

Agenda item 7

Hertfordshire Growth Board (HGB) – proposed draft budget for 2025/26 financial year

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1 Purpose of report & Summary

- 1.1 This report summarises the Hertfordshire Growth Board (HGB) proposed draft budget for financial year 25/26 for consideration and approval by the Board.
- 1.2 The budget position as of December 2024 indicates that HGB is expected to have spent £593k by the end of the financial year 2024/25, with approximately £922k available within the Herts Business Rates Retention pilot growth reserve. Future funding will need to be considered beyond 2026/27 to continue resourcing the HGB and its programmes, including pooling of funds between partners.

2 Recommendations

- 2.1 It is recommended that the Growth Board:
 - Approve the draft budget for 2025/26 financial as per paragraph 3.2 of the report.
 - Approve the proposal for interim arrangements being put in place to backfill the HGB Director, as per paragraph 3.4 in the report.
 - Note the current financial position, with further work to be done to consider appropriate future funding arrangements from financial year 2026/27 following review of HGB in late spring/ early summer.

3 Hertfordshire Growth Board funding

2024/25 Financial Year Spend

- 3.1 Funding for HGB is drawn from the 2019 Herts Business Rates Retention pilot growth reserve committed for use by the HGB. The fund generated £4.2m and the balance for this reserve at the end of 2023/24 was £1.515m.
- 3.2 Table 1 in appendix 1 demonstrates current spend against forecasted costs at the beginning of 2024/25 financial year.
- 3.3 At the beginning of financial year 2024/25, the balance of the Herts Business Rates Retention pilot was £1.515m. This is forecasted to be £922k by year end.

3.4 Key deliverables during 2024/25 financial year include:

- The launch of Invest Hertfordshire, led by Herts Futures, on the county's inward investment prospectus and online portal for all development opportunities in the county.
- Three contracts awarded for the delivery of high-speed internet connections for approximately 13,000 premises located in areas identified as being harder to reach.
- Hertfordshire being selected as a Pilot Area for Local Area Retrofit Accelerator, achieving £50,000-worth of consultant support to deliver a Retrofit Strategy for Hertfordshire by January 2025.
- Nine Councils signed up to the Hertfordshire Quality Development Charter, demonstrating commitment to quality and sustainable homes.
- HGB worked with the development and built environment sector through Hertfordshire Infrastructure and Development Board (HIDB) to promote its priorities in meeting the needs of residents, communities, and businesses.

3.5 The annual report for 2024/25 will be presented to the informal Hertfordshire Growth Board in March 2025.

2025/26 Financial Year Proposed Budget

3.6 The HGB budget for 2025/26 financial will remain at broadly similar levels to 2024/25 (see table 2 in appendix 1) noting that:

- Staff salaries will potentially increase in line with NJC increases
- Funding for the Mission Development Fund has been rolled forward from 2024/25 financial year.

3.7 The draft budget proposed for 2025/26 financial year is £696,416 and therefore within the remaining Herts Business Rates Retention Pilot balance forecasted to be £922,000, leaving a balance of £225,584.

Proposed staffing arrangements for the HGB

3.7 The HGB Director post is responsible for the oversight and delivery of the Hertfordshire Growth Board and its subsidiary groups and will be vacant from 10 February 2024.

3.8 To avoid a gap in staffing owing to lengthy recruitment processes, as well as future funding uncertainty, it is recommended that HGB agrees to interim cover arrangements, rather than backfill to a permanent or fixed term position at this point in time. This will allow for flexibility and consideration of key government policy direction relating to growth, including the Devolution White Paper as well as the County Council election in May 2025 and any potential impact from this on the future focus of the HGB.

