

# Annual Delivery Plan 2019/2020



**Hertfordshire**  
Local Enterprise Partnership

**PERFECTLY PLACED FOR BUSINESS**

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# 1. Foreword

We are delighted to present our first annual delivery plan which sets out our priorities for 2019/20 and helps measure our performance locally and nationally.

This delivery plan replaces our operational plan and is structured under the three main assurance themes of the Annual Performance Review (APR). These are:

- 1. STRATEGY**
- 2. GOVERNANCE**
- 3. DELIVERY**

This plan must be set within the wider context of the APR and HMG's move towards a more unified performance criteria for all LEPs. Following the conclusion of the APR process, MHCLG determined that Hertfordshire LEP is compliant with the National Assurance Framework and was judged to be good in relation to both strategy and governance.

The APR recognised our strong commitment to good governance. We are now in the process of fully implementing the requirements set out in the review and through the process of company incorporation, continue to demonstrate that we are a business-led organisation, allowing us to take on further responsibilities in the future.

There remain challenges in relation to delivery, many as a result of factors beyond our control impacting our largest schemes, however our swift and proactive response via calls for additional projects has provided confidence that we will deliver greater outcomes for our businesses and residents as a result. That said, the delivery of contracted project spend and outputs is our top operational priority for this financial year, ensuring value for public money while accelerated the pace of spend.

The other key priority is the production of a Local Industrial Strategy for Hertfordshire which will help set the roadmap for a generation. This will be an integral part of the wider Hertfordshire county proposition. Through this, we have one of the greatest opportunities to build prosperous and productive places and connect local people to economic success. Led by the LEP and in collaboration with local authorities, businesses, universities and colleges, this will be a local manifestation of the national strategy. But it must also go much, much further and build on the ambitions set out in our Strategic Economic Plan to respond positively to the opportunities and responsibilities of smart growth.



A handwritten signature in black ink, appearing to read 'Mark Bretton', with a long, sweeping horizontal line extending to the right.

**Mark Bretton, Chair, Hertfordshire LEP**

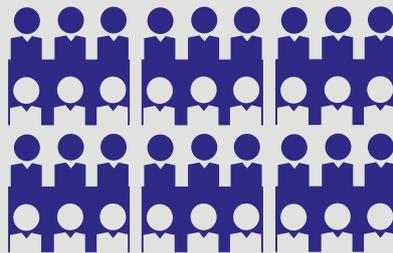
## 2. Executive summary

In 2019/20 Hertfordshire LEP will:

Invest **£54.8m**  
in Growth Deal  
funding to deliver  
**19 major  
projects**



Create **682 jobs**



Support **3000  
business** to grow

Enable **3520  
students** and  
**apprentices**  
to develop further skills



Help to create  
**1269 homes**



Invest around  
**£6.4 million**  
in business  
growth



Support  
**104**  
schools/  
colleges with  
**careers** and  
**enterprise** activity



Alongside this, we will also deliver:

Our Local  
Industry Strategy

An Inward  
Investment Strategy

Set up a new Skills  
Advisory Panel

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## 3. Introduction

As set out in the Strengthened Local Enterprise Partnerships report published July 2018, Government requires all LEPs to agree an annual delivery plan for 2019/20 to inform objective assessment on how Local Enterprise Partnerships are performing both nationally and locally. This plan will set out the priorities for Hertfordshire LEP for 2019/20 and the outputs and deliverables we expect to achieve by the end of the year.

We welcome this move towards even greater transparency of LEP activity. The plan has been shared and endorsed by Government, key partners and the Hertfordshire LEP Board and is published on our website. We will use this plan to constantly monitor our performance and will produce an Annual Report which will be presented at our public AGM.

# 4. Strategy

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# 4.1. Strategic Economic Plan

The Strategic Economic Plan (SEP) was first developed in 2014 and then refreshed in 2017. It defined an overall economic narrative for Hertfordshire which has generated real momentum and significant traction with key public partners and businesses.

This narrative was/is a long term one. It provides the strategic foundations for the Local Industrial Strategy and sets out a “road map” for Hertfordshire to chart both what the LEP and its partners are seeking to achieve, and what is needed to make this happen. Our challenge now is to make rapid progress in relation to delivery. Our priorities are sound:

The SEP continues to be the reference point for all LEP activity and particularly, the framework for the development of LEP funded activity, and is the basis by which the LEP measures its impact and successes.

**Priority 1**



Maintaining global excellence in science and technology

**Priority 3**



Re-invigorating our places for the 21st century

**Priority 2**



Harnessing our relationships with London and elsewhere

**Priority 4**



Foundations for growth

## 4.2. Supporting the development of a Local Industrial Strategy

The delivery and partnerships that were defined by the Strategic Economic Plan have been considerably strengthened over the past five years.

