6 WLEP Budget and Future Delivery: 2026-2028

WLEP BOARD RECOMMENDATION

The Board is asked to:

- Note the agreement in principle from Worcestershire Leader's Board to support WLEP with investment across 2026/27 and 2027/28 (subject to their respective budget setting processes);
- Review and agree proposed balanced budget for 2026/27;
- Approve allocation of £40k per annum for three years from one-off Growing Places reserves (project development fund) to support setup of Catalyse Angel Network as subsidiary of MHSP (£120k total);
- Agree the key delivery priorities for WLEP investment across 2026-2028, supplementing the proposed investment from Local Authority partners;
- Note that existing activity is at risk of being reduced or ceased subject to securing adequate funding streams to support;
- Note and agree the proposal to rebrand WLEP, guided by key principle of retaining triple helix partnership model of private, local government and education (FE and HE); and
- Note that proposals provide continuity of business support during Local Government Reorganisation (LGR) transition by extending 'cliff-edge' funding scenario out from March 2026 to March 2028.

6.1 Context and Purpose of Paper

6.1.1 Worcestershire Local Enterprise Partnership (WLEP) has been operating for almost a decade and a half, and during that time has seen many significant achievements delivered across the local economy by the partnership.

6.1.2 Ten-year targets for key strategic economic objectives, included within the Strategic Economic Plan, from 2015 to 2025 indicators have been exceeded:

- Create 25,000 jobs *(28,000 created based on latest figures);*
- Increase Gross Value Added (GVA) by £2.9billion *(£3.8bn added based on latest figures)*; and
- Contribute towards the delivery of 21,500 new homes *(22,400 delivered based on latest figures)*

6.1.3 In the Worcestershire: Plan for Growth (2020-2040) strategy, these Key Performance Indicators have now been extrapolated through to 2040, setting an overall ambition for Worcestershire of:

- Creating an additional 18,500 jobs by 2040; and
- Increasing GVA by a further £2.5bn by 2040.

6.1.4 However, the global, national and local landscape has changed significantly since the LEP's inception. National policy has evolved, the financial environment is increasingly challenging, impacted by global events and pressures, and all whilst the largest reform of local government in the UK for circa fifty years is currently underway.

6.1.5 This paper sets out the proposal for maintaining the triple helix partnership model (currently branded WLEP) for Worcestershire (as the county navigates local government reorganisation (LGR)), which continues to support the local economic growth agenda, whilst crucially, incorporating the voice of our local businesses, local government partners, and education providers.

6.1.6 The paper will cover the following areas:

- WLEP's current financial position and outlook;
- The LEP offer to Local Authorities who choose/can invest in services 2026-2028;
- Proposed key priorities for the next two financial years (i.e. up until the new Unitary Authority(s) established);
- Visibility of the LEP/WCC's wider activity;
- Proposed governance changes to WLEP Board; and
- The potential for a rebrand (i.e. moving away from LEP terminology).

6.2 WLEP – Financial Position

6.2.1 In August 2023, the Government announced that it would no longer sponsor or fund LEPs directly from April 2024. The announcement made clear that mayoral combined local authorities would carry out LEP functions, with effect from April 2024, and in areas without a devolution deal, upper-tier local authorities (working collaboratively where needed) would assume these responsibilities.

6.2.2 As a result, the Worcestershire LEP's (WLEP) responsibilities were formally transferred to Worcestershire County Council (WCC) with effect from April 2024.

6.2.3 WCC were allocated £234k revenue funding from central government in 2024/25 to support the transition, but there has been no further central government funding for former LEP responsibilities from 2025/26.

