



Andrew Battarbee
Area Director, Yorkshire and Humber
Cities and Local Growth Unit
By email

26 February 2019

Dear Andrew

As you are aware, the Leeds City Region and York, North Yorkshire and East Riding LEPs have each responded positively to meeting the requirements of Government's review of LEPs by agreeing to work together to establish a new LEP covering all of West and North Yorkshire.

Both LEPs are working together closely through a joint Transition Subgroup drawn from the respective LEP Boards to put in place arrangements for the new LEP. Launching formally in April 2020, the new LEP will set a bold Local Industrial Strategy that boosts productivity and inclusive growth across its diverse economies and places.

To continue the progress made so far, we wish to notify you of positions agreed by the Transition Subgroup. While these matters require some flexibility on the Government's part, the Transition Subgroup is clear they represent the best basis for a successful LEP, suited to the unique position of the new LEP - covering 8% of England and with different political governance structures, including partial coverage by a Combined Authority.

- a) In order to ensure strong private sector leadership, whilst simultaneously providing for public sector representation which reflects the interests of the whole geography, the new LEP Board will have a membership of 27¹. This will meet the requirements for two thirds private sector and one third public sector, and 50:50 gender balance. It will ensure that (i) all places have direct local political representation (ii) the diverse nature of local government is represented, including two non-metropolitan district authorities.
- b) The new LEP will have a single accountable body for all new activity from April 2020. In line with the National Assurance Framework², for pre-existing programmes the current accountable bodies will continue in those roles throughout the duration of the funding period and realisation of associated outputs.

¹ 18 private sector members (including Chair and Vice-Chair), and representatives of six unitary authorities, North Yorkshire County Council and two non-metropolitan district authorities. This conforms with the required two-thirds to one-third private / public sector ratio.

² p.35 confirms "pre-existing programmes such as Enterprise Zones can continue with multiple Accountable Bodies for the duration of their funding period"

- c) As discussed with the area lead, the draft Local Industrial Strategy will be submitted to Government for comments in December 2019, slightly later than what we understand to be Government's desired date.
- d) The LEPs will produce an implementation plan based on the position reached by both LEP Boards.

We have previously raised the issue of future resourcing, where you helpfully outlined that Government's objective is to reward rather than penalise LEPs who seek to merge. The Transition Subgroup and both LEP Boards are now at a stage where they require clear commitments that:

- While it may not be possible to set out future core funding models at this stage, it is vital that current LEPs have assurance that the new LEP will continue to receive at least the aggregate amount of core funding currently received by both LEPs – thereby being no worse-off than if they hadn't come together.
- Similarly, there are significant transitional costs associated with the successful creation of a new LEP, initiated by Government's review of LEPs. Therefore, the LEPs require assurance that, subject to agreement, they can access necessary transitional funding from Government to meet the costs resulting from delivering a new LEP - covering, for example, rebranding and legal transitional processes.
- The £200,000 per LEP for implementation of the LEP review (18/19) can be used throughout the implementation process to 2020. We understand this is in-line with the requirements in the capacity pro-forma that LEPs set out the key elements of their additional budgetary requirements by March 2019.

We thank you for your continued cooperation and assistance as we work intensively and proactively to deliver a new LEP that will drive productivity and bring significant benefits to diverse businesses and communities we serve. If you have any questions regarding these points reached by the Transition Subgroup thus far, we'd be happy to discuss further with you or broker a direct discussion with the Subgroup, which next meets on 5 March. Thereafter, we expect that the two LEP Boards will endorse the progress made in late March, with final decisions about the merger to follow later in the Spring.

Yours sincerely,



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Leeds City Region Enterprise
Partnership



James Farrar
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