



Stephen Jones  
Cities and Local Growth Unit  
2 Marsham Street  
London  
SW1P 4DF

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Dear LEP Chief Executive,

**LEP core funding 2021-2022 – second payment**

Thank you for your patience in waiting for a decision to be made on the release of a second payment of LEP core funding. We are pleased to confirm that the Government will be making a payment of £250,000 of LEP core funding to each LEP. This means LEPs will each receive their full core funding allocation for 2021/22.

We would like to thank you for your cooperation in complying with the conditions set out alongside the first payment of core funding, particularly in providing the financial data requested. The information you provided supported our understanding of LEP finances and helped inform the decision to release the second payment. We also provided the LEP Network with a copy of the data.

As with previous years, Government will continue to require LEPs to match fund the core funding locally. As this second payment is £250,000, LEPs are only required to raise at least £125,000 in match funding. This is in line with the match funding requirements of the first payment of core funding made in August 2021.

The second payment of £250,000 will be provided to each LEP in mid-December via a section 31 payment to the relevant Accountable Body. In line with the individual LEP allocation, the LEP Network will also receive £39,000 as the second part of its annual funding allocation in 2021-22. Government expect that this will be supplemented by a contribution from each LEP, as Chairs have previously agreed.

Please see attached the application form and accompanying guidance document for the 2021-22 LEP Core Funding. Please submit your application form no later than **26 November** to [localgrowthassurance@communities.gov.uk](mailto:localgrowthassurance@communities.gov.uk). We appreciate the tight turnaround for return of applications. Meeting the deadline will ensure prompt payment of funding. If you have any queries about this process, please contact the Local Growth Assurance team.

We remain hugely grateful for the work LEPs have done over the last ten years to support their local economies, through the Local Growth Fund, Growth Hubs and giving valuable insight to local and national government. We have not made any final decisions around the future funding of LEPs beyond this financial year, and we cannot at this stage set out what the outcome of the LEP Review will be. We plan to set out further details in the forthcoming Levelling Up White Paper.

Yours sincerely,

**Stephen Jones**

Director, Cities and Local Growth Unit