6.2.4 The Government's decision notice added that *"The withdrawal of funding should not be interpreted to mean that it is government's view that delivery of similar functions should not continue, either in local authorities or Combined Authorities. The English Devolution Accountability Framework sets out that all institutions with devolved powers should embed strong, independent, and diverse local business voices into their decision-making processes; and as set out in the English Devolution White Paper, Mayors will have a statutory duty to produce Local Growth Plans. We expect the development of Local Growth Plans to be informed by engagement with the private sector."*

6.2.5 In September 2024, following the General Election, the LEP Board and partners agreed a recommendation to retain the WLEP delivery arrangements based on several factors. These included:

- lack of clarity about future economic development funding at a national level;
- collective commitment to the value of local economic growth and desire to ensure continuity of support to the local business community;
- absence of alternative delivery arrangements and an understanding about the timescales involved for Worcestershire to attain these (i.e. MSA status and powers);
- willingness to retain skills, knowledge and expertise within the LEP team during a period of uncertainty; and
- recognition about not wanting Worcestershire to 'get left behind' in terms of investment and focus on local economic growth.

6.2.6 This decision was predicated on a key working principle that the LEP would continue to source third party funding streams and maximise the utilisation of these before accessing local resources i.e. one-off reserves.

6.2.7 Setting a budget for the LEP has become increasingly challenging over the last few years. Short-term annual funding cycles, typically with late notice year-on-year, and reduced autonomy to prioritise local activity due to an increased number of smaller income streams, each ring-fenced to deliver specific activity/outputs. The result is a blended funding model with a not insignificant reporting burden to various third-party funders at a national and local level.

6.2.8 In the last four years, (2022-2026), WLEP has benefitted from the support of Borough, City and District Councils (DCs) through the investment of their UK Shared Prosperity Funds (UKSPF) into several WLEP/WCC services, including for example, the Worcestershire Growth Hub (WGH), BetaDen, Skills Boost Worcestershire, and Business Grants.

6.2.9 However, Government have now confirmed that there will be no successor to UKSPF, and point to the new Pride in Place programme and the Local Government Finance Settlement as the primary tools available to Non-Mayoral Strategic Authorities for this agenda.

6.2.10 Worcestershire will benefit from Pride in Place in three geographies, with each receiving up to £20m over a 10-year period, but this is not a like-for-like comparison with UKSPF as the funds will be ring-fenced to these specific geographies, with the resulting programmes being community-led:

- Birchen Coppice, Kidderminster, Wyre Forest
- Greenlands, Redditch
- Warndon West, Worcester

6.2.11 The Local Government Finance Settlement (LGFS) was published in December 2025 and provided Local Authorities with a multi-year (3 years) settlement for the first time in a decade. Whilst the medium-term clarity was welcomed, the LGFS did not address the full extent of the funding pressures exerted upon our Local Authorities, and many remain in a challenging financial position.

6.2.12 The LGFS did also confirm a national multi-year funding settlement for Growth Hubs, with a slight increase on the 2025/26 allocation. From 2026/27, Worcestershire has been allocated £331,296 per annum for three years. Whilst welcome news, the WGH service also benefited from £385k investment from DC's in 2025/26 which was utilised to bolster the core offer and increase business engagement capacity and activity across the county. The increase of circa £16k from central government on 2025/26 funding levels does not bridge the funding shortfall from no UKSPF successor.

6.2.13 WGH also secured £57k in 2025/26 from central government (Office for Investment) for strategic engagement and investment activity – typically account managing FDI businesses and handling inward investment queries routed via central government. Whilst this programme is continuing nationally in 2026/27, unfortunately non-MSA geographies are no longer a focus for this funding, and as such it was confirmed in March 2026, that Worcestershire will not have access to this income stream from 2026/27, despite consistently strong performance in previous years.

6.2.14 When preparing a budget for the LEP for 2026/27, it would be fair to say that there has been an unprecedented level of uncertainty at this time in relation to future funding streams. In 2025/26, there were more than ten income streams that made up the LEP budget, that number has grown to thirteen for 2026/27.

6.2.15 The budget is now made up of income streams which are tightly aligned to funded programmes with specific outputs associated, which has the knock-on impact of reducing the flexibility and autonomy the LEP has in resourcing its own local priorities and areas of spend.

6.2.16 A full list of the income streams is outlined in Appendix 1.

6.2.17 The LEP Executive Team also continue to monitor third party funding opportunities, and a bid was submitted to the UKRI Local Innovation Partnership Fund (LIPF) opportunity in February. A Ministerial decision on this funding competition was communicated in Spring 2026, with the Worcestershire bid unfortunately being unsuccessful.

