



OFFICE OF THE
DEPUTY PRIME MINISTER

**Sustainable communities:
An Urban Development
Corporation for the London
Thames Gateway
A Consultation Paper**



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An Urban Development
Corporation for the
London Thames Gateway
A Consultation Paper

November 2003

Office of the Deputy Prime Minister

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Executive Summary

In February of this year, the Deputy Prime Minister set out an action programme to deliver sustainable communities for all. To accommodate the economic success of London and the wider South East and ensure that the international competitiveness of the region is sustained, four growth areas including the Thames Gateway have been identified.

The programme included a commitment in these growth areas to set up strengthened local delivery agencies with the necessary powers to drive forward development. In some locations, delivery will be achieved by the RDA, local authority, EP or other agency – in some cases working in partnership together. In a few locations, with particularly difficult sites, the focus and special powers of an Urban Development Corporation (UDC) will be required to deliver the necessary change and maximise private investment. This approach will be needed in the London Thames Gateway and Thurrock.

Consultation on the Thurrock proposals took place in the spring, and the UDC was established on 29 October. This consultation paper sets out the options for the area of the London Thames Gateway. It also describes the powers of the new UDC and the composition of the Board required to ensure it delivers sustainable regeneration.

The consultation is scheduled to last for twelve weeks, finishing on 6 February 2004. An Order setting up the UDC could then be laid before Parliament early in 2004. Subject to approval from Parliament, the intention is to then have the UDC established in the late spring.

CHAPTER 1

Introduction:

Purpose of consultation

- 1.1 “Sustainable Communities: building for the future” (ODPM, February 2003 <http://www.communities.gov.uk/plan/main/>), set out the Government’s aim of a step change to deliver successful, thriving and inclusive communities. The Deputy Prime Minister issued a progress report on 30 July (ODPM, July 2003 <http://www.communities.gov.uk/plan/main/>).
- 1.2 To accommodate the economic success of London and the wider South East and ensure that the international competitiveness of the region is sustained four growth areas, one of which is the Thames Gateway, have been identified.
- 1.3 The Thames Gateway presents a huge opportunity. Its growth potential was recognised over 10 years ago. It covers an area 43 miles long by 20 miles across and:
 - Is in a strategic location on major transport links to the continent;
 - Has one of the largest concentrations of brownfield sites in the country with exceptional potential for sustainable development; and
 - Offers the opportunity to regenerate existing deprived communities through access to 180,000 new jobs that could be accommodated by 2016.
- 1.4 The regeneration of the Gateway is a broad-based project that needs to tackle brownfield development, economic growth, environmental improvement and urban renewal in an integrated way and contribute to the sustainable development goals of the sub-region as a whole. The Government is keen to realise the potential of the Gateway, working in partnership with local authorities, the Greater London Authority, the Regional Development Agencies (RDAs) and other stakeholders in the region. The Housing Corporation and English Partnerships, as key national delivery agencies, also have important roles.
- 1.5 On 30 July 2003, the Deputy Prime Minister reported progress on the development of regeneration proposals and the delivery of projects in the Thames Gateway, focusing in particular on five priority areas:
 - i) East London Gateway – Stratford and the Lower Lea;
 - ii) South of the Thames from Greenwich Peninsula to Woolwich;
 - iii) North of the Thames at Barking Reach;

- iv) Thurrock; and
 - v) Ebbsfleet and North Kent Thameside.
- 1.6 In some of these locations, such as Ebbsfleet and North Kent Thameside and the Greenwich Peninsula, delivery will be achieved by the RDA, local authority, English Partnerships or other agency, co-ordinated, in some cases on a partnership basis. However, in other locations, the scale and intensity of the task of land assembly and site preparation are more suited to a UDC with its focus, planning powers, integration of regeneration effort and ability to generate increased private investor confidence. Under the proposed approach to UDCs, there will be substantial local accountability with a strong element of local representation. These UDCs are to be brought forward, in agreement with local partners, in the London Thames Gateway, and in Thurrock.
- 1.7 Consultation on the Thurrock proposals took place in the spring, and an Order to establish the UDC was laid in July and debated in Parliament in October. Thurrock UDC was formally established on 29 October.
- 1.8 This consultation paper sets out the Government's proposals for the area the London Thames Gateway UDC will cover, and the powers it will have. Responses to this consultation paper should be sent to:
- Charlotte Eveleigh
Thames Gateway Strategic Executive
Office of the Deputy Prime Minister
Zone 4/G10
Eland House
Bressenden Place
London
SW1E 6DU
charlotte.eveleigh@odpm.gsi.gov.uk
- 1.9 Responses should reach the Office **no later than 6 February 2004**. The ODPM may wish to publish the responses to the consultation paper, or to deposit them in the Libraries of the Houses of Parliament, or in the Office's own Library, unless specifically requested to treat a response as confidential. Confidential responses may nevertheless be included in any statistical summary of numbers of comments received and views expressed.
- 1.10 A copy of this document will also be made available on the internet at:
- www.odpm.gov.uk