Significant progress was made over 2018/19 in refining the evidence base developed from the SEP and identifying areas for further investigation through 'deep dives'. Much of this was primary research, via direct surveys of businesses or focused roundtable discussions, some of which will continue into 2019/20. This evidence base is available to view on our website.

The emerging evidence base and priorities were shared with a wide range of stakeholders during November 2018 to March 2019. The focus on the early part of 2019/20 is the production of a draft Local Industrial Strategy (LIS) and the resulting 'co-design' process to agree the LIS with HMG. Throughout this process we will continue our evidence-based dialogue with stakeholders.

Our strategy will:

- include cross-cutting narratives around inclusive growth and productivity
- develop a narrative around nationally significant sectors which are important in Hertfordshire, namely: life sciences, agri-tech, advanced engineering, creative industries and construction
- reflect on lessons from past attempts to accelerate growth within Hertfordshire
- identify continuing challenges of fragmentation
- highlight key market (and/or policy) failures
- benefit from collaboration with LEPs in neighbouring counties and the wider LEP network as well as lessons learnt from LEPs who have created their LIS in earlier waves.

## 4.3. Key actions

- Continue to develop and co-design an impactful Local Industrial Strategy. Our evidence gathering and evidence-based dialogue will continue and will include sector and placed-based roundtables and deep dive analyses, with desk-based research but also primary evidence gathering with businesses. We are working towards having a first draft strategy co-designed with Government during summer 2019 for final submission by Q3 2019.
- To ensure the LIS fits into the wider growth proposition for Hertfordshire. Work with the newly formed Hertfordshire Growth Board to articulate key infrastructure asks for the county. This includes developing a series of advocacy campaigns to support some of the emerging strategic LIS themes.
- Work with neighbouring LEPs in the development of the LIS to ensure cross border issues such as transport and sector support are maximised, and to support the emerging work of LEPs across the Greater South East region in recognising their importance to UK plc.
- Develop sub-strategies on digital infrastructure, inward investment, innovation and social enterprise that will feed into the emerging LIS and support ongoing LEP priorities and programmes.
- Help shape the new UK Shared Prosperity Fund, set to replace European and Growth Deal funding as a result of the UK leaving the European Union, to ensure sufficient funds are available to address issues with productivity and inclusive growth in Hertfordshire.
- In order for us to maximise the impact and visibility of the LEP and our LIS, we will procure a new corporate website and revise branding guidelines by Q4 to strengthen marketing activity, support updated corporate values and behaviours, and gain reputational advantage. Running alongside this will be a corporate communications plan that builds local, national and international profile and engagement.

# 5. Governance

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## 5.1. Overview of LEP Governance

The governance of the LEP continues to change and be updated to follow guidance issued by MHCLG, most notably in the National Assurance Framework (NAF).

The Hertfordshire LEP Local Assurance Framework has been updated following the publication of the NAF in January 2019. A copy of the current Assurance Framework can be found on our website.

Notable changes as a result of the best practice guidance for LEPs and latest NAF include the need to formalise scrutiny arrangements and nominate a champion to ensure diversity targets are met. In addition, there is greater emphasis on assessing value for money whilst balancing HMG's requirement to spend our allocated funds and we are continuing to improve our project appraisal processes accordingly.

## 5.2. Key actions for 2019/20

- Hertfordshire LEP has become independent from the Local Authority, as required by MHCLG. Hertfordshire County Council still acts as our Accountable Body, receiving all revenue and capital grant allocations from HMG and ensuring that the LEP manages these resources appropriately. However, MHCLG require the LEP to provide an independent secretariat to support the Chair and Board in decision making.
- To achieve this legal personality, the LEP has become an incorporated body – a company limited by guarantee (CLG). This means we have a board of formal company directors and a membership group (who provide the functions of a shareholders in a CLG).
- We now need to implement any remaining incorporation issues, such as addressing the impact of VAT and potential TUPE of staff, if required, to ensure that we provide a secretariat independent of local government to support the Chair and Board in decision making.
- To ensure transparency we will embed the new framework for this delivery plan, including holding a mid and annual review with Government. We will publish an annual delivery plan by May 2019 and an end of year report at the end of the 2019/20 financial year.
- We will also hold a combined Annual Conference/AGM in Q3 2019, which will be open to the public and businesses and will be widely promoted. We will use the newly established remuneration committee to provide a formal and transparent procedure for developing policy on pay and expenses.
- To implement the requirements of the LEP Review, for example by:
  - Appointing a Diversity Champion by Q2 2019 to work with our local government and education partners to ensure gender balance on our Board and Programme Boards.
  - Continue to participate in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of our investment decisions.
  - Ensuring all funding applicants are fully aware that we will look to recover funding where non-compliance, mis-representation or under-performance has been highlighted.
  - Updating our Scheme of Delegation and Financial Regulations by Q2 2019 to address the accountability arrangements and relationships between the Board, Chair, Local Enterprise Partnership CEO, Accountable Body and sub-boards in light of the new incorporation model.
- In addition, we will review our sub-boards to ensure they continue to add value to the LEP's performance. It is expected that this will be undertaken by the end of Q2 2019.
- We are also on-boarding a newly appointed Independent Technical Evaluation Partner to strengthen our appraisal process, which will be revised in preparation for the UK Shared Prosperity Fund. There is potential to hold workshops for bidders to ensure they are fully informed.
- We will undertake a review of our overall strategic risk management in relation to Strategy, Governance and Delivery to ensure that we have adequate visibility on key risks and mitigation. This will be led by the Programme Management Committee by Q2 (see Annex C).

