The implications of the Urban White Paper for physical urban regeneration in England

A paper from The Royal Institution of Chartered Surveyors

March 2001

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THE IMPLICATIONS OF THE URBAN WHITE PAPER FOR PHYSICAL URBAN REGENERATION IN ENGLAND

A PAPER FROM THE RICS' URBAN REGENERATION POLICY PANEL

KEY POINTS

There is strong evidence of Government commitment to urban renewal in the Urban White Paper and we have very much welcomed much that is in it. It demonstrates a recognition that successful regeneration depends on a stable economy, a progressive tax and benefit system, high quality education and healthcare as well as encouragement for enterprise and competitiveness.

All of this must be backed up by physical change on the ground. There needs to be a greater recognition of the importance of physical regeneration to socio-economic centred regeneration activity. A great deal of progress has been made, but below is a summary of measures that we would like to see to build on this. These points are amplified in the attached paper.

Fiscal incentives

Build on the progress made with fiscal incentives for physical regeneration

- Equalise VAT between the repair and refurbishment of residential property and new build
- Identify the 'disadvantaged' areas in which fiscal measures will be applied
- Carry out a mapping exercise to produce a clear picture of what initiatives are running and where
- Recognise that regeneration that focuses on the most deprived areas may be less successful than starting where there is something to be saved

Compulsory purchase

Speed up the compulsory purchase system

- Allow payments for disturbance
- Give an additional 10% above market value for reaching an early settlement for the acquisition of land with a tapering effect
- Give RDAs CPO powers similar to those given to UDC's to acquire land for the regeneration of the area rather than demonstrating a specific use
- Allow that the acquiring authority only need demonstrate that the scheme has a reasonable chance of being implemented rather than having to have full planning consent before securing the land

Residential development

Direct more attention at residential development

- Disseminate effectively the lessons learnt from the delivery of the experimental Millennium Communities to encourage good design and ambitious environmental targets to be achieved in an affordable way.

The implications of the Urban White Paper for physical urban regeneration in England

1.0 Introduction

'Our towns and cities: the future'[1] was the first Urban White Paper since 'Policy for the Inner Cities'[2] nearly a quarter of a century ago. It seems timely therefore to take stock of the policy proposals contained in the new white paper, and other associated reviews, statements and papers, and to consider their implications for physical and property-led regeneration activity. For a comprehensive and revealing analysis of the problems, failures and successes of urban areas in England one need look no further than 'The State of English Cities' by Robson, Parkinson, Boddy and Maclennan, published by DETR in November 2000[3].

'Our towns and cities' owes much to the work of the Urban Task Force, chaired by Richard Rogers, and its seminal final report 'Towards an Urban Renaissance'[4]. Many of the 105 recommendations contained in the report re-appear in some guise or other in the new policy proposals. Indeed so keen has the Government been to show serious consideration of the Task Force recommendations, that the Urban White Paper contains an appendix listing all 105 recommendations accompanied by commentary on the progress on or response to each and every one. This has been followed by a thirty page implementation plan, prepared by the newly established Urban Policy Unit in the DETR, detailing the current state of play and future steps and timings for 198 proposals or initiatives[5].

The Urban White Paper therefore, is the product of over three years of activity that consolidates the work of the Urban Task Force with a variety of other policy announcements. These include:

- Comprehensive Spending Review[6]
- Budget 2001[7]
- Planning Policy Guidance notes[8]
- Housing Policy Statement[9]
- Local Government Finance Green Paper[10]
- National Strategy for Neighbourhood Renewal[11]

The policies are underpinned by new Government structures comprising the aforementioned DETR Urban Policy Unit, a cabinet committee on Urban Affairs chaired by Hilary Armstrong and a sounding board on urban issues to advise her.

This paper works through each of the new policy measures that have some bearing on physical regeneration, both those in place and proposed, and contemplates what difference they are likely to make to property-led regeneration activity.

2.0 Funding for regeneration

The Comprehensive Spending Review and Budget Statement reinforced the trend of targeting funding at areas of greatest need, with a particular emphasis on soft, people centred regeneration. The Neighbourhood Renewal Fund, worth £400m by 2003-4, is to be targeted at the 88 most deprived local authority areas in England. In combination with the New Deal for Communities this commits Government spending over £1bn specifically for deprived areas by 2004 (see appendix B).

