



Lancashire Enterprise Partnership Limited

Private and Confidential: No

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Chancellor's Statement Announcement on the future funding of LEPs

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Executive Summary

Whilst not highlighted in his address to the House of Commons, part of the Chancellor's Statement, released alongside the budget, related to the start of a process to formally consult on ending funding for LEPs after the 2023/24 financial year.

The statement has been reinforced through a parallel dialogue with the LEP Network and confirmation from both Michael Gove (DHLUC) and Kemi Badenock (DB&T) that they back the statement.

Recommendation

The Lancashire Enterprise Partnership Board is asked to consider:-

- How it will respond to the consultation exercise as details emerge.
- How it can understand and support any future plans for private sector input to the development and implementation of economic development policies by local authority partners, or future devolved structures.
- How it uses resources in 2023/24 to support the above and, if required to wind-up the company in an orderly manner.

Background and Advice

The statement below appeared as part of the Chancellor's Budget Statement on the 15th March 2023.

'The government is committed to empowering democratically elected local leaders at every opportunity. To this end, the government intends for the functions of Local Enterprise Partnerships (LEPs) to be delivered by local government in the future. Therefore, the government is minded to withdraw central government support for LEPs from April 2024. DLUHC and the Department for Business and Trade will now consult on these proposals, before



confirming a decision. The government will publish an updated policy position to confirm next steps by the summer.'

This statement follows two years when core funding for LEPs had been reduced by 25% in 22/23 and a further 33% in 23/24.

Potential uncertainty about the future policy on LEPs had also been signalled with the guidance letter which came out, alongside the Levelling Up White Paper in Spring 2022.

The latest statement arguably follows this pattern, placing a stronger emphasis on local government and new devolution structures to drive place-based policy.

A more detailed consultation process will now take place to determine precisely how LEP responsibilities, functions and funds will be transferred into new structures. This will arguably be a simpler process in those areas which have already determined their devolution solutions and where LEPs have, to some extent already been absorbed into those structures.

For consideration

As detailed in the subsequent report on budgets, the LEP will need to fully understand the process that government is proposing and begin to address how it wants to chose priorities for work and resources in the coming financial year.

List of Background Papers

Paper	Date	Contact/Tel
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None		
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Reason for inclusion in Part II, if appropriate		
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