

Mark Prisk MP
Minister for Enterprise
Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET

23rd November 2010

Dear Mark,

I have seen a copy of your letter to Baroness Eaton of 1 November 2010. The LG Group's Economy and Transport Programme Board discussed the proposed arrangements for deciding on the future of RDA assets and liabilities at its meeting on 18 November and has asked me to write on its behalf.

The LGA's member councils remain concerned about the future handling of RDA assets, and specifically with the continuing uncertainty about how a balance will be struck between focussing on their current market value and their potential total value to the taxpayer. In some cases, the assets are integral to local economic development, and their potential uses give rise to wide-ranging value for money considerations. In others, the value of the asset will grow as the development of which it is a part matures. In some places, assets are seen as crucial to providing local enterprise partnerships with the means to have a positive impact on local economic development.

The principles set out in the White Paper recognise these issues and set out the importance of striking a balance between national deficit reduction and local ambition. But – the reassurance in your letter notwithstanding – our discussions with member authorities suggest that the decision-making arrangements that have been put in place about the future management of RDA assets and liabilities do not yet command full confidence.

There are of course various ways of strengthening local input into the process, building local confidence, and avoiding disputes. We have suggested that local government should be directly represented in the RDA Transition Board, which as we understand it will have final sign-off of the regional proposals for transferring assets. But other aspects of the proposed process could also be adjusted to build in early local involvement. For example, local enterprise partnerships - or councils'

Item 12a

S.151 officers - could be asked to formally confirm that the asset plans, RDAs are preparing, provide overall medium-term value for money for the local taxpayer.

I would be very happy to discuss this with you further if you would find that helpful.

I am sending a copy of this letter to Danny Alexander and Greg Clark.

A handwritten signature in black ink, appearing to read 'Peter Box'. The signature is written in a cursive style with a large, looping 'P' and 'B'.

Cllr Peter Box

Chair LG Group Economy and Transport Programme Board

Mark Prisk MP

Minister of State for Business
Enterprise

Councillor Peter Box
Local Government Association
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Our ref: KW/225749
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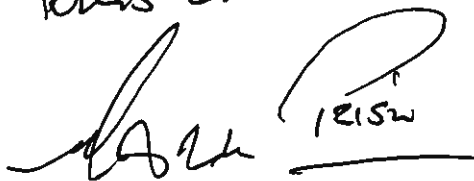
8 December 2010

Dear Cllr. Box.

Thank you for your letter of 23 November. I appreciate that the LGA has a keen interest in the disposal and transfer of RDA assets and liabilities and I am pleased that you agree that the principles, set out in the White Paper, strike the right balance between national and local priorities.

The RDA Transition Board will, as you say, approve the RDAs' assets and liabilities plans but it is anticipated that the RDAs will have done a great deal of work with key stakeholders beforehand. The RDAs are already engaging with the relevant Local Authorities and Local Enterprise Partnerships in their regions before coming to the Board with final plans. In addition, overall CLG representation on the RDA Transition Board ensures that local government interests are covered.

Yours ever

A handwritten signature in black ink, appearing to read 'Mark Prisk', with a horizontal line underneath.

MARK PRISK MP

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