

# Agenda item 6

## Hertfordshire Growth Board (HGB) – Growth Board Budget outturn 2022, Budget Proposals 2022/23 July 2022

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 2022/3. Appendix 1 includes the budget outturn and proposed budget profile.

### 2 Growth Board Growth Fund - Retained Business Rates

- 2.1 The fund is drawn from the 2019 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 in 2021

- 3.1 The budget spend reflects the work undertaken by the board in 2021-22 and the proposed budget for 2022-23 (so far). The budget outturn report has been delayed whilst review of the work programme has been undertaken and it is anticipated that a further report may be necessary to fully confirm Growth Board programme priorities in 2022.
- 3.2 Total cumulative and proposed spend from the GBGF from 2018/19 up to the end of 2022/2023 (e.g., used for Growth Board projects and programmes, running of the Growth Board, consultants' costs, staffing capacity and joint committee secretariat and support) is profiled at £2,057,000. This equates to a spend commitment from the fund of around £35,000 (with rounding) per partner per year<sup>1</sup>.

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

- 4.1 In 2021, the Growth Board allocated £250k funding for investment in a range of priority work programmes and projects. This funding was to be used to secure the delivery and ongoing momentum of the programme,

---

<sup>1</sup> Includes 2022/23 new budget commitments if approved

and to provide additional support such as increased capacity and consultancy expertise.

4.2 Growth Board Programme Project Priority Funding (project areas and approved funding were):

- Housing Growth Deal/Accelerated Housing Workstream (£50k)
- Investment Ready Hertfordshire (£60k)
- North East and Central JSP preparation (£40k match funding)
- Growth Corridor Projects (£100k)

4.3 Table 1 below identifies the projects that have been supported and the outcomes delivered. A number of contributions to projects have also been on a match funding basis.

Table 1: Growth Board Programme Project Priority Funding

Funding Area	Funding	Outcome/Funding remaining
Housing Deal/Accelerated workstream	(£50K)	Budget used for consultancy support to work with the HGB officer team on the preparation of the Hertfordshire Housing and Growth prospectus, the feasibility investigation for the Homes England Strategic Partnership bid and preparation of the Hertfordshire Housing sites pipeline. All completed.
Investment Ready Hertfordshire	(£60k)	First stage work on the Hertfordshire Investment Strategy completed.
North East and Central Joint Strategic Plan (JSP) preparation	(£40k – match funding)	First stage work on the JSP growth study has been commissioned
Growth Corridor Projects	(£100k)	Support provided/committed for a range of current and on-going work programme projects in the identified workstreams: <ul style="list-style-type: none"> <li>- Town centres and High Streets</li> </ul>

		<ul style="list-style-type: none"> <li>- Creative and Screen – Green Lit Hertfordshire Studio Floorspace study contribution</li> <li>- Stevenage Gunnels Road area vision contribution</li> <li>- New Settlements investigations</li> <li>- Hertfordshire Off Site/Modern Methods of Construction Housing Guide</li> </ul> <p>Approximately £60k committed/deployed.</p>
--	--	--

4.4 Work on a number of Growth Corridor programmes continues including several of the ones identified above.

## 5 Growth Board Growth Fund – New Budget items in 2022/23

5.1 As in 2021, there are a number of specific projects that require budgetary support in 2022/3 and beyond.

5.2 **Digital workstream.** The Board will be aware that the implementation of Hertfordshire’s digital framework is being delivered by Hertfordshire County Council (HCC) the Local Enterprise Partnership (LEP), and HGB, with HCC taking the day-to-day lead. Funding to support this work had been identified as part of the development of the strategy framework and a three-way split of the expected costs was approved in January. The Growth Board’s contribution over the next three years is proposed at £210k (£70k pa). It is proposed that the drawdown of the funds be flexible however, to enable the fastest possible progress.

5.3 **North East and Central Herts JSP preparation** (£40k pa funding). Progress on the JSP in South-West Herts has been greatly assisted by the funding received from Central Government and the local authority partners, including the County Council. In North, East and Central Herts the JSP work is also being jointly funded but without access to any Government support. In 2021, the Growth Board agreed that it would also contribute toward the costs, matching funding from the other authority partners.

5.4 **Hertfordshire Film/Screen Office** – (£25k pa for 3 years) this project proposition is on this agenda for consideration.

