



Hertfordshire LEP Annual Delivery Plan 2022/23

Executive Summary

The brokering capability and convening power of LEPs to drive economic growth, was recognised in the Levelling Up white paper, and states that where there is no devolution deal, “LEPs will continue to play their vital role in supporting local businesses and the local economy”. In Hertfordshire, where no devolution pathway has yet been agreed, this means we can get on with the vital role of supporting business and our local communities including representing business as a non statutory member of the Hertfordshire Growth Board.

We will utilise this opportunity to ‘level up’ our local areas by continuing to champion research and innovation, developing sector clusters, driving net zero, supporting start-ups and local businesses to stimulate growth and providing the skills leadership to identify needs and diversify our workforce. We will work with local leaders in developing strategic economic plans and will play a pivotal role in helping districts/boroughs to deliver key UK Shared Prosperity Fund (UKSPF) priorities at scale and tailored to local need.

In order for us to deliver our ambitions, we have undergone a significant restructure. This has led to a more consolidated offer focused around business growth, sector support, inward investment and skills, and we have invested in additional resources to support this activity.

With the support of a dedicated Board and senior leadership team, we have built an agile organisation that has already evolved to meet the significant challenges of the past three years – from UK’s EU departure to a global pandemic. Hertfordshire is already showing strong signs of recovery with sustained investment in its key sectors. We will continue to ensure that the business voice is heard in decision making to support the communities they serve.



Mark Bretton,

Chair, Hertfordshire Local Enterprise Partnership,

Chair, LEP Network

Introduction

Government requires all LEPs to publish Annual Delivery Plans to inform an objective assessment on how LEPs are performing both nationally and locally. This plan sets out the revised priorities for Hertfordshire LEP for 2022/23 and the outputs and deliverables we expect to achieve by the end of the year with a focus on business growth, skills leadership and delivery, sector growth and inward investment.

It also reflects that 2020/21 was the final year of Local Growth Fund spend and 2021/22 was the final year of Getting Building Fund spend – both are continuing to deliver until 2025. With Government re-directing future funds such as Levelling Up and UKSPF via local authorities this will have a considerable impact on the organisation and its new business model.

To that end, we have undergone a period of significant restructure as we shift our focus away from regeneration and infrastructure. UKSPF brings challenges but also tremendous opportunities to tailor support to meet local needs, widen the scope of our programmes and achieve greater economies of scale. The LEP Board will need to determine use of remaining capital and revenue reserves by Autumn 2022. This Annual Delivery Plan will therefore be updated later this year.

1. Strategy - the evolving role of the LEP

Over the course of 2021/22, the Hertfordshire LEP Board defined a future organisational structure based on a number of core capabilities as well as capacity to deliver a set of strategic programmes (see below) consistent with the needs of business and key stakeholders.

Core capabilities

Strategy/intelligence – to articulate an economic narrative for Herts that is based on evidence, intelligence and analysis

- Includes 'corporate' functions – governance/scrutiny, mgt/admin
- Partnership working local/regional/national
- Thematic policy leads e.g. digital

Comms, Advocacy & Stakeholder engagement

- Advocating key economic issues within Herts to regional/national stakeholders
- Promoting key LEP delivery programmes
- Overseeing overall branding & stakeholder engagement

Fund/programme management

- Managing bidding processes and assessment/development of successful bids
- Overall programme management of LEP and other funded activity
- *Management of specific capital programmes that support LEP priorities*

Strategic programmes

Business growth (inc. HGH)–

- Weaving projects to provide a support package for businesses
- sign-post/deliver basic business support via GH
- Start up support
- Service Innovation programme
- Visit Herts DMS
- *Investment in start up, co-working and move on space*

Skills leadership and delivery

- Work with partners and get them to respond to strategic priorities, etc.
- Work with businesses – esp. in key sectors/ clusters – to identify needs
- Provide cross-cutting resource on socio-economic inclusion e.g. place, young people
- Delivery of CEC, HOP ESF Programmes
- *Investment in skills/training facilities & equipment to meet local needs*