2.1 Funding of the RDAs

The Comprehensive Spending Review 2000 increased funding for Regional Development Agencies, with their combined budgets set to rise from £1.2bn to £1.7bn in 2003/4 (see Appendices A and B). Funding has also been announced to boost the scrutiny role of regional chambers or assemblies over the RDAs[12]. The increase in resources was somewhat forced on the Government by the European Commission's decision that the Partnership Investment Programme was in breach of State Aid rules, resulting in the scheme's suspension in December 1999[13].

Four new schemes have been approved by Europe as a replacement for the Partnership Investment Programme (PIP), covering direct development, speculative gap funding, non-speculative gap funding and community regeneration. A fifth scheme for environmental regeneration for soft end use is still awaiting approval. There is opportunity to combine direct development programmes, where RDAs buy and service land in partnership with the private sector, with the newly announced schemes. Unfortunately the schemes are geographically restricted, being limited to Assisted and European Objective 1 and 2 areas, and modestly resourced (between £10m-£20m p.a. per scheme to 2003)

RDAs need to increase their involvement in physical regeneration by carrying out site assembly, including a much greater use of compulsory purchase powers, reclamation works and direct development. This will require a significant amount of public sector pump priming and perhaps more crucially time and expertise. Most of the RDAs do not have the in-house skills to deliver physical regeneration and it is unlikely that the new schemes and funding increase will be sufficient to recover the loss of momentum since the demise of PIP.

The increased budgetary flexibility proposed for RDAs from April 2002, when the separate DETR, DfEE & DTI budgets will be amalgamated, may create the opportunity for RDAs to tailor their spending to fit their priorities. This may result in funding moving away from physical regeneration to economic and social regeneration activity, which are potentially less problematic and more likely to support Regional Economic Strategies which are primarily focussed on increasing regional GDP rather than reducing regional or local inequality, deprivation or dereliction.

2.2 Tax Incentives

The Budget Statement by the Chancellor contained a number of measures to be introduced to encourage redevelopment of brownfield land and buildings. These include:

- Exemption from stamp duty for all property transactions in the most disadvantaged communities
- Accelerated tax credits of up to 150% for cleaning up contaminated land
- 5% VAT for residential to residential conversion
- 5% VAT on the cost of renovating homes empty for more than three years
- zero VAT for the sale of renovated homes empty for more than ten years
- 100% capital allowances for creating flats over shops for letting

These measures should improve development viability in areas suffering from weak economic conditions where end values are low. Some otherwise marginal developments may now become viable, resulting in more private sector development in deprived areas, although the increase is likely to be modest.

The exemption from stamp duty will make very little difference in residential markets in deprived areas where capital values for most houses will be less than the stamp duty threshold of £60,000. However it will be significant for commercial or mixed-use developments where a saving in transaction costs up to 4% could be made.

The most useful incentive may be the capital allowances for living over the shop schemes (LOTS) which will encourage private investment by offering what is effectively a public subsidy of up to 40% of the costs of conversion. Capital allowances have been successful in the past at securing private sector investment in commercial property development in enterprise zones in England and Scotland, and residential development in the Irish Republic. The Chancellor has also been reported to be considering similar tax allowances for Urban Regeneration Companies to go with the corporation tax relief for company donations to URC's already announced.

It was disappointing that the Treasury were not prepared to cut VAT for repair and refurbishment of residential property to bring it more into line with the rate that applies to new build. The differential persists to the detriment of brownfield redevelopment. The Government has argued that to equalise the two rates would have broken an election pledge not to introduce any new rates of taxation. However the reduced rate on residential conversions is a significant step in the right direction.

The accelerated tax credits for cleaning up contaminated land should increase private sector funding of contaminated land remediation although this will tend to be mainly to soft end use rather than creating brownfield development sites.