6.3 Key Headlines in setting the 2026/27 budget and Proposal for 2026/27

6.3.1 This section of the report outlines some of the key headlines from the 2026/27 budget setting process.

6.3.2 A 3.0% uplift on 25/26 salaries has been applied to Chamber employed staff and those employed by Local Government partners will be subject to the nationally negotiated pay increase. It should be noted that the budget also includes full year costs for roles which are currently vacant and so will not incur full year effect but are included for future budgeting purposes.

6.3.3 Expenditure lines have been scrutinised and reduced where possible, based on learning from previous experience. The management team have also instigated activity to further rationalise and consolidate areas of spend, including overhead costs and ICT spend. Monitoring income and expenditure occurs at monthly intervals throughout the financial year and will be scrutinised via Accountable Body functions.

6.3.4 The guiding principle has been to maximise use of the grant revenue income. Most of the staff team are now funded by multiple income streams to maximise the volume of funding which has greater flexibility to utilise on local LEP agreed priorities. This has increased the complexity and reporting burden associated with budget management.

6.3.5 This blended funding model does result in a WLEP team and budget which is now configured to deliver almost exclusively against several pre-agreed contracts and KPIs – i.e. Growth Hub, BetaDen, Work Well, T-Level Placements, meaning that any local investment priorities/activities identified by the Board (e.g. innovation activity such as Angel networks) will need to identify a funding strategy to mitigate associated costs.

6.3.6 To this end, in November 2025, WLEP successfully launched the Catalyse Angel Network (CAN) with a pitching event, bringing together founders of scale-up growth companies and local High Net Worth individuals willing to invest their own capital. This work was pump primed with seed investment from WLEP, the British Business Bank and Herefordshire Council.

6.3.7 Two pitching events have been held to date, and the network has since grown to 40 local investors (and growing) with £235k investment offered to founders so far.

6.3.8 A business case has been developed by the team to establish CAN as a subsidiary of Malvern Hills Science Park with a tripartite funding proposal supported by MHSP, WLEP and Herefordshire Council to provide investment over 3 years to support CAN to become self-funding after 5 years. This proposal provides the necessary agility to enable CAN to develop commercial partnerships and fee charging models to support operational costs of running and growing the network.

6.3.9 MHSP have agreed in principle to support with investment of £60k per annum for 3 years. It is proposed that WLEP support with investment of £40k per annum and Herefordshire Council at £30k per annum for three years too.

6.3.10 This 2026/27 budget includes £40k allocation for CAN, and the Executive Team are seeking WLEP Board approval to allocate £80k from WLEP reserves for the future 2027/28 (Yr 2) and 2028/29 (Yr 3) commitments to CAN, which will provide the assurances sought from MHSP Board to underwrite their commitment.

6.3.11 The LEP does have one-off reserves of £729,220, which it has agreement in principle from the LEP Board and WCC to draw-down to underpin delivery in 2026-2028. A provision has also been made to cover costs associated with winding down LEP operations. Taking this into account, there is £598,540 of useable one-off WLEP reserves. In addition, there are also one-off Growing Places reserves which total £1,071,498. This is broken down as follows:

- BetaDen allocation for 26/27 - £89,127
- Project Development Fund - £128,000
- Other - £854,371

6.3.12 Subject to Board decision, the proposal is that £120k from the project development fund is allocated to the Catalyse Angels Network project, based on a profile of £40k per annum for three years. Alongside defrayal of the £89,127 BetaDen allocation in 2026/27, this would leave a remaining one-off GPF reserves balance of £862,371.

6.3.13 It is important to note that these reserves coupled with local government partner commitments over 2026-2028 will maintain the existing levels of activity, support services, business support programmes for the next two years until the LGR process has concluded, and the new Unitary Authority(s) established.

6.3.14 These one-off reserves have enabled the LEP to avoid the ‘cliff-edge’ funding scenario facing many other Local Authorities and LEPs in a similar position elsewhere in the UK, when UKSPF concluded in March 2026. This has meant we have been able to avoid issuing risk of redundancy notices to the team, thus enabling us to exhaust all other options for securing third party funding. During April/May 2026, the LEP Executive undertook a change consultation process to reconfigure the team structure in line with funding to ensure it remains fit for purpose and delivers continued value for money and impact.