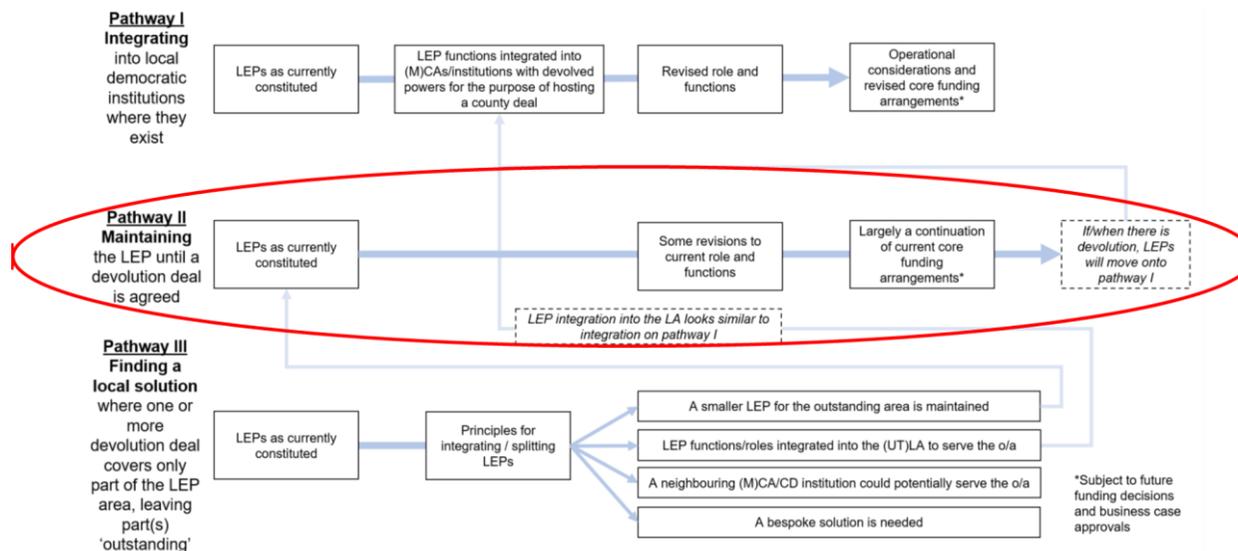
Sector growth & Inward Investment–

- to work with businesses in identified sectors/clusters with a focus on
- networking, knowledge exchange and innovation (within and beyond Hertfordshire)
- Trouble-shooting and 'key accounts'
- Thematic leads – e.g. Clean Growth
- inward investment and promotion
- Management of Herts IQ
- *Investment in incubation & innovation space*

These functions are consistent with the aims of Government, highlighted in the Levelling Up White Paper and further articulated in a Guidance Paper 'Integrating Local Enterprise Partnerships into local democratic institutions' which was published at the end of March which were expressed as:

1. Bringing a strong, independent and diverse business voice to local decision making/democratic institutions
2. Undertaking strategic economic planning, including sectoral priorities, evidence base etc. aligned to relevant Levelling Up Missions
3. Delivering programmes as requested on behalf of government departments:
 - a. Growth Hubs, on behalf of the Department for Business, Energy and Industrial Strategy
 - b. International trade and investment activity, provision of local business intelligence, grant funding and levelling-up focused projects, on behalf of the Department for International Trade
 - c. Local Digital Skills Partnerships, on behalf of the Department for Digital, Culture, Media and Sport
 - d. Careers Hubs, Local skills analysis via Skills Advisory Panels, on behalf of the Department for Education
 - e. Monitoring and assurance pertaining to existing local growth programmes and funds for which LEPs are responsible.
4. Depending on local context, helping to broker/support devolution deals

The Guidance Paper also set out three 'Integration Pathways' for LEPs as they transition roles and functions into local democratic institutions. In the context of Hertfordshire as a county-based LEP, this means that we currently sit at Pathway 2 whereby we will continue to operate on the current basis until such time a devolution deal is agreed.



The above changes provide the certainty required for the LEP to continue our key role in supporting the Hertfordshire economy whilst also continuing to play a role in working with key Local Authority partners in determining the county's response to the Levelling Up White Paper.

Throughout this change process we will be focused on ensuring that the Hertfordshire economy is equipped to deal with current and future challenges. As we pivoted from the Industrial Strategy process to produce the Economic Recovery Plan in 2020, we will be once again be looking to the long term future as we develop a new Economic Strategy for Hertfordshire and play our part in the Growth Board.

The strategy will be developed over 2022/23 and will draw upon recent sector action plans, refreshed skills and innovation strategies and thematic frameworks on digital and low carbon growth.

Recent evidence suggests that the Hertfordshire economy has proven to be **resilient** to the challenges of the pandemic, however **underlying weaknesses** remain:

- Skills/workforce availability in key sectors
- Lack of employment space (volume & suitability)
- Housing affordability
- Business growth (from small/micro to medium)
- Variable economic performance across our places

There are a number of **immediate pressures** on businesses:

- Energy costs (for businesses & employees)
- Skills & Recruitment challenges
- Supply chains, distribution & component costs

We need to make sure we fully **exploit** the recent investment secured by:

- Maintaining a long term approach for future sector based growth opportunities
- Transitioning people & places to tangibly benefit from anticipated growth
- Ensuring that our digital connectivity anticipates future needs as well as current challenges
- Doing so in a way that mitigates or reduces our carbon footprint

Partnerships & Communications

In order to deliver on this new agenda, Hertfordshire LEP is pivoting its internal and external operations to a more customer-centric model by:

- Shifting away from delivery of projects to programmes strongly aligned to Levelling Up Missions
- Embedding a new way of working with a greater emphasis on account management and data-driven performance
- Ensuring it has the capabilities to deliver robust inward investment, key sector, clean and inclusive growth activity, business support and skills leadership functions to drive future economic growth across the county

To ensure that we evolve, adapt and thrive, we must communicate our new service offer to partners and stakeholders widely and demonstrate our value more effectively in the market place. Our primary task post Levelling Up White Paper will be managing this change management communications on the LEP's future role, defining our corporate purpose and securing a broad coalition of support, maximising reputation and minimising risk. As part of this cultural shift to a more customer-facing organisation, we will embed an account management approach and ensure successful CRM take-up.