An announcement as to the delineation of the deprived areas that are to benefit from the fiscal measures is urgently needed. Concern has been expressed that regeneration that focuses on the most deprived areas will be less successful than starting where there is something to be saved[14]. The danger is that improvements may take a long time and be very expensive.

2.3 English Cities Fund

This English Cities Fund is a new way of attracting long term private sector investment into regeneration. The fund has been developed by a public private partnership between English Partnerships, AMEC and Legal and General and will initially provide £100m, to expand to £250m, as additional private sector partners join. It is similar in many way to EP's Priority Sites venture with Bank of Scotland although the ECF will support mixed use projects in areas that find it difficult to attract private sector investment, rather than industrial development.

The fund still needs to be approved by the European Commission and may be subject to the same restrictions imposed on the PIP programme in terms of its availability and the contribution it can make. If this were the case then the effectiveness of the fund may be severely hampered as many areas in need of private sector investment are located outside the assisted areas and a gearing limit of 20% or 1:4 would not be sufficient to facilitate projects in the weakest economic areas.

The funds available initially are quite modest and only a few large scale projects could be assisted to begin with. It is hoped that once the fund has European approval and a track record, more private sector investment will be attracted.

3.0 Urban Regeneration Companies

One of the most significant recommendations of the Task Force Report was to create Urban Regeneration Companies which would work with a range of public and private sector partners to redevelop defined urban areas. Three pilot companies were created ahead of the white paper, in Liverpool, Manchester and Sheffield. Monitoring research on the performance of the three has been carried out by Michael Parkinson and Brian Robson for the DETR[15].

The white paper called for the establishment of twelve more companies with a minimum of one per region and new URCs have recently been announced for Corby, Leicester and Sunderland. DETR has recently published development and guidance criteria for URC's[16] that promotes the coordination of the myriad of different agencies and projects active in urban areas to provide a single force and focus to achieve a shared vision. This should increase the confidence of private sector partners by providing greater certainty, knowledge and expertise at the local level.

The performance of URCs has been impaired by the lack of dedicated funding and delays created by land ownership issues and the continued lack of progress in streamlining compulsory purchase and land acquisition. URCs will have to rely on RDAs and local authorities for their funding and powers although they may be awarded a budget of tax allowances to attract private sector investment in their area.

An additional complication is the involvement of English Partnerships in URCs, which some find anachronistic and unnecessary in what are sub regional or local projects that should be the territory of the RDAs. The future of EP is to be reviewed next year and action may be taken to untangle the national and regional interests to give the RDAs responsibility for overseeing the activity and performance of URCs in their region.

4.0 Local Government Finance

An overlooked part of the Task Force Report relates to the use of non domestic rates to fund improvements. The recommendations were incorporated into the Local Government Finance Green Paper, 'Modernising Local Government Finance,'[10] and comprise two key proposals that have implications for property:

Firstly, the Town Improvement Schemes (TISs), based upon the U.S. model of Business Improvement Districts (BIDs), are to be placed on a statutory footing using one of two mechanisms, either an additional supplementary rate or a free standing scheme separate from the rates. The proposal would result in an increase in the property taxation burden for commercial property occupiers and may be less effective than the U.S. models due to lower levels of owner occupation in U.K. If tenants bear the burden then owners could get a windfall of increased rental and capital values to which they have not contributed.

Reservations exist about the voting mechanism and the possibility that an increase in rates could be imposed even following a null response. It seems unlikely that many local businesses would vote for an increase of up to 5% in their rates unless they were very confident that they would benefit from any subsequent investment that would not have occurred otherwise.

Secondly, the Local Tax Reinvestment Programme (LTRPs) is based on tax increment financing (TIF) from the U.S. which allows local authorities to retain additional tax revenue generated as a result of investment in an area by the authority, thereby providing an incentive for LAs to promote regeneration. Local authorities would be obliged to use the additional funds raised to further improve the quality of an area. This fiscal measure is likely to be more popular and effective than TISs although there remains an issue of where the funding for the initial pump priming comes from to generate the increment in the first place.

The Government is currently considering the results from the Green Paper consultation and legislation is expected early in the next parliament following further consultation later this year in the form of a White Paper. It remains to be seen whether these two proposals will be retained in a similar or amended form.