## 6. Delivery

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Our key priorities for delivery are set out under strategic themes

## 6.1. Skills

The LEP will ensure close alignment between the existing Hertfordshire Skills Strategy and the Local Industrial Strategy, with a focus on technical level skills development as well as higher and degree level skills, the bedding in of the Apprenticeship Levy, revised funding formulas for apprenticeships and the importance of developing our future workforce. In partnership with key stakeholders, we will encourage greater influence and collaboration over, and where possible, develop revenue-based skill programmes and capital-based infrastructure that meet the current and future needs of local employers and communities.

### 6.1.1. Key actions

- Review membership of the LEP Skills & Employment Programme Board so that it can become a Skills Advisory Panel in line with Government expectations/guidance by the end of Q2.
- Provide skills focused input into the development of the Hertfordshire Local Industrial Strategy including addressing the skills element of the Grand Challenges, especially around Artificial Intelligence and the impact of an Ageing Society.
- Ensure that the Hertfordshire Careers Hub is fully operational from September 2019.
- Ensure our Enterprise Advisor Network achieves 2018/19 targets agreed with the Careers & Enterprise Company by the end of Q2.
- Agree new Careers & Enterprise Company targets for September 2019 to August 2020.
- Work in partnership with YC Hertfordshire to develop and provide a Skills Framework resource pack for secondary/special schools.
- Launch the new Hertfordshire Skills & Apprenticeship Information Portal by the end of Q2.
- Provide funding for the engagement of a .5 independent skills broker to engage with [100] businesses.
- Investigate opportunities to secure a funding stream for additional independent skills brokers.
- Support the development of T-level qualifications.
- Ensure all LGF skills capital and GPF funded projects achieve their 2019/20 spend and/or output profiles by the end of 2019/20.

## 6.2. Business

Hertfordshire's businesses are our greatest asset and they offer huge potential to grow the county's economy and jobs. In 2018 there were just over 61,700 enterprises registered for VAT or PAYE in the county. This was a reduction from 63,600 in the previous year by just over 1,900 SMEs; the first time the Hertfordshire business base has shrunk since 2009.

The vast bulk of businesses (90%) are micro SMEs employing less than 10 people and generating revenues of less than £250,000 per year. These are important businesses, but in reality, small firms, medium sized firms and large firms, which represent 9% of the entire numerical business base, drive the lion's share of the county's wealth.

With continuing uncertainty regarding Brexit, we will be working hard to ensure that Hertfordshire secures the full share of funds allocated to it under the ERDF programme for 2014 to 2021 (see section 9.4). We will continue to invest in the Hertfordshire Growth Hub, the county's principal source of business advice, and invest in capital projects which will deliver the SEP's priorities for maintaining global excellence in science, engineering and technology, and strengthening foundations for growth.

### 6.2.1. Key actions

- Review membership of the LEP Enterprise and Innovation Programme Board and recruit new members in line with Government guidance by the end of Q2.
- Develop Enterprise and Innovation Strategy in line with emerging Local Industrial Strategy by the end of Q2 2019. This strategy would need to be flexible if developed in advance of the publication of the LIS.
- Publish final version of Inward Investment Strategy by end of Q1 2019.
- Align and coordinate Inward Investment functions between the Enterprise & Innovation, Enterprise Zone and Communications teams. Increase internal capacity within the LEP to ensure synergy between EZ and LEP place-based branding by Q1 2019.
- Launch Hertfordshire Growth Hub digital platform by the end of Q1 2019.
- Launch Special Purpose Vehicle to deliver access to finance programme offering and loan instruments to SMEs by end of Q2 2019.
- Launch Growing Business Fund Expansion Grant scheme by end of Q1 2019.
- Launch new start-up business support service by end of Q2 2019.
- Produce Growth Hub Annual Report by end of Q1 2019.
- Ensure all LGF and GPF capital funded projects achieve their 2019/20 spend and/or output profiles by the end of 2019/20.

## 6.3. Infrastructure

Hertfordshire is facing an unprecedented level of housing and employment growth over the coming years from its own targets and pressure from adjoining areas, especially London. This growth will place increasing

stress on the county's services including its rail, road and communications infrastructure. Robust and resilient infrastructure is fundamental to growing the Hertfordshire economy and enhancing business competitiveness.

