79	27.79	27.79	28.89	27.79	30.79	27.79	27.79	27.79	27.79	29.48	339.24
Business Development & Marketing	43.65	43.65	43.65	43.65	43.65	43.65	43.65	43.65	43.65	43.65	43.65	43.65	523.80
Fundraising	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	377.95
Creating & Operating the Institution	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	402.30
Total Employment Costs	211.78	233.88	218.48	224.29	225.39	234.41	248.48	241.16	241.16	241.16	267.41	267.46	2,855.06
IMPLEMENTATION COSTS													
Academic Programme	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	765.98
Campus & Infrastructure	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	77.54
Business Development & Marketing	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	456.00
Fundraising	14.17	14.17	14.17	14.17	14.17	14.17	14.17	14.17	14.17	14.17	14.17	14.17	170.00
Creating & Operating the Institution	14.79	14.79	14.79	14.79	14.79	14.79	14.79	14.79	14.79	14.79	14.79	14.79	177.50
Creditors to be paid in December & January													
Total Implementation Costs	137.25	137.25	137.25	137.25	137.25	137.25	137.25	137.25	137.25	137.25	137.25	137.25	1,647.02
Total Revenue Costs	349.03	371.13	355.73	361.54	362.64	371.66	385.73	378.41	378.41	378.41	404.66	404.71	4,502.08
Revenue Grants								4,709.00					4,709.00
Donations	350.00			300.00	350.00	100.00	250.00						1,350.00
Donor 5 (Academic Programme)			300.00										300.00
Revenue													0.00
Total Income	350.00	0.00	300.00	300.00	350.00	100.00	250.00	4,709.00	0.00	0.00	0.00	0.00	6,359.00
Closing Cash Revenue Account	1,010.95	639.81	584.08	522.54	509.90	238.24	102.51	4,433.10	4,054.68	3,676.27	3,271.61	2,866.90	

Budget & Cashflow DfE & LEP Grants

		2018/19												
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Total
Total Employees FTE		18.00	20.00	22.00	24.00	24.00	27.00	28.00	30.00	30.00	30.00	30.00	30.00	
Students			25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00		
CAPITAL														
	Opening Capital	1,771.75	3,225.38	3,344.00	3,187.63	3,041.25	2,994.88	1,741.00	1,697.13	2,308.25	1,824.26	1,077.77	91.28	
DfE Grant 17/18 Capital expenditure		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DfE Grant 18/19 Capital expenditure		45.00	30.00	30.00	20.00	20.00	27.50	17.50	57.50	47.50	135.00	125.00	115.00	670.00
DfE Grant 19/20 Capital expenditure														0.00
Donor 2 Ingenuity Studios - expenditure		60.00	60.00	60.00	60.00	60.00	60.00	40.00	47.00					447.00
		105.00	90.00	90.00	80.00	80.00	87.50	57.50	104.50	47.50	135.00	125.00	115.00	1,117.00
	Loan Interest @ 5.5%	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.83	16.96
	Principal Repayments on 25 Year Loans													0.00
	Bridge Interest @ 5.5%									0.11	0.11	0.11	0.11	0.46
	Total Interest	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.49	1.49	1.49	1.95	17.42
Growth Fund supported Expenditure														
Teaching Equipment Quanser		250.00										300.00		550.00
Purchase 1A Offa Street														0.00
Studio & Lab furniture & fit out for above+ 6B St Peters Sq														0.00
Purchase Building 2														0.00
Studio & Lab furniture & fit out for above														0.00
Purchase Building - Berrows Building														0.00
Studio & Lab furniture & fit out for above		100.00	100.00	200.00	100.00	100.00	200.00	100.00	100.00	200.00				1,200.00
Purchase Site 1 (Gaal Street Car Park)		500.00												500.00
Design, Build & Fit Out (Gaal St Centre)				25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	28.00		253.00
Shell Store Fit out									125.00	125.00	125.00			500.00
Purchase site 2							1,000.00							1,000.00
Design, Build & Fit Out Site 2										160.00	160.00	160.00	160.00	640.00
	Total Capital Expenditure	956.38	191.38	316.38	206.38	206.38	1,313.88	183.88	355.88	1,133.99	1,021.49	1,411.49	876.95	5,777.42
Capital Receipts														
Grant DfE (see lines 45 to 47)									670.00					670.00
Grant DCLG (LEP) (see lines 58, 59, 60 & 61)		1,000.00								25.00	25.00	25.00	25.00	1,100.00
Loan Hereford Council														0.00
Commercial Loan/Lease Finance													100.00	100.00
Bridge Finance (see line 73)										25.00	25.00	25.00	25.00	100.00
Bridge Finance repayment (see line 73)											-25.00	-25.00	-25.00	-75.00
Donor 1 Quanser Inc - £950k Gift of teaching equipment (see line 57)			250.00									300.00		550.00
Donor 2 (For Ingenuity Studios) (see line 48)		60.00	60.00	60.00	60.00	60.00	60.00	40.00	47.00					447.00
Donor 3 (for Berrows) (see line 62)														0.00
Donor 4 (Learning Experience) (see line 63)		100.00		100.00		100.00		100.00		100.00		100.00		600.00
Donor 5 (Capital Items for Academic programme)														0.00
Donor 6 (Shell store) (see line 66)		250.00						250.00						500.00
Donor 7 (Gaal St Centre) (see line 64)		1,000.00								500.00			500.00	2,000.00
Donor 8 (Purchasing of Teaching Equipment)													250.00	250.00
Donor 9 (Donation for named facilities Gaol Street Centre) (see line 65)											250.00			250.00
	Total Capital Receipts	2,410.00	310.00	160.00	60.00	160.00	60.00	140.00	967.00	650.00	275.00	425.00	875.00	6,492.00
	Closing Capital	3,225.38	3,344.00	3,187.63	3,041.25	2,994.88	1,741.00	1,697.13	2,308.25	1,824.26	1,077.77	91.28	89.33	
CONSOLIDATED CASH														
	Opening Revenue & Capital	2,781.73	4,236.32	3,983.81	3,771.71	3,563.79	3,504.78	1,979.24	1,799.64	6,741.35	5,878.94	4,754.04	3,362.89	
	Closing Revenue & Capital	4,236.32	3,983.81	3,771.71	3,563.79	3,504.78	1,979.24	1,799.64	6,741.35	5,878.94	4,754.04	3,362.89	2,956.23	
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Total
Highlighted cells show match to LEP funding.		2018/19												