With an increasing focus on nurturing existing and forging new client and partner relationships, the functions of inward investment and sector activity will be integrated within this partnerships function. This will enable us to maximise more fully growth opportunities, articulate the economic narrative for Hertfordshire and ensure that our inward investment offer has a closer fit with the LEP's and Herts IQ's priorities. Part of this enhanced offer will be a robust business engagement programme that will convene key stakeholders, demonstrating to Government, investors and developers that Hertfordshire speaks with one voice on economic issues. It will draw on the LEP's economic insights, sector growth and inward investment activity and the expertise of its business-led board. It will also gather granular business intelligence from other sources, sharing an understanding of the local growth opportunities and issues across a broad thematic spectrum.

As we look forward, further consideration must be given to the future branding of the LEP so that it continues to align with our changing role and purpose and that our governance is fully fit for purpose to provide the necessary check, challenge and scrutiny of our operations.

Key actions

- To communicate more widely our new business model and future role;
- To develop a Hertfordshire narrative to drive inward investment and key sector/clustering activity to ensure we remain competitive;
- To ensure that the new account management approach is embedded across all areas of the organisation;
- To review the LEP brand and governance structure so that, over time, it aligns more fully with our core purpose and priorities;
- To hold an Economic Summit/AGM as part of the roll-out of a broader business engagement programme.

1. Governance

Overview of LEP Governance

The nature of our work and particularly how funding is allocated means it is critical that we are completely transparent and scrutinised on an ongoing basis. Government reviews have been favourable to Hertfordshire. We will continue to hold an open AGM/Annual Conference and widespread circulation of our digital Annual Report aligned to our Annual Accounts.

As an Incorporated Company Limited by Guarantee, we have additional reporting responsibilities to ensure we remain compliant with UK Business Law alongside the requirements of central Government on how LEPs are run. The above guidance issued to LEPs states that the LEP Assurance Framework will need to evolve to reflect changes in roles and responsibilities. This work is likely to occur later in the year and we will reflect any changes in a revised delivery plan.

Support to reflect changes to LEP structure

The LEP's governance structure must reflect our new business model. To that end, we have disbanded our Strategic Infrastructure Board and are reassessing the role of our Programme Management Committee. This review will be widespread to enable our governance structure to provide the necessary scrutiny and challenge.

Key actions

- Ensure that our governance structure remains in line with any changes to the LEP functions;
- Ensure any future application process meets the LEP's priorities to areas such as strategic focus, match funding, leverage, outputs
- Work to implement any changes and/or to further embed incorporation, if required, including our record on Companies House;
- Review our Local Assurance Framework to ensure it remains relevant to any changes of structure and is compliant with current and future National Assurance Framework requirements and with the Government's Annual Performance Review targets, with particular focus on diversity;
- Ensure we remain compliant with all UK Business Law requirements, including reporting our Annual Accounts to Companies House by 28 Dec 2022 and any changes to Directors' information in a timely manner;
- Hold a combined Annual Conference/AGM in Q3 2022 which will be open to the public and businesses and properly promoted; publish this Annual Delivery Plan on our website;
- Understand and communicate the changing State Aid/Subsidy Control position in respect of application for projects to ensure we remain compliant with legal requirements;

- Continue to participate in HCC's Scrutiny Committee and take part in a Scrutiny Topic focussing on the growth agenda in Hertfordshire, including the role of local government and the LEP;
- Continue to attend the quarterly Growth, Infrastructure, Planning and the Economy Cabinet Panel to account for the work of the LEP;
- Participate in and embed any recommendations from the external audit of our performance against the Assurance Framework .

“Business as usual”

As we come to the end of the Local Growth Fund delivery, it is important that we continue to deliver our programmes well and ensure that the LEP main board and sub-boards, as required, are kept informed.

Key actions

- Monitor all applicants to ensure we reach both our spend and output delivery targets;
- Ensure the LEP Board Member Declaration of Interests is kept up to date;
- Undertake evaluation/end of project reports;
- Continue to put in place a continuous learning and development programme to strengthen our Boards and sub-boards and ensure there is appropriate support in place for new members.

