

20 August 2010

Dear Council Leaders and Chamber Presidents and Chief Executives

### **LOCAL ENTERPRISE PARTNERSHIPS**

This August has been busier than most in recent memory, with all of us working hard to ensure that the fast-moving transition from Regional Development Agencies to Local Enterprise Partnerships (LEPs) is a success.

We are absolutely convinced that a mature partnership between business and local government will be good for growth. What is on offer through LEPs is a truly new form of joint working that goes beyond anything we have done in the past. We know that in some places, there are longstanding and strong institutions bringing business and local government together, whereas in others, the LEP discussion has been a chance for a fresh start. We are confident that the partnerships that address themselves to Ministers in September will be able to showcase some excellent joint working.

Both the LGA and BCC teams have been struck, in their travels around the country, by the amount of focus placed on governance structures and institutional architecture in local debates on LEPs; this is inevitable and understandable, but we all recognise that this must not prevent us also addressing the fundamental questions, especially in the submissions to Ministers: what shared vision do we have for building a dynamic, enterprising local economy? What will an LEP do to help us achieve this vision? What realistic and pragmatic actions do we intend to take to achieve that vision? What funding and responsibilities are we willing to take on in order to make a difference? Some Ministers have been very keen to tell us that they want LEP bids to challenge them to devolve decision-making; we hope that challenge will be taken up by many LEPs.

As part of that, it is worth recalling that the geographical scale of LEPs is – together with the need for council-business partnership - the one issue on which Ministers have given a firm steer that they have criteria in mind. Existing council boundaries, or Chamber of Commerce territories for that matter, often do not cover the 'functional economic areas' that would enable LEPs to make the biggest difference to productivity, private-sector growth, and economic diversity. Where we can achieve consensus that LEPs should cross council or chamber boundaries, or the boundaries between the abolished government regions, that will be a powerful sign of the maturity with which we have addressed the challenge the government has set us.

The period between now and the 6<sup>th</sup> of September is a crucial time for everyone involved in local economic strategy. We are both confident, and keen, that the proposed LEPs will be seen from day one as ambitious, confident and authoritative. We know you share that ambition.

Yours sincerely



**David Frost**  
Director General BCC



**Baroness Margaret Eaton DBE**  
Chairman, LGA