CHAPTER 2

Urban Development Corporations

The Role of a UDC

- 2.1 The statutory objective and powers of a UDC are set out in section 136 of the Local Government, Planning and Land Act 1980. A UDC's objective is to secure the regeneration of its area. This is to be achieved in particular through:
- Bringing land and buildings into effective use;
 - Encouraging the development of existing and new industry and commerce;
 - Creating an attractive environment; and
 - Ensuring that housing and social facilities are available to encourage people to live and work in the area.
- 2.2 For the purpose of achieving the regeneration of its area, a UDC may
- Acquire, hold, manage, reclaim and dispose of land and other property;
 - Carry out building and other operations;
 - Seek to ensure the provision of water, electricity, gas, sewerage and other services;
 - Carry on any business or undertaking for the purposes of regenerating its area; and
 - Generally do anything necessary or expedient for this purpose, or for purposes incidental to those purposes.
- 2.3 UDCs are intended as limited-life bodies. It is important that they focus on achievement within a clear timescale rather than regard themselves as having an open-ended remit. Typical lifespans for past UDCs have been seven to ten years. This gives them sufficient time to develop and implement a strategy to tackle the complex land assembly problems in the area. Because of the number of complex issues in London, we are proposing that the London Gateway UDC has an indicative lifespan of seven years, with a full review after five years.

Relationship with Local Authorities

- 2.4 It is the Government's intention that the new UDC will operate, as far as possible, in co-operation with the boroughs in whose area the UDC will be established and with the London Mayor and the Greater London Authority (GLA). Informal discussions have, therefore, already taken place with the GLA and, on behalf of the boroughs, the Thames Gateway London Partnership (TGLP). The issues set out below for planning powers, boundaries and board membership, reflect these discussions.
- 2.5 The UDC will need to work closely with the boroughs in areas important to regeneration where the responsibility remains with the boroughs – for example in relation to the boroughs' role as the transport authority. This will ensure there is a consistent approach across the area. The UDC will also need to liaise closely with local planning departments and environmental health departments to ensure a balanced environmental approach when developing brownfield sites.

Relationship with Existing Agencies

- 2.6 A number of other Government agencies already exist to deliver sustainable regeneration. English Partnerships is the Government's national regeneration agency. The London Development Agency is responsible for sustainable regeneration in the London region. The UDC will work co-operatively with these agencies.
- 2.7 The UDC will also need to liaise closely with other Government bodies and agencies that, while not directly involved in regeneration activity, are responsible for the wider social infrastructure that will influence the UDC's ability to deliver sustainable communities. The NHS will be a key stakeholder. Developing sustainable communities that are healthy will be important. In addition, the NHS has a substantial service improvement and capital investment taking place in East London, and with population growth, enhanced levels of service provision will need to be planned and delivered. Improvements to transport infrastructure can fall under the remit of several organisations – including the boroughs, Transport for London and the Strategic Rail Authority, who each have differing roles, responsibilities and powers. It is important that the UDC works closely with all of the responsible bodies in this key field.