Budget & Cashflow DfE & LEP Grants

	2019/20												Total
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	
Total Employees FTE	30.00	33.00	33.00	35.00	35.00	38.00	41.00	43.00	43.00	45.00	45.00	45.00	
Students		50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	
REVENUE	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Cash	2,866.90	2,736.52	2,706.15	2,325.77	1,945.40	1,565.03	1,142.07	739.02	4,899.96	4,496.91	4,093.86	3,690.80	
REVENUE													
EMPLOYMENT COSTS													
Academic Programme	127.11	127.11	127.11	127.11	127.11	165.19	149.79	149.79	149.79	149.79	149.79	149.79	1,699.53
Campus & Infrastructure	27.78	27.78	27.78	27.78	27.78	32.28	27.78	27.78	27.78	27.78	27.78	27.78	337.90
Business Development & Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fundraising	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	377.95
Creating & Operating the Institution	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	33.53	402.30
Total Employment Costs	219.92	219.92	219.92	219.92	219.92	262.50	242.60	242.60	242.60	242.60	242.60	242.60	2,817.67
IMPLEMENTATION COSTS													
Academic Programme	92.12	92.12	92.12	92.12	92.12	92.12	92.12	92.12	92.12	92.12	92.12	92.12	1,105.45
Campus & Infrastructure	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	129.03
Business Development & Marketing	24.17	24.17	24.17	24.17	24.17	24.17	24.17	24.17	24.17	24.17	24.17	24.17	290.00
Fundraising	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	180.00
Creating & Operating the Institution	18.42	18.42	18.42	18.42	18.42	18.42	18.42	18.42	18.42	18.42	18.42	18.42	221.00
Creditors to be paid in December & January													
Total Implementation Costs	160.46	160.46	160.46	160.46	160.46	160.46	160.46	160.46	160.46	160.46	160.46	160.46	1,925.48
Total Revenue Costs	380.37	380.37	380.37	380.37	380.37	422.95	403.05	403.05	403.05	403.05	403.05	403.05	4,743.15
Revenue Grants								4,564.00					4,564.00
Donations	250.00												250.00
Donor 5 (Academic Programme)		350.00											350.00
Revenue													0.00
Total Income	250.00	350.00	0.00	0.00	0.00	0.00	0.00	4,564.00	0.00	0.00	0.00	0.00	5,164.00
Closing Cash Revenue Account	2,736.52	2,706.15	2,325.77	1,945.40	1,565.03	1,142.07	739.02	4,899.96	4,496.91	4,093.86	3,690.80	3,287.75	

Budget & Cashflow DfE & LEP Grants

		2019/20												
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Total
Total Employees FTE		30.00	33.00	33.00	35.00	35.00	38.00	41.00	43.00	43.00	45.00	45.00	45.00	
Students			50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	
CAPITAL														
	Opening Capital	89.33	249.98	355.35	378.89	221.05	368.21	248.82	127.77	336.73	40.04	201.52	-7.46	
DfE Grant 17/18 Capital expenditure		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DfE Grant 18/19 Capital expenditure		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DfE Grant 19/20 Capital expenditure		10.00	0.00	20.00	0.00	45.00	0.00	20.00	0.00	25.00	25.00	45.00	30.00	220.00
Donor 2 Ingenuity Studios - expenditure														0.00
		10.00	0.00	20.00	0.00	45.00	0.00	20.00	0.00	25.00	25.00	45.00	30.00	220.00
	Loan Interest @ 5.5%	3.44	3.90	5.73	7.10	7.10	8.48	10.31	10.31	10.77	11.69	13.06	13.06	104.96
	Principal Repayments on 25 Year Loans													102.00
	Bridge Interest @ 5.5%	0.92	0.73	0.73	0.73	0.73	0.92	0.73	0.73	0.92	1.83	0.92	1.83	11.73
	Total Interest	4.35	4.63	6.46	7.84	7.84	9.40	11.05	11.05	11.69	13.52	13.98	116.90	218.69
Growth Fund supported Expenditure														
Teaching Equipment Quanser														0.00
Purchase 1A Offa Street														0.00
Studio & Lab furniture & fit out for above+ 6B St Peters Sq														0.00
Purchase Building 2														0.00
Studio & Lab furniture & fit out for above														0.00
Purchase Building - Berrows Building														0.00
Studio & Lab furniture & fit out for above														0.00
Purchase Site 1 (Gaal Street Car Park)														0.00
Design, Build & Fit Out (Gaal St Centre)		650.00	650.00	650.00	650.00	700.00	650.00	650.00	650.00	600.00	600.00	700.00	600.00	8,256.00
Shell Store Fit out														0.00
Purchase site 2														0.00
Design, Build & Fit Out Site 2														0.00
	Total Capital Expenditure	664.35	654.63	676.46	657.84	752.84	659.40	681.05	661.05	636.69	638.52	758.98	746.90	8,694.69
Capital Receipts														
Grant DfE (see lines 45 to 47)									220.00					220.00
Grant DCLG (LEP) (see lines 58, 59, 60 & 61)		200.00	200.00	200.00	200.00	300.00	200.00	200.00	400.00	200.00	400.00	200.00	400.00	3,100.00
Loan Hereford Council														0.00
Commercial Loan/Lease Finance		350.00	100.00	400.00	300.00		300.00	400.00		100.00	200.00	300.00		2,450.00
Bridge Finance (see line 73)		200.00	160.00	160.00	160.00	160.00	200.00	160.00	160.00	200.00	400.00	200.00	400.00	2,560.00
Bridge Finance repayment (see line 73)		-25.00	-200.00	-160.00	-160.00	-160.00	-160.00	-200.00	-160.00	-160.00	-200.00	-400.00	-200.00	-2,185.00
Donor 1 Quanser Inc - £950k Gift of teaching equipment (see line 57)														0.00
Donor 2 (For Ingenuity Studios) (see line 48)														0.00
Donor 3 (for Berrows) (see line 62)														0.00
Donor 4 (Learning Experience) (see line 63)		100.00		100.00		100.00								300.00
Donor 5 (Capital Items for Academic programme)														0.00
Donor 6 (Shell store) (see line 66)														0.00
Donor 7 (Gaal St Centre) (see line 64)			500.00			500.00						250.00		1,250.00
Donor 8 (Purchasing of Teaching Equipment)													250.00	250.00
Donor 9 (Donation for named facilities Gaol Street Centre) (see line 65)									250.00					250.00
	Total Capital Receipts	825.00	760.00	700.00	500.00	900.00	540.00	560.00	870.00	340.00	800.00	550.00	850.00	8,195.00
	Closing Capital	249.98	355.35	378.89	221.05	368.21	248.82	127.77	336.73	40.04	201.52	-7.46	95.64	
CONSOLIDATED CASH														
	Opening Revenue & Capital	2,956.23	2,986.50	3,061.50	2,704.66	2,166.45	1,933.24	1,390.89	866.79	5,236.69	4,536.95	4,295.37	3,683.34	
	Closing Revenue & Capital	2,986.50	3,061.50	2,704.66	2,166.45	1,933.24	1,390.89	866.79	5,236.69	4,536.95	4,295.37	3,683.34	3,383.39	
		Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Total
Highlighted cells show match to LEP funding.		2019/20												

