



Worcestershire  
Local Enterprise Partnership

# Chancellor's Budget Statement LEP update

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*WLEP Board*

31 March 2023

# Context...

On 15 March, during the Budget statement, the Chancellor, Jeremy Hunt announced that:

*“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 to be delivered by local government in the future.**”*

*Therefore, the **government is minded to withdraw central government support for LEPs from April 2024.** The Department for Levelling up, Housing & Communities 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.**”*

# Initial Response



**15<sup>th</sup> March** – LAs received a letter from Lee Rowley MP (Minister for Local Government: DLUHC) reiterating Chancellor's statement on LEPs as part of a wider communication on Budget announcements

**16<sup>th</sup> March** – WLEP Management Team issued internal communication to the Executive Team re: Budget announcement on LEPs to provide initial reassurance

**17<sup>th</sup> March** – WLEP Management Team dialled into a national LEP Network calls with LEP CEOs (am) and LEP Chairs (pm) and Govt officials to understand next steps and data gathering exercise and timeline set out

**17<sup>th</sup> March** – LEPs received a letter from Kevin Hollinrake MP (Minister for Enterprise, Markets and Small business: DB&T) setting out data collection exercise and stating that Government will notify LEPs and all local and combined authorities of the outcome and our final decision, following the exercise. LA's cc'ed.

**17<sup>th</sup> March** - WLEP Management Team issued initial communication to the WLEP Board re: budget announcement and further information gleaned as a result of above activity

**21<sup>st</sup> March** – LEP Network issue a press release in response 'Silencing the voice of local business will cost money not save it'

# Data Collection process



## Aim

- To fully understand the implications of an end to Government core funding if this were to happen.

## Focus

- HMG have a particular interest in how activities currently carried out by LEPs might change, cease, or be transferred – depending on local plans – in the event of defunding, as well as the potential impact on:
  - Economic growth in local areas.
  - Decision-making in local authorities, particularly the input of business organisations.
  - LEP staff and customers, including those with protected characteristics.
  - Legacy projects (i.e. projects that have been funded in previous years through Government or private sector programmes)
  - Ongoing separately-funded functions such as Growth Hubs and Careers Hubs.
- And an additional interest in whether the impact would differ between areas with devolution deals and those without, and whether LEPs would continue or cease operations without this funding.

# Data Collection process



## Structure

The questionnaire is split into six sections – but only three (\*) are mandatory for completion.

## Sections

- Section 1: Core information\*
- Section 2: Nature of your relationship with LEPs\*
- Section 3: Questions for LEPs
- Section 4: Questions for Mayoral Combined Authorities (MCAs), the Greater London Authority, and areas that have agreed devolution deals
- Section 5: Questions for Local Authorities
- Section 6: Public Sector Equality Duty Assessment\*

## Timeline

The questionnaire will **close at 23:59 on 14 April 2023.**

*N.B. A copy of the questionnaire has been circulated with the agenda/papers for this meeting, for information*

# LEP Network role...

## Thematic Discussions

- In addition to the questionnaire, officials have agreed that the LEP Network should also pull together a series of thematic discussions.
- Whilst the questionnaire will get some way in establishing the facts, a richer conversation around some of the critical issues will be necessary if the advice to Ministers is to be fully considered.
- LEP Network have notionally agreed the key areas and these will begin towards end of March. Following the CEO and Chair calls, these are:
  - **Business representation**
  - **Economic planning**
  - **Assets and Legacy Issues (EZ, GPF, GBF, monitoring, etc.)**
  - **Staffing (TUPE)/formal legal wind down/Director liabilities/run off insurance issues**
  - **Skills Functions (Careers Hubs, Skills Bootcamps etc.)** – to be run with DfE
  - **POSS: Growth Hubs and Business Support**

# WLEP position...



- Given lack of clarity from Government, it was agreed at Feb WLEP Board meeting, to create stability and a budget for the next two years (to March 2025)
- Decision agreed that WLEP will focus on delivering the economic strategy, and ensuring successful delivery of the UKSPF funded Growth Hub and BetaDen projects in 2023/24 and 2024/25
- The Worcestershire Growth Hub has secured core funding from Government, for a further twelve months, (£ TBC) and this will allow us to scale-up delivery during this period.
- Successfully recruited a new WLEP Chair, who remains fully committed to supporting the LEP through this transitional period, for the next 2 years as a minimum
- We are continuing with the direction set out at the last meeting to build a budget for the next 2 years that provides stability and confidence to the team at this time of general uncertainty



**Worcestershire**  
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## Worcestershire 2040 Vision:

**“A connected, creative, dynamic economy for all.”**

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