Relationship with Communities

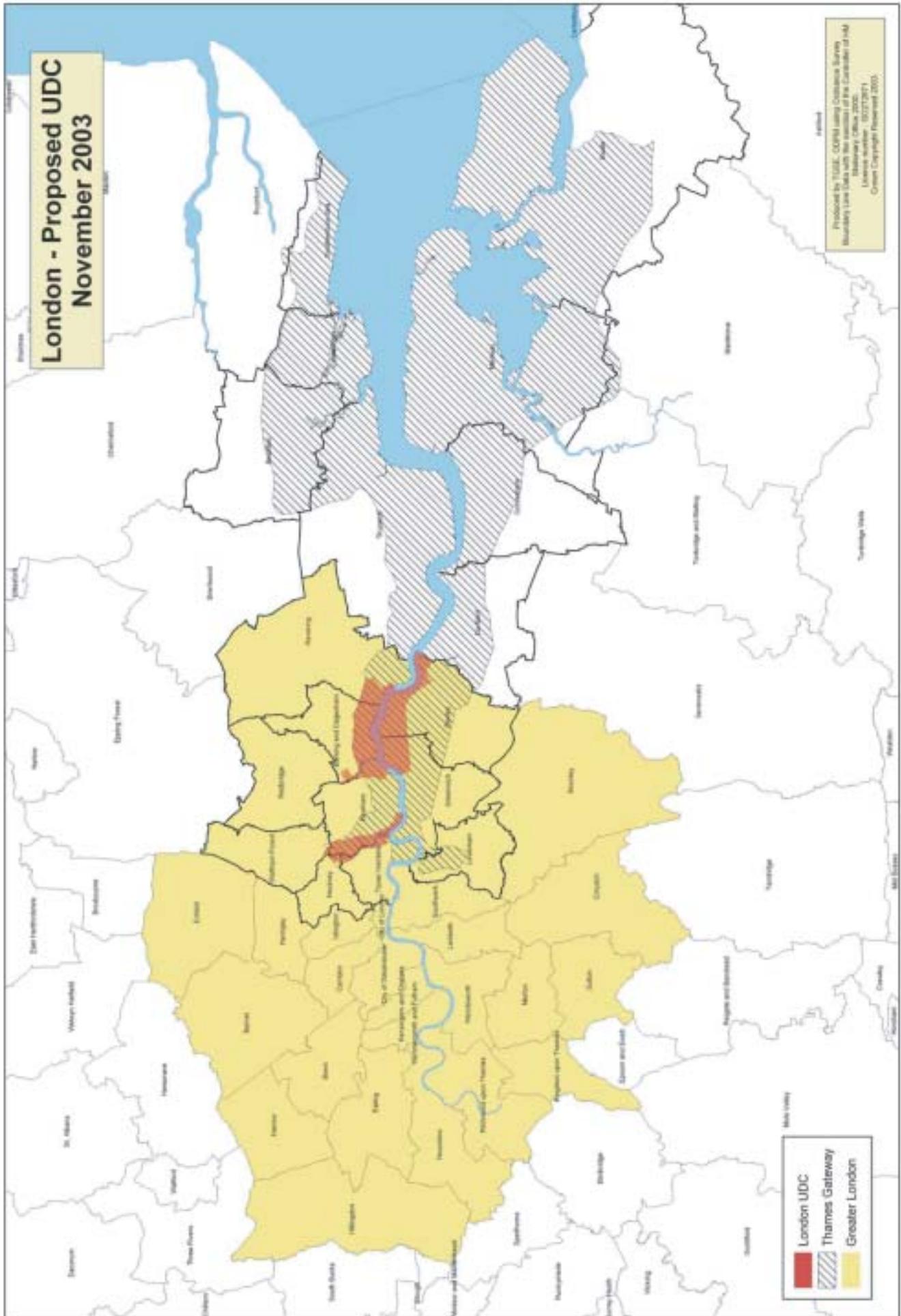
- 2.8 It is the Government's intention that whilst the UDC's core role will be as a catalyst for physical regeneration and development, the existing local community will be at the heart of the UDC's programmes. Working in partnership with existing agencies on social infrastructure and skills will be key to the UDC delivering sustainable development.