Inclusion

We remain committed to ensuring that our Board recruitment policies are as transparent as possible and that we select from a diverse pool of highly talented individuals who have excelled in their professional areas. This will ensure that our Board is representative of the businesses and communities they serve and enable us to meet the future targets for female board representation as set out in the National Assurance Framework and continue to meet other targets around board configuration as part of the Annual Performance Review process. The three main targets we continue to work towards are:

- maximum board size limit of 20;
- female board representation current target 33% - increasing to 50% by 2023;
- two thirds private sector representation.

Key actions

- To continue to work within existing strategic partnerships to respond positively by sharing best practice in terms of board member recruitment and future profiling, stretching our diversity and inclusion beyond gender to be more reflective of the Hertfordshire economy and community.
- To continue to work with industry/third parties on best practice on diversity and inclusion and bring this learning back to the Executive Team and shared more widely with our networks.

2. Delivery

Our key priorities for delivery are set out under these strategic themes.

Skills

2021 saw the publication of the revised [Hertfordshire Skills and Employment Strategy 2021-24](#) delivered in partnership between Hertfordshire County Council and the Department of Work and Pensions. The strategy underpins our county's ambitions to unlock potential and widen access for all and is supported by a detailed action plan across the five key themes.

The LEP continues to lead and co-ordinate the work of the Skills Advisory Panel with the remit of working collaboratively with our partners to ensure national government policy is translated and integrated into local skills delivery which meets the needs of our employers and residents. The [Local Skills Report 2022](#) has recently been published with the intention of providing a high-quality analysis of the local labour market which is required to influence local partners to match their provision offer against employer skills demand.

We will continue to ensure that that our skills and employment policy development complements national government initiatives as well as the local activity underway including our [Enterprise and Innovation Strategy 2021-25](#), [Clean Growth Strategy](#), [Digital Strategy](#), the work of Hertfordshire Growth Board and our suite of sector growth actions plans to be published across 22/23 including Life Sciences/Cell and Gene Therapy and the TV and film sectors.

With local partnerships in place, we await further details of the [UK Shared Prosperity Fund](#) local implementation plans and the roll out of Local Skills Improvement Plans and their impact on skills delivery. In preparation, over 21/22 we worked closely with five of our districts/boroughs to develop detailed skills and labour market analysis which will provide the bedrock for both of these vitally important national government initiatives.

Our Careers Hub (delivered in partnership with Hertfordshire County Council's Services for Young People) has now expanded to cover the whole of Hertfordshire, bringing together schools, colleges, employers and providers to drive forward a careers education that will support Hertfordshire's business community and its young people. We have also been successful in securing a £197,000 fund from The Careers and Enterprise Company Effective Transitions Fund to deliver a mentoring programme that will support students considered to be 'mildly disengaged'. This will see us work with 150 pupils throughout Year 10 and 11 to help them transition into Year 12 and beyond.

The Hertfordshire Opportunities Portal (HOP: www.hopinto.co.uk) brand awareness continues to grow as our employers, residents and education sector utilise the platform as a trusted gateway to explore careers opportunities and skills programmes. Across 2022/23, we intend to publish sector profiles across 10 of our key growth industries showcasing career pathways, local employers, labour market information, local jobs, apprenticeships and skills programmes. Our ambitions for HOP are steadfast as we position the portal as an instrumental tool to enable employers to connect with local talent and strengthen the social value they add to their communities.

Key actions

- Publication of the Hertfordshire Apprenticeship Strategy 2022-25 focusing on ensuring apprenticeship pathways are a valued option for our early career starters; to support adults to re-train, upskill and progress and to support our employers to build a skilled workforce;
- Formalising and implementing an Apprenticeship Levy transfer programme enabling levy-funds to remain in Hertfordshire and targeting transfer of funds to SMEs within our growth sectors and the charity/voluntary sectors;
- Support the delivery of the DfE's roll out of Local Skills Improvement Plan via facilitating the partnerships between local employer representatives bodies and our further education sector;
- Ensure the Skills Advisory Panel remains relevant to meeting the current and future skill needs of business and residents and monitoring and delivering the actions as set out within the Skills and Employment Strategy and Local Skills Report 2022;
- Continue our work with local authority colleagues to develop local skills & employment analysis supporting their UK Shared Prosperity Fund investment plans that align with a place-based approach to levelling up outcomes in skills and employment;
- Support the implementation of Stevenage Innovation and Technology Centre to meet the growing needs of key sectors such as life sciences, engineering, technology and advanced manufacturing;
- Increase the number of schools that have access to support provided via our Careers Hub offer and agree new Careers & Enterprise Company targets for the Hubs for the period September 2022 to August 2023;
- Continue to build the HOP brand, resources and supplementary initiatives such as Hertfordshire Supports Apprenticeships and our highly successful 'Generation' model of careers education events supporting thousands of young people to explore career opportunities;
- Achievement of targets on our ESF Hertfordshire Opportunities programme to enhance support for SMEs, enabling them to navigate the apprenticeship and skills landscape and effectively engage with education;
- Support the roll out of T Levels across 2022/23 including securing commitment from our employers to offer industry placements and provide support to schools to enable students to understand T Level pathways;
- Ensure all skills-related LGF/GBF and GPF funded projects achieve their 2022/23 spend and/or output profiles.

