

Agenda item 8

Hertfordshire Growth Board (HGB) – Growth Board Growth Fund and Budget 2021/2

Report Author: Patsy Dell, Hertfordshire Growth Board (Tel: 07949 887794)

1 Purpose of report

- 1.1 This report updates on the Growth Board Growth Fund (GBGF), both ongoing spend and proposed budget profile for 2021. Appendix 1 includes the current and proposed budget profile.

2 Growth Board Growth Fund - Retained Business Rates update

- 2.1 The fund is drawn from the Herts Business Rates retention pilot growth pot which has been committed for use by the Growth Board. The fund has generated £4.2m (gross, excluding documented spend commitments).

3 Changes since the last report - July 2020

- 3.1 The budget spend reflects the work undertaken by the board in 2020 such as the creation of the Growth Board dedicated team, the development of the HGB website, pursuit of a Growth Deal, the Growth Corridor programmes and establishment of the Growth Board joint committee.
- 3.2 Total cumulative spend from the GBGF from 2018/19 up to the end of 2021/2022 (e.g. used for running of the Growth Board, consultants' costs, Growth Board programmes, staffing capacity and support) is profiled at £1,609,000 over the four years. This equates to a spend commitment from the fund of £33,000 (with rounding) per partner per year¹.

4 Growth Board Growth Fund – New Budget items in 2021/22

- 4.1 When the Growth Board programme was developed in late 2019 no one could have anticipated the impact that the global pandemic would have on our national and local economy, our communities and on the capacity of the Growth Board partner organisations. The impact of Covid has been significant but work has continued on growth board priorities throughout the year.
- 4.2 The Growth Board work programmes and range of projects are moving forward, supported by teams from across Hertfordshire along with the capacity available from the HGB team and the dedicated project management resource. Our engagement with the consultants who helped us develop and set up the programme ceased in August 2020.
- 4.3 The workshop held with Leaders to agree priorities for 2021 confirmed the commitment to continuation of the work we are already focussed on, along with the additional areas we want to explore in 2021. Although we maintain our ambition to secure a growth deal with government, current national economic pressures mean that such funding options will be more limited in the next few years. Focussing on what we can do locally to increase investment into

¹ Included 2021/22 new budget commitments if approved

Hertfordshire as well as supporting our communities and businesses to weather the impacts of the virus on our economy has increased in priority for the Growth Board work in the coming year.

- 4.4 To secure the delivery and ongoing momentum of the programme, a number of our key projects will need additional support such as increased capacity and consultancy expertise in 2021. In line with the priorities agreed by the Growth Board in December 2020, a sum of £250k is recommended to be earmarked from the GBGF to invest in the projects set out below to enable them to start or keep going (as and with match funding if and where possible). The project areas and suggested potential funding are set out below:
- 4.5 Growth Board Programme Project Priority Funding:
- Housing Growth Deal/Accelerated Housing Workstream (£50k)
 - Investment Ready Hertfordshire (£60k)
 - North East and Central JSP preparation (£40k match funding)
 - Growth Corridor Projects (£100k)
- 4.6 The funding allocation of £60k for Investment Ready Hertfordshire is a new priority workstream for 2021/2 and the allocation is an estimate of what may be needed to support that work.

5 Implications

- 5.1 The Growth Board has oversight of the deployment and use of the GBGF. Hertfordshire County Council s.151 Officer accounts for the fund on behalf of the Growth Board and the s.151 Officers of the partner Councils and Local Enterprise Partnership. There are no adverse financial implications arising from this report and its recommendations, the Growth Board is using the fund in accordance with its jointly agreed priorities.
- 5.2 There are no adverse legal, equalities, environmental, sustainability or other implications arising from this report and its recommendations which support the ongoing work and priorities of the Growth Board.

6 Recommendation

- 6.1 Leaders are asked to note the report and agree the proposed budget commitments for 2021/22 (including the new £250k priority project funding) set out in Appendix 1.

Appendix 1 - Hertfordshire Growth Board Growth Fund – Jan 2021 update								
Activities to support the development of the Herts Growth Board/Growth Deal are being funded through the Herts Business Rates Pilot Growth Fund (2019/20 and 2020/2021). The fund has achieved circa £4.2m								
The table below sets out the funding drawn down so far and the proposed application of that funding in 2021/22								
Known and approved spending is profiled through to March 2022.								
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Cumulative Total £000s
		£000s	£000s	£000s	£000s	£000s	£000s	
Spending								
	Growth Board Programme Development support (1) ²	155 ³ (0)						0
	Growth Board Programme Development support (2)		240 ³ (355)					355
	Growth Board Programme Development support (3)			150 ³ (137)				137
	Growth Board Dedicated Team ⁴ - Director (1FTE) - Communications Lead (0.2FTE) - Programme Leads (1.5 FTE)			300	300			600
	Growth Board Programme Project Priority Funding (new for 2021): - Housing Growth Deal/Accelerated Housing Workstream (50k) - Investment Ready Hertfordshire (£60k) - NEC JSP (£40k match funding) - Growth Corridor Projects (100k)				250 ⁵			250

² Secured through EELGA Procurement Framework including 10 -15 % Framework Fee

³ Actuals varied in year because of contact start dates and invoicing across financial years (paid actuals in brackets)

⁴ HGB established dedicated team March 2020, budget for key roles agreed at that time

⁵ Approval of spend oversight to be via relevant Growth Corridor Programme Boards

	HGB Dedicated PMO (1FTE)			60 ⁶	60				120
	Growth Board Joint Committee Secretariat and support costs		1	3	20 ⁷				26
	Engagement events		7	2 ⁸	10				22
	Communications, Website development and hosting, HGB visual identity and brand products development ⁹			25	25				50
	Legal Advice		1	25 ¹⁰	20				50
	Room bookings, ancillary costs	5	4	1 ¹¹	3 ¹²				21
	Total Spend/Proposed Spend	0	368	553	688	TBC	TBC		1628
	Funded by								
	LGA support grant	0	39						(39)
	Contribution from Herts business rates pilot Growth Fund ¹³	0	329	553	688				1570
	Total funding	0	368	553	688	TBC	TBC		1609

⁶ PMO provided through HCC at cost

⁷ Includes new joint committee implementation and new and additional (and some one-off) Covid-related operating costs such as live streaming, on-line petitions module

⁸ Webinars used in 2020 so underspent – virtual events now being planned for March 2021 – budget to roll over

⁹ Visual identity and website development and implementation in 2020, on-going communications, website and hosting costs in 2021

¹⁰ Legal advice sought three times – MOU, Draft Growth and Recovery Prospectus (delivery vehicles) and Joint Committee Integrated Governance Framework

¹¹ Underspent because of use of Teams teleconferencing in 2020/21

¹² Virtual meetings expected for at least first two HGB joint committees, budget reduced following experience in 2020

¹³ The monetised value of in the kind support from the Hertfordshire Councils and LEP as part of delivering the Growth Board work programme is excluded.