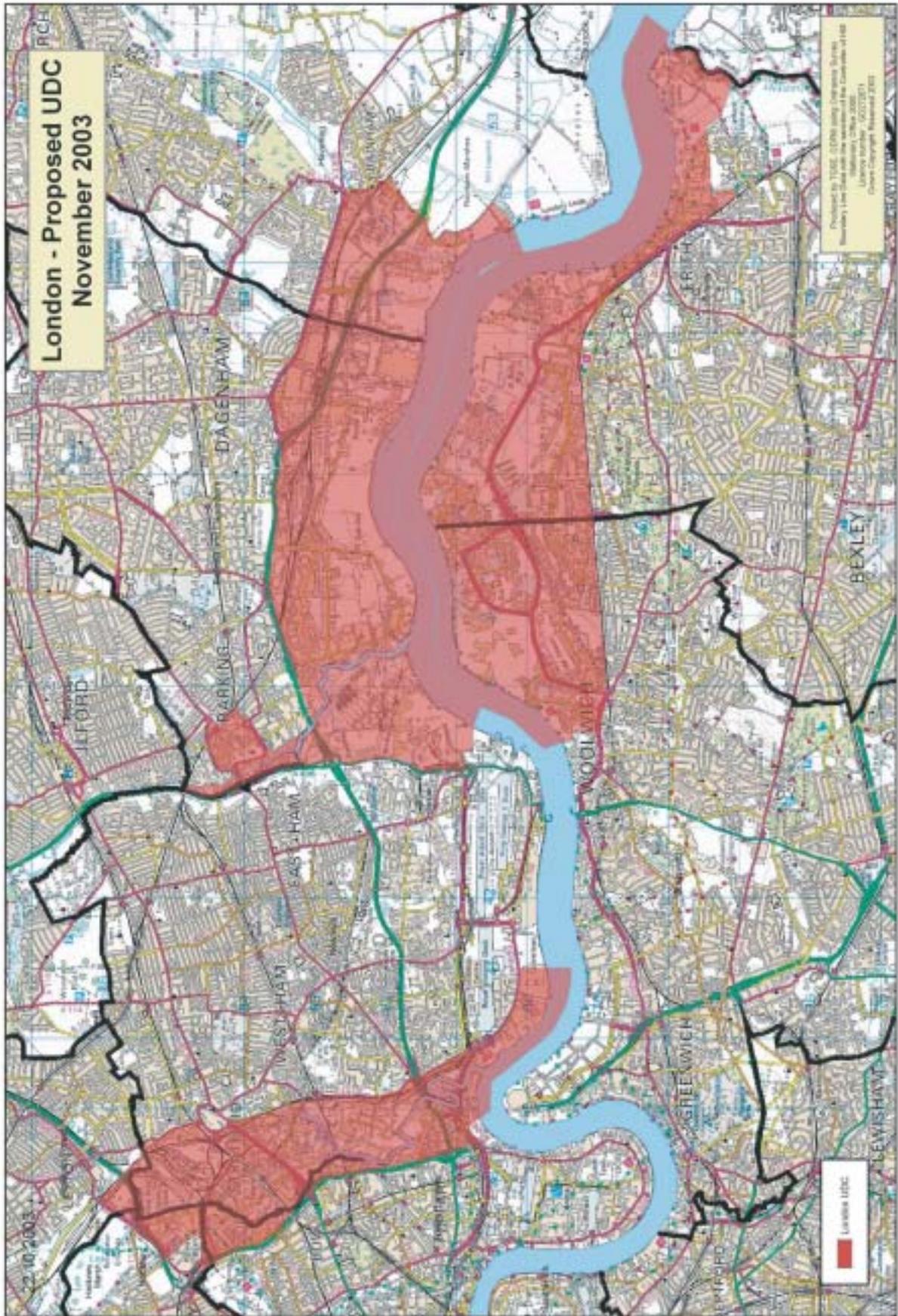
CHAPTER 3

Boundaries

London Thames Gateway

- 3.1 Regeneration of the London Thames Gateway is focusing on 11 key locations that have the opportunity to enhance their contribution to the regeneration/overall homes and jobs outcomes in the Gateway. They are:
1. Stratford City
 2. Lower Lea
 3. Royals
 4. Isle of Dogs
 5. Greenwich Peninsula
 6. Deptford Creek/Greenwich
 7. Barking
 8. Dagenham
 9. Woolwich
 10. Thamesmead
 11. Belvedere/Erith
- 3.2 The range of interventions required to maximise that potential varies. There is general agreement amongst the Mayor, the local authorities and the Government of the need for strong, focused well resourced delivery agencies in three key locations where comprehensive intervention will release potential:
- a) East London Gateway – Stratford and the Lower Lea – incorporating 1 and 2 above;
 - b) South of the Thames – Thamesmead, Belvedere/Erith – incorporating 10 and 11 above; and
 - c) North of the Thames – Barking/Dagenham (‘London Riverside’), incorporating 7 and 8 above.