4.1 Local Strategic Partnerships
Although not directly involved with physical regeneration, LSPs are going to be very influential in the securing of funding and the determining of spending priorities for community based regeneration. They are seen by some as the successors to SRB partnerships, now that it appears no further rounds of Challenge Funding are to be awarded. LSPs will be the key that unlocks the funding chest and unless an LSP is in place, areas will struggle to secure money from New Deal for Communities and the Neighbourhood Renewal Fund.

LSPs are intended to bring together members from the business community, the local community and the third (or voluntary) sector, with public sector representation, to agree a vision and priorities for the regeneration of a neighbourhood and develop Community Strategies. They are to work with RDAs to reverse population losses in urban areas.

Concerns have been voiced about how representative and accountable LSPs are going to be given that their membership will have to be restricted to avoid them turning into unwieldy talking shops. It may prove difficult to fairly represent the many views and perspectives that exist within local residential and business communities and avoid those with vested interests from influencing their priorities.

5.0 Revision of Planning Policy Guidance
The white paper indicates that the planning system is to be overhauled to 'put regeneration at the heart of planning policy' by writing in to PPG1 a commitment to the reuse of brownfield land and buildings. PPGs 3 and 6 underpin the urban renaissance by promoting brownfield development through the sequential test. In addition LPA's are discouraged from granting planning permission for excessively low density urban development. This should increase the viability of some marginal schemes and result in higher land values.

6.0 Land acquisition and Compulsory Purchase
One of the major sticking points preventing more physical regeneration coming forward is that of slow and complex site assembly. This has become even more critical since the demise of gap funding outside the assisted areas and the potentially modest impact of the fiscal proposals summarised above. The onus is on the Regional Development Agencies to deliver more direct development in lieu of the private sector, which has been marginalised by the EC's decision on PIP. Additional funding has been made available for RDAs to kick start activity (see 2.1) but the increase is modest and the RDAs and English Partnerships do not have a track record of using compulsory purchase powers. Only now are the first RDA initiated CPOs coming through but this progress is hampered by a general shortage of skills and experience in many public sector agencies and the lack of updated Government guidance.

The Government is carrying out a review of the compulsory purchase system, which may require new legislation, but parliamentary time will not now be found before the election. We are also concerned that the promised CPO manual is long overdue.

Improvements that could be made to speed up the system include allowing payments for disturbance and an additional 10% above market value for reaching an early settlement for the acquisition of land. A tapering effect could encourage early settlement. Another simple change that would make a significant difference would be for RDAs to be given CPO powers, similar to those given to UDCs, to acquire land for the regeneration of the area rather than their having to demonstrate a specific use. It would be equally helpful if the acquiring authority need only demonstrate that the scheme has reasonable chance of being implemented rather than having to have full planning consent before securing the land.

7.0 Millennium Communities Competition

Despite considerable attention being paid to housing in the Task Force report, there have been very few specific policy proposals directed at residential development. Apart from some of the fiscal incentives outlined in the budget, the only significant housing related programme is the Millennium Communities Competition.

The Government is keen to continue these experimental projects, exemplifying how good design and ambitious environmental targets can be achieved in an affordable way. The first millennium community at Greenwich is now well underway although progress at Allerton Bywater in West Yorkshire and Manchester's Cardroom Estate has been less dramatic partly, because the projects have to deal sensitively with the views and aspirations of existing communities. Many useful lessons are being learnt and if best practice is disseminated effectively then the additional millennium communities the Government have promised may have a rather quicker and smoother gestation period.

8.0 Conclusions and Recommendations

The Urban White Paper is a long term vision and the Government is to be applauded for the ambition of their proposals. There is a clear commitment to the recycling and reuse of urban land and property, although the effectiveness of some of the measures remains in some doubt.

The evidence suggests that the pendulum continues to swing away from the hard, property-led regeneration of the eighties and early nineties towards more socio – economic centred regeneration activity. The concern is that the decline in physical regeneration activity, due in part to adverse decisions in Europe and a lack of commitment domestically, may inhibit the success of other non-physical programmes. After all, sites will need to be assembled, derelict buildings and contaminated land reclaimed, and end uses found for land that exists in communities and neighbourhoods in urban areas across England.

