

Hertfordshire LEP Annual Accounts 2018/19

Summary Foreword

Hertfordshire Local Enterprise Partnership (LEP) was established in 2011 with the aim of accelerating economic growth within the county. Its development agenda is driven by three Programme Boards including Strategic Infrastructure, Enterprise & Innovation and Skills & Employment. In 2018/19, Hertfordshire LEP operated as an unincorporated partnership as part of Hertfordshire County Council (HCC), however, following a directive from HM Government, the LEP became a company limited by guarantee on 28 March 2019.

The LEP has been awarded £265m by HM Government through Growth Deal I, II & III for the period 2015/16 – 2020/21. These grants are delivering strategic infrastructure projects such as the A120 bypass, improvements to the A602 and regeneration in towns including Stevenage, Hatfield, Waltham Cross and Bishop's Stortford, as well as investment in colleges and the University of Hertfordshire through a Skills & Equipment fund, and larger projects at West Herts College and Royal Veterinary College. The LEP also contributed towards enhancing broadband across the county in 2018/19.

Hertfordshire LEP continues to develop programmes for the funding period, which currently runs to March 2021. Plans include further regeneration at Stevenage, Hatfield and Watford; further development of Hertfordshire IQ (the county's Enterprise Zone); further investment in the University and colleges; improvements to bridge, road and cycleway infrastructure; and investment in science at the Cell & Gene Therapy Catapult and Stevenage Bioscience Catalyst.

HCC is the Accountable Body for Hertfordshire LEP. It receives all grant funding on behalf of the LEP, and provides financial, legal and technical assistance to support its growth programmes. LEP accounts are reported within and subject to external audit scrutiny as part of HCC's year-end accounts. The summary statements here are an Operational Income & Expenditure Statement for the period 1 April 2018 – 31 March 2019 and a Government Grant Funding statement as at 31 March 2019.

LEP Government Grant Funding

Hertfordshire LEP undertakes several activities for which it receives specific grants from HM Government, which are held by the Accountable Body. These include the Local Growth Fund, Growing Places Fund, and funding to support Hertfordshire Growth Hub and the Careers & Enterprise Company programme, as shown in the table below:

Government Grant funding as at 31st March 2019

	Local Growth Fund	Growing Places Fund	Operational	Growth Hub	Career & Enterprise	Total Reserves
Opening Balance 01/04/18	£26,387,492	£5,935,377	£714,173	£0	£123,946	£33,160,988
Grant received in year	£42,585,327	£0	£500,000	£287,000	£195,342	£43,567,669
Expenditure in year (-)	-£15,523,422	-£189,158	-£148,728	-£287,000	-£215,987	-£16,364,295
Closing balance 31/03/19	£53,449,397	£5,746,219	£1,065,445	£0	£103,301	£60,364,362



Local Growth Fund

This grant is received annually by the Accountable Body from the Ministry of Housing, Communities & Local Government (MHCLG), and is for capital projects agreed through the Growth Deals. 2018/19 was the fourth year of delivery (of six). Expenditure is shown in the table below:

Local Growth Fund: Expenditure as at 31st March 2019	
Funded Project	2018/19
Stevenage: Land Assembly	£1,990,351
Stevenage: Public Realm	£960,751
A602 Stevenage to Ware enhancements	£2,062,784
Hatfield Regeneration	£492,000
Hertford Town Centre	£200,000
A120 Little Hadham Bypass	£1,500,000
University of Herts Business Hub	£2,500,000
Broadband Contract 2	£500,000
Watford Clarendon Road	£1,250,372
Old River Lane Bishops Stortford	£1,786,325
Waltham Cross regeneration	£540,295
Royal Veterinary College	£510,704
Skills & Equipment Fund : Oaklands College	£210,600
Skills & Equipment Fund: University of Herts	£164,842
Skills & Equipment Fund: Hertford Regional College	£50,830
HCC legal fees	£11,138
West Herts College Phase 2	£1,134,378
Maylands Quietways	£58,860
Essex Road Bridge	£452,254
balance brought forward 2017/18	-£853,061
Total Expenditure	£15,523,422

Growing Places Fund

This grant was received by the Accountable Body 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. In 2018/19, £189,158 of this grant was spent on the Visit Herts contract and three feasibility studies.

