

DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT

Urban Development Corporations

The Parliamentary Under Secretary of State (Shahid Malik MP): My hon. Friend the Member for Dudley, North (Mr Austin) and I are today announcing the outcome of the quinquennial review of England's three urban development corporations (UDCs): London Thames Gateway; Thurrock Thames Gateway; and West Northamptonshire. We are also outlining new delivery arrangements that will take forward the regeneration and sustainable growth of these areas that would allow for a shorter lifespan for the UDCs than was originally envisaged, and where possible, the return of certain planning responsibilities to local planning authorities.

The three UDCs were established in 2003 and 2004 to secure the regeneration of their areas as part of the planned housing and economic growth in the Thames Gateway and Milton Keynes-South Midlands growth areas. At the time of their establishment, the Government committed to reviewing the UDCs after five years. The quinquennial review fulfils that commitment.

The situation of each UDC is very different, and the review has therefore been carried out in such a way as to allow different decisions about the future of each UDC. In each case the review has considered:

- whether the UDCs have fulfilled the rationale for establishing them, and how well they have performed, including progress against the targets they were set, since they were established;
- whether changes locally or regionally affect the continuing need for a UDC, or the extent of its powers;
- the impact of the changing national context, particularly the establishment of the Homes and Communities Agency;
- efficiency in the light of the Government's Operational Efficiency Programme, which is looking at achieving greater efficiencies in a number of cross-cutting areas, including back office operations and IT and collaborative procurement; and
- whether there are obstacles that if removed, or greater freedoms that if given, would enable the UDCs to operate more effectively.

The review included stakeholder consultation which began on 22 June 2009 and lasted twelve weeks.

We will publish a response to the consultation exercise on the Communities and Local Government website, and make a summary of the review and its findings publicly available on request, and will place copies of both in the Library of the House. Key findings common to each UDC are that:

- there continues to be a need to secure the regeneration of their respective areas, and there continues to be a need for focussed delivery arrangements to support this;
- each UDC has a mixed track record of success so far, but this largely reflects that they have only been in existence for a relatively limited period of time. However, the UDCs have now started, or are on the cusp of delivering, some significant projects. We have been concerned that any proposed changes should not risk delivery.
- planning performance of each UDC against major planning applications is below the national target, but this reflects the more complex characteristics of the caseload they are dealing with, the relatively limited time that they have had, that they have had to put in place new arrangements to handle planning applications, and that the UDCs do not have plan making functions. However, planning performance is now improving.

The conclusions for each UDC are set out below:

London Thames Gateway Development Corporation

London Thames Gateway Development Corporation (LTGDC) has performed well, working in an extremely complicated environment, handling a complex planning case load. The organisation has existed for a relatively limited period, but in this time, it has put in place innovative planning processes, and is starting to deliver real and tangible benefit for the area through its investment in new homes, jobs, open space, transport infrastructure and its education and skills programme.

The proximity of the Olympic Park to LTGDC's area means that the Corporation has an important role to play in securing a long term legacy in East London from the 2012 Olympic Games. It is important that LTGDC is focussed on this in the run up to the Games, and the Government has therefore decided not to make any changes to the structure or responsibilities of the Corporation prior to the Olympics.

Following the Games, the Olympic Delivery Authority (ODA) will be wound up and new planning arrangements will need to be put in place to discharge the responsibilities currently undertaken by the Authority. The Government intends to consider the future of LTGDC's planning powers alongside those of the ODA, and has today invited the London Boroughs of Newham, Tower Hamlets, and Hackney to submit proposals for a new planning regime for the Lower Lea Valley. The Government will also consider how, in addition to the work that the Olympic Park Legacy Company will be undertaking, to best take forward the development and regeneration of the Lower Lea Valley.

We are also inviting the London Boroughs of Havering and Barking and Dagenham to bring forward proposals for the future planning regime in their area.