It appears that the onus for activity 'on the ground' will fall predominantly on the shoulders of the RDAs which, given the breadth of their commitments and relatively modest resources, may find it difficult to deliver the desired outcomes. Urban Regeneration Companies offer one opportunity to create a single purpose body that can coordinate the plethora of initiatives in an area and ensure goals are achieved. However, their lack of resources and powers are bound to frustrate their progress.

The fiscal initiatives presented in the Budget are ultimately quite modest and although some additional private sector investment in physical regeneration will be forthcoming, it is unlikely to make much impression in deprived areas. There is also the risk that some of the proposed measures could fall foul of EU regulation and be subject to delays whilst waiting for approval.

Although concerns exist about how genuinely representative they will be, Local Strategic Partnerships look set to be very influential and a ‘must have’ for deprived areas if they are to access public sector funding for neighbourhood renewal. Similarly, there are reservations about the operation of Town Improvement Schemes. There is a powerful incentive for local authorities to introduce such regimes to increase revenue but this will ultimately be paid for by property occupiers, not all of whom will support or possibly benefit from the new investment.

Another area of contention is likely to be between local authorities, whose aspirations have been raised by a succession of favourable policy announcements, and the ability of Central Government to deliver significant levels of funding to the areas that most need it without trying to retain control over what the money is spent on.

As the patchwork (or perhaps, more correctly, layered) quilt of urban policies becomes increasingly elaborate, action needs to be taken to identify what projects are running in what areas. At present there is no organisation that has a complete picture of what is going on and this situation is further exacerbated by the fact that designated areas are not clearly defined or delineated and boundaries are not contiguous.

Monitoring of the introduction of the new policies will be necessary to record any value that is added and to determine whether displacement or deadweight payments occur which diminish the effectiveness of public funding and intervention.

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Footnotes

1. Our towns and cities: the future, delivering an urban renaissance (HMSO Cm4911 2000)
2. Policy for the Inner Cities (HMSO Cm6845 1977)
3. The State of English Cities, Robson et al (DETR November 2000)
4. Towards an Urban Renaissance, the final report of the Urban Task force (HMSO 1999)
5. Our towns and cities: the future, delivering an urban renaissance, An Implementation Plan (Urban Policy Unit 23 March 2001)
6. Spending Review 2000: New Public spending Plans 2001-2004, Prudent for a purpose: Building Opportunity and security for All (HM Treasury 2000)
7. Budget Statement 2001, Chancellor of the Exchequer (HoC 7 March 2001)
8. PPGs: 1 (General Policy and Principles) 3 (Housing) 6 (Town Centres and Retail Developments) 13 (Transport) 17 (Sport and Recreation) 25 (Development and Flood Risk)
9. Housing Policy Statement: The Way Forward (DETR 13 December 2000)
10. Modernising Local Government Finance, A Green Paper (DETR 2000)
11. A New Commitment to Neighbourhood Renewal: National Strategy Action Plan (DETR 15 January 2001)
12. Strengthening Regional Accountability: A Consultation Paper (DETR March 2001)
13. Select Committee Report ‘The implications of the European Commission Ruling on Gap Funding Schemes for Urban Regeneration in England’ (September 2000)
14. John Gummer ‘Fanning the embers into flame is more effective than starting with cold ashes’.
15. Parkinson M., Robson B. Urban Regeneration Companies: A process evaluation (DETR 2000)
16. Urban Regeneration Companies: Development of Guidance and Criteria (DETR 23/3/01)