### 6.3.1. Key actions

#### Local transport infrastructure

- Engage with Hertfordshire County Council and others on development of the A414 Corridor strategy and the A505 strategy. Ensure alignment with the LIS, with initial consultation phase to be completed by end of Q2.
- M1 Junction 8 - to agree design phase with EZ and TCE and identify funding source by end of Q3.
- Develop and confirm a contract/MoU between the LEP and HCC Highways for delivery of LEP infrastructure investment funding by the end of Q1.
- Work with HCC Highways to develop a next generation pipeline of infrastructure projects, with HCC Director of Environment & Infrastructure to present update to the LEP Board in Q2.

#### Housing

- Promote and work with partners to deliver new garden settlements in Hemel Hempstead and Harlow and Gilston.
- In conjunction with the EZ, continue to promote Hertfordshire as a location for offsite manufacturing and work with RSLs to develop a pilot to explore its potential on a larger scale. Identify potential manufacturers by Q3.

#### Town centre regeneration

- Work with partners to deliver their current LGF regeneration programmes.

- Set up a town centre working group with Herts Growth Board by end of Q2.
- Develop a town centre regeneration strategy and delivery plan by end of Q4.
- Provide support for districts to develop applications for town centre/high street funding by Q3 (subject to success of bids for funding).

#### Employment space

- Hold an Employment Space conference with the Hertfordshire Growth Board to tie in with analysis of major employment sites by end of Q3.
- Informed by the outcome of the conference and further analysis, support LPAs to resist Permitted Development Rights (PDR), lobby Government to remove/restrict PDR for employment space, and develop targeted employment space investment interventions.

#### Planning & place-making

- Help shape and comment on Local Plan proposals and, where appropriate, participate in EIPs.
- Develop the Gunnels Wood Road employment area place-making and economic strategy, and use as a model for other areas by end of Q2.

## 6.4. Enterprise Zone - Hertfordshire Innovation Quarter

Hertfordshire Innovation Quarter (Herts IQ) is set to become the leading place in the UK for businesses operating in modern construction, agri-tech and related digital and environmental technologies, who are looking for contemporary new workspaces close to London.

The planned development of 3 million sq. ft. of office, warehouse and industrial space over the next 10 years, combined with unique sector collaborations, ensures the offer to employers is strong. By providing high quality commercial space for Hertfordshire's growing businesses, the aim is to attract hundreds of new employers to the area, creating up to 8,000 new jobs in the EZ, with a further 2,000 across the wider Hemel Garden Communities, many of which will be highly skilled.

This project is core to Hertfordshire's biggest growth opportunity in decades and is linked to strategic outcomes for the county, with potential for national significance. The EZ is the western commercial anchor of Hertfordshire's east-west growth axis, which is likely to accommodate around 50% of Hertfordshire's housing growth, with an EZ and a garden community at each end. A bid to secure status and funding for Hemel Garden Communities has been successful, which is an excellent step forward. The Hertfordshire EZ is set to serve as the commercial heart of the development which aims to deliver a total of 12,000 new homes and 10,000 new jobs.

Herts IQ branding is designed to be overarching for the entire county, not just the current EZ. We will include thoughts in our LIS to bring in other key areas in Hertfordshire including along the Gunnel's Wood Road in Stevenage.

### 6.4.1. Key actions

The offer to market:

- Sites and premises
- Transport
- Skills and labour market
- Digital connectivity
- Sustainability
- Innovation and networks

Further development and implementation of marketing and inward investment (to align with wider Hertfordshire Inward Investment Strategy).

Undertake a review of governance via external evaluation by the end of Q2 2019.

Likely outcomes for 2019/20 will be:

- 400 new jobs
- £6m investment (borrowed against retained business rates) leveraging £9m private sector investment
- 14,000 sq. m. commercial space completed
- Commence construction of commercial spaces on a further two sites.

## 7. Resources

The funding of the LEP continues to evolve in line with changing priorities and funding streams.

Previously the LEP had used interest from LGF and GPF programmes to help meet running costs. Income from these sources have now been fully utilised.

In 2019/20 we expect income from the following sources:

<b>INCOME TYPE</b>	<b>2019/20 PROPOSED BUDGET</b>
CEC income	£143,000
BEIS core funding	£500,000
BEIS Strengthened LEPs funding	£200,000
ERDF TA income	£57,000
HCC match funding	£250,000
LGF interest received	£285,000
Growth Hub management fee	£28,700
DFE Skills Advisory Panel	£8,000
EZ income	£477,236
<b>TOTAL INCOME</b>	<b>£1,948,936</b>

The majority of operational income is allocated to staffing resource which is highlighted in Annex A.

