Hertfordshire Futures Board

Agenda item no. 5b - Finance			
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Purpose of the Report

To provide the Hertfordshire Futures Board with a statement relevant to the latest positions with respect to:

- Usable Capital Receipts – funding local capital projects
- Growing Places Fund
- District Contributions
- Operational revenue budget monitor (including CEC, Growth Hub & Operational Herts IQ)

Recommendation

This information has been provided to Hertfordshire Futures Board by Hertfordshire County Council in its role as accountable body. The Board is to consider whether any action is required based on the content.

Background

This report has been provided to inform policy choices that Hertfordshire Futures Board may be required to make. Hertfordshire Futures have a series of reserves (which hold balances brought forward from previous years, and where the capital / revenue grants and repayments are received) and cost centres (which show the income & expenditure within the current financial year) which are held by Hertfordshire County Council as the Accountable Body, as shown below in table 1.

Table 1.

Hertfordshire Futures Reserves Balances **Month 4**

Reserves Name	Opening Balance 01/04/26	Income / repayments	Expenditure	Reserves Balance 31/03/2027
Non-Earmarked Revenue Reserves				
Herts Futures Growing Places Fund	£4,035,565	£171,715	£1,004,358	£3,202,922
Herts Futures Revenue Repayments	£5,960,353		£804,699	£5,155,654
Herts Futures Operational Reserve	£4,291,962		£2,135,781	£2,156,181
Total Non-Earmarked Revenue Reserves	**£14,287,880**	**£171,715**	**£3,944,838**	**£10,514,757**
Earmarked Revenue Reserves				
Herts Futures Career & Enterprise Company	£315,751			£315,751
HIQ Business Rates (Herts IQ use only)	£3,576,848	£4,291,870	£2,000,000	£5,868,718
UK Shared Prosperity Fund	£360,148		£241,048	£119,100
Get Britain Working	£143,257			£143,257
Herts IQ Investment Fund	£0			£0
Total Earmarked Revenue Reserves	**£4,396,004**	**£4,291,870**	**£2,241,048**	**£6,446,826**
Non-Earmarked Capital Reserves				
Herts Futures Capital Reserves	£19,372,663	£2,692,625	£4,000,000	£18,065,288
Total Non-Earmarked Capital Reserves	**£19,372,663**	**£2,692,625**	**£4,000,000**	**£18,065,288**
TOTAL	**£38,056,547**	**£7,156,210**	**£10,185,886**	**£35,026,871**

Broadband Delivery Project	£2,760,112		£390,230	£2,369,882

Usable Capital Receipts funding capital projects

There were 2 projects approved by Herts Futures Board on the 11th December;

- Watford Borough Council Town Hall Quarter Innovation Hub – £2m
- Domeworks (WENTA) – £2m

In addition, the following have approached Hertfordshire Futures with regards to a potential funding application.

- Broxbourne Borough Council Theobolds site - £2.5m Initial discussions stage
- Screen Investment Loan Fund (Hertsmere Borough Council) - £1m Initial discussion stage

Growing Places Fund

Historically the Growing Places Fund (GPF) was a mixture of capital and revenue funding, from which grants and loans were awarded. The original GPF allocation has been defrayed and loans repaid resulting in an opening GPF reserves balance for 2026/27 of £4,035,565. This funding does not have any specific yearly profiling and is not time limited. Projects have been approved and will be claimed against their awarded values.

Operational revenue (including CEC, Growth Hub and Herts IQ)

The operational revenue budget is agreed by the Hertfordshire Futures Board annually, and forms part of the Hertfordshire Futures Operational Plan. It includes the staffing & general running costs. The budget has been phased monthly and is monitored closely. The largest element is staff costs, followed by comms & engagement.

The original operational budget of £4,423,762 was agreed by Herts Futures Board on the 26th February 2026. The budget was revised at Q1 and, as a result, the budget decreased to £4,305,248 which is offset by decreased income mainly of a result of the delay in the Create Growth Programme.

There is currently an anticipated draw down from the Hertfordshire Futures Operational reserve at the end of 26/27 of circa £552k to support the operational costs. In addition to this there will be an anticipated drawdown of £432k from Hertfordshire Futures Revenue Reserve mainly in relation to Hertfordshire Futures staff (as previously agreed by Hertfordshire Futures Board). The total call on reserves for 26/27 is anticipated as £984k.

At the end of P4, the overall cumulative position was an overspend of £548k mainly due to the profiling of anticipated income.

Careers & Enterprise Company, Hertfordshire IQ Enterprise Zone and Growth Hub are also included within this operational budget summary. Herts IQ operational budget is funded through business rates income received from Herts IQ sites. The budget is set annually and approved by the Herts IQ Partnership Board. They hold a minimum of £300k in reserves to forward fund the following year. This budget will always breakeven.

