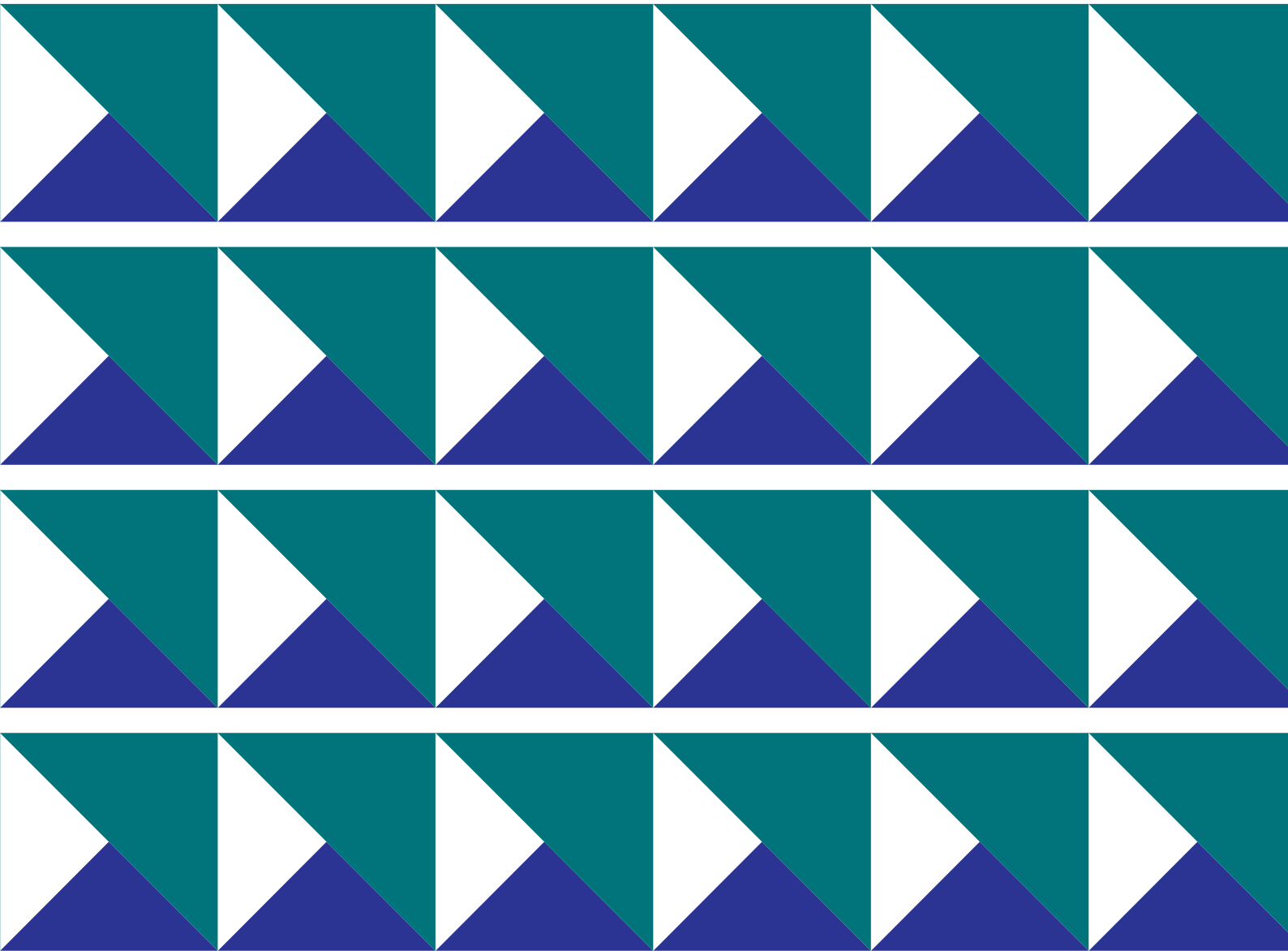


Annual Accounts 2017/2018



Hertfordshire
Local Enterprise Partnership

PERFECTLY PLACED FOR BUSINESS

Foreword

Hertfordshire Local Enterprise Partnership (LEP) was established in 2011 and its purpose is to accelerate economic growth by investing in the county's people, places and businesses.

The main activities of the LEP are to deliver the priorities identified in the Strategic Economic Plan. These are delivered by three main programme boards: Strategic Infrastructure, Skills and Employment and Enterprise and Innovation, as well as the Hertfordshire Growth Hub, Careers & Enterprise Company, Visit Herts and one of our most ambitious projects to date, Hertfordshire's Enviro-Tech Enterprise Zone.

From 2015/16 – 2020/21, the LEP has been awarded £265m through three competitive bids for Government funding, known as Growth Deals. These have enabled us to target funding where it is needed most by improving our transport and digital connections, regenerating our new towns, investing in our further education colleges and the University of Hertfordshire and providing the support to enable our enterprises to innovate and grow. East to west, north to south, there are real, tangible signs where we are making a difference.

As we continue to deliver on the priorities set out in our Strategic Economic Plan, we are now turning our attention to support the regeneration of our smaller towns such as Bishop's Stortford and the development of the Enterprise Zone which is progressing at pace.