Growth Hub

This contract is held by the Accountable Body and the grant is received annually from MHCLG towards the provision of business support for Hertfordshire SMEs. Hertfordshire Growth Hub is in its fourth year of operation and provides both web-based and face-to-face support. The contract was re-



procured during the year and a consortium including Exemplas, University of Hertfordshire and the Hertfordshire Chamber of Commerce was awarded the contract for a further 2 years. In 2018/19, £287,000 was spent on the Growth Hub service. The grant has been confirmed for a further financial year.

Careers & Enterprise Company

This grant is held by the Accountable Body and is used to fund the Enterprise Advisor Network, which brokers more effective engagement between schools and local employers. This entails matching secondary schools with volunteers, known as Enterprise Advisers, from local businesses or the public sector to help improve careers provision. During the year, the Accountable Body also received £75,000 for the provision of a Skills Advisory Panel on behalf of the LEP. During 2018/19, £215,987 was spent on these services.

LEP Operational Income & Expenditure

The Accountable Body receives two elements of grant funding from MHCLG on behalf of the LEP for its operational activities: core funding and strategy/capacity funding. Hertfordshire County Council match-fund 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. In addition, for 2018/19 (and 2019/20), the LEP received an additional £200,000 from MHCLG (a nationwide allocation to all LEPs) to strengthen governance and to become an incorporated body.

The LEP Board agrees an annual Operational Plan each year which covers the running costs of the LEP's Executive Team and Boards, including staff salaries, office expenses, publicity and marketing, and professional fees. The LEP's Executive Team assumes responsibility for economic development in Hertfordshire on behalf of HCC and the LEP Board acts as the main decision-making body. All LEP officers adhere to the governance arrangements set out in the Local Assurance Framework.

The main activities of the LEP are to deliver the priorities identified in the Strategic Economic Plan (SEP) which pulls together the three Programme Boards mentioned above, along with the Hertfordshire Growth Hub, Careers & Enterprise Company, Visit Herts and Hertfordshire IQ.



Operational Income & Expenditure Accounts as at 31st March 2019		
Income	2018/19	Total
MHCLG Income	£700,000	
HCC Match Funding	£250,000	
LGF Interest Receivable	£492,687	
ERDF Technical Assistance	£57,150	
Other Income	£224,058	
Total Income		£1,723,895
Expenditure		
Staff	£797,606	
Accommodation & Office Expenses	£81,311	
Communications & Engagement	£59,439	
Programme Support	£476,336	
Total Expenditure		£1,414,692
Net Income & Expenditure		£309,203
LEP Reserves: Operational		
Opening Balance 01/04/18		£714,173
Balance of I&E above		£309,203
Growth Hub contract		£17,956
Enterprise Zone surplus		£24,113
Closing balance 31/03/2019		£1,065,445

Enterprise Zone Operational Income & Expenditure

The Enterprise Zone, Hertfordshire IQ, is being developed by a partnership team led by Hertfordshire LEP, together with Hertfordshire County Council, St Albans City and District Council, Dacorum Borough Council, Rothamsted Research, Building Research Environment (BRE), University of Hertfordshire and The Green Triangle. In 2018/19 Hertfordshire IQ generated a net surplus of £24,113 which was repaid to the LEP. There will be further repayments in future years as Hertfordshire IQ generates further business rates receipts.



Enterprise Zone Income & Expenditure Accounts as at 31st March 2019		
Income	2018/19	Total
Dacorum Borough Council	£248,346	
Total Income		£248,346
Expenditure		
Enterprise Zone Staff	£79,364	
Marketing & Inward Investment	£63,853	
Commercial Feasibility Study	£22,886	
Digital Strategy	£18,900	
Technical studies: Sustainability	£17,765	
Design Fees	£11,984	
Advisory Support	£6,375	
Office Expenditure	£3,106	
Total Expenditure		£224,233
Net Income & Expenditure		£24,113

Overall position

Hertfordshire County Council, as the Accountable Body for the LEP, held opening balances of £33,160,988 on 1 April 2018, with in-year net receipts of £27,203,374, which led to a closing balance of £60,364,362 as at 31 March 2019. The Accountable Body also holds a capital receipts reserve of £500,000 on behalf of the LEP.