Accountable Body

December 2017

Being an accountable body

256

Background:

Role of Accountable Body

Memorandum of Understanding

Resource implications

Reporting arrangements

Risks

Background:

Central Government are requesting that Herefordshire Council acts as Accountable Body. (DfE £15m DCLG £8m)

**Accountable body only for the Government Grants
Government unable to directly award to NMiTE**

Release of funding relies on NMiTE fulfilling a set of milestones

To follow requirements of S31 agreement:

To ensure only eligible expenditure is authorised by checking agreed milestone evidence.

Ensure funding is released to NMiTE inline with milestone schedule.

To ensure that expenditure is in line with the relevant financial and contract procedure rules.

To ensure that correct change control processes are followed.

To ensure that commitments are not made until funding is secured.

To follow requirements of S31 agreement:

To establish and maintain effective systems for auditing and monitoring expenditure

It is does not cover other funding streams NMiTE will attract

To ensure that a proper audit trail is maintained with appropriate records and copy invoices to support the grant claim.

To escalate concerns to Central Govt

To ensure all supporting records are maintained in line with the appropriate retention schedule.

Memorandum of Understanding:

**agreements between NMiTE, Central Govt and Herefordshire Council
Defines reporting requirements and change control processes.**

**Defines milestones to be passed before funding can be released.
Clarifies the consequence of NMiTE failing to provide information reasonably
requested by Accountable Body or Govt Department.**

Confirms the reporting requirements between the council and Central Govt.

Council Resources:

Council needs to be assured that expenditure is eligible.

Council needs to be assured that NMiTE internal controls are effective and being complied with.

**Processes to be built to provide assurance that all milestones have been met.
Intention is for one reporting pack to be agree.**

**Proposal it use NMiTE external auditors to provide element of assurance.
Additional staffing resources to be funded from top slice of grant.**

Monthly reporting pack to include:

**Income and Expenditure account.
Balance Sheet.
Cash flow.**

**Capital program.
Staffing report.
Above to include actuals, commitments, and forecasts to end of year and grant.**

Milestone progress report .

**Herefordshire Council will be legally accountable to Central Govt.
Obligation to monitor expenditure and attainment of milestones.**

**The Council role is not to run NMiTE
The Council is not required to finance NMiTE
Only specific Govt grants covered by Accountable Body**

**Financial.
Reputational.
Operational.
Compliance.**

Questions?



Meeting:	General scrutiny committee
Meeting date:	11 December 2017
Title of report:	Work programme
Report by:	Governance services

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide

Purpose and summary

To review the committee's work programme.

Recommendation(s)

THAT:

- (a) the draft work programme as set out at appendix 1 to the report be approved, subject to any amendments the committee wishes to make;**
- (b) the committee determines any other matter in relation to the appointment of task and finish groups their chairmanship and any special responsibility allowance or the undertaking of a spotlight review; and**
- (c) the committee decides whether there is any matter for which it wishes to exercise its powers of co-option.**

Alternative options

- 1 It is for the committee to determine its work programme to reflect the priorities facing Herefordshire. The committee needs to be selective and ensure that the work programme is focused, realistic and deliverable within existing resources.

Reasons for recommendations

- 2 The committee needs to develop a manageable work programme to ensure that scrutiny is focused, effective and produces clear outcomes.

Key considerations

Draft work programme

- 3 The work programme needs to focus on the key issues of concern and be manageable allowing for urgent items or matters that have been called-in.
- 4 Should committee members become aware of any issue they think should be considered by the Committee they are invited to discuss the matter with the Chairman and the statutory scrutiny officer.
- 5 The current draft work programme is attached at appendix 1.

Constitutional Matters

Task and Finish Groups

- 6 A scrutiny committee may appoint a task and finish group for any scrutiny activity within the committee's agreed work programme. A committee may determine to undertake a task and finish activity itself as a spotlight review where such an activity may be undertaken in a single session; the procedure rules relating to task and finish groups will apply in these circumstances.
- 7 The relevant scrutiny committee will approve the scope of the activity to be undertaken, the membership, chairman, timeframe, desired outcomes and what will not be included in the work. A task and finish group will be composed of a least 2 members of the committee, other councillors (nominees to be sought from group leaders) and may include, as appropriate, co-opted people with specialist knowledge or expertise to support the task. In appointing a chairman of a task and finish group the committee will also determine, having regard to the advice of the council's monitoring officer and statutory scrutiny officer, whether the scope of the activity is such as to attract a special responsibility allowance.
- 8 The Committee is asked to determine any matters relating to the appointment of a task and finish group and the chairmanship and any special responsibility allowance or undertaking a spotlight review including co-option (see below).

Co-option

- 9 A scrutiny committee may co-opt a maximum of two non-voting people as and when required, for example for a particular meeting or to join a task and finish group. Any such co-optees will be agreed by the committee having reference to the agreed workplan and/or task and finish group membership.
- 10 The Committee is asked to consider whether it wishes to exercise this power in respect of any matters in the work programme.

Tracking of recommendations made by the committee

- 13 A schedule of recommendations made and action in response to date is attached at appendix 2.

Forward plan

- 14 The constitution states that scrutiny committees should consider the forward plan as the chief source of information regarding forthcoming key decisions. The current Forward plan is available to Members through the Councillors' handbook intranet site. Forthcoming key decisions are also available to the public under the forthcoming decisions link on the council's website:

<http://councillors.herefordshire.gov.uk/mgDelegatedDecisions.aspx?RP=0&K=0&DM=0&HD=0&DS=1&Next=true&H=1&META=mgforthcomingdecisions&V=1>

Community impact

- 15 The topics selected for scrutiny should have regard to what matters to residents.

Equality duty

- 16 The topics selected need to have regard for equality and human rights issues.

Financial implications

- 17 The costs of the work of the committee will have to be met within existing resources. It should be noted the costs of running scrutiny will be subject to an assessment to support appropriate processes.

Legal implications

- 18 The council is required to deliver an overview and scrutiny function.

Risk management

- 19 There is a reputational risk to the council if the overview and scrutiny function does not operate effectively. The arrangements for the development of the work programme should help mitigate this risk.