- 3.3 These three areas would represent the core areas of the Urban Development Corporation in London Gateway. Characteristics of these three areas include:
- disparate land ownership
 - large scale potential across administrative boundaries
 - major environmental challenges
 - local infrastructure/access issues
 - major programme management requirements
 - marketing/inward investment challenges
 - significant community exclusion/serious skills deficit
 - scale of contamination/groundwork issues.
- 3.4 These characteristics are common in different measure to all three core areas. Other locations may also exhibit some of these characteristics, but the primary focus for the UDC will be to tackle large dysfunctional areas that appear unlikely to realise their potential without significant intervention, ensuring successful integration with surrounding areas.
- 3.5 The Government believes that a single UDC covering the three core areas (see 3.2) would provide the best structure to support the delivery of growth and regeneration in the London Thames Gateway. A UDC would allow for a more strategic approach, a concentration of skills and expertise and better co-ordinated delivery on the ground. It would also enable the UDC to support London's Olympic bid.
- 3.6 The Lower Lea Valley has been identified as the focus for London's bid to stage the 2012 Olympic and Paralympic Games, and the preferred site for the core Games facilities. The London Development Agency (LDA), on behalf of all stakeholders, has commissioned a masterplan for the Lower Lea that is expected to be completed by December. It will identify the preferred locations of the main Olympic facilities. The masterplan will set out a flexible vision to regenerate the Lower Lea Valley. Regardless of the success of the bid, the masterplanning will provide a basis for investing in the lasting regeneration of the Lower Lea within the broader context of the London Thames Gateway.
- 3.7 We have looked at a number of boundary options for the UDC and propose for the reasons outlined above that the London Thames Gateway UDC covers the core areas of Stratford and the Lower Lea, Thamesmead, Belvedere and Erith, and Barking, Dagenham and Havering riverside. During this period of consultation, the Lower Lea Valley masterplan will be completed and submitted to the LDA and partners for consideration, and decisions on the UDC boundary will take the outcomes of the masterplanning process into consideration.
- 3.8 This boundary would mean the UDC operated in the areas of eight London boroughs: Barking and Dagenham, Bexley, Greenwich, Hackney, Havering, Newham, Tower Hamlets and Waltham Forest.

Views are invited on:

Q1: *The most appropriate boundary for the London Thames Gateway UDC.*

Q2: *Any other boundary options that should be considered.*

CHAPTER 4

Planning Powers

UDCs and Planning Powers

- 4.1 Giving UDCs the role of determining planning applications directly relevant to their purposes allows them to deliver action quickly and effectively in areas of intended change. This transfer of planning powers would not change the nature of those powers, nor would it lessen the transparency of the planning process. The UDC, as a local planning authority, would follow the same or similar procedures as the borough. So, for example, where the borough would have consulted, so would the UDC. Where the public has a right of appeal against borough decisions, they would enjoy that same right against the decisions of the UDC.
- 4.2 The Local Government, Planning and Land Act 1980 empowers the Secretary of State to provide by Order for a UDC to be the local planning authority for the whole or any part of its area. This would mean that the UDC received all planning applications in the specified area, for all kinds of development, whether from businesses, householders or otherwise.
- 4.3 To avoid overloading the UDC Board with planning decisions, the legislation allows the Secretary of State to confine the scope of the Order to specified purposes of Part III of the Town and Country Planning Act (control over development), and to certain kinds of development.
- 4.4 It is the Government's intention to use this legislation to give the UDC the role of determining planning applications only in so far as they are relevant to its purpose. This would mean large, strategic applications were for the UDC to determine, but householder and other minor applications would remain with the boroughs.
- 4.5 Confining the planning powers of the UDC in these ways will require a clear definition of precisely what powers are to be passed to the UDC as local planning authority. There is a risk that key strategic decisions may sometimes fall outside the scope of the UDC's powers. Any adjustment to these arrangements would require a further Parliamentary Order.
- 4.6 While the UDC Board must take all planning decisions within its remit, it could ask the local authorities to assist by giving advice, undertaking administrative tasks, and seconding suitable staff to work within the UDC. UDCs in the past have effectively used local planning authorities as their agent in handling planning applications.
- 4.7 Legislation has also been proposed to enable the UDC Board to delegate planning decisions to Committees, sub-Committees and officers. The proposed legislation envisages that those with expertise in planning matters but not on the Board (e.g. the chair of a local authority planning committee) could be co-opted onto the UDC's planning committee or sub-committee with the consent of the Secretary of State.