The LEP will also be moving to larger offices in 2019 which will incur limited costs. The operational budget is fully costed however long term planning remains a challenge whilst firm commitments on core funding are not available.

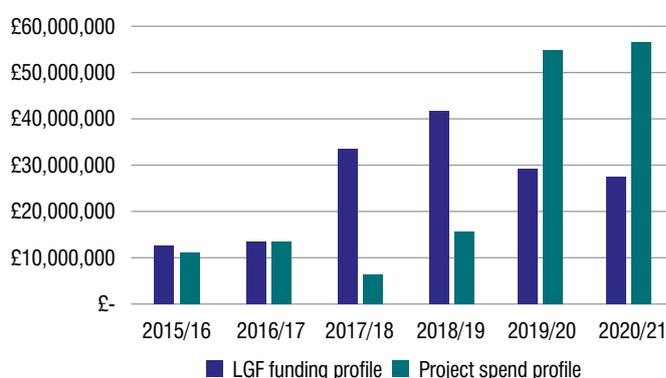
# 8. Programmes

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## 8.1. Local Growth Fund

Following a successful open call for projects in November 2018, the LEP has now allocated 98% of its total LGF allocations of £159m (see Table 1). At the end of 2018/19, the LEP had spent 32% (circa £51m) of its total allocation. The focus for 2019/20 and indeed 2020/21 is on the delivery of all contracted project spend.

**TABLE 1**  
**BEIS FUNDING PROFILE VS LEP PROJECT SPEND PROFILE**



**TABLE 2**  
**LIST OF 2019/20 DELIVERY PROJECTS**

PROJECT NUMBER	PROJECT NAME	2019/20 TOTAL
LEP0026	A602 improvements - (previous commitment as part of Growth Deal)	£2,394,000
LEP0053B	A120 - Little Hadham bypass and flood alleviation scheme - extra ask	£4,758,000
LEP0069	Enterprise Zone quiet highways	£100,000
LEP0071	West Herts College - Dacorum campus phase 2	£4,365,622
LEP0077	Essex Road Hoddesdon	£5,187,495
LEP0088	Watford Business Park phase 2	£2,067,000
LEP0089	Hatfield regeneration and MSCP	£2,155,856
LEP0107	Stevenage SG1 land assembly	£6,009,649
LEP0108	Stevenage SG1 public realm	£1,634,738
LEP0127	Veterinary Vaccinology and Cell Therapy Hub - The Royal Veterinary College	£6,489,291
LEP0136	Old River Lane, Bishop's Stortford – East Herts District Council	£7,833,675
LEP0142	Watford Clarendon Road – infrastructure and place shaping improvements	£1,788,814
LEP0153	Oakland's St Albans campus redevelopment	£ 2,500,000
LEP0158	Watford social housing and MMC landfill remediation	£877,500
LEP0168	Cell and Gene Manufacturing - fit out – Stevenage	£2,222,950
LEP0178	Welwyn Hatfield Borough Council Weltech 2 (managed workspace) - Hatfield site	£751,000
LEP0179	University of Hertfordshire sports science fit out	£2,503,409
LEP0193	North Herts College Hitchin campus	£717,031
LEP0133	Waltham Cross renaissance phase 1 - Broxbourne Borough Council	£137,878
LEP0147	Programme management costs	£344,000
<b>TOTAL</b>		<b>£54,837,908</b>

## 8.1.1. Delivery of key high/medium risk schemes by theme

**TABLE 3**  
TIMELINE OF REQUIRED ACTIONS RELATING TO KEY HIGH OR MEDIUM RISK SCHEMES

KEY THEMES	Q1	Q2	Q3	Q4
Highways	HCC Transport MoU Essex Road			
Regeneration	Old River Lane	SG1	Hatfield MSCP	
Innovation & incubation	BRE			Watford Borough Council Business Park
Skills			North Herts College Hitchin campus	

### Regeneration

Key delivery projects for 2019/20 include:

- Bishop's Stortford Old River Lane**  
 This project remains a high risk project with key issues still to be resolved. We are working closely with East Herts District Council's CEO, Leader and Project Manager to deliver the project in line with profiles. A project review will be undertaken in conjunction to confirm continued support at the end of June 2019.
- Stevenage SG1**  
 This project remains a high risk as the current contract ends on 31st March 2020. In addition to regular quarterly meetings, we have agreed remedial actions with Stevenage Borough Council (to be implemented by close of Q2 2019/20) should original spend profiles not be met.
- Hatfield town centre regeneration**  
 This project is identified as a medium risk, as the main multi-storey car park construction phase is due to commence in the later stages of 2019/20. We will be maintaining close liaison with Welwyn Hatfield Borough Council to ensure remedial actions/decisions are made to enable project delivery or suspension (by the end of Q3 2019/20).
- Building Research Establishment Open Innovation Hub**  
 Ring fenced funding for this project has been removed due to lack of progress relating to key funding conditions. The LEP will continue to work closely with Building Research Establishment to see if the scheme can be bought forward by end of Q2 2019/20.