Consultees

- 20 The Chairman and Statutory scrutiny officer meet on a regular basis to review the work programme.

Further information on the subject of this report is available from
Governance Services on Tel (01432) 260239

Appendices

Appendix 1 – Draft work programme

Appendix 2 – schedule of general overview and scrutiny recommendations made and action in response.

Background papers

- None identified.

General Scrutiny Work Programme 2017/18

Meeting/items	Purpose	Comment	Notes
29 January 2018 (tbc) Balfour Beatty Living Places (BBLP) Contract	To consider performance against BBLP's annual plan.		General look at performance against BBLP's annual plan and the plan proposed for next year to ensure that the plan satisfactorily addresses any performance issues. Decide in light of that whether further work required.
TBC	Minerals and Waste local plan		
January/February 2018			
New university / Economic themed meeting			Proposed spotlight review involving key stakeholders in late November/early December of public realm improvements needed to accommodate numbers of students (cycleways/public transport/ leisure facilities)/ measures to avoid any adverse impact on current residents.
February/March 2018			
Edgar Street Stadium, Hereford			14 November 2016 Committee requested further report setting out the long term proposals for the Edgar Street stadium following an appraisal by the football club, council and potential development partners of the options.

29 January (am) (proposed to reschedule)			
Community Safety Partnership	Annual review.		Consider scrutiny approach in light of outcome of meeting in January 2017.
	Waste Contract review (t&f) in preparation for end of current contract in 2023.		
9 April (am)			
OTHER ISSUES/PROPOSALS			
Consideration given to review period of minerals and waste local plan and synchronising with Core Strategy.			
Hoople			
Performance indicator - killed and seriously injured on roads (will involve partner agencies)			Possible task and finish topic.
One off spotlight: All aspects of enforcement (parking/planning/environmental health)			
(GSC 11 September 2017) It was requested that further consideration be given to the inclusion of the delivery of housing growth targets in the work programme.			
on-street parking (see 13/11/17)			

construction and facilities management (see 13/11/17)			
If application for the authority to be a business rate pool pilot for 2018/19 is accepted, the committee consider the implications for Herefordshire of operating such a pool and to make any such recommendations as it feels appropriate to inform a further decision on participation; and acceptance. (see 13/11/17)			
Unallocated cross-cutting review suggestions Support for voluntary sector Young Carers			
Budget and policy Framework Minerals and waste local plan			

Briefing notes requested	Comment
Approach to appeals against planning decisions – whether the council should seek costs more regularly?	<p>Briefing note to establish current approach.</p> <p>Review need for further consideration in light of advice received.</p>

Schedule of General Overview and Scrutiny Committee recommendations made and action in response

Meeting	item	Recommendations	Action	Status
10 June 15	Executive Response – Review of lease restructuring with Hereford United	RESOLVED: That (a) the Executive's responses be noted;		Completed
	Executive Response – Balfour Beatty Living Places – Public Realm Services	RESOLVED: That (a) the Executive's responses be noted; and (b) a briefing note on progress with the responses to the task and finish group report on Balfour Beatty Living Places - Public Realm Services be provided within six months.	Briefing note on customer contact statistics issued 8 September 2015. Briefing note on highway maintenance plan issued September 2016. A further update on the Public Realm actions potentially required	Completed ongoing
	Task and Finish Group Report – Development Management Planning	RESOLVED: That (a) Subject to the amendments to recommendations 1, 12 and 18 above, the report of the task and finish group on Development Management (Planning) be agreed for submission to the Executive; and (b) The Executive's response to the review be reported to the first available meeting of the committee after the Executive has approved its response.	Submitted to executive Reported to Committee 21 July 2015. Update issued via briefing note on 18 December 2015. Further update to be issued for 26 July 2016.	

				Completed
	Work Programme	<p>RESOLVED: That</p> <p>(a) the draft work programme, as amended, be noted;</p> <p>(b) a task and finish group on the smallholdings estate be established to undertake the work outlined in the draft scoping statement; and</p> <p>(c) scrutiny activity on football provision be considered at a future meeting.</p>	<p>Group established and work completed.</p> <p>Report scheduled for November 2016</p>	<p>Completed</p> <p>ongoing</p>
21 July 2015	Executive Response to Committee Recommendations on School Examination Performance	<p>RESOLVED: That</p> <p>(a) the Executive response be noted; and</p> <p>(b) a briefing note be prepared on the Herefordshire Food Strategy and its linkages to schools.</p>	<p>Briefing note issued 18 December 2015</p>	Completed
	Executive Response to the Task and Finish Group Report on Development Management (Planning)	<p>RESOLVED: That</p> <p>(a) the draft Executive response be noted; and</p> <p>(b) a briefing note on progress with the response be provided within six months.</p>	<p>Update issued 18 December 2015</p>	Completed
30 September	The Development of a Schools Capital	<p>RESOLVED:</p> <p>That it be recommended to the executive that</p>	<p>Incorporated into strategy and being taken forward in</p>	Completed

2015	Investment Strategy	<p>the Schools capital investment strategy principles:</p> <p>1. include reference to the need to be responsive to anticipated growth and reductions in communities, including the key role of local schools in the sustainability of growth villages in Core Strategy policies RA1 and RA2;</p> <p>2. (within principle 8) take school journey distance, mode and time into account, not only in terms of environmental and transportation impacts but also the effect of journey times on pupils, with schools encouraged to keep school travel plans up-to-date;</p> <p>3. recognise what schools can and should offer, outside school hours, to local communities – such as libraries, information hubs, meeting venues, open space etc.;</p> <p>4. provide assurance that the authority would provide backing and support for academies to make bids for central funding to improve infrastructure;</p> <p>5. include consideration of county boundary transitions, including dialogue with adjoining authorities to ensure that provision was not considered in isolation;</p> <p>6. clarify how the authority would assure itself that ‘There would be an appropriate number of</p>	<p>its implementation on a local area basis.</p> <p>Briefing note issued 18 December giving further information on school places and travel plans.</p>	
------	---------------------	---	--	--

		<p>faith places' (principle 3); and</p> <p>7. revise principle 11 e. to 'Participatory budgeting as a means of enabling local communities to assist in supporting a local school'.</p>		
	Work Programme	A briefing note be prepared on digital issues.	Issued September 2016.	Completed
27 October 2015	Task and Finish Group Report – Smallholdings Estate (County Farms)	<p>RESOLVED: That</p> <p>(a) That the report and recommendations of the task and finish group: smallholdings estate (county farms) be agreed for submission to the executive subject to:</p> <p>i. the removal of Councillor Harvey's name from the group's composition (page 3 of the report);</p> <p>ii. the deletion of option b) from recommendation 1 (page 13); and</p> <p>iii. the removal of the words 'on the remaining estate should be let' from recommendation 5 (page 14).</p> <p>(b) The executive's response to the review be reported to the first available meeting of the committee after the executive has approved its response.</p>	<p>Submitted to the Executive</p> <p>Briefing note including response issued 18 December 2015</p>	Completed
17	Budget and medium	RESOLVED: That it be recommended to	Council did levy an	Completed