Planning and the Olympics

- 4.8 The Lower Lea masterplan will set out the location for the key facilities for London's bid for the 2012 Olympics and Paralympics. Having planning consents in place for these facilities as soon as possible would improve the likelihood of a successful bid. It is therefore important that planning matters relating to the bid are handled efficiently in the context of wider plans to regenerate the Lower Lea.
- 4.9 The main Olympic facilities are likely to range across several boroughs in and around the Lower Lea Valley. These boroughs have formed a joint team dedicated to handling planning applications relating to the main Olympic facilities. The Government therefore proposes, at this stage, to allow the joint borough team to continue its work.

Views are invited on:

Q3: The scope of an Order transferring planning powers to a UDC; as regards the area for which the UDC would be local planning authority, and the development control functions that it ought to undertake.

Q4: How best the UDC and joint borough team could work together in the areas where the main Olympic facilities would be located.

CHAPTER 5

Board Membership

The Board's Role

- 5.1 The role of the Board is to set the strategic vision for the UDC and take the decisions required to deliver that vision. The Board will appoint the Chief Executive and take decisions, including those related to planning, on behalf of the UDC.
- 5.2 Positions on the Board have been advertised in the national and local press in accordance with guidance from the Office of the Commissioner for Public Appointments (OCPA), and will be filled in due course. To promote local accountability a number of seats on the Board have been set aside for nominees from the local authorities most significantly affected by the proposals and the GLA. However, the Government does not believe that any one interest group should have a majority of seats on the Board. The Government is discussing the implications of this further with the boroughs.
- 5.3 The Chair and Deputy Chair positions will be appointed on merit from open competition following the procedures set out in the OCPA guidance. The Government does not believe these positions should be reserved for any interest group. However, as with other Board members, an understanding of the regeneration issues in the UDC area will be important criteria for these positions.

CHAPTER 6

Next Steps

- 6.1 Following the consideration of the responses to this consultation, it is the Government's intention to bring forward the Order setting up the London Thames Gateway UDC early in 2004. Subject to Parliamentary approval, it is expected that the UDC will be established in the late spring of 2004.

List of Issues

- 6.2 Views have been specifically invited on the following issues:

Q1: The most appropriate boundary for the London Thames Gateway UDC.

Q2: Any other boundary options that should be considered.

Q3: The scope of an Order transferring planning powers to a UDC; as regards the area for which the UDC would be local planning authority, and the development control functions that it ought to undertake.

Q4: How best the UDC and joint borough team could work together in the areas where the main Olympic facilities would be located.

- 6.3 Views on these issues, and any other comments should be sent to the address below **by no later than 6 February 2004.**

Charlotte Eveleigh
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Eland House
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Partial Regulatory Impact Assessment for the Introduction of London Thames Gateway Urban Development Corporation (UDC)

BACKGROUND

1. This partial regulatory impact assessment accompanies the consultation paper on the London Thames Gateway Urban Development Corporation (UDC). Subject to the views of consultees, the Government is proposing laying the Order to establish this UDC in early 2004. A full regulatory impact assessment will accompany that Order.

OBJECTIVE

2. To unlock the regeneration and growth potential of the London Thames Gateway.

ISSUE

3. As set out in the Sustainable Communities Plan (ODPM, February 2003 <http://www.communities.gov.uk/plan/main/>), growth in the South East can only be managed in a sustainable way, if the potential for development on brownfield land in the Thames Gateway is unlocked. The London Thames Gateway is a key location for this growth in the Thames Gateway. However, the area suffers from:
 - disparate land ownership
 - large scale potential across administrative boundaries
 - major environmental challenges
 - local infrastructure/access issues
 - major programme management requirements
 - marketing/inward investment challenges

- significant community exclusion/ serious skills deficit
 - scale of contamination/groundwork issues
4. The issue is, therefore, what organisational arrangements are needed to tackle these problems and unlock the area's potential, and what would the impact of these arrangements be.

WHO IS AFFECTED?

