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TRANSFER OF REGIONAL DEVELOPMENT AGENCIES' LAND AND PROPERTY ASSETS TO THE HOMES & COMMUNITIES AGENCY

6 July

The Coalition is committed to closing the Regional Development Agencies (RDAs) and facilitating the delivery of economic development at the local level through supporting the establishment of Local Enterprise Partnerships (LEPs) and the existing role of Local Authorities in fostering and sustaining growth.

In the twelve years they have existed the RDAs have undertaken the acquisition, development and sale of a range of land and property assets for the purposes of providing economic development to local communities, assistance in deprived areas, and regeneration to encourage growth and new business. However, this model is no longer affordable in the current economic climate and we need to agree a future for these assets that is affordable while enabling them to be developed in a way that is responsive to local needs.

In preparation for closure, each of the eight RDAs (outside London) has developed a plan for their assets and liabilities. The National Transition Board, chaired by the Department for Business (BIS) and involving the RDAs, Department for Communities and Local Government (DCLG), HM Treasury and others, has considered these plans. In relation to land and property assets, on 14 April I confirmed my agreement to:

- Disposal of sites that are market ready, where the economic development and regeneration objectives have been achieved;
- Market disposal of sites to Local Authorities who want to acquire assets;
- Retention within central government of key national land assets including those where Technology and Innovation Centres (TICs) are located;
- Transfer of the RDA coalfield sites to the Homes and Communities Agency (HCA).

I am confirming today the Government's intention to transfer the majority of the RDA land and property portfolio, into a "stewardship" arrangement through which local partners, including local authorities, businesses, LEPs and others will be able to influence their development and ensure they are developed in a way which maximises economic outcomes for the area. Most of these sites are not ready for market sale and in the majority of cases require further investment to deliver economic benefits. To achieve delivery of this we intend to transfer title to these assets to the Homes and Communities Agency (HCA), who will be responsible and accountable for managing the portfolio. Subject to completion of the necessary detailed work and arrangements the transfer is currently planned to take place on 19 September 2011.

The HCA will use their expertise in land and property management to ensure that the assets are fully developed in a way which will help deliver economic growth and regeneration to local areas. Under HCA supervision of the stewardship arrangement HCA will establish local committees to allow local partners such as local authorities, businesses, LEPs and others to influence development of the portfolio. National policy interests will be managed through BIS and DCLG representation on a newly constituted Land and Property Board, and with BIS Local membership of the local stewardship committees.

The portfolio includes income-generating assets which will provide investment funds for those assets which need further development. This recycling of receipts should enable the arrangement to be largely self financing.

DCLG will use its powers under section 51 of the Housing & Regeneration Act 2008 to transfer the assets from the RDAs to HCA. The detail of these transfers is still being agreed. The Secretary of State for Communities and Local Government will approve the final list of assets to be transferred. Details of the transfer order will appear on the DCLG and BIS websites once it has been made. We will set out detail of the assets being put into the stewardship arrangement by LEP area at that point. There will be a transfer of staff from the RDAs to the HCA in accordance with TUPE regulations.

Under a similar but separate stewardship arrangement, BIS will contract HCA to manage its interests in three nationally important technology parks: Ansty Park, Coventry; the Advanced Manufacturing Park, Rotherham; and SPark, Bristol. HCA will manage these in order to continue the development of these land assets which will maximise their impact on economic growth. These sites have been identified as assets of national importance to be retained under the ownership of central Government in order to be developed further to support investments in innovation and technology. Four facilities based on these sites form part of the recently established High Value Manufacturing Technology and Innovation Centre funded by the Technology Strategy Board.

This transfer is in line with the principles for disposal of assets published on 10 February 2011, which can be viewed at www.bis.gov.uk/rda-assets. I will provide an opportunity for Members of the House to discuss these transfers at a meeting early in the autumn, once the local details of the transfers have been established.

MARK PRISK
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