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LEP Future Funding

ADEPT is a professional membership association representing Place Directors from county, unitary and combined authorities across England, along with Local Enterprise Partnerships, sub-national transport boards and corporate partners drawn from key service sectors throughout England.

General comments

We welcome the opportunity to comment on the government's proposal to end Local Enterprise Partnership (LEP) core funding from April 2024 and transfer LEP functions to strategic local authorities – county, unitary and combined authorities – in England. We support the principles of the devolution framework set out last year in the Levelling Up White Paper and we believe that these strategic authorities have the scale and ambition to successfully lead the local growth agenda in their areas. This is already happening in those places that have secured devolution deals to date. We support the broad direction of the current proposals to integrate LEP functions into strategic local authorities elsewhere. This is a good opportunity for local government to bring democratic scrutiny and accountability to local growth strategies and to ensure that they align with other local social and environmental strategies.

As a professional membership association it is not relevant for us to answer the detailed questions set out in the LEP Future Funding Questionnaire. We do however want to make four important points:

Funding: the loss of LEP core funding and the transfer of functions must be fully funded for the long term by government and not place any further financial burdens on local authorities at a time when cost pressures on them continue to rise and budgets are increasingly strained. The funding for local authorities should include the return on any funding originally top-sliced from council budgets and allocated to LEPs, such as for integrated transport. Many of our members believe that the core funding offers exceptional value for government to help underpin the core services provided by LEPs and their relationships with councils. The biggest impact in the loss of core funding will be in the ability to continue to manage the capital projects that have been supported by LEPs and to help make connections to enable future growth.

Business voice: we support the original purpose of LEPs, bringing together the public and private sectors at a place level to engage business in local recovery, growth, productivity and job creation. In addition, business-led organisations are well placed to lead on functions such as business support, sector growth and inward investment.

This will continue to be essential. As LEP funding and functions transfer to strategic local authorities it will be important to retain an independent business voice with the ability to offer challenge and independent assessment of local authority performance and to speak for the business community. Finding effective ways to bring a business perspective, knowledge and capability into decision making will be good for local places and economies. There are both opportunities and challenges here – opportunities to increase the breadth and diversity of that engagement, such as better connection with SMEs in rural areas, and challenges to build and maintain the trust of larger businesses in the ability of the local authority operate strategically in the interests of local and regional growth. Councils can also build relationships with all local MPs to further local growth in the interests of the whole area.

Outcomes: ADEPT supports its members to shape their places and make them more prosperous, sustainable, resilient and inclusive. ‘Place’ is created at different levels, from local neighbourhoods up to sub-regional functional economic areas and wide natural regions defined by catchments and landscapes. As the government has reviewed the future of LEPs in recent years we have argued that they need to be able to engage effectively with the key stakeholders that help to shape places, to operate effectively at the sub-regional level and be understandable, transparent, representative and accountable. It is important that government draws on the evidence collected during its reviews to understand the conditions for the success of those LEPs that have worked well, and to apply these lessons to ensure that the transitional and future arrangements can deliver successful outcomes.

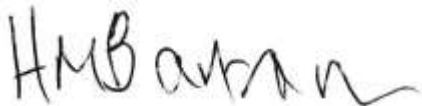
A well-managed transition: the transition to LEP integration needs to be smooth and well-managed. After a prolonged period of uncertainty for LEPs, Government should now make clear and early decisions, and communicate them effectively. LEP employees must be treated fairly and every effort made to retain valued people and skills within the local workforce. There will be practical issues to consider with respect to the assets and liabilities of LEPs, including data and intellectual property (?), and the management and transfer of existing budgets to give flexibility and avoid rushed spending decisions. The transition will need to be funded and no additional costs passed to councils, such as where staff are transferred under TUPE.

It is important that as LEP functions are transferred to local authorities that these principles are maintained in order that effective outcomes can be delivered. There are opportunities for local authorities to broaden the representation of local business sectors in the local growth and levelling up agenda, and to increase accountability for the allocation and delivery of funding. The transfer of LEP core funding will remove problems of overlapping boundaries and where two LEPs covering a single local authority area (or part of it). Accountability comes via the involvement of elected local authorities, so the geography of local growth bodies must be consistent with democratic boundaries.

However, the transfer of LEP functions and staff will be more complicated in those places where boundaries are not currently co-terminus.

We would be pleased to discuss these matters further.

Yours faithfully



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