November 2015	Term Financial Strategy – Draft prior to Funding Announcement	Cabinet that consideration be given to the merits of a rise in council tax of more than the 1.9% cap, with consideration given to the best mechanism for advancing this should Council agree to this measure reflecting the wishes of the significant response to the priorities and budget consultation, particularly in relation to retention of specific non-statutory services.	additional 2% precept at in respect of adult social care in response to a Government initiative.	
19 January 2016 (am)	Update on home to School Transport Provision	Resolved That: A) The relevant officers work to produce a briefing note on home to school transport to present to the General Overview and Scrutiny Committee for July 2016 B) The item be returned to the scrutiny committee for another annual review in January 2017 C) It be investigated what other scrutiny activity would be of benefit regarding home to school transport	Briefing note issued July 2016. Listed in Work programme. To be reviewed in January 2017.	Completed Completed ongoing
	Local Transport Plan	Resolved that: The following recommendations be put to cabinet regarding the Local Transport Plan: A) A recommendation be made that the Local Transport Plan (LTP) be subject to a review every five years in accordance with Department for Transport guidance B) LTP4 Vision to be amended to include the objective “and reduce congestion and increase accessibility by less polluting and healthier forms of transport than the private	Reported To Cabinet. Confirmed at Council on 20 May that recommendations would be reflected in Plan.	Completed

		car.”		
19 January 2016 (pm)	Herefordshire Community Safety Partnership Strategy and Related Performance	<p>RESOLVED:</p> <p>a) it be recommend that an all member briefing be arranged on the CSP and related matters including the office and Police and Crime Commissioner, Chief Constable, the Superintendent of Herefordshire and other CSP partners.</p> <p>b) that the chair and vice chair investigate what areas of the CSP it may be of benefit to conduct further scrutiny work.</p>	Seminar scheduled for 21 November 2016	Completed
8 March 2016	School Examination Performance	<p>Resolved that:</p> <p>a) The committee makes recommendations to cabinet on how they might improve the efficiency of the school improvement framework and strategy, especially in relation to governance in light of likely reduced resourcing in future.</p> <p>b) Council responsibilities for education are clarified and sufficiently resourced. Additionally, that the monitoring of governing bodies in meeting performance standards also be sufficiently resourced. Should the Director at any time find that resources are not sufficient, this must be reported to Cabinet and the General Overview and Scrutiny Committee at once.</p> <p>c) A briefing note be produced in regard to</p>	<p>The council responsibilities form part of the Herefordshire School Improvement Framework and are based on statutory duties.</p> <p>Further consideration of the role and resourcing of the local authority will form part of the local authority’s response to the national consultation on schools funding formula 2016 and the further national work on the roles and responsibilities of councils in relation to education</p>	ongoing

		<p>authorised absences to inform future recommendations of the committee.</p> <p>d) The committee consider the findings of the Health and Social Care Overview and Scrutiny Committee's early years provision task and finish group in relation to referral rates for speech and language development.</p> <p>e) The committee's suggestions in regard to the teaching of phonics be brought to the attention of the early years task and finish group reporting the health and social care overview and scrutiny committee.</p>	(d and e have been done)	
	Marches Local Enterprise Partnership	<p>Resolved: That</p> <p>(a) the committee commend and encourage further the engagement of small businesses within the activity of the Marches LEP.</p> <p>b) The work of the Marches LEP in cooperation with neighbouring and other Local Enterprise Partnerships, in particular the equivalent bodies across national borders be encouraged.</p> <p>c) That the Marches LEP ensure that the delivery of accounts and reporting is made more clear and the availability of such documentation to the public is ensured.</p> <p>d) That the committee recommend to the board of the Marches LEP that a summary of accounts be published in</p>	<p>2015/16 accounts are in process of being completed and will be placed on the LEP website. Draft accounts will be going to the LEP Board on 3 August.</p> <p>Annual report published with Marches Enterprise</p>	completed

		conjunction with the annual report on the activity of the Marches LEP.	joint Committee papers on 31 May 2016.	
4 May 16	Suggestions from the public	RESOLVED: That a working party be set up by officers to discuss the detail of the issues surrounding the definitive Map	Working party established.	ongoing
	Task and Finish Group Report – Community Infrastructure Levy	<p>RESOLVED that:</p> <p>(a) the report of the task and finish group: community infrastructure levy be approved and the findings be submitted to the executive</p> <p>(b) the recommendations of the task and finish group: community infrastructure levy be approved as follows:</p> <p>Recommendation 1: The ‘Preliminary Draft Charging Schedule’ be carried forward unchanged as the ‘Draft Charging Schedule’;</p> <p>Recommendation 2: Urgent consideration be given to the need for a robust governance structure to be developed for the administration of CIL in advance of CIL being adopted;</p> <p>Recommendation 3: That Parish Councils be supported by clear advice to assist with the implementation of the CIL charging process prior to any collected CIL monies being spent;</p> <p>Recommendation 4: That the CIL charging schedule and its implementation be kept under review.</p> <p>(c) subject to the review being approved, the executive’s response to the review be reported to the first available meeting of the</p>	Submitted to Executive. Cabinet member decision 21 July 2016.	Completed

		committee after the executive has approved its response.		
26 July 2016	Economic Master Plan	<p>the cabinet member–economy and corporate services be invited to consider the following recommendations:</p> <ul style="list-style-type: none"> • Consideration be given to ways of pooling ideas for economic development through less structured approaches such as a think tank. • An inventory should be made of the County’s strengths and opportunities for synergy be then identified. • Clarity should be sought as to how the planning framework accommodates farm diversity proposals, for example in relation to semi-permanent structures such as log cabins and whether that framework is appropriate. • The invitation to a GOSC member to participate in meetings with chief executive, director and cabinet member on the development of the Masterplan be accepted. • The further report proposed to be submitted to the committee in September 2016 should include highlights of lessons learned in relation to the implementation of the 2011-16 economic development plan and how these might inform the development of the new Masterplan. • There should be cross-party engagement and engagement with all Members in 	<p>Submitted to the executive for consideration.</p> <p>Council approved Plan 16 December 2016.</p>	Completed