The Hertfordshire Growth Hub service will receive £372,727 core grant funding from DBT, a major element of which will be paid to YTKO. There are also additional contributions from both the districts and the revenue reserves for 26/27 for Hertfordshire Growth Hub to bring the total anticipated spend on Growth Hub related activities this year to £608,950.



Table 4.

Hertfordshire Futures: Revenue Budget Monitor 2026/27				Month 4 YTD		
Operational Budgets						
Expenditure Type	**26/27 Original Budget**	**26/27 Latest Budget**	**YTD Budget**	**YTD Actual**	**Variance to YTD Budget**	**Forecast Variance at Year End**
Herts Futures Operational Costs	£203,923	£203,923	£67,974	£70,407	£2,433	£0
Herts Futures Staff Costs	£2,031,255	£2,018,547	£672,849	£558,130	(£114,719)	£0
CEC Costs	£432,778	£565,517	£188,506	£191,092	£2,587	£0
Skills Bootcamps (Non Pay)	£205,000	£205,000	£68,333	£55,027	(£13,306)	£0
Digital Herts (Non Pay)	£52,800	£63,950	£21,317	(£2,324)	(£23,640)	£0
UK REiFF	£128,488	£128,488	£42,829	£49,769	£6,940	£0
Create Growth Programme (Non Pay)	£400,000	£200,000	£66,667	£0	(£66,667)	£0
Growth Hub (exc LEP staff)	£494,200	£494,200	£164,733	£58,451	(£106,282)	£0
Get Britain Working	£45,000	£45,000	£15,000	£357	(£14,643)	£0
Herts Film Office	£184,648	£134,953	£44,984	£19,915	(£25,070)	£0
Herts IQ	£245,670	£245,670	£81,890	£65,506	(£16,384)	£0
Total Expenditure	**£4,423,762**	**£4,305,248**	**£1,435,083**	**£1,066,330**	**(£368,753)**	**£0**
Income Type	**26/27 Original Budget**	**26/27 Latest Budget**	**YTD Budget**	**YTD Actual**	**Variance to YTD Budget**	**Forecast Variance at Year End**
External income e.g. CEC, HGH, TDG, HGB	£2,450,153	£2,450,933	£816,978	£255,370	(£561,608)	£0
Internal income e.g. recharges reserves	£706,792	£624,097	£208,032	£143,988	(£64,045)	£0
Herts IQ Enterprise Zone	£245,670	£245,670	£81,890	£65,506	(£16,384)	£0
Total Income	**£3,402,615**	**£3,320,700**	**£1,106,900**	**£464,863**	**(£642,037)**	**£0**
Surplus ()/Deficit	**£1,021,147**	**£984,548**	**£328,183**	**£601,467**	**£273,284**	**£0**
Herts Futures Revenue Reserves	£431,977	£431,977	£143,992	£53,435	(£90,558)	£0
Herts Futures Operational Reserve	£589,171	£552,572	£184,191	£0	(£184,191)	£0
TOTAL RESERVES USAGE	**£1,021,148**	**£984,549**	**£328,183**	**£53,435**	**(£274,748)**	**£0**

Hertfordshire Futures Loans

It was requested at LEP board on the 2nd February 2024 that future finance papers were to include details of loan repayments due to Hertfordshire Futures and these are shown in Table 5 below.

Table 5.

Hertfordshire Futures	LOANS										
Amount confirmed as at 31.3.26											
Funding loaned to	**Project Name**	**Loan made from:**	**Repayment Date**	**Original Loan Value**	**Balance as @ 31/3/25**	**2025/26**	**Balance as @ 31/3/26**	**2026/27**	**Expected Balance as @ 31/3/27**	**2027/28**	**2029/30**
Hertfordshire Loan Management Ltd	SME Loan Fund	GPF £750k UCR £500k	19/12/26	£1,250,000	£399,000	£200,000	£199,000	£199,000	£0		
Welwyn Hatfield Council	Hatfield Town Centre	GPF	31/03/26	£93,625	£93,625		£93,625	£93,625	£0		
Stevenage Borough Council	Site Assembly	LGF	31/03/30	£970,000	£970,000		£970,000		£970,000		£970,000
Stevenage Borough Council	Land Assembly	LGF	31/03/30	£5,600,000	£5,600,000		£5,600,000		£5,600,000		£5,600,000
Borough of Broxbourne	Maxwells Farm	UCR	31/03/27	£2,400,000	£2,400,000		£2,400,000	£2,400,000	£0		£0
Stevenage Bioscience Catalyst	Spark Building Relocation	UCR	31/03/28	£400,000	£400,000		£400,000		£400,000	£400,000	
	TOTAL REPAYMENTS DUE			£10,713,625	£9,862,625	£200,000	£9,662,625	£2,692,625	£6,970,000	£400,000	£6,570,000