### Highways and infrastructure

- We work closely with colleagues from HCC Highways to agree delivery profiles for 2019/20 and a Memorandum of Understanding with regards to the delivery of agreed schemes that allows flexibilities in-year to ensure we maximise draw down of funding by end of Q1.
- **Essex Road New Bridge Scheme**  
The LEP will liaise with HCC Highways and its delivery partner, Broxbourne Borough Council, to agree next steps for this high risk scheme, i.e. whether to continue or suspend, by close of Q1 2019.

We have also created a Delivery Improvement Plan (see Annex B) to ensure that spend of Growth Deal money is maximised, with mid-year reviews, reports and ongoing discussions with the MHCLG Area Lead providing early warning of any project slippage/concerns.

### 2018/19 Open Call

The following schemes were allocated funding by the LEP Board in March 2019 for delivery by March 2021:

- North Herts College – Hitchin campus redevelopment\*
- Oaklands College – St Albans campus redevelopment
- Cell & Gene Therapy Catapult – Cell Therapy Catapult fit out
- Watford Borough Council – Business Park phase 2\*
- Watford Borough Council – infill sites
- University of Hertfordshire – sports science fit out
- Welwyn Hatfield Borough Council – Hat Tech Beaconsfield Court business centre

We will work closely with all the above schemes to ensure delivery is in line with agreed profiles, however those identified with an asterisk remain medium risk as the majority of spend falls into 2020/21. We will need to ensure 2019/20 delivery for these schemes are on or ahead of profile to ensure we achieve full spend by Q4 2020/21.

As a result of the recent open call, we have identified a number of strong pipeline schemes which we will continue to work with in order that their applications are 'spade ready' should existing contracted schemes be suspended or not achieve contract spend milestones.

## 8.1.2. Key areas for action

The delivery of contracted project spend and outputs is our top operational priority whilst ensuring value for public money. In addition to the actions highlighted above and in line with our Delivery Improvement Plan, we have now put the following in place to provide a more robust approach to LGF performance management:

- Quarterly meetings with all projects to ensure greater clarity and confidence regarding the delivery of spend and outputs. Attendees include the applicant, the LEP Operations Director (where required), executive lead and a member of the Performance & Assurance team. Discussions will centre on progress to date and anticipated delivery against agreed defrayal and/or output profiles. In addition:
  - o We have identified and are in discussion with those projects that may be in a position to bring forward eligible spend activities.
  - o We will set strict but realistic deadlines for projects where spend activities have slipped.
  - o For projects that are deemed to be medium or higher risk, we will agree monthly claims particularly for the period of January/February/ March 2020. This will also alleviate year end pressures on our Accountable Body colleagues.
- Where required, we will insist on project focused remedial action plans. These are agreed with projects to ensure project buy-in and are reviewed and

updated at quarterly project meetings. Should it be required, we will insist on more regular meetings. We are reviewing this approach before potentially applying the process to all projects.

- In line with their scrutiny role, our Programme Management Committee has requested that projects at risk of underperformance are asked to attend Programme Management Committee meetings in order to discuss both funding and/or outputs variances and agree remedial actions.
- In line with the LEP’s Assurance Framework, we will develop and implement policies and processes for managing under-delivery of outputs to include an agreed process for claw back of allocated and committed LGF where deemed necessary.
- At the last quarterly meeting of the financial year, all projects will have an annual review of spend and output profiles for the following year to ensure they are realistic and achievable.
- We will be proactive in monitoring risks for 2020/21 spend profiles so that remedial action can be taken early. An initial assessment of all 2020/21 profiled projects will be undertaken by end of May 2019, with further assessment to be undertaken by the end of October.

## 8.1.3. Outputs

**TABLE 4  
OVERVIEW OF PROFILED OUTPUTS FOR THE 2019/20  
DELIVERY PERIOD**

METRIC	2019/20 PROFILE
Houses	1269
Commercial floorspace	42,674
Jobs	582
Apprenticeships	978
New learner assists	2542

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## 8.2. Growing Places Fund

In 2018/19, funding was allocated to projects including a Skills & Apprenticeship Information Portal, additional LEP-wide start-up provision, a loan fund for growing SMEs and for additional activities to support the Visit Herts programme. It should be noted that the recent

GPF allocation will leverage an additional £2m ESIF funding for Hertfordshire. There remains a £600k balance from the original GPF allocation available for new projects. Existing GPF projects are on profile to meet both spend (and associated repayment) and output profiles.