Business

The pandemic caused a significant amount of collateral damage to Hertfordshire's business base. Since March 2019, the total stock of businesses, as measured by the number of VAT/PAYE registered enterprises, fell by 4.2%. There was a reduction of 2,770 businesses between March 2019 and March 2021. This contrasts quite starkly with the rest of the UK, which saw an increase of 1.7% in the total stock of businesses over the same period.

Overall, the closing of the gap between business birth rates and business deaths has led to a high attrition rate of SMEs, the majority of which are micros (less than 10 employees), in a county that had, for many years, become synonymous with the vibrancy of its entrepreneurial base.

Aside from the stability of medium and large sized firms, one other positive to emerge from the shock of the pandemic has been the county's inward investment performance. Provisional data from the Department for International Trade suggests that the number of inward investment successes in Hertfordshire is beginning to return to normal after a several years of languishing in the doldrums as a result of uncertainties arising from the UK's withdrawal from the European Union. The performance has been particularly strong in sectors such as Life Sciences (notably Advanced Therapies such as cell and gene), Film & TV and ICT. This adds weight to the LEP's decision to focus promotional and development activity on industrial clusters where investor appetite is strong and the fundamentals for clustering are well established.

Building on our track record, we will continue to support the growth of businesses and business clusters in Hertfordshire by:

- Continuing to take an evidence based approach to supporting growth in our key sectors through pro-active business engagement where the business case for intervention is strong;
- Actively promoting and supporting start-up/entrepreneurial activity to replenish our slowly eroding business base;
- Scaling survivors and high growth potential market entrants;
- Investing in innovation structures to accelerate high growth potential gazelles and nurturing low carbon and zero carbon business development;
- Encouraging Foreign Direct Investment (FDI) by providing the space and promoting the opportunities for inward investment.

Key actions

- Refresh our recently published Enterprise and Innovation Strategy in the context of Levelling Up, the forthcoming BEIS Enterprise Strategy and the UK Shared Prosperity Fund and other emerging replacement programmes for the European Regional Development Fund;
- Work with key stakeholders to develop an Inward Investment strategy for the county. Once established, take the lead for the delivery of the strategy and associated propositions ensuring alignment with published sector action plans;
- Publish the following Sector Action Plans:
 - Cell & Gene Therapies & Life Sciences
 - Film, TV & Screen Industries
 - Smart Construction
 - Sustainable Technologies
 - Advanced Manufacturing

- Once published, provide executive resource to establish sector industry panels to provide overview for the delivery of the published sector action plans;
- Continue to review the relevance of the LEP Business Support Programmes, and, where appropriate, prepare the way for a new generation of business support programmes;
- Ensure all enterprise & innovation/business support related LGF/GBF and GPF funded projects achieve their 2022/23 spend and/or output profiles.

Hertfordshire Growth Hub

- Ensure the Growth Hub consortium partners deliver the agreed service and associated outputs and the website/CRM are integrated with the outsourced services delivered by the consortium;
- Continue to provide direction for partnership working to enable the co-ordination of business support, seeking opportunities to collaborate to increase the scale and capacity of the service – i.e. joint funding bids etc;
- Work with partners to develop business support focused proposals for inclusion in district/borough-led UK Shared Prosperity Fund local investment plan;
- Continue to support our local cluster (London & SELEP) activities and use them to add value to our local Growth Hub service.

Visit Herts

- Re-procure Visit Herts destination management service and ensure the new model is better aligned to our priorities. New service to commence 1st August 2022 on a 2+1 year term;
- Ensure the new delivery partner meets agreed service agreements and associated outputs;
- Ensure the delivery partner seeks opportunities to upscale activities through collaboration and successful funding bids, including consideration of UKSPF opportunities.

Get Enterprising/ Start Up Support

- Ensure delivery of the Get Enterprising programme up to end of October 2022 and evaluate current service.
- Prepare a business case for the possible procurement of a new programme more aligned to LEP's business focused growth remit
- Work with partners to develop business start-up focused proposals for inclusion in district/borough-led UK Shared Prosperity Fund local investment plans

Service Innovation Programme

- Following the success of the pilot programme, to develop a business case for funding the roll out of additional programme(s) ensuring alignment with sector action plans, clean growth strategy and the Enterprise & Innovation strategy.

