



Department for
Business, Energy
& Industrial Strategy

APPENDIX 4

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cc. Dave Smith, MD, Sheffield City Region
Sajeeda Rose, Interim CEO, D2N2 LEP
Sir Nigel Knowles, Chair, Sheffield City Region

4 December 2018

Dear Nigel and Elizabeth,

LEP Review: Geography

At the telephone meeting between the D2N2 and Sheffield City Region LEPs on Friday, 30 November, there was agreement that it would be helpful if the Government could set out its position in writing in respect of the “overlap areas” so that you could share this with all of your Board members as you seek to reach an agreement.

We attach the letter sent by the Secretary of State to both LEP Chairs on 16 November and confirm that this still sets out the Government’s view.

We would like to emphasise the point made by the Secretary of State that, whilst we want to see simple LEP arrangements, the Government recognises there are shared economic characteristics and such areas will need to work collaboratively, whatever boundary decisions are reached. The submissions both your LEPs produced showed that the current overlap areas do indeed extend across different functional economic areas. The point being emphasised by Ministers is that in future we want these areas to be in one LEP but with strong collaboration between neighbouring LEPs to reflect areas of shared economic geography, as we already have in some shared sectoral specialisms across the country (e.g. the space/satellite sector).

Ministers are not prepared to accept continuation of dual memberships. Equally, in future we will be intolerant of LEPs which do not collaborate with neighbours where there are overlapping and shared interests, and we will hold LEPs to account if they failed to collaborate effectively.

During the call you raised a question about the Government's commitment to the Sheffield City Region devolution deal. I can reaffirm we remain committed to the devolution deal for the Sheffield City Region agreed in 2015. The MCA that was to be created by this deal has now been enshrined in law and we look forward to the final consents being obtained so that the £900m of new money and other benefits for the region can begin to flow. Furthermore, there is no need from Government's perspective to amend the MCA membership, with the non-constituent members seen by Ministers as one of the mechanisms to support effective collaboration.

We would be grateful if you could share this note and the Secretary of State's letter with all Board members. We understand D2N2 have already shared the letter with their board and all the nineteen local authorities in their membership. We hope that you can now move to early agreement on which LEP will be the host for the current overlap areas, so that you can develop mutually satisfactory arrangements for joint working and also to starting work on your local industrial strategies with clarity about your boundaries.

A response to this letter ahead of the 21 December will be welcome.

Yours sincerely

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