Hertfordshire County Council (HCC) is the Accountable Body for Hertfordshire LEP and provides financial, legal and technical assistance to support the LEP's growth programmes. The LEP accounts are reported within and subject to external audit scrutiny as part of HCC year end accounts. The summary statements here include an Operational Income & Expenditure Statement for the period between 1st April 2017 – 31st March 2018 and a Government Grant Funding Statement as at 31st March 2018.

Government grant funding

The LEP undertakes a number of activities for which it receives specific grants from Central Government: Local Growth Fund, Growing Places Fund, Hertfordshire Growth Hub and Careers & Enterprise Company, as shown in the table below:

Government grant funding as at 31st March 2018

	Opening balance 01/04/17	Grant received in year	Expenditure in year (-)	Closing balance 31/03/18
Local Growth Fund	£0	£33,455,875	-£7,068,383	£26,387,492
Growing Places Fund	£6,186,691	£0	-£251,314	£5,935,377
Growth Hub	£59,410	£287,000	-£346,410	£0
Careers & Enterprise	£79,755	£167,038	-£122,847	£123,946
Operational	£609,411	£0	£104,762	£714,173
TOTAL RESERVES	£6,935,267	£33,909,913	-£7,684,192	£33,160,988

Local Growth Fund

This grant is received annually and is for projects agreed through the Growth Deals. 2017/18 was the third year of delivery of the Growth Deal, and expenditure is shown in the table below:

Local Growth Fund: expenditure as at 31st March 2018

Funded project	2017/18
West Herts College Dacorum Phase II	£500,000
A602 Stevenage to Ware	£4,520,202
Stevenage Public Realm	£407,240
Essex Road	£290,000
Hatfield Multi-Story Car Park & Public Realm	£120,067
Skills & Equipment Fund: University of Hertfordshire	£210,744
Skills & Equipment Fund: North Herts College	£95,462
Skills & Equipment Fund: Oaklands College	£50,400
Skills & Equipment Fund: Hertford Regional College	£50,000
Balance brought forward 2016/17	-£19,945
Other Project Commitments	£844,214
TOTAL EXPENDITURE	£7,068,383

Growing Places Fund

This grant was received in 2012 and is to be used as a “recycling” fund to provide repayable loans for infrastructure, as well as grants for specific approved projects. During 2017/18, £251,314 of the grant was spent on feasibility studies for the A10, Visit Herts and the Enterprise Zone.

Growth Hub

This grant is received annually for the support of SME businesses in the area. Now in its third year of operation, it provides web based and face-to-face support to businesses. During 2017/18, £346,410 was spent on the Growth Hub service. The grant has been confirmed for a further two financial years.

The Careers & Enterprise Company

This grant is to fund an Enterprise Advisor Network, which brokers more effective engagement between schools and local employers by matching Enterprise Advisers from local business or the public sector with local secondary schools. During 2017/18, £122,847 was spent on this service.

LEP operational income and expenditure

The LEP receives two elements of grant funding from the Ministry of Housing, Communities and Local Government (MHCLG) for its operational activities: core funding and strategy/capacity funding. HCC match funds the core funding element. The LEP also generates other sources of income including Local Growth Fund interest receivable generated by balances held in reserves by HCC on behalf of the LEP and European Regional Development Fund (ERDF) Technical Assistance.

The LEP Board agree an annual Operational Plan each year which covers the running costs of the LEP's Boards and Executive Team, which includes staff salaries, office expenses, publicity & marketing and professional fees.

Hertfordshire LEP operational income & expenditure accounts as at 31st March 2018

Income	2017/18
MHCLG Income	£500,000
HCC Match Funding	£250,000
LGF Interest receivable	£126,317
ERDF Technical Assistance	£65,724
Other Income	£54,762
TOTAL INCOME	£996,803
Expenditure	
Staff	£689,169
Accommodation & Office Expenses	£130,525
Communications & Engagement	£44,965
Programme Support	£233,506
TOTAL EXPENDITURE	£1,098,165
NET INCOME & EXPENDITURE	-£101,362
LEP Reserves: Operational	
Balance Brought Forward 01/04/17	£609,411
Balance of I&E above	-£101,362
Enterprise Zone net expenditure	-£46,322
Transfer in from Department for Transport Reserve	£62,400
Transfer in from Growing Places Fund Reserve	£190,046
CLOSING BALANCE 31/03/2018	£714,173

Enterprise Zone operational income and expenditure

The LEP is leading on the Enterprise Zone on behalf of Hertfordshire County Council, Dacorum Borough Council and St Albans & District Council. In 2017/18 the LEP incurred net expenditure of £46,322 which will be recouped in future years as income starts to flow into the Enterprise Zone.

Enterprise Zone operational income & expenditure accounts as at 31st March 2018

Income	2017/18
Department of Communities & Local Government grant	£40,000
Dacorum Borough Council	£5,000
St Albans District Council	£5,000
Hertfordshire County Council	£5,000
Highways England	£5,000
The Crown Estate	£15,000
TOTAL INCOME	£75,000
Expenditure	
Marketing & Inward Investment	£8,314
Enterprise Zone Manager	£55,454
Commercial Feasibility Study	£31,704
Advisory Support	£23,900
Office Expenditure	£1,950
TOTAL EXPENDITURE	£121,322
NET INCOME & EXPENDITURE	-£46,322

Overall position

The LEP had opening balances of £6,935,267 on 1st April 2017, with in year net receipts of £26,225,721 which led to a closing balance of £33,160,988 as at 31st March 2018. The LEP also has a capital receipts reserve of £500,000.