6.3.15 The Executive Team have undertaken a comprehensive budget exercise working with the Accountable Body to map income streams for 2026/27, which will support WLEP, WGH, BetaDen, Midlands Cyber and Skills delivery, alongside a review of all planned expenditure including salaries and costs of operation.

6.3.16 This captures all staff within the LEP, WGH, BetaDen, and Midlands Cyber and skills areas to give the Board an overall position of the span of influence held by the team.

6.3.17 This review of activity has resulted in the WLEP Exec Team proposing a balanced budget for 2026/27, of £1,523,173. This assumes use of one-off WLEP reserves, at a value of £413,525. Appendix 1 outlines the proposed budget for 2026/27.

6.3.18 The budget and income statement included within this report has been endorsed by the Finance Team at Worcestershire County Council (the Accountable Body).

6.4 Worcestershire Leader's Board commitment to WLEP

6.4.1 Following publication of the Local Government Finance Settlement in December, the Worcestershire Leader's Board (WLB) met in early January 2026 to discuss their respective settlements and the impact of no UKSPF successor funding. WLB commissioned their Economic Development lead officers to work together with the LEP to explore how to mitigate the impact of no future UKSPF funding and develop proposals which would seek to deliver on the collective local government priorities of supporting economic growth and local business.

6.3.2 The WLEP Exec Team produced a report for DC colleagues which was shared ahead of a meeting with Cabinet Members with Responsibility (CMRs) on Friday 23 January, and was chaired by Cllr Richard Morris (Wychavon DC).

6.3.3 This meeting set out the context of WLEP's financial position, and DCs shared their respective financial positions following the Local Government Financial Settlement.

6.3.4 A discussion then ensued which simplified the LEP's ask to the DCs. Instead of reviewing all areas of activity included in the LEP's circulated report, the discussion focused on DC appetite and ability to invest in three key areas of the LEP's services:

- BetaDen
- Worcestershire Growth Hub
- Youth Hubs

6.3.5 DC's provided an update to the meeting on their ability to invest in these areas. A summary is provided in Table 1:

Local Authority	BetaDen		WGH		Youth Hub		Comments
	See value in service	Ability to fund	See value in service	Ability to fund	See value in service	Ability to fund	
BDC	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	
MHDC	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	Wish to invest in wider skills offer – not necessarily youth unemployment
RBC	**Y**	**N**	**Y**	**Y**	**Y**	**Y**	
WoCC	**Y**	**N**	**Y**	**N**	**Y**	**N**	Worcester has some of worst areas of deprivation in

							country – want to see equitable offer but City Council is financially constrained
WDC	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	Wish to invest in wider skills offer – not necessarily youth unemployment
WFDC	**Y**	**Y**	**Y**	**Y**	**Y**	**TBC**	Need to understand financial ask and outputs associated with skills investment

Table 1: Borough, City and District Council position on ability to fund LEP services, as provided at WLB pre-meeting on 23 January, and subsequently confirmed at WLB meeting on 27 January 2026

6.3.6 WLB then reconvened on 27 January. The meeting was chaired by Cllr Karen May (Bromsgrove DC) and provided opportunity to summarise discussions to date and clarify the status of each DC's appetite and ability to invest into the three service areas set out in Table 1.

6.3.7 Agreement in principle was set out as per Table 1 and officers were tasked by WLB to develop the finer details of the respective LEP ask and confirm outputs/value to support DC's respective budget setting processes, over the next three weeks.

6.3.8 The primary intention is to secure a universal offer across the county, wherever possible, however WCC confirmed that they could no longer fill investment gaps and 'smooth' provision as they have done on occasions in the past.

6.3.9 This does mean that subject to the final funding position, WLEP Board and DC partners need to be aware that some existing activity is at risk of being reduced or ceased subject to securing adequate funding streams to support.

6.3.10 Assurance was also provided to DCs that WLEP/WCC would be utilising their one-off reserves to support this agenda too, providing complementary and supplementary investment to the local growth and business support agenda.