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## 8.3. Hertfordshire Growth Hub

Following the re-letting of the Hertfordshire Growth Hub contract, we will be working with the Growth Hub consortium on the implementation of the next generation hub. This will replace the former model and will be delivered as a blended service. This requires the launch

of a new digital platform combining the enhanced online service with face-to-face advice delivered through Growth Account Managers, who broker clients to private and public sector service offers. For more detail see the actions under 6.2.1.

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## 8.4. European Structural Investment Funds

### 8.4.1. ESF

It is expected that 90% of the ESF will be fully committed by the start of 2019/20. Therefore, the focus for 2019/20 will be to deliver all contracted ESF schemes and to run another call for projects to commit the remaining circa £2.5m of ESF.

### 8.4.1. ERDF

The remaining funds will be allocated through a further open call. £16.3m has been contracted by the end of 2018/19, with £7.8m of projects being ready for approval by the end of Q2 2019/20. If the projects identified below come to fruition, then the balance of funds required to be raised by an open call is £8m. If this is achieved then the total allocation of £32.1m will be fully taken up by the end of 2019/20.



<b>IMPROVEMENT SUMMARY</b> <i>Ensure that spend of Growth Deal funding is maximised</i>	<b>MILESTONES</b> <i>Add key milestones and dates (where possible)</i>	<b>MONITORING PROCESS</b> <i>Note how you will monitor progress</i>	<b>AREA LEAD PROGRESS UPDATE</b> <i>To be completed on a quarterly basis, referencing progress on KPIs</i>
1. To agree annual LGF spend targets at both programme and project level with area lead.	<ul style="list-style-type: none"> <li>• Agree annual spend targets by 24 May 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Targets agreed by Area Lead by end of May 2019. Progress against targets will be subject to ongoing discussions between Area Lead and Operations Director.</li> </ul>	<ul style="list-style-type: none"> <li>• To form part of quarterly meetings with Operations Director, Programme Manager and Contracts Manager starting 13 May 2019.</li> </ul>
2. Review approach and documentation received by LEP Board and at sub-committees to ensure they are appraised for progress both at programme level, and where appropriate, individual project level, and on both annual and overall spend.	<ul style="list-style-type: none"> <li>• Review submitted to LEP Chairs' Panel and LEP Programme Management Committee for agreement by 21 May 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Papers submitted to both Chairs' Panel and PMC for discussion and agreement of LEP approach to programme management.</li> </ul>	
3. Agree programme level reporting with Area Lead, including spend against annual and overall allocation.	<ul style="list-style-type: none"> <li>• Agree documentation/project level information sharing progress.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing discussion between Area Lead and Programme Manager regarding project slippage/concerns.</li> </ul>	<ul style="list-style-type: none"> <li>• To form part of monthly meetings with Programme Manager and Contracts Manager starting 13 May 2019.</li> </ul>
4. Agree project level reporting with Area Lead.	<ul style="list-style-type: none"> <li>• Agree documentation/project level information sharing process.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing discussion between Area Lead and Programme Manager regarding project slippage/concerns.</li> </ul>	<ul style="list-style-type: none"> <li>• To form part of monthly meetings with Programme Manager and Contracts Manager starting 13 May 2019.</li> </ul>
5. Ensure Cities and Local Growth Area Director is sighted on any slippage and concerns.	<ul style="list-style-type: none"> <li>• Mid-year review with Area Lead and Deputy Director.</li> </ul>	<ul style="list-style-type: none"> <li>• Mid-year report and discussions with CLG Area Director.</li> </ul>	
6. Agree quarterly spend profiles for all 2019/20 projects.	<ul style="list-style-type: none"> <li>• Quarterly spend profiles are agreed with all 2019/20 projects by 31 May 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Realistic profiles agreed with each 2019/20 Project Lead.</li> </ul>	<ul style="list-style-type: none"> <li>• Information to be shared with Area Lead at June monthly meeting.</li> </ul>
7. Review spend for all 2019/20 projects on a quarterly basis, identifying projects which are high and medium risk of not spending annual allocation. Agree remedial action plans for those high/medium risk projects to minimise slippage.	<ul style="list-style-type: none"> <li>• All 2019/20 projects to have quarterly progress meetings with LEP Executive to monitor spend etc.</li> <li>• Initial identification of medium and high-risk projects identified and remedial actions in place by end of May 2019.</li> <li>• On-going assessment of plans to be undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly monitoring meetings for all 2019/20 projects.</li> <li>• Report on programme level and all project level progress to Programme Management Committee and Chairs' Panel.</li> <li>• Report on programme level and identified high risk projects to LEP Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Information to be shared with Area Lead at monthly meetings.</li> </ul>
8. Proactively monitor risks for 2020/21 so that remedial action can be taken early.	<ul style="list-style-type: none"> <li>• Initial assessment undertaken by end of May 2019. Further assessment to be undertaken by end of October 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Report on programme level and all project level progress to Programme Management Committee and Chairs' Panel.</li> <li>• Report on programme level and identified high risk projects to LEP Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Information to be shared with Area Lead at monthly meetings</li> </ul>
9. Actively engage with projects in the pipeline, so that they can be bought on swiftly if slippage in other areas.	<ul style="list-style-type: none"> <li>• On-going with a particular focus on ability to deliver within remaining LGF period.</li> </ul>	<ul style="list-style-type: none"> <li>• Report on status of pipeline projects to be provided to Chairs' Panel and Programme Management Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• Information to be shared with Area Lead at monthly meetings.</li> </ul>

