



Report to the Partnership for Urban South Hampshire Joint Committee

Date: 6 December 2011

**Report of: Director of Corporate Services, Southampton City Council
(Monitoring Officer to Push)**

**Subject: Regional Development Agency Assets: Stewardship Agreement
With Homes And Communities Agency**

SUMMARY

The purpose of this report is to provide the Joint Committee with an update of the work undertaken on the Committee's behalf to date in relation to the assets within the sub-regional area, previously held by the Regional Development Agency (SEEDA), and now transferred to the Homes and Communities Agency (HCA). The report seeks appropriate authorisation for PUSH to formally enter into a Stewardship Agreement in relation to the assets in the South Hampshire portfolio, and also provide appropriate delegated powers to the lead authority.

RECOMMENDATIONS

1. That the Joint Committee notes and endorses the work to date and the general direction of travel set out in this report;
2. The Eastleigh Borough Council be appointed as the lead authority in relation to this matter;
3. That the Chief Executive of Eastleigh Borough Council be given delegated authority to enter into the Stewardship Agreement on behalf of the Partnership for Urban South Hampshire following consultation with the Monitoring Officer, Executive Director and the Chairman of PUSH;
4. That the Chief Executive of Eastleigh Borough Council on behalf of PUSH be given delegated authority to take any other action necessary to fulfil the requirements of the Stewardship Agreement and any other actions necessary to give effect to this report;
5. That it be noted that reports will be brought back to the Joint Committee to update the Joint Committee on actions taken;

6. That it be noted that individual local authorities with specific sites within their area will have direct one-to-one meetings with the HCA in relation to their proposals; and
7. That it should be noted that the Joint Committee has previously authorised expenditure on the stewardship arrangements which has been used to obtain professional legal and financial advice.

INTRODUCTION

1. On 22 June 2010, the Government announced the abolition of the nine Regional Development Agencies in England.
2. In order to ensure an orderly transition and closure of RDA programmes while maintaining focus on delivery, the relevant Government departments led by the Department for Business, Innovation and Skills (BIS), in anticipation of the formal closure of the nine RDAs, subject to the Public Bodies Bill receiving Royal Assent, in partnership also with the Department for Communities and Local Government (DCLG) and Her Majesty's Treasury (HMT), agreed in July to transfer the majority of the RDA land and property portfolio to the Homes and Communities Agency (HCA). This is now known as the national portfolio of 'Economic Assets'. The HCA has packaged these into a number of local portfolios that will each be subject to a Stewardship Agreement by which local partners, including local authorities, Local Enterprise Partnerships and others will be able to influence the development of the sites in a way that maximises economic outcomes for the local areas.
3. Generally across the UK, most of the ex-RDA sites are not ready for market sale and in the majority of cases, require further investment to deliver economic benefits. To achieve delivery of these, the HCA will be responsible and accountable for managing the portfolio.
4. On 14 September 2011, Mark Prisk, the Minister of State for Business and Enterprise at BIS, announced that the Transfer Order had been signed and the transfer of the assets formally took place to the HCA on 19th September 2011. A schedule setting out the assets transferred from SEEDA (the South-East RDA) to the HCA is attached to this report.
5. Officers on behalf of PUSH have been in discussions with SEEDA and the HCA since the wind up of the RDAs was confirmed. These have been led by the Chief Executive of Eastleigh Borough Council and have resulted in a draft Stewardship Agreement being prepared.
6. The Stewardship Agreement will not be legally binding upon any of the authorities in PUSH or on PUSH itself. It provides a framework through which influence can be brought to bear by PUSH and the constituent local authorities into the HCA's plans for the future development of the sites in question.
7. The HCA will, however, continue to have direct discussions with individual local authorities. Given that the title to the land is vested with the HCA, it will be for the HCA to enter into any legal commitments with any third parties but it is possible that individual local authorities may, for example, choose to bring their own assets into any programme or proposed disposal. Therefore, individual local authorities may enter into binding legal contractual commitments with the HCA. However, to emphasise, the Stewardship Agreement is not a binding legal commitment and incurs no liabilities on behalf of PUSH or any of the constituent local authorities.
8. It should be noted that Cllr House has been appointed to the Board of the HCA.

THE STEWARDSHIP MODEL

9. The transfer of land and property assets to the HCA completed nationally on 19 September 2011 included 343 land and property assets, 24 public/ private partnerships and 742 existing development agreements. There were also numerous contingent assets and liabilities.
10. There are 14 major sites across the PUSH area and the Isle of Wight and those are set out on the attached schedule listing all of the SEEDA land assets that transferred. The intention is that for SEEDA assets there will broadly be two portfolios, one of which will be in South Hampshire and the other in Kent and Medway. There will also be some freestanding sites.
11. The principles of the transfer of assets were agreed between BIS, DCLG and HMT. The HCA has received no new funding to deliver the national portfolio and will aim to secure development largely by self-financing using retained receipts and by providing the opportunity for local authorities or other partners, to invest in delivery. In practice this may mean that receipts may be moved between the HCA's operating areas and stewardship packages in any given year.
12. The principle behind the transfer of assets in the stewardship arrangement is that there should be encouragement and influence by local partners, including local authorities and bodies such as PUSH. The HCA as the landowner will be responsible for, and accountable for, managing the portfolio. It will establish through stewardship arrangements, steering committees to ensure that the levels of influence and input are appropriate.
13. In delivery terms, the HCA has designed a hierarchical approach whereby an Asset Delivery Plan is compiled for each significant site in the national portfolio and these are aggregated into a delivery plan for each local stewardship portfolio. For the PUSH area, the Asset Plans are being drawn up jointly between the HCA and relevant constituent local authorities and the Local Stewardship Delivery Plan is in process of being drafted. Once we have made progress with that Plan, it is possible that there may be actions, activities or direct input that PUSH/the local authorities concerned, may wish to bring to bear either to accelerate or improve the proposals contained in the Plan. This could be by way of financial input, asset input or support to the HCA to accelerate the programme. Our consultants, Grant Thornton, have been asked to advise PUSH whether there are any opportunities to bring forward or propose changes to the Local Stewardship Delivery Plan that would further stimulate the local economy and produce benefits in line with PUSH's objectives.
14. The overall Stewardship Agreement will go live from the beginning of next financial year. Before then, the HCA will make resource allocations to each local stewardship portfolio and the Local Stewardship Delivery Plan will be firmed up and become the business plan for the South Hampshire portfolio for 2012-13 and beyond. The Plan will be brought to the Joint Committee for consideration.