- 5.5 **Hertfordshire Planning Resilience and Capacity Task and Finish Group –** progress with this work and proposed next steps are covered elsewhere on the agenda. Funding to take forward the identified actions is outlined in the paper and match funding support will be discussed with the sector through the task and finish group and the Hertfordshire Infrastructure and Development Board (HIDB). The Growth Board is asked to allocate £40k towards the delivery of this work.
- 5.6 The £100,000 allocated to corridor projects in 2021/22 has not all been used, including some that is committed but not yet drawn down. Given the benefits of providing seed corn, match, or multiyear funding to keep some corridor projects moving it is suggested that up to £80k is further made available in 2022/23 for Growth corridor projects.
- 5.7 In terms of general funding for the HGB day to day operation, the HGB team is now supporting the board, two corridor programme boards, Hertfordshire Infrastructure and Planning Partnership (HIPP), the Planning resilience task and finish group and a number of workstreams and projects. From September they will be supporting the Herts Leaders Group. Whilst use of this capacity is kept under review and efficiencies are always looked for, the budget for Project Management Officer (PMO) capacity has been increased to reflect this need.
- 5.8 In 2021, The Board recruited a new Growth Board Programme Lead and the intention is to offer an extension to the contract for that post for a further year.
- 5.9 The shared Growth Board Communications Lead has secured a promotion within the LEP and may no longer be available the two days a week that have been previously required. Options for communications cover at the same level are being investigated.
- 5.10 In January 2022, the seconded Growth Board Director secured a new role at Hertfordshire County Council and has been covering both roles since then. This is unsustainable and recruitment of a new Growth Board Director will be starting from July 2022.

## **6 External Funding secured for Growth Board sponsored projects**

- 6.1 In the last year external funding support of circa £830,000 has been secured for a number of Growth Board programmes as follows:

- Community Wealth Building across Hertfordshire – £750,000 from the Community Renewal Fund for a programme of projects
- Temporary Accommodation Joint Investigation Project – £45k funding from the LGA Housing Advisers Programme and £33k from the One Public Estate fund.

6.2 Bids are currently being made for digital infrastructure investment and through Levelling Up and UK Shared Prosperity Funds.

## **7 Implications**

7.1 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.

7.2 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.

## **8 Recommendation**

- 8.1 Board Members are asked to note the report, and:
- a) agree the proposed budget and commitments for 2022/23 (including the new and continuing £325k of specific project funding) set out in Appendix 1, and
  - b) note the budget outturn for 2021/2 set out in Appendix 2.

<b>Appendix 1 - Hertfordshire Growth Board Growth Fund – Jan 2021 update</b>									
The Herts Business Rates Pilot Growth 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 2022/23									
Known and approved spending is profiled through to March 2024.									
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24		
		£000s	£000s	£000s	£000s	£000s	£000s		Cumulative Total £000s <sup>2</sup>
<b>Spending</b>									
	Growth Board Programme Development support (1) <sup>3</sup>	155 <sup>3</sup>							155
	Growth Board Programme Development support (2)		355)						355
	Growth Board Programme Development support (3)			186					186
	Growth Board Dedicated Team <sup>4</sup> - Director (1FTE) - Communications Lead (0.2FTE) - Programme Lead (1 FTE)			268	221	230 <sup>5</sup>			719
	Growth Board Programme Project Priority Funding ( <b>new for 2021</b> ): - Housing Growth Deal/Accelerated Housing Workstream (50k) - Investment Ready Hertfordshire (£60k) - NEC JSP (£40k match funding) - Growth Corridor Projects (100k)				110				110

<sup>2</sup> Excludes 2023/4 for the moment

<sup>3</sup> Secured through EELGA Procurement Framework including 10 -15 % Framework Fee

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

<sup>5</sup> Savings against Directors salary costs for 2021/2022 and 2022/23

Growth Board Programme Project Priority Funding ( <b>new for 2022</b> ):						140 <sup>6</sup>			325
- Digital						40			
- NEC JSP						25			
- Screen Office						80			
- Corridor projects						40			
- Planning Resilience and Capacity						325			
Total									
HGB Dedicated PMO (1FTE) <sup>7</sup> (2FTE in 2022)				60 <sup>8</sup>	87	100			247
Growth Board Joint Committee Secretariat and support costs including live streaming			1	3	4 <sup>9</sup>	6			14
Engagement events			4	7 <sup>10</sup>	3	10			24
Communications, Website development and hosting, sponsorship, HGB visual identity and brand products development <sup>11</sup>				28	13	25			66
Legal Advice if needed			1	2 <sup>12</sup>	0	5			8
Room bookings, ancillary costs		5	7	2 <sup>13</sup>	14	3			17
<b>Total/Proposed Spend</b>		<b>160</b>	<b>368</b>	<b>556</b>	<b>438</b>	<b>704</b>	<b>TBC</b>		<b>2256</b>

