



Department for Levelling Up,
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Clive Betts MP
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House of Commons
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4th August 2023

Dear Clive and Darren,

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

Since the publication of the Levelling Up White Paper, the Government has made strong progress on extending devolution across England. We remain committed to empowering local democratically elected leaders by integrating LEP functions into institutions where there are devolution deals, and as new devolution deals are concluded and implemented. We are making good progress – areas covering nearly 40% of England have already integrated their LEP functions.

To continue empowering local leaders, the Spring Budget 2023 set out that the Government was minded to withdraw central government support (core funding) for LEPs and transfer their functions – namely business representation, strategic economic planning, and the delivery of government programmes where directed – to local authorities, where not already being delivered by combined authorities. Officials carried out an information gathering exercise on the practical implications of this proposal, which received hundreds of responses, and [summary of the findings](#) has been published on gov.uk.

Following the conclusion of this exercise, we are now confirming the Government's 'minded to' decision. From April 2024, the Government's sponsorship and core funding of LEPs will cease. The Government will now support local authorities to take on the functions currently delivered by LEPs. Where not already delivered by a combined authority, or in areas where a devolution deal is not yet agreed, the Government expects these functions to be exercised by upper tier local authorities (working in collaboration with other upper tier local authorities as appropriate).

Our original aim was to announce this decision before the House rose for the summer, but we were unable to secure collective agreement in time. We have since secured that agreement, and by confirming our decision now, we provide LEPs and local authorities with the much-needed clarity they have been calling for and give them sufficient time to implement the necessary changes. LEPs employ more than 700 staff. If we further delay announcing our decision, many of those staff would either be at risk of redundancy, or may choose to leave their positions before April 2024, putting the delivery of Government programmes this year at risk.

Alongside this decision, we have published [technical guidance](#) for LEPs and local authorities to support them through this policy change. Our officials are also working closely with local areas to support them to develop their integration plans.

The information gathering exercise identified overlap between some of the functions being discharged by LEPs, local authorities and combined authorities, as well as confirming that there is already a high level of integration of LEP functions in Mayoral Combined Authority areas. The exercise also highlighted the different perceived levels of benefit and engagement between LEPs and local authorities. The Government's view is that there is likely to be scope for greater join-up, efficiencies, and clarity for the private sector by these functions being discharged within Mayoral Combined Authorities, devolution deal areas, and upper tier local authorities, working together as appropriate.

The Government will therefore provide some revenue funding to local and combined authorities in 2024/25 to support them to deliver the functions currently delivered by LEPs. Details of this support will be confirmed in due course. Funding beyond 2024/25 will be subject to future Spending Review decisions.

The Government remains committed to our goal that by 2030, every area in England that wants a devolution deal will have one. By empowering local democratically elected leaders to deliver these key local growth functions from April 2024, we are accelerating the integration process set out in the Levelling Up White Paper.

With every good wish,



Dehenna Davison MP

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Kevin Hollinrake MP

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