6.3.11 Post the WLB meeting, all six DC's have now agreed to invest in Worcestershire Growth Hub and five DC's have committed investment into BetaDen for 2026/27.

6.4 WLEP Programme and Proposed Priorities 2026-2028

6.4.1 Subject to the final position of our respective Local Authority partner's budget setting processes, the LEP will continue to deliver those services invested in by our partners. Some key principles and considerations will need to be factored in when finalising the delivery programme:

- Economies of scale –investment must be sufficient to cover service provision and maintain quality standards
- Consequences on DC's non-funding – WCC are unable to cover 'gaps' and therefore service provision and/or access to LEP services/intelligence will be impacted (recognising the need for fairness to those DCs that have invested)
- Reporting / access to intelligence – DC's investing will receive regular performance reporting and access to business intelligence

- LEP/WCC will utilise their resources to support this investment – management oversight and coordination etc.

6.4.2 As referenced earlier, there are several streams of activity that are supplementary and complementary to those that the LEP are seeking investment from DC partners. These span across the three core focus areas of the LEP agenda; Business Support, Innovation and Skills.

6.4.3 Diagram 1 shows the proposed broader offer, and provides assurance that WLEP and WCC have 'skin in the game', and are utilising reserves to deliver supplementary and complementary support which intends to deliver on the economic ambitions of partners as set out in the Plan for Growth (2020-2040).

6.4.4 The result is a broader 'ecosystem' of business support with linkages and interdependencies between focus areas and programmes. The Growth Hub will act as the primary business engagement vehicle for Worcestershire, and drive conversations and glean intelligence, which will result in referrals to the offer across Business Support, Innovation and Skills at a local, regional and national level.

6.4.5 The proposed programme delivers against the aligned strategic objectives of the LEP Board and partners:

- ***Supporting Business Growth*** – support start-up, scale-up and growth
- ***Enhancing Business Engagement*** – to understand needs, barriers and opportunities to business growth
- ***Promotion and Creation of Apprenticeships*** – encouraging employers to support pathways for young people and adults into high-quality vocational training and employment
- ***Reducing NEET and Youth Unemployment*** – collaboration with key stakeholders to improve early career outcomes and responding to Modern Work Experience agenda
- ***Promotion of Inclusive and Healthy Workplaces*** – promotion of 'good' employment practices that support wellbeing, accessibility and workforce retention
- ***Early Careers Development*** – enhancing early careers pathways with the intent of meeting future skills needs of our employers
- ***Improving Access to Finance*** – supporting businesses to enhance awareness and understanding of the full suite of finance mechanisms available to them and support investor readiness
- ***Driving innovation by strengthening Worcestershire's innovation ecosystem*** – improving talent development capability, enhancing funding capacity and increasing enablers of innovation

