7.0 WLEP BUDGET REPORT – Q2 2024/25

WLEP BOARD RECOMMENDATIONS

The Board notes the following:

1. the current forecast position in respect of the 2024/2025 WLEP revenue budget
2. the current position in respect of the Growing Places Fund
3. the current position in respect of the Growth Hub

7.1 Purpose of the Report

To provide the Board with a position statement relevant to the:

- Forecast outturn position in respect of the 2024/25 WLEP Revenue Budget;
- current position in respect of the Growing Places Fund;
- current position in respect of the Growth Hub.

7.2 2024/25 WLEP Revenue Budget

7.2.1 The LEP's Core budget for 2024/25 can be found in appendix 1.

7.2.2 Current expenditure levels indicate that the WLEP budget is forecasting a breakeven position for the financial year 24/25. Any underspend or overspend will be transferred to/from WLEP reserve at the end of the financial year. A summary of the financial position can be found in **Appendix 1.**

7.2.3 Worcestershire County Council, as the Accountable Body for WLEP, includes all transactions undertaken and managed by the WLEP, within the financial ledger and its sub ledgers which are subject to both internal and external review on an annual basis.

7.3 Current position regarding Growing Places Fund (GPF)

7.3.1 Following successful use of the GPF over the last 5 years, the amount remaining on the balance sheet as at the end of 2023/24 was £1.470m. Of the £1.470m, £222k has been approved for use for BetaDen in the financial year 24/25.

7.3.2 BetaDen is currently forecasting to draw down £57k less from Growing Places reserves this financial year. This is primarily due to a positive funding update associated with the BetaDen Incubate offer, following a mid-year financial review with Eagle Labs.

7.3.3 Alongside this, BetaDen have been successful in securing a better-than-expected response to Unpaid Mentoring support for BetaDen Incubate, and uptake of the paid Mentoring by Incubate founders has been lower than expected to date.

7.4 Growth Hub

7.4.1 The Growth Hub budget for 2024/25 includes an allocation of an annual grant of £261,000 from the Department for Business & Trade (DBT), paid out to WLEP on a quarterly basis, £408,794 from UKSPF and £28,500 from DBT.

7.4.2 In September 2024, DBT contacted the LEP to confirm that the KAM programme was now being funded for the full 12 months in 2024/25 (original budget forecast only included the

allocated 6 month income stream Apr-Sept 2024). This equates to a further £28,500 in 2024/25, taking the KAM total income level for 2024/25 to £57k.

7.4.3 As a result, the Growth Hub is forecasting a £28,500 surplus. However, internal budget reviews are taking place in Q3 to look at how we can utilise this additional income to underpin LEP priorities around innovation agenda, and the costs associated with exploring potential for setting up an Angel Investment network in the county.

Stephanie Simcox – Deputy Chief Finance Officer - Worcestershire County Council

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Appendix 1 –

Appendix 1 – WLEP Budget 2024/25	**Budget £**	**Forecast £**
LEP Core Funding (DBT)	234,285	234,285
WGH Core Funding (DBT)	261,000	261,000
UKSPF – WGH	408,794	408,794
UKSPF – BetaDen	339,050	339,050
UKSPF – Skills Boost Worcestershire	1,020,384	1,020,384
Careers Worcestershire	26,000	26,000
Growing Places – BetaDen	173,847	116,886
Eagle Labs	48,604	48,604
Growing Places – Eagle Labs match	48,604	48,604
KAM Contract (DBT)	28,500	57,000
WCC Contribution	273,651	273,651
TOTAL INCOME	**2,862,719**	**2,834,258**

	WLEP Core Budget 2024/25	**WLEP Core Forecast 2024/25**	**Growth Hub Budget 2024/25**	**Growth Hub Forecast 2024/25**	**BetaDen Budget 2024/25**	**BetaDen Forecast 2024/25**	**Skills Boost Budget 2024/25**	**Skills Boost Forecast 2024/25**
Employee-related expenditure	354,098	354,098	513,760	513,760	228,053	228,053	167,349	167,349
Premises-related expenditure	16,288	16,288	15,034	15,034	58,200	51,200	-	-
Supplies & Services	54,550	54,550	34,999	34,999	109,200	81,647	87,135	87,135

Third Party Payments and Outgoing Grants	83,000	83,000	134,500	134,500	214,652	192,244	765,900	765,900
Other Income					-48,604	-48,604		
WCC Contribution	-273,651	-273,651						
Government Grants	-234,285	-234,285	-289,500	-318,000				
UKPSF 2024/25			-408,794	-408,794	-339,050	-339,050	-1,020,384	-1,020,384
Growing Places Reserve					-222,451	-165,490		
Net Surplus/Deficit of Income Over Expenditure	0	0	0	-28,500	0	0	0	0