Infrastructure and Regeneration

In light of the revised focus for LEPs as highlighted in the Government's Levelling Up White Paper, the LEP will no longer play the same role in the design and funding of infrastructure and regeneration programmes across the county. Our focus instead will be to continue championing an effective local business voice in driving and exploiting the local economic strengths as well as supporting the transformation our communities, supporting HMG's devolution agenda and working with local leaders in developing strategic economic plans. To this end we have disbanded the LEP's Strategic Infrastructure Board but will continue to provide a business voice and perspective via the Herts Growth Board and the Hertfordshire Infrastructure & Development Board.

In addition to the above, we still have a responsibility to deliver Local Growth Fund outputs, feed into Local Plans, support the regeneration of our towns as well as champion the need for good quality employment space across the county to attract new business and retain existing business.

Insufficient space, a much more heightened awareness of climate change, and a changing geo-political and environmental landscape means that Hertfordshire will need to find far more environmentally sustainable ways to address its often dated and worn out transport infrastructure. At the same time, societal and behavioural changes are having a major impact on the economic viability, and on the vibrancy, of our town centres. COVID-19 placed our town centres under very rapid and sustained pressure which required a much more flexible and responsive approach by public agencies to embracing change. We hope that this responsiveness will be maintained.

Key actions

Local Transport Infrastructure

- Continue to engage with Hertfordshire County Council (HCC) Highways team and others on development of the Hertfordshire Essex Rapid Transit (HERT) scheme;
- Work with HCC Highways to ensure completion of the remaining A602 Improvements final phase major transport scheme and to ensure delivery of contracted outputs for all Highway schemes;
- Work with HCC Highways, Stevenage Borough Council (as part of the Stevenage Town Deal) and GSK's appointed strategic developers to finalise the design for the A602/Gunnels Wood Road Roundabout scheme, and to help secure funding for its implementation.

Town Centre Regeneration

- Continue to support the Stevenage Development Board to deliver programmes identified in its Town Deal programme;
- In light of the refreshed focus of the LEP, Review and should it be necessary, revise the LEP Transforming Town Centres flexible capital support programme for town centres/high streets;
- Continue to support Local Planning Authorities to resist Permitted Development Rights (PDR) for employment space.

Employment and Housing Growth

- Continue to promote and work with partners to deliver new garden settlements in Hemel Garden Communities and Harlow & Gilston Garden Town, and work with partners to support growth within existing urban settlements, notably Broxbourne, Stevenage and Watford;
- Continue to support Local Planning Authorities to resist loss of employment space;
- In conjunction with the EZ (Herts IQ), continue to promote Hertfordshire as a location for offsite manufacturing and work with local partners to develop a pilot to explore its potential on a larger scale.

Planning & Place-making and Partnership Development

- Continue to represent business as a non statutory member of the Hertfordshire Growth Board and work with them at executive level to review existing place-making strategies, ensuring close alignment with the Economic Recovery Plan, and comment on Local Plans to ensure they meet the employment and skills ambitions of the LEP and the Economic Recovery Plan;
- Work closely with the Hertfordshire Infrastructure & Development Board (successor to the Strategic Infrastructure Board) to secure high quality growth in the county by maintaining a strong dialogue between developers and Local Planning Authorities.

Hertfordshire Innovation Quarter (Herts IQ) – Hertfordshire’s Enterprise Zone

The pandemic has undoubtedly had an impact on Herts IQ ability to deliver against its original target outputs, however, the first Maylands site at Prologis Park, Hemel Hempstead, is now fully let. Circa 51,000 sq.m new commercial space has been created and recent and ongoing investments in the Rothamsted Russell Building and BRE Open Innovation Hub will see an increase in the amount of space on each campus for small businesses core to Herts IQ’s sectoral focus. Progress with the Maylands and, in particular, Maylands Gateway has enabled discussions to commence with occupiers.

A priority for 2022/23 is to work with partners to develop and embed the features of a genuine industrial sector cluster in order to strengthen Herts IQ's competitive position. Many of the foundations for sector clustering already exist, particularly in relation to the potential for a smart construction cluster, helped by industry leadership from BRE Group. The potential for clustering in the agri- space is also good, primarily because of Rothamsted's impact and reputation, although the competitive landscape is complex and so carving out the 'niche' market opportunity will be key to success.

At the same time, we are keen to accommodate the growth of major sectors across the county that relate to the objectives of Herts IQ. This was highlighted by the launch of the Hertfordshire [Clean Growth Strategy](#) at the Herts IQ-sponsored biz4Biz sustainability conference in February 2022. Herts IQ will be further supported by the launch of the life sciences/cell and gene sector action plan, which will help embed med-tech in the EZ, and Film and TV action plan, particularly in relation to post-production digital technologies.

A thorough review of Herts IQ was carried out when the EZ reached its five year milestone to refresh objectives and address a number of core issues. These included the nature and extent of legal commitments; its uses, how realistic were the original job targets set and if these could still be delivered in the context of delivery constraints and post-COVID commercial demands; the need to explore other funding mechanisms for M1 Junction 8 improvements, and if the financial arrangements needed to be revisited. This review resulted in 10 recommendations that have now been incorporated into the Herts IQ Annual Delivery Plan, and reflected in the Key Actions below.