GOVERNANCE

15. The Stewardship Agreement requires the formation of a local Stewardship Steering Group comprising the HCA, the local representative of BIS/DCLG, the Solent LEP, PUSH and potentially others. Assuming the Joint Committee approves Eastleigh Borough Council as the lead local authority, the existing group under the chairmanship of the Chief Executive of Eastleigh Borough Council, will continue and “morph” into the PUSH Stewardship Steering Group with a membership adjusted to include appropriate representation from all the relevant local authorities with HCA landholdings in their area.
16. The local stewardship steering role will be to work with the HCA to review and comment on Asset Delivery Plans and draft the Local Stewardship Delivery Plan, which will become a business plan for the lifetime of the projects with particular focus on 2012/13. That Plan will provide the strategy for the delivery and ultimately disposal of the stewardship package.
17. The Asset Delivery Plans will be agreed between the local authority partners and the Stewardship Steering Group and will incorporate a site specific delivery strategy and indicative cash flow (expenditure and receipts) for the lifetime of the project and will feed into the local Stewardship Delivery Plan.
18. The Joint Committee will receive reports on progress in relation to these issues and clearly the individual local authorities with a direct interest in specific sites will be directly involved, both through the stewardship group but also on a one-to-one basis with the HCA.

FINANCE

19. The Joint Committee has already approved a budget to support work on the stewardship agreement including the retention of Grant Thornton as advisers to PUSH.

RECOMMENDATIONS

1. That the Joint Committee notes and endorses the work to date and the general direction of travel set out in this report;
2. The Eastleigh Borough Council be appointed as the lead authority in relation to this matter;
3. That the Chief Executive of Eastleigh Borough Council be given delegated authority to enter into the Stewardship Agreement on behalf of the Partnership for Urban South Hampshire following consultation with the Monitoring Officer, Executive Director and the Chairman of PUSH;
4. That the Chief Executive of Eastleigh Borough Council on behalf of PUSH be given delegated authority to take any other action necessary to fulfil the requirements of the Stewardship Agreement and any other actions necessary to give effect to this report;
5. That it be noted that reports will be brought back to the Joint Committee to update the Joint Committee on actions taken;
6. That it be noted that individual local authorities with specific sites within their area will have direct one-to-one meetings with the HCA in relation to their proposals; and

7. That it should be noted that the Joint Committee has previously authorised expenditure on the stewardship arrangements which has been used to obtain professional legal and financial advice.

Appendix A: SEEDA sites transferred to the HCA

Background Papers: None

Reference Papers: None

Enquiries:

For further information on this report please contact:

Name: Mark Heath

Telephone: 023 8083 2371

Email: mark.heath@southampton.gov.uk

List of SEEDA property assets transferred to the HCA

South Hampshire	
Daedalus, Fareham/Gosport	currently the largest employment site in the sub-region (80 ha)
Frater Gate Business Park, Gosport	1.3 acres of a 4.7 ha former MoD site
Gosport Business Centre	Gosport Business Centre comprises 25,000 sq ft of managed office/workspace units.
Harts Farm Way, Havant	15 acre brownfield site (2 zones) with proposals for a business and innovation centre
Tipner Urban Regeneration Area, Portsmouth	2.75 ha derelict sites and premises (3 plots) within the wider Tipner Regeneration Area located at the gateway to Portsmouth City
Hythe Marine Park, New Forest	12 acre former MoD site offer significant marine employment opportunities – work in progress
Drivers Wharf, Southampton	regeneration area presents the opportunity to create marine-led employment space and residential scheme
Woolston Shipyard, Southampton	12.5 ha former shipyard with potential for a mixed-use development. Work in progress to deliver first phase of housing and marine employment quarter
Isle of Wight	
East Cowes	former GKN works – 7.6 ha of brownfield land for a town centre mixed-use scheme
Island Technology Park, Whippingham,	10 acre employment site which adjoins the GKN Osborne Works facility
Kingston Marine Park,	11 acre employment site with opportunities for a and renewable energy sector
Three Gates Road, Cowes	3.2 ha industrial land in Cowes largely developed out
West Medina Mills	15 acre brownfield site adjoining the River Medina - global research development facility for environmental technology under construction

Kent and Medway
Ashford – package of strategic sites close to Ashford Town Centre, Kent
Dartford Northern Gateway, Dartford, Kent
Betteshanger Colliery, East Kent
Buckland Paper Mill, Dover
Northfleet Embankment, Thames Gateway, Kent
BLAT sites
Shearway Business Park, Folkestone
Folkestone Enterprise Centre
Queenborough and Rushenden, Isle of Sheppey, Kent
Chatham Maritime, Medway
Other
Ropetackle, Shoreham
<i>Business Centres:</i>
Adur Business Centre, Shoreham
Andover Business Centre
Faringdon Business Centre
Chilterns Business Centre, Princes Risborough