Appendix A – DETR Regeneration Expenditure Plans 2000-2002

Figure 4.a Regeneration expenditure										**£ million**
Vote section		**1993-94 outturn**	**1994-95 outturn**	**1995-96 outturn**	**1996-97 outturn**	**1997-98 outturn**	**1998-99 estimated outturn**	**1999-00 plans**	**2000-01 plans**	**2001-02 plans**
1E/K	New Deal for Communities	0.0	0.0	0.0	0.0	0.0	12.5	100.0	250.0	450.0
	Single Regeneration Budget									
1E	- via GOs[1]	0.0	0.0	136.4	277.5	458.8	579.6	189.7	0.0	0.0
1D	- via RDAs[1]	0.0	0.0	0.0	0.0	0.0	0.0	517.9	813.8	878.5
	English Partnerships									
1E	- direct[1, 2]	164.9	191.7	211.1	224.0	258.8	298.0	76.0	17.0	18.0
1D	- via RDAs[1]	0.0	0.0	0.0	0.0	0.0	0.0	154.7	191.7	190.7
1E	Housing Action Trusts	78.1	92.0	92.5	89.7	88.3	89.0	86.4	88.4	88.4
1K	Estate Action	357.4	372.6	315.9	251.6	173.5	99.0	66.2	63.9	39.4
1E	Docklands Light Railway	28.1	29.1	37.1	20.7	32.5	52.0	21.4	20.3	16.7
1E	Urban Development									
	Corporations[3]	343.1	258.0	217.9	196.1	168.8	1.0	0.0	0.0	0.0
1K	City Challenge[4]	240.0	233.6	226.8	220.3	149.1	8.9	3.1	0.0	0.0
1E/K	Residual and closed programmes[5]	433.7	289.1	120.7	62.7	19.7	2.1	1.2	0.0	0.0
1G/H/M/N/U/V	European Regional Development Fund[6]	217.0	226.9	138.5	178.5	179.8	236.3	266.9	236.5	231.5
-	Commission for the New Towns	-200.2	-135.3	-126.9	-114.5	-110.0	-115.6	-112.0	-124.0	-124.0
1E	Coalfields Trust and Fund	0.0	0.0	0.0	0.0	0.0	17.7	15.0	15.0	10.0
1E	Groundwork	5.5	5.9	6.2	6.8	6.6	6.7	7.5	7.7	8.0
1E	Special Grants Programme	1.1	1.2	1.2	1.0	0.9	1.3	1.4	1.4	1.5
1K	Manchester city centre	0.0	0.0	0.0	0.3	1.1	2.0	1.7	0.0	0.0
1E	Publicity and programme support	0.4	0.3	0.3	0.2	0.1	0.3	0.4	0.4	0.4
-	Other closed programmes[7]	30.2	33.2	2.8	0.8	0.3	0.0	0.0	0.0	0.0
	CFERs[8]	-7.6	-7.8	-2.9	-0.4	0.0	0.0	0.0	0.0	0.0
	Total Regeneration	**1,691.7**	**1,590.5**	**1,377.6**	**1,415.3**	**1,428.3**	**1,290.8**	**1,397.5**	**1,582.1**	**1,809.1**

Appendix A continued – DETR Regeneration Expenditure Plans 2000-2002

	Central government's own Expenditure									
	Voted in Estimates									
	(Class III, Vote 1)	765.1	716.6	646.9	631.3	644.8	610.7	986.6	1,104.5	1,276.0
	Non-Voted	-149.0	-82.0	-93.4	-59.3	-73.8	-129.1	-22.2	-51.8	-51.7
	Central government's support to local authorities									
	Voted in Estimates									
	(Class III, Vote 1)	546.0	422.0	738.7	733.6	726.4	735.1	270.6	380.9	440.3
	Non-Voted (including									
	credit approvals)	529.6	533.9	85.4	109.7	130.9	174.1	162.7	148.5	144.5
	Total	**1,691.7**	**1,590.5**	**1,377.6**	**1,415.3**	**1,428.3**	**1,290.8**	**1,397.5**	**1,582.1**	**1,809.1**

Note:

[1] From 1999-2000 the administration of the Single Regeneration Budget and regional role of English Partnerships (except London) will transfer to the Regional Development Agencies (RDAs). London will transfer in 2000-01. RDA figures for the Single Regeneration Budget and English Partnerships do not constitute total funding for RDAs. English Partnerships direct also includes resources for coalfields, managed on behalf of, and in liaison with, RDAs.