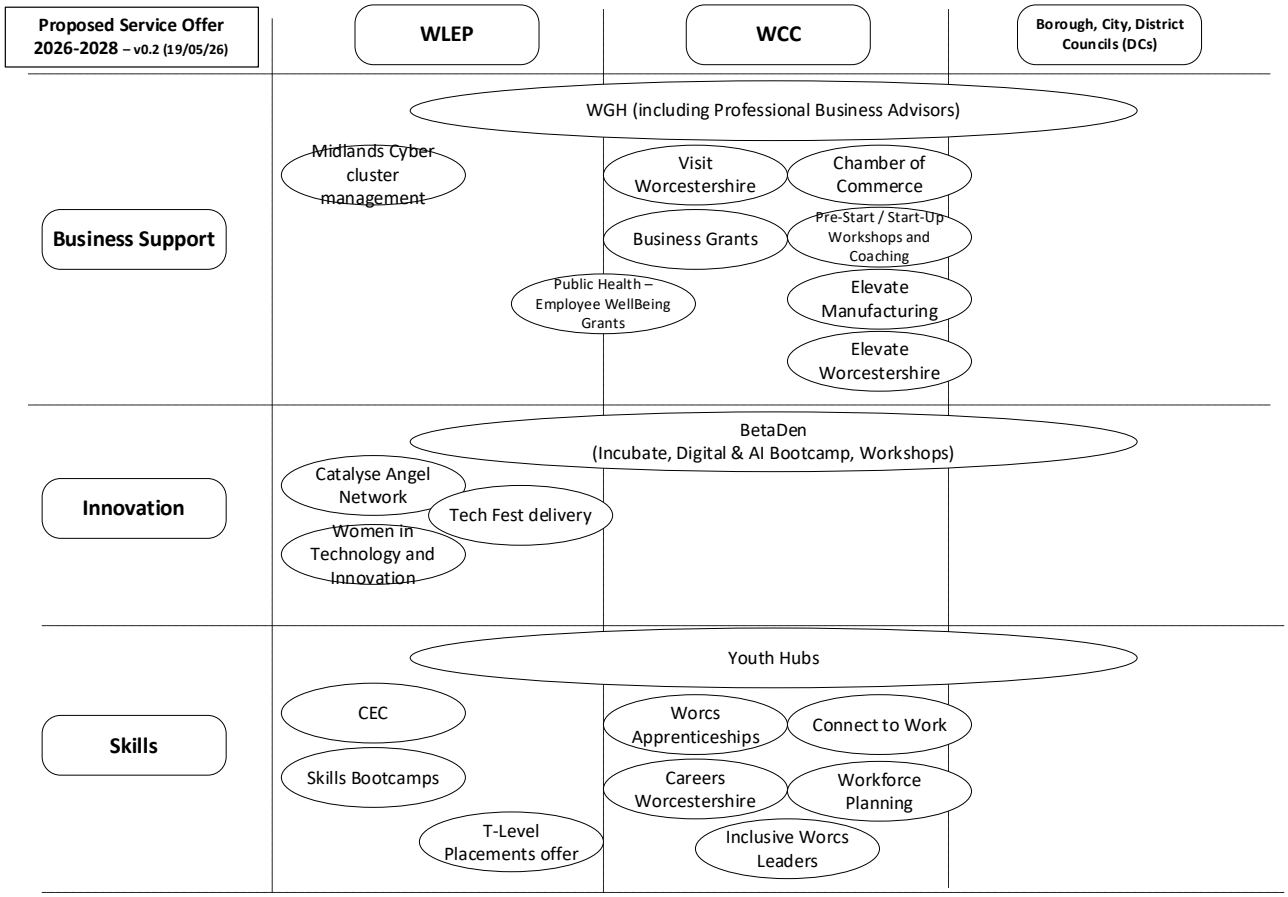

Diagram 1: Proposed service offer for 2026/27 and 2027/28 subject to financial position

6.4.6 Subject to final funding position, activity may need to be reduced or ceased in line with the financial envelope available. For example, BetaDen will not deliver an Accelerator programme (9-month programme with PoC grant funding) in 2026-2028 based on existing forecasts due to costs required. This has been replaced by the Incubate, Digital & AI Bootcamp, and Workshops offer.

6.4.7 It is also important to note that service provision is currently planned 2026-2028, up until the point at which LGR transitions into the new Unitary Authority(s) model. There are too many unknowns at this stage to provide any degree of certainty around the future priorities and funding situation of the new Unitary Authority(s) model.

6.4.8 Key priorities for WLEP delivery in 2026/27 are included in Table 2.

Business Support	Innovation	Skills	Other
• Worcs Growth Hub (WGH) – delivery of DC targets • WGH – Access to Finance project • WGH – deliver Employee WellBeing Grants programme • Professional Business Advisors programme delivery –	• BetaDen – Incubate intake delivery (MHSP, Malvern) • BetaDen – Digital & AI Bootcamp delivery (Old Court, Kidd) • BetaDen – delivery of workshops programme (county-wide)	• WGH – enhanced integration of skills conversations into business engagement • Work Well – increasing engagement with employers to increase uptake and support • Professional Business Advisors	• Develop and Publish Annual Economic Report 2027 • Events delivery programme – to support all areas of WLEP agenda • Comms and PR • Horizon scanning – external funding opportunities

augmented support for businesses across 'key topics' • Manage workforce planning offer to SMEs	• Catalyse Angel Network (CAN) – qtrly pitch events • CAN – establish subsidiary of MHSP • CAN – grow network of investors and support with educational sessions • Women in Tech and Innovation • Tech Fest 2027	programme delivery – implement additional HR assist provider • Increase SME awareness, confidence and participation in T Level placements. • Align all employer facing activity behind a single countywide T Level engagement approach • Oversee delivery of Skills Bootcamps offer	