<sup>6</sup> Frontloaded digital workstream contribution – up to two years contribution can be made available in year 1 if needed

<sup>7</sup> Changes to 2 FTE in 2022/3 because of additional responsibilities agreed by the Board and Herts Leaders in 2021 and 2022

<sup>8</sup> PMO support provided through HCC at cost

<sup>9</sup> Included new joint committee implementation and new and additional (and some one-off) Covid-related operating costs such as live streaming, on-line petitions module

<sup>10</sup> Webinars used in 2020 so underspent – virtual events delivered in March 2021 and sponsored events in 2022

<sup>11</sup> Visual identity and website development and implementation in 2020, on-going communications, website and hosting costs in 2021 and 2022

<sup>12</sup> Legal advice sought three times in 2019 and 2020 – MOU, Draft Growth and Recovery Prospectus (delivery vehicles) and Joint Committee Integrated Governance Framework

<sup>13</sup> Underspent because of use of Teams teleconferencing in 2020/21

<sup>14</sup> In person, live streamed meetings resumed in 2021

	<b>Actual spend</b>	160	368	556	<b>438</b>				<b>1,522<sup>15</sup></b>
<b>Funded by</b>									
	LGA support grant	34	39						73
	Contribution from Herts business rates pilot Growth Fund <sup>16</sup>	126	329	556	438	704			2153
	<b>Total funding</b>	<b>160</b>	<b>368</b>	<b>556</b>	<b>438</b>	<b>704</b>	<b>TBC</b>		<b>2226</b>

## Appendix 2 - Budget outturn for 2021/2

<b>GROWTH BOARD 21/22</b>				
HGB Report Headings		Growth Board Forecast -Mar	expenditure as at 31.03.22 aligned with GB headings	Difference between forecast and actual
		£	£	
<b><u>Growth Board Dedicated Team<sup>17</sup>:</u></b>		<b>300,000.00</b>		
Director -1			137,871.05	
Comms Leads -0.2			31,222.48	
Programme Leads-1.5 <sup>18</sup>			52,051.67	
Additional costs PM <sup>19</sup>				
<b>Total Growth Board Team Costs</b>		<b>300,000.00</b>	<b>221,145.20</b>	<b>(78,854.80)</b>

<sup>15</sup> Actual spend using 2021/2 outturn

<sup>16</sup> 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.

<sup>17</sup> Part year costs for Director and new Programme Lead,

<sup>18</sup> Vacant for part year, 1FTE in post from September 2021

<sup>19</sup> Additional PMO capacity used to cover vacancies and increased demand in 2021 and 2022 – shown as overspend in PMO row now incorporated into budget



<b><i>Growth Board Programme Project Priority</i></b>				
<b><i>Funding:</i></b>				
Housing Growth Deal/Accelerated Housing Workstream	50,000.00		39,402.76	
Investment Ready Hertfordshire	60,000.00		20,440.00	
NEC JSP (Match funding)	40,000.00		<b>40,000.00</b>	
Growth Corridor Projects	100,000.00 <sup>20</sup>		<u>9,960.00</u>	
<b>Total Growth Board Programme Project Priority</b>		<b>250,000.00</b>	<b>109,802.76</b>	<b>(140,197.24)</b>
HGB dedicated PMO		60,000.00	86,683.53	26,683.53
HGB Secretariat & Support costs		20,000.00	4,000.00	(16,000.00)
Comms, website dev & Hosting, Brand products		25,000.00	13,309.50	(11,690.50)
Engagement events		10,000.00	2,976.00	(7,024.00)
Legal Advice		20,000.00		(20,000.00)
Room bookings, ancillary costs <sup>21</sup>		3,000.00	285.00	(2,715.00)
<b>Total</b>		<b>688,000.00</b>	<b>438,201.99</b>	<b>(249,798.01)</b>

<sup>20</sup> Commitments for Town centres and High Streets, Stevenage Gunnels Road area vision contribution, New Settlements investigations and Hertfordshire Off Site/Modern Methods of Construction Housing Guide not yet reflected here

<sup>21</sup> Two HGB meetings cancelled and one voided in 2021/2