		<p>developing the Plan.</p> <ul style="list-style-type: none"> • An alternative word to masterplan should be found to describe the plan. • The plan should take account of the value of the arts and tourism to the County's economy. • Consideration should be given to how best to maximise the promotional opportunities for Herefordshire. and <p>(b) consideration of the draft economic masterplan be added to the committee's work programme for September 2016 together with an annual review of the effectiveness of the plan thereafter.</p>	Report considered on 27 September 2016	
	Communication Strategy	<p>RESOLVED:</p> <p>That (a) the communication protocols be subject to further clarification and consideration and a further report on them made to the Committee; and</p> <p>(b) that, subject to a above, the following recommendations be made to inform cabinet's consideration of the strategy communication strategy with associated communication protocols for the period 2016-2019:</p> <ul style="list-style-type: none"> • the use of a chat facility on the website should be pursued taking into account how an operator's time can most effectively be used; • the opportunity for the community to interact on-line quickly and easily should be fully explored; • clarification be provided as to how it is 	<p>Report made to Committee on 5 September.</p> <p>Matters referred to Cabinet for consideration.</p>	Completed

		<p>intended to implement the “spend within our means” approach outlined in section 3 of the strategy at appendix 1 to the report at p41 of the agenda papers: “making tough but necessary choices which will include ceasing to provide some services and working with communities to help them run services important to them”;</p> <ul style="list-style-type: none"> • the wording of paragraph 5.13 of appendix 2 to the report relating to the access of the press to premises be reviewed and clarified. 		
5 September 2016	Four Year Financial Settlement	<p>RESOLVED:</p> <p>That</p> <p>(a) in order to make a recommendation on whether or not to accept the 4 year funding settlement a further meeting should be convened to consider alternative options including information from comparator authorities; and</p> <p>(b) Cabinet be recommended to consider the points made by the Committee and the further information the Committee considered was required in order to make a recommendation to full Council on whether or not to accept the four year funding deal.</p>	<p>Further meeting arranged for 19 September.</p> <p>Report made to Cabinet on 21 September.</p>	Completed
	Statement of community involvement consultation, communications and programme to adoption	<p>RESOLVED: That Cabinet be recommended to consider amending the revised draft statement of community involvement to take account of the amendments proposed in the above table.</p>	<p>Considered by Cabinet on 3 November.</p>	Completed

	Communication Protocol for Members	<p>RESOLVED: That cabinet be recommended that further consideration be given to the following matters in relation to the communication protocol for members:</p> <ul style="list-style-type: none"> In relation to paragraph 3.1 of the protocol further clarification was needed on when it was appropriate to use the word “Council” in communications when referring to such matters as Council policy and when further distinction was needed between a decision taken at full Council and a decision taken by an individual cabinet member or an officer. 	Report on Cabinet agenda for 21 September.	Completed
27 September 2016	Customer Services and Libraries	<p>RESOLVED: That Cabinet be recommended to support option 3 – retained libraries and central service with an emphasis on making best use of them and community libraries as contact points for council services, extending service options and exploring new ways of working, and the report to cabinet should include a delivery plan.</p>	Considered by Cabinet 13 October 2016	Completed
	Economic Master Plan	<p>RESOLVED: That the Cabinet Member be recommended to have regard to the points raised by the Committee in discussion and in particular the summary of the principal points set out above.</p>	Considered by Cabinet on and approved by Council on 16 December 2016.	Completed
14 November 2016	Draft 2017/18 Budget And Medium Term Financial Strategy Update	<p>RESOLVED: That (a) the executive be recommended to work with Parish and Town Councils to explore options for service delivery;</p> <p>(b) the executive be recommended</p>	In respect of items a, b and d , these were addressed to the executive who have reported back to GOSC their intention to develop closer working with	completed completed

		<p>to make representations to local MPs and others to ensure that the voice of the County is being heard in relation to the government's business rate proposals and the views of local MPs reported;</p> <p>(c) the clarity of the budget report should be reviewed and officers requested that the report should be amended to include detail of gross income and expenditure, consistency of terminology, virements over the year to identify actual expenditure, analysis of the use of the Rural Services Delivery Grant, clarity over income; and</p> <p>(d) the executive be asked to take full account of the consultation on the budget and reflect the views expressed in their budget proposals, indicating in the next report back to the overview and scrutiny committees the extent to which the consultation findings had influenced budget proposals, and, if the findings had been discounted, the rationale for taking that course.</p>	<p>Parishes, liaise with MP's to champion the County's issues and provide a response to the issues raised during budget consultation (summary provided to GOSC at December meeting)</p> <p>(c) The clarity of budget report was reviewed and amended to ensure consistency and clarity in future presentations and reports. Further detail of gross income and expenditure will be provided in the budget book summary which will be prepared once all information on grants is confirmed with government. The impact of this review was provided to GOSC at their December meeting</p>	<p>completed</p> <p>completed</p>
	Proposed 2017/18 Capital Budget	RESOLVED: That written answers be provided to questions raised at the meeting and appended to the Minutes	Answers published with minutes.	Completed

	Edgar Street Stadium, Hereford – Lease Proposals	<p>RESOLVED:</p> <p>That (a) the executive be advised that the Committee supports the proposed grant of a new lease to the current tenant for a term of 10 years, commencing at some point prior to the expiry the current lease; and</p> <p>(b) a further report is presented to the Committee setting out the long term proposals for the Edgar Street stadium following an appraisal by the football club, council and potential development partners of the options.</p>	<p>Executive informed. Lease awarded.</p> <p>Added to work Programme</p>	<p>Completed</p> <p>Ongoing</p>

			<p>themselves that any such expenditure meets tests in terms of community benefits and other provisions. It is worth noting that parish councils already benefit from direct powers to provide funding for public and community transport should they wish (Transport Act 1985 S106A as amended by Local Government and Rating Act 1997 S27).</p> <p>Report made to Cabinet 6 April 2016.</p>	Completed
--	--	--	---	-----------