TITLE OF RISK	NATURE OF RISK	CAUSE OF RISK	CONSEQUENCES OF RISK	OFFICER RESPONSIBLE (RISK OWNER)	REVIEW DATE	MITIGATING ACTIONS
<b>Fail to deliver LIS in 2019/20</b>	Strategy	Not able to get agreement from local stakeholders	Missed deadline may impact on consideration of future UK Shared Prosperity Fund	Neil Hayes		<ul style="list-style-type: none"> <li>To ensure delivery of LIS in line with agreed time frames: Working with local business stakeholders and politicians</li> <li>Regular meetings with MHCLG and other Central Government departments</li> <li>Communications/engagement plan</li> </ul>
<b>VAT will impact on our operational budget</b>	Governance	Failure to find an approach to exempt the LEP from having to pay VAT on revenue spend	Pressure on revenue budget and/or reserves	Andrew Lee	Q2 2019	<ul style="list-style-type: none"> <li>Working with Accountable Body, LEP Network and MHCLG to ensure Hertfordshire LEP is not subject to VAT, LEP Board subgroup formed to monitor progress</li> </ul>
<b>Incorporation could mean staff are seen as TUPE'd to the new company</b>	Governance	Legal opinion that TUPE may need to or already have taken place	Additional staff costs, agreeing split with HCC, finding alternative pension	Andrew Lee	Q2 2019	<ul style="list-style-type: none"> <li>Working with Accountable Body and external legal advice to understand TUPE implications for Hertfordshire LEP</li> <li>LEP Board subgroup formed to monitor progress</li> </ul>
<b>LEP Delivery still "requires improvement" at next Annual Performance Review</b>	Delivery	Don't deliver against key targets	BEIS funding removed	Norman Jennings		<ul style="list-style-type: none"> <li>Monitor Progress against Annex B</li> <li>Improvement Plan monitored by PMC, Chairs' Panel and LEP Board</li> <li>Regular progress meetings with MHCLG</li> </ul>
<b>Projects fail to deliver</b>	Delivery	Projects can't deliver due to circumstances outside of their control	Failure to spend will lead to us getting a "required improvement" ranking	Norman Jennings		<ul style="list-style-type: none"> <li>Quarterly meetings with applicants</li> <li>Requiring remedial action plans or alternative proposals if they fall behind</li> <li>Identified alternative projects - Project Pipeline</li> </ul>
<b>Staffing capacity</b>	Delivery	Lack of appropriate resource to deliver the delivery plan	Failure to deliver against delivery plan will impact on current and future funding opportunities	Neil Hayes		<ul style="list-style-type: none"> <li>Recruit additional staff for example Skills and Apprenticeships Lead</li> <li>Review current capacity and ensure resource is matched to requirements of overall programme</li> <li>Ensure all staff have clear objectives linked to delivery plan</li> </ul>

<b>AGM</b>	Annual General Meeting
<b>APR</b>	Annual Performance Review
<b>BEIS</b>	Department for Business, Energy & Industrial Strategy
<b>BRE</b>	Building Research Establishment
<b>CEC</b>	The Careers & Enterprise Company
<b>CEO</b>	Chief Executive Officer
<b>CLG</b>	Cities and Local Growth
<b>CLG</b>	Company Limited by Guarantee
<b>DFE</b>	Department for Education
<b>EIP</b>	Examination in Public
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ESIF</b>	European Structural and Investment Funds
<b>EZ</b>	Enterprise Zone
<b>GPF</b>	Growing Places Fund
<b>HCC</b>	Hertfordshire County Council
<b>Herts IQ</b>	Hertfordshire Innovation Quarter
<b>HMG</b>	Her Majesty's Government
<b>LEP</b>	Local Enterprise Partnership
<b>LGF</b>	Local Growth Fund
<b>LIS</b>	Local Industrial Strategy
<b>LPA</b>	Local Planning Authorities
<b>MHCLG</b>	Ministry of Housing, Communities & Local Government
<b>MMC</b>	Modern Methods of Construction
<b>MoU</b>	Memorandum of Understanding
<b>MSCP</b>	Multi-storey car park
<b>NAF</b>	National Assurance Framework
<b>PAYE</b>	Pay As You Earn
<b>PDR</b>	Permitted Development Rights
<b>PMC</b>	Programme Management Committee

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