[2] English Partnerships prior to 1994-95 includes spending on City Grant, Derelict Land Grant, and English Estates and associated administration costs. From 1996-97 to 1999-2000 English Partnerships includes spending on the Greenwich Millennium site.

[3] All Urban Development Corporations (UDCs) had wound up by March 1998 as they completed their work. Figures include payments made by the Department in respect of UDC liabilities after wind-up.

[4] City Challenge figures include a contribution to the Housing Corporation.

[5] Residual and closed programmes include Urban Programme, Task Forces, Safer Cities, Business Start-up Scheme, Local Initiative Fund, Compacts, Teacher Placement Service, Education Business Partnerships, TEC Challenge, Programme Development Fund, Regional Enterprise Grant, Section 11 (part), Ethnic Minority Business Initiative, GEST 19 and City Action Teams.

[6] Figures include expenditure on transport projects.

[7] Closed programmes include Manchester Regeneration (Olympics), Coalfield Areas Fund, Local Investment Fund, Urban Development Grant and Dearne Valley.

[8] Consolidated Fund extra receipts.

Appendix B

Treasury Spending Review 2000 Table 23.1: Key figures

£million	2000-01	2001-02	2002-03	2003-04
New Deal for Communities	120	290	420	490
Neighbourhood Renewal Fund	0	200	300	400
Total	£120m	£490m	£720m	£890m

DETR Spending plans Table 9: Key figures

£ million	2000-01	20001-02	2002-03	20003-04
Transport	4,895	6,019	7,369	9,120
Housing and Regeneration	4,462	5,664	6,361	7,000
Environ't, Countryside & other	1,384	1,510	1,785	1,730
Total DETR Main Prog's*	**10,742**	**13,193**	**15,514**	**17,850**
Of which Resource Budget	*4,305*	*5,124*	*5,573*	*5,663*
Capital Budget	*6,437*	*8,070*	*9,941*	*12,187*

** Departmental Expenditure Limit*

Regional Development Agency Budgets 2001-02

	£ million
One NorthEast	£149,655
North West	£256,717
Yorkshire Forward	£212,163
East Midlands	£81,381
Advantage West Midlands	£148,874
East of England	£57,247
South East of England	£95,836
South West	£68,111
London	£277,142
Total	£1,347,126

Appendix C

HM Treasury: Spending Review 2000

Box 5.2: An enhanced role for the Regional Development Agencies
The Regional Development Agencies (RDAs) have a key strategic leadership role in raising all regions' economic performance, promoting social renewal of their regions through harnessing business-led growth. The Government is undertaking major enhancements to the role of the business-led RDAs. The RDAs will have an increase above their 2000-01 budgets of £250 million in 2001-02, £350 million in 2002-03 and £500 million in 2003-04 rising to a total of £1.7 billion by 2003-04. This is a major boost to the economic development of all the regions of England.

The RDAs will have increased regional economic development and regeneration funding, to help to bring derelict and contaminated land back into productive use, supporting jobs, and promoting enterprise and business-led growth as a means of tackling deprivation and disadvantage.

As a key contribution to strengthening the work of the RDAs, the Government will be significantly increasing the RDAs' flexibility - enabling the RDAs to better exploit their potential for innovative business-led working, and devolving decision-making to the regions. The RDAs' funding will be brought together in a single cross-departmental funding framework. Departments will be working together with the shared objective of releasing the energies of the RDAs to maximise the impact of their efforts. In return for greater flexibility, the RDAs will be required to deliver challenging outcome targets set collectively by Departments.

The RDAs also have a leading strategic role across a range of Government interventions.

- They are working in strategic partnership with the Small Business Service to deliver the £1 billion Regional Venture Capital Funds.
- They are taking on the lead strategic role in ensuring that the regional plans for the European Structural Funds are delivered.
- They will be represented on the boards of the new national and all the local Learning and Skills Councils (LSCs); all LSCs will be required to consult their RDA in drawing up their plans.
- They have an important role in transport decision-making to ensure regional factors are adequately reflected.
- In drawing up local deprivation strategies for using the new Neighbourhood Renewal Fund, local authorities will work with new Local Strategic Partnerships. The RDAs should be key members of the partnerships in the areas in which they are investing.