Key actions

Sites & Infrastructure

- Support owners Prologis and Dacorum Borough Council (DBC) in securing planning permission for the Maylands Gateway site, and help secure leasing at least one phase to an Off-Site Manufacturing (OSM) company;
- Work closely with The Crown Estate (TCE) to draw up and submit their Very Special Circumstances (VSC) planning application for the Hemel East phase of Hemel Garden Communities;
- Work closely with Homes England to bring to market the commercial element of its Spencers Park site, and help ensure integration with the adjoining residential area currently being built out;
- Work closely with Rothamsted Research campus and BRE to ensure it can maximise the recent investments in its estate and deliver the agreed outputs;
- Work with HCC Highways, National Highways and TCE to ensure delivery of the M1 Junction 8 design phase;
- Investigate and tie down final costs, identify any funding gap, develop a funding and lobbying strategy, and help prepare a funding bid for the M1 Junction 8 scheme;
- Support the development of a masterplan for Maylands Employment area, in conjunction with DBC, HCC and HGB.

Innovation & Growth

- Explore the development of the Herts IQ Network (using external resource) which will provide a collaborative network within the Herts IQ geography and potentially beyond;
- Drive forward, manage and monitor the Herts IQ Employment & Skills Delivery Plan, and support the Employment & Skills Group in developing effective business-FE/HE linkages.

Clean Growth

- Commission research to provide a deeper analysis and understanding of Hertfordshire's current Low Carbon Environmental Good and Services sector;
- Develop a comprehensive Clean Growth Delivery Plan and Programme of Work for 2023-2025;
- Set up a business-led LCEGS Industry Panel, aligned with other LEP growth sectors, with the aim of ensuring a sector cluster offer that meets the needs of LCEGS businesses.

Market Engagement

- Recruit a Marketing Executive/Manager, to be shared with the LEP, and develop a strategy to support promotion and delivery of the Herts IQ Annual Delivery Plan 22/23;
- Recruit an Inward Investment Manager, to be shared with the LEP, to work with DBC, SADC, BRE and Rothamsted, and clarify and re-fresh the Inward Investment and indigenous business development offer and align with a county-wide strategy.

Strategy & Partnership Development and Governance

- Implement the findings of the Herts IQ Review, finalised in spring 2022, and implement the recommendations of the recent Herts IQ Audit.

4. Resources

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

The LEP has seen some significant income reductions for the 2022/23 operational year when compared to the 2021/22 operational year, including a 25% reduction in core LEP funding and a 50% reduction in core Growth Hub funding. With the ongoing support of our Accountable Body and use of LEP revenue reserves, we have delivered a balanced budget for the 2022/23 operational year. The table below shows the proposed budget for 2022/23.

The 2022/23 operational budget will be reviewed on a quarterly basis by the LEP's Programme Management Committee with any subsequent revisions presented to the LEP board for ratification. In addition, the LEP Executive will continue to review budget allocations to ensure they reflect the needs of the national and local policies and ensure a delivery model that represents the future direction for the LEP.

Hertfordshire LEP: Revenue Budget Proposal 2022/23

Operational Budgets

Expenditure Type	2022/23 Budget
General office running costs	£276,838
Comms & Engagement	£81,200
Consultancy	£96,500
LEP Staff Costs	£1,408,655
HCC Support Services	£126,944
CEC (SfYP) & Skills Advisory Panel	£100,720
Enterprise Zone Operational costs	£415,806
Growth Hub (exc LEP staff)	£15,000

Total Expenditure	£2,521,663
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Income Type	2022/23 Budget
Core Funding (inc HCC match)	-£737,500
	-£511,010
External income e.g. CEC, SAP, GH, ESF & ERDF	
Internal income e.g. secondment, reserves, recharges	-£374,603
Enterprise Zone	-£415,806
Operational Reserves	-£482,744
Total Income	-£2,521,663

Net position - break even (using reserves)	£0
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Table 1

The LEP retains capital and revenue reserves, in light of the future direction of the LEP, the focus for the allocation of these reserves will be less on strategic infrastructure and place making and more on our key themes of enterprise & innovation, business support, skills, sector development, clean growth, digitalisation and inward investment. The LEP Executive will work closely with PMC to agree criteria for future allocations which will align with the latest version of the LEP Assurance Framework .

5. Programmes

Local Growth Fund

Local Growth Fund allocation to all LEPs came to an end in March 2021. Hertfordshire achieved delivery of its full allocation of £159.7m, although this was achieved using some freedom and flexibilities agreed with the Accountable Body (HCC).

