




Department for
Communities and
Local Government

Melanie Dawes CB
Permanent Secretary

Department for Communities and Local
Government
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Meg Hillier MP
Chair of the Committee of Public Accounts
House of Commons
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www.gov.uk/dclg

26th October 2017

Dear Meg,

Review into Local Enterprise Partnership (LEP) Governance and Transparency

In April 2017 the Department commissioned Mary Ney, in her role as DCLG Non-Executive Director, to review LEP Governance and Transparency. I enclose a copy of the completed review, which we have published today on the Department's website.

The Department has accepted all of the recommendations made in the report. Most of them relate to the way in which the National LEP Assurance Framework is delivered in local areas, and overseen by the Department. As you know, DCLG and BEIS Ministers have also commissioned a wider review into strengthening the role of LEPs, which started this August and will be completed next spring. After this review has been completed, we will update the LEP Assurance Framework to take account of the recommendations of both reviews.

In the meantime we are changing our guidance to LEPs immediately, so that all of Mary Ney's recommendations can take effect without delay. My colleagues will be meeting with all LEP Chief Executives to discuss the required changes and will be circulating detailed guidance to them in the coming weeks. Where necessary, the Department will also add further conditions to each LEP grant determination letter for 2018/19 Local Growth Fund and LEP core funding.

The Department is also creating a national oversight team in the Cities and Local Growth Unit that will undertake a more robust compliance process, supporting all LEPs. The oversight team will work with Local Area Leads and LEPs over a six month period from November 2017. We are also working with CIPFA to provide new guidance and training for Section 151 Officers, to strengthen their role in ensuring that LEPs comply with the National LEP Assurance Framework.

The adoption of these measures will, we believe, improve transparency for LEPs and ensure that accountability is clearer.

We have already shared Mary Ney's review, and the Department's response, with the NAO. My colleagues in the Department have also been working closely with the NAO on their investigation into the Greater Cambridge Greater Peterborough LEP. We are maintaining close oversight of this LEP to ensure that it is meeting all of its governance and transparency responsibilities, and will of course be following up any recommendations which the NAO may make.

I am copying this letter to Sir Amyas Morse, Comptroller and Auditor General.

Yours sincerely,

Melanie Dawes

MELANIE DAWES