5. Unlocking the potential for growth and regeneration in the London Thames Gateway would have the effect of improving the quality of life for those in the area now, and in the future, with particular benefits for those currently living in areas of high deprivation. To unlock this potential, the establishment of an Urban Development Corporation (UDC) for an indicative period of seven years is proposed.
6. A UDC is a corporate body. Its objective is to promote regeneration in a particular area. It is run by a Board answering to the First Secretary of State. Their main source of finance is grant-in-aid from central Government, supplemented by European Regional Development Funds and receipts from the sales of land and capital assets. The Board comprises eleven members plus a Chair and Deputy Chair and is appointed by the First Secretary of State. In making these appointments the First Secretary of State is required to have regard to the desirability of securing the services of people having special knowledge of the locality.
7. UDCs are tasked with bringing land and buildings into effective use, encouraging the development of existing and new industry and commerce, creating an attractive environment and ensuring that housing and social facilities are available to encourage people to live and work in the area. For these purposes, a UDC may acquire, hold, manage, reclaim and dispose of land and other property; carry out building and other operations; seek to ensure the provision of water, electricity, gas, sewerage and other services; carry on any business or undertaking for the purposes of regenerating its area; and generally do anything necessary or expedient for this purpose.
8. Additionally, the proposals recommend establishing the UDC with planning powers, restricted to strategic applications and not householder or minor applications. The main groups directly affected by this would be the large developers and businesses who would typically seek to utilise strategic sites, the local authorities, who would be giving up planning powers, and the local community.

OPTIONS

9. The organisational options for unlocking London Thames Gateway's potential are:

Option 1: Do nothing. This is the base case scenario where no changes are made to the existing organisational arrangements, and regeneration is taken forward by existing bodies.

Option 2: Set up an Urban Regeneration Company (URC) to bring together the partners involved in regeneration in London Thames Gateway to create the conditions for sustained private sector investment. URCs are independent Companies established by the relevant local authority and Regional Development Agency, as well as English

Partnerships, the private sector and other key partners. URCs work towards a co-ordinated approach to the problems and opportunities in their target areas. While their principle focus is engaging the private sector in an agreed physical and economic regeneration strategy, this needs to be within the wider context of a comprehensive approach to tackling the problems, and identifying the opportunities, of an area.

Option 3: Set up an Urban Development Corporation with statutory powers to focus on regeneration and development within its area of operation.

IDENTIFICATION OF RISKS, COSTS AND BENEFITS

Risks

10. The major risk is that the regeneration and growth potential in the London Thames Gateway is not realised, and the opportunity to deliver extra housing and employment is missed. This could happen through inaction, where limited development takes place, or through development being taken forward in a way that fails to deliver balanced sustainable communities.
11. Another risk identified from the formal evaluation of previous UDCs (DETR 1998), is that the UDC concentrates on growth to the exclusion of benefits to the existing community. The proposed strong representation of the local authority on the UDC Board will mitigate this risk, as will the setting of social and community outcome and output targets by Government.

Costs

Option 1

12. No direct cost to Government, but a large opportunity cost in terms of missed growth and regeneration benefits.
13. No additional costs to business are expected.
14. The Local Authorities will continue to have to grapple with the large scale regeneration problems, which will distract them from other community priorities.

Option 2

15. The URC approach is resource intensive. It requires considerable investment up-front by the URC partners in running the Company and commissioning baseline and masterplanning work.
16. No additional costs to business are expected, beyond the contribution of any partners in the URC.
17. The Local Authorities will need to engage fully with the URC to make it a success. This incurs resource and opportunity costs.

Option 3

18. UDC running costs would have to be found from the Thames Gateway programme.
19. No additional costs for business are expected.
20. The local authorities would be required to give control over strategic planning applications to the UDC.

Benefits

21. Following the Government Spending Review in 2002, a £446m Thames Gateway programme has been established. London Thames Gateway partner organisations, along with other areas in the Gateway, will be able to access this money for regeneration and growth purposes.

Option 1

22. Without organisational change, projects in the London Thames Gateway would still be able to seek funding from the Thames Gateway programme. However, without any focal point for identifying projects and working them into viable propositions, the area may not maximise its potential access to these resources.
23. No deductions are made from the Thames Gateway programme for the UDC's running costs.

Option 2

24. The URC would be able to act as a focus for developing projects that could potentially access the Thames Gateway programme. Significantly more resources might become available to the London Thames Gateway than would otherwise have been the case.