13 December 2016	Draft 2017/18 Budget and Medium Term Financial Strategy Update	<p>RESOLVED</p> <p>That (a) the reconciliation showing the changes between the report made to the Committee in November and that presented in December be circulated to members of the Committee for information;</p> <p>(b) officers be requested to explore the principle of facilitating increased engagement with parish Councils and communities and revenue funding to support invest to save proposals in support of the delivery of some services in place of Herefordshire Council could be explored as part of the future review of the MTFS; and</p> <p>(c) if a substantive issue relevant to the budget warranting further discussion with the Committee emerged a further report be made to the Committee’s meeting in January for its consideration.</p>	<p>Report submitted to committee January 2017.</p> <p>It was clarified at the meeting that an “invest to save” proposal could be considered at any time even though a specific “pot” was not allocated.</p> <p>Included in the reconciliation referred to in (a), reference was also made to the changes in the Autumn Statement in respect of New Homes Bonus and Adult Social Care Grant. In addition the report clarified the flexibility provided around the adult social care precept being up to 3% per annum subject to a maximum of 6% over three years.</p>	Completed
17 January 2017	Update on home to school transport provision	RESOLVED: That the executive be requested to produce a sustainable modes of travel to school strategy for consideration by the Committee by July and that schools should be encouraged to produce and update school		ongoing

		transport plans.		
	Herefordshire community safety partnership strategy and related performance	RESOLVED: to recommend that the Community Safety Partnership pay particular attention to recidivism rates of offenders.	Request submitted.	Completed
	Draft 2017/18 budget movements	Noted.		Completed
9 May 2017		<p>RESOLVED:</p> <p>That (a) it be requested that In future reports performance data is also provided in a manner which allows the attainment of cohorts of pupils to be seen and understood;</p> <p>(b) briefing notes be provided:</p> <ul style="list-style-type: none"> • to confirm that the pupil premium is being used effectively; • on how the council provides support to the governance process in schools and the process by which this is delivered outlining any difference in approach in the support provided to maintained schools and academies. 		To update

		<ul style="list-style-type: none"> • on the current school funding position and the introduction of the national funding formula. <p>(c) the executive be requested that schools be reminded of the need to publicise information on how they are using the pupil premium</p> <p>(d) it be requested that quantitative analysis be provided in reports of the extent to which education provision is highly valued by children and young people, parents and carers, the community and employers indicating where areas of education provision are valued and where they are not valued.</p> <p>(e) a spotlight review of the trend in performance of sponsored academies be proposed for consideration in the work programme session in June.</p>		
11 July 2017	Sustainable modes of travel to school strategy	That (a) the strategy should clearly link targets to the strategy's aims and objectives and ensure that it showed how actions can deliver on those objectives;	Table of actions to be amended to show what objectives each action will deliver. The table setting out targets will be updated to show the link to	To update

			objectives. (Page 16) Added to final doc- no further update	
		(b) the wording in relation to the vacant seat payment scheme should be modified	The wording has been amended in the strategy. (Page 10) Added to final doc- no further update	
		(c) the strategy should contain a clear timetable for review of the strategy;	Timetable for review has been added. (Page 21) Added to final doc- no further update	
		(d) the executive should again be asked to request schools to update their school travel plans making clear to them the potential benefits to schools of doing so and drawing on the support of councillors who are school governors to encourage this work to take place;	We are requesting that the councillors make request to schools within their constituencies to update school travel and support the SMOTS process. (Included in Action Plan at page 19) This will need to be added to a councillor newsletter- this will form an outcome of the cross-directorate meeting	

		(e) officers be requested to liaise with public health colleagues to assist in the development of effective targets;	<p>We have established an internal cross- department working group to assist in the delivery of a number of actions including the identification of health targets (Included in the Action Plan at page 19)</p> <p>Inaugural meeting due to take place on 2nd November 2017</p>	
		(f) the executive be asked to ensure that relevant council held data is actively shared with schools to prompt them to share their own data for the SMOTS;	<p>We are happy to share data with relevant schools, as long as it complies with data protection rules.</p> <p>No update- no request for data has been made by a school</p>	
		(g) the executive be requested to explore means of data collection for the SMOTS, to seek to secure more robust data to inform policy and assist in prioritising actions, with regard also being had to NHS data;	<p>We shall use School census mode share from 2011 and will discuss ongoing data collection at cross-directorate working group. (Page 10)</p> <p>Added to final doc- no further update</p>	
		(h) accident information in the strategy and methods of data collection should be clarified;	<p>Accident information has been clarified within the strategy document. (Page 13)</p> <p>Added to final doc- no</p>	

			further update	
		(i) the executive be requested to seek support from local MPs to assist in resolving transport issues and that their attention should be drawn to the value that Plasc surveys had previously been in assessing needs;	<p>A letter has been drafted from Cabinet Member for Transport and Roads and from the Cabinet Member for Young People and Children's Wellbeing.</p> <p>A reply was received from Bill Wiggan MP that the issue will be raised with the minister- we await further outcome).</p>	
		(J) the executive is requested to ensure that the SMOTS makes clear the evidence used to inform the strategy, the efforts made to secure evidence and any deficiencies in collecting evidence;	<p>Amended within the strategy. (page 10)</p> <p>Added to final doc- no further update</p>	
		(k) the executive be requested to ensure that the capacity and performance measures in the Sustrans contract are aligned to the strategy;	<p>We will review the Sustrans contract to ensure the contract goals will be compatible with the SMOTS. (Included in the Action Plan at page 19)</p> <p>Sustrans are a key partner in the delivery of the SMOTS and will continue engagement to ensure our outcomes and targets are matched</p>	

		(l)	the executive is requested to ensure that an implementation plan translating strategy into action was developed to accompany the strategy;	A implementation plan will be developed for delivery to a pilot school. (Page 19) Plan to be developed and a school/locality to be chosen	
		(m)	the Sustrans contract was part way through its duration yet the strategy had not been published. The relationship of that work to the strategy needed to be considered to ensure that that work contributed to the delivery of the strategy; and	The Sustrans delivery project was taken into account when developing the SMOTS. No further update	
		(n)	the Statutory Scrutiny Officer be informed of the annual review of the action plan and following consultation with the Chairman and Vice-Chairman consider whether there are any material matter requiring consideration by the Committee.	We will forward update reports on an annual basis to the scrutiny officer for distribution to GSC. Report to be drafted for July 2018	
	Herefordshire local flood risk management strategy	That	(a) the strategy should recognise the importance of clear and effective communication of responsibilities in respect of all relevant parties; (b) the executive be advised of the importance of preparing a joined up implementation plan; (c) careful consideration be given	Considered by cabinet 28/9/17.	To update