Table 2: Overview of WLEP delivery priorities for 2026/27

6.5 WLEP Branding

6.5.1 In addition to reviewing the WLEP Board governance, consideration is also being given to rebranding/renaming the triple helix partnership model, away from the now-dated LEP terminology.

6.5.2 LEP terminology usage has waned substantially across other geographies in the UK, due to the changing political context.

6.5.3 WLEP Board have held initial discussions on options to change this and have been urged by public sector representatives to press on and make the change.

6.5.4 Considerations to date include Worcestershire Economic Partnership, Worcestershire Growth Company, and Worcestershire Economy and Growth Board.

6.5.5 The WLEP Board have been consistent about one key principle however when it comes to making the change. The importance of maintaining the triple helix partnership model is key. Government still places strong emphasis on the ability of local places to convene the private, public and education sectors to speak with a collective voice on local economic priorities. This was most recently demonstrated by UKRI and the Local Innovation Partnerships Fund opportunity, which required a triple helix partnership to be in place before an Expression of Interest could be submitted.

6.5.6 Critically, the LEP name is not currently constraining our ability to bid for funding opportunities e.g. UKRI's LIPF competition, and so there is not necessarily an immediate requirement.

6.5.7 However, broadening the WLEP membership to DCs, provides an opportunity to agree a rebrand together and send a collective message about the ongoing mission and support of the triple helix partnership to Worcestershire as the county navigates LGR.

6.5.8 A separate paper outlining more detail on a proposed rebrand/rename for WLEP will be discussed at the May WLEP Board meeting.

6.6 Local Government Reorganisation (LGR) and future devolution potential

6.6.1 The December 2024 English Devolution White Paper states a "strong preference to see Mayors in place across the whole of England – making it the default status for regions".

6.6.2 MSAs are widely seen as an improvement because they bring stronger governance, better coordination, greater accountability, and more effective powers at a regional scale.

6.6.3 A pre-requisite to forming a MSA is having a Unitary Authority(s) in place. Clearly, Worcestershire is on the path to this via LGR but this will not be implemented before April 2028. Once in place MSA arrangements may take another 24 months to agree and mobilise. This means Worcestershire is unlikely to benefit from MSA powers and funding before 2030.

6.6.4 It is therefore important to reiterate that these LEP proposals seek to provide continuity of support and service provision during the Local Government Reorganisation (LGR) transition i.e. April 2026 to March 2028. They in effect extend the existing 'cliff-edge' funding scenario out from March 2026 to March 2028.

6.6.5 The WLEP (or rebranded iteration) arrangements post-March 2028 will need to be considered before then, but this can only be undertaken once a decision on LGR has been made i.e. one or two Unitary Authority(s) for Worcestershire.

6.7 Next Steps and Timeline

6.7.1 Agreement in principle from the WLB has been key in securing ongoing commitment to economic development activity and the triple helix partnership model during the LGR transition i.e. April 2026 to March 2028. The LEP Exec Team continue to work with ED officers from all DCs to provide relevant information required for respective budget setting processes.

6.7.2 Local Authorities set their budgets over February / March and all have each now indicated verbal agreements in principle outlining proposed level of investment into the LEP offer. Funding agreements are now in the process of being signed to formalise the investment.

6.7.3 WLEP Executive Team have used that information to develop a budget proposal for 2026/27 and indicative forecast for 2027/28. This has been set out in this report for WLEP Board approval.

6.7.4 The agreed principle to use one-off reserves in the mean-time to 'cash-flow' WLEP operations has meant an avoidance of the cliff edge funding scenario at end of March 2026.

6.7.5 DCs investing into the LEP offer will be invited to join WLEP Board from April 2026, with the first scheduled meeting taking place on 29 May 2026.

