



Department for Levelling Up,
Housing & Communities

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Department for
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17th March 2023

Dear LEP Chairs, Combined Authority Mayors, the Mayor of London, and all Local Authority leaders,

FUTURE FUNDING AND INFORMATION GATHERING EXERCISE: LOCAL ENTERPRISE PARTNERSHIPS (LEPs)

Following the announcement regarding the future integration of LEPs in the Levelling Up White Paper last year, Government announced LEPs would be granted £375,000 in core funding for the financial year 2022/23. To provide clarity and certainty to LEPs and local democratic institutions, officials wrote to LEP and MCA Chief Executives on 14th February 2023 to confirm core funding for the financial year 2023/24 at a reduced rate of £250,000.

LEPs have played a vital role since 2011 in bringing together businesses and local leaders to drive economic growth across England. Over three rounds of the Local Growth Fund, LEPs have allocated a total of £7.1 billion to projects promoting dynamic economic growth and a further £900 million under the Getting Building Fund. We are hugely appreciative of all the time LEP Board Members and staff have provided in advising local decision makers and supporting businesses through the challenges of the global pandemic and EU exit.

Through operating the network of Growth Hubs, LEPs have helped bridge the gap between national and local business support, convening key players and deploying funding from a wide range of sources, ensuring that businesses can get the right advice and support at the right time in their business journey, with an offer shaped to fit local needs. Many LEPs have played integral roles in the success of regional Investment Funds, delivered with the British Business Bank, which have helped many businesses access vital debt and equity finance to meet their growth ambitions. We are also hugely appreciative of the role some LEPs have played over the last year in areas such as brokering Devolution Deal negotiations and helping Local Authorities to prepare Investment Zone bids.

That said, the Government remains committed to integrating LEP functions into local democratic institutions. Since the publication of the Levelling Up White Paper, we have made strong progress on extending devolution in England. As such, and as announced by the Chancellor in the Spring Statement this morning, the Government is minded to cease core funding beyond 2023-24.

We will work with local areas to determine how the functions currently undertaken by LEPs are best delivered at a local level in future, where appropriate and where they are not already delivered by a Combined Authority. In addition, to minimise any disruption for LEPs, the areas

they support, and the delivery of Government programmes, we are today launching a four-week information gathering exercise to gain a fuller understanding of the implications of this funding change. This work will be led for Government by the Department for Levelling Up, Housing and Communities – working closely with colleagues in the Department for Business and Trade and His Majesty’s Treasury.

Our officials will provide you with access to a questionnaire that will be used as part of the exercise. If you have any questions regarding this process, please contact lepinformation2023@levellingup.gov.uk.

Following the exercise, Government will notify LEPs and all local and combined authorities of the outcome and our final decision.

We look forward to working with you and welcome your full participation in the information gathering exercise.

With every good wish,

A handwritten signature in black ink, appearing to read 'Dehenna'.

Dehenna Davison MP

Minister for Levelling Up, Department for Levelling Up, Housing and Communities

A handwritten signature in black ink, appearing to read 'Kevin'.

Kevin Hollinrake MP

Parliamentary Under Secretary of State, Department for Business and Trade