Thurrock Thames Gateway Development Corporation

The review has demonstrated Thurrock Thames Gateway Development Corporation (TTGDC) to be an effective organisation well liked by its stakeholders and on the point of delivering real change. The Government is keen to build on and strengthen this success. Since TTGDC was established, the Government has created the Homes and Communities Agency (HCA) which is already establishing a strong track record of strong and successful delivery of housing and regeneration. The Government has concluded that the economic development of Thurrock would be further enhanced if TTGDC were to become part of the HCA from April 2011, allowing the regeneration and development of Thurrock to benefit from strength in depth and regeneration expertise of the largest regeneration agency in Western Europe. From that date, TTGDC's staff will transfer to the HCA and will operate in a manner similar to the arrangements the HCA already has in place in Milton Keynes. The HCA's work in Thurrock will continue to be based, as now, within the borough. An HCA board, and planning sub-committee acting as a local planning authority, will be established to ensure continued strong local leadership and stakeholder engagement. Over time, the HCA intends that all of its operations in Thurrock will be undertaken from the current TTGDC offices in the borough, and the opportunity to widen the reach of its Thurrock based team will also be explored.

In order to give effect to these changes, the Government will be bringing forward orders to formally confer TTGDC's planning powers on the HCA.

West Northamptonshire Development Corporation.

My hon. Friend the Member for Dudley, North (Mr Austin) believes that the regeneration of Northampton, Daventry and Towcester continues to be an important priority, particularly given the importance of Northampton to the economic strength of Northamptonshire, and growth across the Milton Keynes-South Midlands growth area. The West Northamptonshire Development Corporation (WNDC) was established to tackle the regeneration challenges in West Northamptonshire and there is recognition that it has had some significant successes and has put the foundations in place to deliver this.

There continues to be a need for a strong delivery vehicle to support this, and in particular a number of critical regeneration projects in Northampton, Daventry and Towcester. Over time we would like to see a new type of local partnership take forward and deliver the work started by WNDC. In the interim, there is scope for WNDC to become a more strategic delivery focussed organisation, working closely with the Homes and Communities Agency and other partners.

WNDC has had a significant role in making planning decisions for West Northamptonshire. However, the time is now right to start to return these to local planning authorities. However, it is important that this is done in a proper and managed process, which supports the local planning authorities and does not distract from delivery. The Government will therefore provide for planning responsibilities to be returned on a staged basis, and will work with the local planning authorities to achieve this, with support from the Planning Advisory Service. The first stage will be to raise the threshold for residential applications handled by WNDC from 50 homes to

200 homes; to return other applications in the Northampton Central Planning Area to Northampton Borough Council; and return waste and minerals applications to Northamptonshire County Council. The Government intends this should take effect from April 2011.

The return of planning responsibilities and a reduction in the number of planning applications that WNDC will have to deal with will enable WNDC to play a more strategic delivery focussed role concentrating on large housing and commercial developments across its area, but this will require greater partnership working between WNDC and the local authorities and delivery partners in West Northamptonshire, including the Homes and Communities Agency, with the opportunity for more joint working and delivery, with the potential for efficiencies and savings through shared services. These new joint working arrangements will provide the basis for moving to new non-statutory delivery arrangements, and the Government will invite the local authorities and delivery partners to work with WNDC and bring forward proposals for a new delivery model which might succeed WNDC in 2013-14. As part of the discussion of these proposals Government will review the timetable for the return of the remaining planning responsibilities.

The local authorities in West Northamptonshire will be key in delivering the next phase of this important agenda, and the WNDC Board members nominated by the local authorities will have an important role to play. They, and the other Board members, play a valuable role and we will preserve the number of local authority nominated positions on the Board, and ensure that we strengthen the link between nominated members and the local authorities they represent.

As part of Government's Operational Efficiency Programme WNDC is already planning to achieve cumulative savings of around £4m by 2013-14. Through refocussing WNDC as a more strategic delivery organisation, with more joint working, delivery and shared services with partners, it should be possible to achieve further cumulative savings of at least £1m by 2013-14.

The Government believes these new arrangements will maintain a strong focus on the important job of regenerating and delivering growth in West Northamptonshire, strengthen partnerships, provide improved delivery and joint working arrangements with efficiencies across delivery partners, as well as providing greater responsibility and accountability to local planning authorities for planning decisions, and provide the basis for moving to non-statutory delivery arrangements.