

22 July 2010

To: Council Leaders in England

Dear Colleague

Formation of Local Enterprise Partnerships

The Secretary of State for Business, Innovation and Skills and the Secretary of State for Communities and Local Government have written to you today inviting you to put forward a proposal to form a Local Enterprise Partnerships to take on the responsibilities previously held by Regional Development Agencies.

The LGA welcomes both the government's confirmation that councils will play the lead role in local economic development, and the invitation to bring forward proposals for these partnerships, working closely with local businesses.

I know you will already be considering how you want to see the scope of these partnerships, their relationship to existing bodies, and their geography and governance. We have made it very clear to Ministers that all of these issues should be resolved locally, and that we believe it would be at odds with the overall direction of Ministers' policy to try and insist that council-developed LEPs should have to conform to centrally-prescribed formulas.

There is clearly an opportunity for local government, working with business, to bring forward ambitious proposals on the scope of local enterprise partnerships (LEPs), and play a much bigger role driving up the performance of the local economy.

The precise remit for LEPs locally will be a matter for you to determine, but clearly they could provide local authority leadership, jointly with business, based on real economic geography, for the full range of interlinked issues that affect local economies, such as local transport provision and infrastructure investment, housing, regeneration, business support, skills and employment and training provision.

In many places, the models for LEPs, and the partnerships with business, already exist, and councils and business will wish to continue with them. In such cases, they will be well-placed to move quickly to take on the role of LEPs.

The precise form and geographical coverage of LEPs will vary from place to place. Our message to government has been the need for flexibility. Some LEPs will be regional, others sub-regional, and others more local reflecting the best way to tackle local economic challenges.

On all these points, it important that councils set out what they want and think is necessary. I believe that the Ministerial letter is intended as a genuine invitation. If you feel that what it suggests is too restrictive for what your area needs, I would

strongly encourage you to ask for more than is immediately on offer and engage Ministers about the reasons why.

It is obviously very important for the credibility of the local government sector as a whole that we make an authoritative and ambitious response to this invitation from the government. Many of you will have clear proposals already or be confident that you can develop one rapidly with local partners and neighbours. Some of you may want to call on help from within the local government sector to develop a proposition. The LGA Group is ready to offer support, for example through the IDeA's peer network, to places that want and need help to develop their proposition. Our Regional Associates will be in touch with you or your officers to discuss how we can help in the next few days.

I believe today's invitation from government has the potential to be a landmark moment that decisively turns the tide away from the centralised quango state of the last thirty years and allows councils to take control of the economic destiny of their local areas again. I encourage you to seize the moment.

Yours sincerely

C Margaret Eaton

Dame Margaret Eaton OBE
Chairman
Local Government Association