As at the end of Q1 2022/23 all LGF funding has been allocated and therefore all freedom & flexibilities have been utilised. We will continue to monitor the three projects that will defray expenditure this year, however our main focus as we move forward will be to monitor and report on the delivery of LGF contracted outputs.

Getting Building Fund

Getting Building Fund allocation came to an end in March 22, with all £16.8m allocation defrayed. We will continue to work with the projects to both capture the match funding elements of their individual projects and focus on the monitoring and delivery of contracted outputs.

6. Outputs

Tables 2 & 3 provide an overview of profiled outputs for the 2022/23 delivery period for both Local Growth Fund projects and Getting Building Fund projects.

LGF

Metric	2022/23 profile
Houses	2,921
Commercial floorspace	17,321sqm
Jobs	1,156
Apprenticeships	406
New learner assists	933

GBF

Metric	2022/23 profile
Jobs	526
Construction Jobs	133
Commercial Floorspace	7,155sqm
New/improved learning space	160 sqm
Businesses assisted	21
New learner assists	48
KG of CO2 emissions avoided	525,000

The above output targets are subject to quarterly progress meetings with the contractors. Any major deviation from profile will trigger a remedial action plan. It should be noted however that these outputs may continue to be adversely impacted by the COVID-19 situation.

7. Growing Places Fund

For 2022/23, Growing Places Funding is allocated for continuation projects including the Hertfordshire Opportunities Portal (HOP); additional LEP-wide start-up provision; the Service Innovation programme and the re-procurement of a Destination Management Service. There remains a £1.5m 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.

8. Hertfordshire Growth Hub

[Hertfordshire Growth Hub](#) (HGH) will continue to be the primary channel in Hertfordshire for communicating to and offering support to businesses. The challenges of previous years will endure into the new financial year, albeit hopefully with an improving commercial environment forecasted. The HGH service will need to provide support that helps establish business resilience, alongside assistance to drive the productivity improvements needed, to move businesses into recovery and forward growth

The previous contract for delivery of the HGH was extended to March 2022, in light of the drive to continuously improve the service and in line with the direction of the LEP Board, it was agreed to re-procure the service to include a slightly revised delivery model.

Following the procurement exercise undertaken in Q4 2021/22, the new HGH model for 2022/23 will be delivered by a consortium of local partners including Exemplas, Hertfordshire Chamber of Commerce, the University of Hertfordshire and Visit Herts. The Exemplas led consortium will provide a blend of an online service with face-to-face advice delivered through Growth Account Managers, who broker

clients to private and public sector service offers. In line with the new model, the LEP has created a new website and CRM. This means it will have ownership of key analytics, management information and the returns to BEIS. The LEP will work closely with consortium partners to identify key trends, gaps in provision and collaboratively seek additional funds to deliver this enhanced service offer to Hertfordshire's SMEs.

9. Community Renewal Funds & UK Shared Prosperity Funds

Community Renewal Funds (CRF)

The Government launched the CRF programme in July 2021 as a precursor to the subsequently released UK Shared Prosperity Fund (UKSPF). The CRF was a competitive bidding fund, led by upper tier local authorities with delivery focused at district and borough level. At the request of and in partnership with Herts County Council, the LEP has led the CRF application process, the assessment of bids and the interface with DLUHC, resulting in a 100% success rate in the allocation of CRF for 5 projects with a total value of £3,215,981. Subsequently the LEP has been asked to provide overall programme management for the delivery of CRF over the period to December 2022.

UK Shared Prosperity Funds (UKSPF)

The Government launched the UKSPF programme in early 2022, unlike the CRF programme, Government announced that budget allocation for the UKSPF would be on a non-competitive basis with either Combined Mayoral Authorities, proposed devolution deals or local authorities at district and borough having a pre-determined 3 year budget allocation.

In launching the UKSPF, the Government stated that UKSPF is seen as a potential replacement for ESIF funding, which will finish completely in 2022/23. In light of many of the current countywide business support and skills initiatives being ESIF funded and therefore in danger of losing funding from this year onwards, the LEP will engage with local stakeholders to offer an aligned business support and skills offer to district/borough colleagues for their consideration re future funding of these key services via UKSPF.

In order to release their allocations, the 10 Hertfordshire districts/boroughs are required to submit their individual Local Investment Plans to DLUHC by August 1st 2022. The LEP will offer support to individual districts/boroughs to complete their Local Investment Plans and offer programme management re procurement and delivery of key countywide business support and skills initiatives.

Conclusion

This Annual Delivery Plan needs to be set within the wider political and economic landscape and our future business model post LEP Review. As such, it sets out our current programme of work for 2022/2023 and our leadership role on business engagement within the county including as a non statutory member of the Herts Growth Board. It will be regularly reviewed and monitored to ensure that we have the flexibility to respond within existing local and national frameworks, and that we have the capacity, capability and expertise to meet new challenges and opportunities.

Annex A: Organisation Chart

