



Meeting:	Audit and governance committee
Meeting date:	Tuesday 5 May 2020
Title of report:	NMiTE update report
Report by:	Chief finance officer

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To enable the committee to provide assurance on the adequacy with regards to the risk framework on the measures the council is taking as the accountable body for the new model in technology & engineering (NMiTE) and the milestone payments from the Department for Education (DfE).

To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed. To enable the committee to monitor performance of the internal audit team against the approved plan.

To assure the committee that action is being taken on risk related issues identified by internal audit. This is monitored by acceptance by management of audit recommendations and progress updates in implementing the agreed action plans. In addition, audit recommendations not accepted by management are reviewed and progress to an appropriate recommendation to cabinet if it is considered that the course of action proposed by management presents a risk in terms of the effectiveness of or compliance with the council's control environment.

Recommendation(s)

That:

- a) having regard to the further assurance provided and actions proposed to mitigate any risks, the committee determine any recommendations it wishes to make to secure greater assurance.

Alternative options

1. There are no alternative recommendations; it is a function of the committee to consider if the measures taken meet the risk management framework

Key considerations

2. On 14 December 2017 cabinet agreed that the council would act as the accountable body for public funding allocated to create the new Hereford University, NMiTE.
3. Accountable body status means that the council will be accountable for public funding allocated to the new university project by government. The council will receive funds from government, for onward transmission to NMiTE, ensuring those funds are allocated and spent in accordance with any conditions specified and providing reports on the expenditure.
4. The purpose of the agreement between the council and NMiTE is to enable compliance with the terms of the grant determinations set by the Department of Education to enable the milestone payments to be passed to NMiTE. Each year a range of milestones are agreed between the Department of Education (DfE) and NMiTE, these include a range of financial and non-financial measures. As part of this agreement process the DfE confirm how progress is to be measured.
5. On 13 December 2017 general scrutiny committee examined the proposal for council to act as the accountable body for the NMiTE project.
6. Due to the current Covid19 crisis the final inspections to evaluate the progress of NMiTE in meeting the required standards for the course accreditation and for NMiTE's registration with the office for students have been postponed.
7. On 27 March 2020 the senior responsible officer at the DfE confirmed that the funding agreement would end on 31 March 2020 as planned. The ending of the funding agreement concludes the end of the requirement for an accountable body, so the council's role as accountable body for the DfE's grant ceased on 31 March 2020. The senior responsible officer, on behalf of the DfE thanked the council for carrying out its role as accountable body.
8. The final tranche of grant funding was received by the council on 15 April 2020, and as the DfE was satisfied that NMiTE had met all of its milestones this was transferred the same date to NMiTE.

Community impact

Further information on the subject of this report is available from

Andrew Lovegrove, chief finance officer, email:

Andrew.Lovegrove@herefordshire.gov.ukn.drew.Lovegrove@herefordshire.gov.uk

9. Acting as the accountable body is helping the establishment of NMiTE which supports the councils corporate plan priorities of giving young people a great start in life and support the growth of our economy.
10. 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.
11. In accordance with the councils code of corporate governance effective financial management and risk management is an important element of the overall performance management system.

Equality duty

12. 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.

13. 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. This decision supports the council in fulfilling its duty as it provides assurance to the audit and governance committee that Equality issues are considered in the decision making process.

Resource implications

14. No council funds will be payable to NMiTE, however the management of the flow of funds between the accountable body and NMiTE and the discharging of the obligations of the being and accountable body requires resourcing. The staffing is provided through current resources. The cost of resourcing the additional operational tasks are financed from a share of the grant allocation.
15. The receipt of the final tranche of grant on 15 April 2020, and its onward transmission to NMiTE on the same day ensures that the whole grant from the DfE has been received by the council as accountable body and it has been fully transferred to NMiTE.

Legal implications

16. There are no legal implications.

Risk management

17. The letter from the Senior Responsible Officer of the Department of Education on 27 March 2020 confirmed the end of the council's role as accountable body from 31 March 2020.

Consultees

18. None

Appendices

Appendix A – Letter from Department of Education.

Background papers

None identified.

Glossary of terms, abbreviations and acronyms used in this report.

NMiTE	New Model Institute for Technology and Engineering
DfE	Department for Education