- 3.9 It is proposed that the HGB team and the programmes, strategic boards and budget report to the Director for Economy & Skills within Hertfordshire County Council as an interim arrangement, and for this to be reviewed post County Council elections in May 2025.
- 3.10 The Director for Economy & Skills is responsible for leading Hertfordshire Futures, Step to Skills and the associated team, programmes, and budget. This proposal will provide an opportunity for greater strategic alignment between the growth agenda of the HGB and Hertfordshire Futures – particularly in light of future local growth planning.
- 3.11 It is proposed that the Director will allocate 0.3 FTE to provide strategic leadership delivering the priorities agreed by the HGB, working with the Chief Executives Coordinating Group (CECG), the Chair and Vice Chairs of the Growth Board and Growth Board Steering Group. This will be achieved through freeing up capacity and minor restructuring within the Hertfordshire Futures Team.
- 3.12 The Director will be supported by 0.6 of Head of Partnerships & Advocacy, focussed on delivering strategy, advocacy, stakeholder, and government engagement as well as policy and comms oversight.
- 3.13 Key priorities agreed with HGB till the end of 25/26 include:
- Delivery of HGB Missions and existing workstreams such as planning resilience, supporting JSPs, HIDB
 - Promotion and securing investment for the county working with Herts Futures
 - Lobbying and advocacy and responding to government policy direction, including influence over the ambitions for growth to support devolution and the national growth agenda (including housing, new settlements, planning reform and national industrial strategy)
- 3.14 The remaining HGB team will continue to provide coordination and management support for the delivery of the Missions, including its strategic groups such as Hertfordshire Infrastructure Development Board (HIDB), Hertfordshire Infrastructure and Planning Partnership (HIPP), Hertfordshire Property Partnership (HPP), Mission Steering Groups and provide secretariat support to the HGB.

4 Next steps

- 4.1 Subject to agreement by HGB, officers will proceed with the proposed staffing arrangements to ensure these are in place for the HGB from the 10 February 2025.

Appendix 1 – Hertfordshire Growth Board Budget Summaries

Table 1 below presents the HGB's spend against its forecasted budget for financial year 2024/25. It is expected that at year end, there will be £922k remaining in the HGB budget.

Table 1 HGB Budget Summary 24/25 financial year

Item	Current Spend 24/25	Budget Forecast
Growth Board Dedicated Team:	£254,049	£381,000
Director (1)		
Head of Strategy and Programmes (0.8 FTE)		
Growth Programme Manager (1 FTE)		
Programme Manager (0.3 FTE)		
Programme Officer (1FTE)		
Comms Officer (0.2)		
Total	£254,049	£381,000
HGB forecast funding		
Towards Digital Growth	£42,426	£95,051
Invest Herts/ UKREiiF 2025 contribution	£0	£50,000
HGB Mission Development Fund (£100K per/yr)	£0*	£100,000
Total	£42,426	£245,051
Other		
Growth Board joint committee secretariat & support costs	£0	£2,000
Website development and hosting, marketing and engagement	£6101	£10,000
Room bookings, ancillary costs	£2929	£5,000
Total	£9012	£17,000
Grand Total	£271,434	£643,051

* HGB has received funding requests from Sustainable Counties, Right Homes, Right Places, Sustainable Transport and Healthy and Safe Places Missions. The total sum of these bids is £200,000 although it is anticipated that only £50,000 will be spent during 2024/25 rather than the £100,000 originally forecasted. This will result in the total HGB spend for 2024/25 being £593,051.

Table 2 HGB draft budget for 2025/26 financial year (subject to approval by HGB)

Item	Budget Forecast
Growth Board Dedicated Team:	
Director (0.3)	
Head of Strategy and Programmes (0.8 FTE)	
Head of Partnerships and Advocacy (0.6 FTE)	
Growth Programme Manager (1 FTE)	
Programme Manager (0.3 FTE)	
Programme Officer (1FTE)	
Comms Officer (0.2)	
Total	379,416
HGB project funding	
Towards Digital Growth	Circa. £100,000
Invest Herts/ UKREiiF 2026 contribution	£50,000
HGB Mission Development Fund	£150,000
Total	£300,000
Other	
Growth Board joint committee secretariat & support costs	£2,000
Website development and hosting, marketing, and engagement	£10,000
Room bookings, ancillary costs	£5,000
Total	£17,000
Grand Total	696,416