6.7.6 WLEP will continue to seek funding from alternative sources to mitigate the use of local resources for as long as possible.

6.7.7 The LEP will continue to engage with peers across the West Midlands, via the National Business Board Network (previously LEP Network) and regional Growth Hub clusters to capture best practice, explore shared procurement opportunities, and identify key challenges, providing reports back to WLEP Board as appropriate.

6.7.8 The LEP will also continue regular engagement with DBT to seek earlier intelligence on future funding decisions for 2026/27 and beyond for LEP responsibilities.

6.8 Conclusion

6.8.1 Worcestershire has a positive track record of partnership working and collaboration, which has delivered strong economic performance over the last 10 years. GVA, job growth and housing targets have all been exceeded over a 10-year period to 2025. With targets now set for 2030 and 2040.

6.8.2 Worcestershire has, overall, been resilient to macro-economic shocks and through local delivery mechanisms, has been able to deliver a range of economic interventions to support business growth, champion workforce development and encourage innovation to support growth of the local economy.

6.8.3 However, despite the positive performance of recent years and the opportunities that still exist, 2026/27 – 2027/28 presents some stark financial challenges to the local public sector, across WCC, the WLEP, and the Borough, City and District Councils.

6.8.4 National government policy has set out a clear direction for local government, where funding and powers are being directed increasingly to the large Mayoral Strategic Authorities. Worcestershire is

required to undergo Local Government Reorganisation (LGR) as a pre-requisite to being able to access these powers and resources.

6.8.5 Worcestershire is currently working to a timetable of a new Unitary Authority(s) model by April 2028. With MCA geographies and arrangements still to be determined and would follow at some point in the future beyond April 2028.

6.8.6 In the meantime, thanks to the Worcestershire Leaders Board commitment, the county now has a plan in place to navigate the fact that there is no government funding beyond 2025/26 to replace the UK Shared Prosperity (UKSPF). Whilst funding reductions necessitate programme changes, the core priorities remain focused on driving economic growth, supporting businesses, and improving opportunities for Worcestershire residents.

6.8.7 A suite of business support services and programmes have been developed, and iterated to provide a supportive ecosystem across the county for businesses to start-up, scale and grow. These span general business support (Elevate, business grants), innovation (BetaDen, Innovate grants), and skills (Skills Bootcamps, Careers & Enterprise Company, Youth Hubs and Worcestershire Apprenticeships) to name but a few, alongside the Worcestershire Growth Hub, which provides key business engagement and coordination of the support offer locally, regionally and nationally.

6.8.8 Refreshing the WLEP Board governance, provides opportunity to rebrand in 2026 and provide some clarity to local businesses and own the narrative around LGR and any future potential MCA arrangements.

6.8.9 By aligning closely with government agendas and concentrating resources where they can have the greatest impact, WCC, the LEP, and Borough, City and District Councils can continue to strengthen the county's economic landscape and provide a positive legacy for the new Unitary Authority(s), (and MCA arrangements) to inherit and build upon.

APPENDICES

Appendix 1 – WLEP Outline Budget Proposal 2026/27 Income	**Amount £**
WGH Core Funding (DBT)	331,296
DC Investment – WGH	400,000
DC Investment – BetaDen	195,612
Public Health Grant Mgmt Fee	20,000
Workforce Planning	57,000
Youth Hub contribution to WGH	46,000
CEC Funding (Marketing)	20,000
T-Level Placement project	27,000
Account Management - Worcs Apprenticeships	5,000
Chamber of Commerce income	7,740
Work Well income (NHS)	17,523
Use of one-off WLEP reserve	249,330
Use of one-off Growing Places reserve	35,068
Use of one-off Growing Places reserve (BetaDen)	89,127

Use of one-off Growing Places reserve (Project Development – CAN)	40,000
TOTAL INCOME	**£1,523,173**

Appendix 2 – WLEP Outline Budget Proposal 2026/27 Expenditure	**Amount £**
Employee-related expenditure	1,088,346
Premises-related expenditure	92,109
Supplies & Services	235,877
Third Party Payments and Outgoing Grants	106,841
Total Expenditure	**£1,523,173**