



Department for Levelling Up,
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19 December 2023

To: Combined Authority Mayors, Local Authority Leaders, the Mayor of London, and LEP Chairs

Dear all,

TRANSFER OF LOCAL ENTERPRISE PARTNERSHIP (LEP) CORE FUNCTIONS TO COMBINED AND LOCAL AUTHORITIES

On 4 August 2023, Minister Hollinrake and the then Minister for Levelling Up wrote to you to confirm that, from April 2024, the Government's sponsorship and funding of LEPs will cease, and we will instead support combined and upper tier local authorities to deliver the functions currently delivered by LEPs. This empowers democratically elected local leaders to work with the private sector to support local businesses and drive local economic growth.

To support you through this policy change, we published [technical guidance](#) in August 2023. We have now published the final piece of [guidance](#) on the core functions of business representation and local economic planning. These two pieces of guidance should be viewed as complementary, with both documents relevant to the integration of LEP functions. As such, any statements in the original guidance are still applicable and both guidance documents should be used by local authorities in developing their integration and delivery plans for 2024/25 and beyond.

In October 2023, our officials issued a local authority / LEP integration plan template for completion by the end of November. The purpose of the template was to aid the process of integration and transition and inform the direction on any future government funding. We would like to thank you for providing the necessary information in response to this request. Our officials are now reviewing these plans as part of the approvals process, which will conclude early next year.

We are now pleased to confirm that in 2024/25, Government will provide eligible combined authorities and upper tier local authorities with up to £240,000 to deliver the functions previously delivered by LEPs – namely business representation, local economic planning, and the delivery of Government programmes where directed – subject to final business case and integration plan approvals (where plans are required and/or not yet approved). We recognise that this represents a small reduction in 2023/24 funding levels – this reflects the efficiencies we expect the integration of functions into combined and local authorities to deliver.

Eligibility for funding is conditional on LEP functions being delivered over sensible functional economic areas or whole county geographies. Where multiple upper tier local authorities are working together over a single functional economic area, they have selected one local authority to take responsibility for submitting the integration plan. Subject to approval of the plan, that authority will now be considered the accountable body for funding in 2024/2025. Funding beyond 2024/25 will be subject to future Spending Review decisions.

This core funding is separate to any programme funding that may be provided to support the delivery of, for example, Growth Hubs or Careers Hubs. Funding for the delivery of Government programmes as directed will be communicated to authorities by the responsible Government department or body as per usual processes.

We are also pleased to confirm that in 2024/25, Government will provide the LEP Network with up to £150,000, subject to business case approval, so they can continue to provide their support to aid the transition process.

To ensure the integration process already underway continues to progress as smoothly as possible, please do continue to direct questions and queries via the LEP Network or to your Area Lead within the Cities and Local Growth Unit. We would also like to take this opportunity to reconfirm that local authorities and LEPs should seek their own legal advice on issues related to staff; that LEP Directors should seek their own legal advice regarding personal liabilities; and that the management and transfer of any LEP assets should be agreed locally between the LEP and its Accountable Body, in line with any pre-existing arrangements and in accordance with any legal requirements. Where there are no existing arrangements, Government expects that any reserves and assets built up using public funds will remain within the public domain.

Government remains committed to empowering democratically elected local leaders by integrating LEP functions into local democratic institutions. We would like to thank LEP Chairs, their Boards, and their staff for all the work they have done to drive and support local growth across England since 2010. In addition, we would like to thank you all for your work to date and your continued efforts to facilitate this transition.



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