

Andrew Lovegrove
Chief Finance Officer & s151 Officer
The County of Herefordshire District Council
Plough Lane Offices
Hereford
HR4 0LE

Shropshire Council
Shirehall
Abbey Foregate
Shrewsbury
Shropshire SY2 6ND

Date: 2nd March 2020

My Ref: JW/SD

Your Ref

Dear Andrew

Transfer of Local Growth Funds for NMiTE Phase 2 – April 2020

Please refer to Tony Bray's letter of 14 February 2020 which sets out the collectively agreed approach to NMiTE Phase 2 between Shropshire Council, acting as the Accountable Body for the Marches LEP Local Growth Fund ("the Accountable Body"), the County of Herefordshire District Council ("Herefordshire Council") and NMiTE.

It is agreed that the Accountable Body, will delegate responsibility for managing this grant and the relationship with the applicant (NMiTE) to Herefordshire Council. The full grant amount of £5.66m will be transferred from the Accountable Body to Herefordshire Council as soon as reasonably practicable and in any event within five (5) working days of the later receipt of:-

1. the 2020/21 LGF allocation from Ministry of Housing, Communities and Local Government ("MHCLG");
2. a signed Acknowledgement and Acceptance Declaration (as set out at page 3) from Herefordshire Council; and in advance of project delivery.

Once completed, this action will enable the Marches LEP to demonstrate this element of the 2020/21 LGF capital grant has been defrayed.

Please find attached (at Annex 1) a copy of our 2019/20 LGF Grant Determination letter which sets out the terms and conditions under which MHCLG awards Local Growth Fund ("LGF") Grant under Section 31 of the Local Government Act 2003 to the Accountable Body. The Accountable Body expect to receive a similar LGF Grant Determination letter for financial year 2020/21 in mid-April 2020 which will include the £5.66m grant for Phase 2 of the NMiTE project. Please note that the date of eligible spend in relation to this grant is 31 March 2021.

As outlined in the letter attached at Annex 1 the award of the Section 31 grant is made with the approval of MHCLG. Acceptance by Herefordshire Council of the award is acceptance of the associated terms and conditions.

In consideration of the above, the Accountable Body requires Herefordshire Council to agree to the following conditions:-

1. From 3 August 2020 and thereafter on a quarterly basis Herefordshire Council will send to the Accountable Body the information as outlined in Annex 2. This information will allow the Accountable Body to report to the Marches LEP Board and MHCLG on the overall performance of the Marches LGF programme;
2. That Herefordshire Council operates according to the Government's National Local Growth Assurance Framework in all matters where it is acting as the local accountable body for the project;
3. That Herefordshire Council agrees in principle that if the project delivery needs to extend beyond FY 2020/21, then Herefordshire Council can use its capital spend freedoms and flexibilities to achieve this. Herefordshire Council should notify any resultant alterations to project milestones to the Marches LEP as soon as the new milestones are agreed with NMiTE.

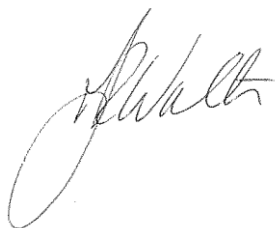
The Accountable Body confirms that neither it or The Marches LEP will seek to clawback funding on the basis that any project failure is for Herefordshire Council to manage and remedy locally and on the basis that MHCLG looks to:

- (i) the performance of the whole LGF programme and not individual projects; and
- (ii) the degree to which partners have recognised risks and put in place appropriate mitigation.

The information contained in this letter and the attached documents should be brought to the attention of all relevant staff in Herefordshire Council. As the Council's s151 Officer, you are required to sign and return the Acknowledgement and Acceptance Declaration below as evidence of Herefordshire Council's acceptance of the terms and conditions under which this grant will be awarded.

If you have any queries about the contents of this letter or the attached grant terms and conditions, please contact me by phone on 01743 258915 or email james.walton@shropshire.gov.uk

Yours sincerely



James Walton
Director of Finance, Governance and Assurance (Section 151 Officer)
for The Marches LEP

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ACKNOWLEDGMENT AND ACCEPTANCE DECLARATION

Herefordshire Council – NMITE Phase 2 LGF Funds

I ACCEPT THE GRANT OFFER FOR AND ON BEHALF OF HEREFORDSHIRE COUNCIL SUBJECT TO THE TERMS AND CONDITIONS SET OUT IN THIS LETTER AND THE ANNEXES TO THIS LETTER. I CONFIRM THAT I AM LAWFULLY AUTHORISED TO DO SO.

SIGNED (s151 OFFICER).....

PLEASE PRINT NAME.....

DATE.....

Please sign and return to James Walton at the address shown above.

Annex 1
LGF Grant Determination letter



2019-20 LGF payment Grant Determination (003).pdf

Annex 2
Project Information Requirements

Table 1 - Deliverables.

NMITE Phase 2 Deliverables	Total
New Learners (Student Enrolled)	810
Jobs Created	195
Area of new/improved training floorspace (m2)	6,195
GVA Added Annually (£)	£ 27,520,000.00
Companies Supported	375
Private Sector Capital Match (£)	£ 7,766,250.00

Table 2 - Timescales for Reporting to Shropshire Council's Section 151 Officer:

Financial Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2020/21	03/08/2020	02/11/2020	01/02/2021	03/05/2021
2021/22	02/08/2021	01/11/2021	01/02/2022	02/05/2022
2022/23	01/08/2022	01/11/2022	01/02/2023	01/05/2023
2023/24	01/08/2023	01/11/2023	01/02/2024	01/05/2024
2024/25	01/08/2024	04/11/2024	03/02/2025	05/05/2025

The table above sets out the reporting deadlines for Herefordshire Council to submit certification reports (signed by the Section 151 Officer) confirming progress against:

1. LGF spend allocation of £5,660,000 – Financial Year 2020/21.
2. Achievement of Deliverables (as set out in Table 1) – In line with NMiTE Phase 2 Business Case submission.