Option 3

25. The UDC would be funded by a significant slice of the Thames Gateway programme. This would be made available over an initial three year period. The amount of resources available to the UDC for delivering its activities will be determined by its operational boundary, and by the development framework.
26. Other regeneration partners would still be able to develop projects outside of the UDC for access to the Thames Gateway programme.
27. Targets for UDC outputs are still to be decided. However, it could facilitate the provision of up to 30,000 new homes, a significant proportion of which would be affordable, and the majority of which would be on brownfield land. This would help to protect greenfield sites elsewhere in the South East. Coupled with the programme of environmental improvements the UDC would also take forward, the London Thames Gateway would become a more attractive and affordable place for key workers to live.
28. The employment potential of the area is currently being worked up. However, potentially up to 18,000 new jobs could be attracted to the area.

Small Business

29. Initial discussions with the Small Business Service (SBS) on the role of UDCs indicate that the proposed UDC is unlikely to directly affect small businesses. However, further work is ongoing and, in consultation with the SBS, a comprehensive statement on impact will be prepared for the full regulatory impact assessment.

Competition

30. The Office of Fair Trading (OFT) suggest nine questions to consider to assess the impact of proposals on competition. These are:

- In the market(s) affected by the new regulation, does any firm have more than 10% market share?
- In the market(s) affected by the new regulation, does any firm have more than 20% market share?
- In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share?
- Would the costs of regulation affect some firms substantially more than others?
- Is the regulation likely to affect the market structure, changing the number or size of firms?
- Would the regulation lead to higher set-up costs for new or potential firms that existing firms do not have to meet?
- Would the regulation lead to higher ongoing costs for new or potential firms that existing firms do not have to meet?
- Is the market characterised by rapid technological change?
- Would the regulation restrict the ability of firms to choose the price, quality, range or location of their products?

31. Only one question “Is the regulation likely to affect the market structure, changing the number or size of firms?” appears relevant to the UDC proposals, which are aimed at making the London Thames Gateway a more attractive place for businesses to operate. This implies that a competitive impact is unlikely. However a more detailed consideration of this question will be prepared, in co-operation with OFT, and included in the full regulatory impact assessment.

Securing compliance, monitoring and review

32. ODPM is establishing a framework for managing the proposed UDC. This will include detailed guidance on appraisal, management, monitoring and evaluation. A range of outcome and output targets will also be agreed. These will be monitored by Government on a quarterly basis.
33. A full review of the UDC would take place after five years.

Consultation

34. Consultation on these proposals within Government has taken place with:
- Treasury, Cabinet Office, Department of Trade and Industry, Small Business Service, Department for the Environment, Food and Rural Affairs, Department for Transport, Home Office, Department of Health, Department for Education and Skills, Department for Work and Pensions, and Department of Culture, Media and Sport.
35. Public consultation on the proposals is being undertaken with the local authority, business, voluntary and community groups and the local community. In line with Cabinet Office guidance, the consultation period will be 12 weeks.

Summary of Pros and cons of each option			
	Option 1: Do nothing	Option 2: Establish URC	Option 3: Establish UDC
Business	No direct financial consequence.	Expected Costs – No direct financial consequence, unless part of the URC. Expected Benefits – Greater certainty of public sector action.	Expected Costs – No direct financial consequence. Expected Benefits – Greater certainty of action, especially if the UDC has planning powers.
Local Government	Expected Costs – Scale of regeneration problems continues to distract from other priorities.	Expected Benefits – Greater certainty of action by regeneration partners to tackle market failures that prevent regeneration or optimal growth.	Expected Costs – Loss of control over strategic planning applications. Expected Benefits – Extra resources brought into the borough for regeneration purposes. Involvement in the UDC Board. Greater certainty of action through a single-minded organisation.

Recommendation

36. Option 1 will not enable the London Thames Gateway to achieve its regeneration and growth potential. While Option 2 would be a step in the right direction, the complex land assembly problems in the area support the argument for a single-minded body (Option 3) with statutory powers, including planning. The dedicated funding stream the UDC will receive from Government is another strong benefit.

Declaration

I have read the regulatory impact assessment and I am satisfied that the benefits justify the costs.

Signed _____

Date _____

Keith Hill, Minister of State,
Office of the Deputy Prime Minister.

Contact Point

37. Please send comments on this partial regulatory impact assessment to the address below **by 6 February 2004**. A full regulatory impact assessment will be compiled to accompany the statutory instrument establishing the London Thames Gateway UDC next year.

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