		<p>to how land use and management affect flood risk, ways of educating people on this point and developing mitigating measures;</p> <p>(d) a public facing document be produced setting out what to do in the event of flooding and relevant legal remedies for those affected;</p> <p>(e) BBLP be requested to seek information from lengthsman and local councillors on local conditions and identified flood risks as a matter of course; and</p> <p>(f) the Statutory Scrutiny Officer be informed of the annual review of the action plan and following consultation with the Chairman and Vice-Chairman consider whether there are any material matters requiring consideration by the Committee.</p>		
21 August 2017	West Mercia Police and Crime Consultation on Fire Governance	RESOLVED: That a draft submission to cabinet be circulated to members of the committee for comment and the statutory scrutiny officer authorised to finalise the submission on the committee's behalf following consultation with the chairman and vice-chairman of the	Response submitted	

		committee.		
11 September 2017	Travellers' Sites Development Plan Document	<p>RESOLVED:</p> <p>That</p> <ul style="list-style-type: none"> (a) the executive be recommended to consider whether an additional temporary stopping place should be identified; (b) co-operative working with neighbouring authorities should be pursued; (c) clarity be provided on how the TSP would operate in practice, including protocols for the allocation of places on the site including the management of different families, so that there is a clear public understanding; (d) consideration be given to specifying when a review of the policy should be conducted; (e) dialogue continue with the Showmans' Guild to identify an appropriate site to meet their needs; (f) the scope to acquire land for sites by Compulsory purchase order to increase the options and select sites in the most 	<p>(a) The occurrences of unauthorised encampments across the county will continue to be monitored and this information will feed into future reviews of the GTAA and be a relevant factor in consideration of the need to review the DPD. The effectiveness of providing the temporary stopping place at Leominster will also be monitored.</p> <p>(b) Agreed, local planning authorities are required to cooperate with neighbouring authorities, engage constructively, actively and on an ongoing basis with regard to relevant strategic matters under the Localism Act.</p> <p>(c) it would be beneficial to expand on the text in paragraph 4.20 – 4.25 to clarify the purpose and characteristics of this type of site. This will now refer to a management policy that</p>	

		<p>suitable locations be explored;</p> <p>(g) site allocation policy on residential sites should be clear;</p> <p>(h) officers be requested to ensure that existing sites are appropriately managed and maintained and that appropriate resources are in place for both capital improvements and maintenance.</p>	<p>will explain how the temporary stopping place will be managed by the Licensing, Traveller and Technical Support team. A management policy for the site will be produced in consultation with the Police to ensure that a fair, transparent and accountable method of allocating pitches on the temporary stopping place is set out. The lengths of stay for each encampment will be negotiated on a case by case basis but will not exceed 14 days.</p> <p>(d) Response – Agreed, it is recommended to strengthen section 7 to refer to a five yearly review of the accommodation requirements of travellers. It is also recommended to include reference to the monitoring of the effectiveness of the policies through the Annual Monitoring Report using the following indicator:</p>	
--	--	--	---	--

			<ul style="list-style-type: none"> • The amount of new traveller pitch commitments and completions. Finally it is recommended that the records of both unauthorised encampments and turnover of site kept by the council are reviewed to help monitor the effectiveness of the policies. <p>(e) Response – Agreed, officers will continue to engage with the Showmans Guild in order to help identify and bring forward sites to meet the identified requirement. The progression of the draft plan to adoption will not prevent such a site being brought forward during the plan’s lifetime.</p> <p>(f) Response - Legal advice has been sought on the suitability of this process in relation to this matter. CPO could be used in the context of gypsy and traveller sites and there are several acts which enable public bodies to compulsory purchase land for a particular purpose but they</p>	
--	--	--	---	--

			<p>would have to justify and demonstrate that the required criteria have been fulfilled. Before a CPO can be implemented, the acquiring authority will have to justify it to the Secretary of State and must be able to demonstrate (in respect of the CPO):</p> <ul style="list-style-type: none"> o that it is authorised by statute to purchase land compulsorily for a particular purpose and the CPO is necessary to achieve this purpose; o there is a compelling case in the public interest that sufficiently justifies interfering with the rights of those with an interest in the land affected; o the provisions of Article 1 (protection of property) of the First Protocol to the European Convention on Human Rights 1950 (and if a dwelling), Article 8 (protection of a person's home), should be taken into account 	
--	--	--	--	--

			<p>Therefore at this stage it is not recommended that the CPO process be pursued to identify land whilst there are options available to meet the requirement in the GTAA.</p> <p>(g) Response - Site allocation policy is not a matter for the DPD. There is an existing Gypsy and Traveller Site Allocation and Management Policy for Herefordshire 2015 which covers the existing residential sites managed by the council. However to aid a comprehensive picture to be provided, a document explaining the management and pitch allocation policy relating to the management of the Temporary stopping place will also be produced to accompany the DPD though the publication and examination processes.</p> <p>(h) Response – the management of the sites and allocation of resources are not</p>	
--	--	--	---	--

			<p>matters for the DPD. Revenue and capital requirements for existing or planned sites in the council's ownership will be considered and prioritised through the council's normal budget planning process, and sites will be managed in accordance with the relevant policies</p>	
11 September 2017	Youth Justice Plan 2017-2018	<p>RESOLVED:</p> <p>That</p> <p>(a) the Youth Justice Plan (at appendix A to the report) be endorsed and submitted to Cabinet for recommendation to full Council for approval;</p> <p>(b) the Cabinet Member (young people and children's wellbeing) be asked:</p> <p>(i) to request the West Mercia Youth Justice Service Management Board to review the process for preparing the Youth Justice Plan in order to</p>	To update.	

		<p>permit the scrutiny committee to comment on next year's plan at an earlier stage so that its comments can be taken into account in the plan's preparation;</p> <p>(ii) to request that an evaluation of informal disposals be included in next year's plan;</p> <p>(iii) to request that next year's plan be drafted so as to enable performance year on year to be compared;</p> <p>(iv) to request that mindful of the fact that the low numbers of offenders in Herefordshire can distort statistical comparison with other authorities information be presented within the Plan in a way that enables the circumstances of the Herefordshire cohort of offenders and performance of the service in addressing their needs to be assessed and compared year on year; and</p> <p>(c) a briefing note be requested setting out: how the statistics quoted at paragraph 2.4/2.6 of the draft plan compare in full with the 2016/17 plan; and also providing clarification on the operation of transition protocols</p>		
--	--	---	--	--

		and reassurance that there is a seamless and fully effective transition from youth to adult services.		
13 November 2017	Construction and Facilities Management Services to Herefordshire Council	<p>RESOLVED:</p> <p>That (a) a further report/scoping statement be presented to the Committee to enable it to decide how it wishes to be involved in any further consideration of this matter and to what timetable and to include a review of matters of concern identified during the debate; and</p> <p>(b) officers be requested to be mindful of the importance of communicating any contractual changes to those potentially affected by them.</p>		
13 November 2017	Task and Finish Group Report: Devolution	<p>RESOLVED:</p> <p>That (a) the findings of the task and finish group report: devolution be approved for submission to the executive with the addition of reference to exploring the possibility of forming connections with non-contiguous areas with shared values and interests; and</p>		

		(b) the Committee be advised of the executive's response.		
--	--	--	--	--

