EXPLANATORY MEMORANDUM TO

THE WEST NORTHAMPTONSHIRE DEVELOPMENT CORPORATION (TRANSFER OF PROPERTY, RIGHTS AND LIABILITIES) ORDER 2014

2014 No. 217

AND

THE URBAN DEVELOPMENT CORPORATIONS IN ENGLAND (AREA AND CONSTITUTION) ORDER 2014

2014 No. [XXXX]

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instruments

2.1 The purpose of the West Northamptonshire Development Corporation (Transfer of Property, Rights and Liabilities) Order 2014 ("the Transfer Order") is to transfer the residual property, rights and liabilities of the West Northamptonshire Development Corporation ("the WNDC") to Northampton Borough Council, Northamptonshire County Council, South Northamptonshire Council, Daventry District Council and the Secretary of State.

2.2 The Urban Development Corporations in England (Area and Constitution) Order 2014 ("the Revocation Order") revokes the following instruments:

- the West Northamptonshire Development Corporation (Area and Constitution) Order 2004 (S.I. 2004/3370) ("the WNDC Order");
- the West Northamptonshire Development Corporation (Area and Constitution) (Amendment) Order 2011 (S.I. 2011/2752);
- the London Thames Gateway Development Corporation (Area and Constitution) Order 2004 (S.I. 2004/1642) ("the LTGDC Order"); and
- the Thurrock Development Corporation (Area and Constitution) Order 2003 (S.I. 2003/2896) ("the TDC Order").

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 The WNDC, LTGDC and TDC Orders designated three areas in West Northamptonshire, two areas in the London Thames Gateway and the borough of

Thurrock as urban development areas, and established the WNDC, the London Thames Gateway Development Corporation and the Thurrock Development Corporation as urban development corporations to regenerate those areas.

4.2 The Transfer Order transfers the property, rights and liabilities of the WNDC to Northampton Borough Council, Northamptonshire County Council, South Northamptonshire Council, Daventry District Council and the Secretary of State as a precursor to its dissolution. It is proposed that the WNDC will be dissolved on 31st July 2014 by an Order made under section 166 of the Local Government, Planning and Land Act 1980 ("the 1980 Act").

4.3 The London Thames Gateway Development Corporation and the Thurrock Development Corporation were dissolved on 28th February 2013 and 31st October 2012 respectively by the London Thames Gateway Development Corporation (Dissolution) Order 2013 (S.I. 2013/110) and the Thurrock Development Corporation (Dissolution) Order 2012 (S.I. 2012/995).

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

Kris Hopkins, Parliamentary Under-Secretary of State at the Department for Communities and Local Government, has made the following statement regarding Human Rights:

In my view the provisions of the Urban Development Corporations in England (Area and Constitution) Order 2014 are compatible with the Convention rights.

7. Policy background

Establishing the Urban Development Corporations

7.1 The 2003 Sustainable Communities Plan ("Sustainable communities: building for the future") identified four growth areas to accommodate the economic success of London and the wider South East, and included a commitment to set up strengthened local delivery vehicles in these areas with the necessary powers to drive forward development.

7.2 The outcome was the establishment of three urban development corporations, for West Northamptonshire, the London Thames Gateway and Thurrock areas. The statutory objective and powers of an urban development corporation are set out in section 136 of the 1980 Act.

Devolving functions from the Urban Development Corporations

7.3 In 2010, the Government conducted a review of all arms-length bodies. The Public Bodies Review published its conclusions on 14 October 2010 confirmed that the three

Urban Development Corporations would be abolish with functions devolved to the local authorities.

7.4 Thurrock Development Corporation: In September 2010 the Government announced that the functions of the Thurrock Development Corporation would be taken over by Thurrock Council. On 31 March 2012 its planning functions and all its property, rights and liabilities were transferred to Thurrock Council. It was dissolved on 31 October 2012.

7.5 London Thames Gateway Development Corporation (LTGDC): Following the review of arms-length bodies, the Government concluded that the functions of the LTGDC should be transferred to the relevant local authority or other London bodies. To this end, its planning functions in the Barking Riverside area were returned to the relevant London Boroughs on 1st April 2011 and its property, rights and liabilities that fell within the boundary of the new London Legacy Development Corporation were transferred to that body on 1st April 2012. On 16 April 2012 most of the property, rights and liabilities of the LTGDC which related to land outside the boundary of the London Legacy Development Corporation were transferred to the Greater London Authority. The Corporation's planning functions in the Lower Lea Valley were transferred to the London Legacy Development Corporation and the relevant London boroughs on 1st October 2012. Certain property, rights and liabilities of the LTGDC which it acquired in connection with the Lea River Park pedestrian and cycle route were transferred to the London Legacy Development Corporation in January 2013. The remaining property, rights and liabilities of the LTGDC were transferred to the Greater London Authority on 22nd January 2013. The LTDC was dissolved on 28th February 2013.

7.6 West Northamptonshire Development Corporation (WNDC): In anticipation of the transfer of physical assets of WNDC to locally led authorities and the closure of the corporation, WNDC's Board was reduced from thirteen to nine members 2011, six of whom were local authority members. In addition WNDC's planning powers were transferred to the relevant local authorities. Planning powers were transferred in two tranches with the first transferring to Northampton Borough Council, Northamptonshire County Council, Daventry District Council and South Northamptonshire Council in 2011 and the second tranche to Northampton Borough Council, Daventry District Council and South Northamptonshire Council on 1 April 2012.

8. WNDC Successor Arrangements - Consultation outcome

8.1 As required under section 165B of the 1980 Act, consultation seeking views on the proposed approach to successor arrangements and the transfer of property, rights and liabilities, took place between 27 November 2013 and 2 January 2014 with the local authorities within the West Northamptonshire Development Corporation area. Northampton Borough Council; Northamptonshire County Council; Daventry District Council; and South Northamptonshire Council were consulted.

8.2 Prior to the commencement of the exercise, officials from the Department of the Communities and Local Government held regular meetings with representatives from Northampton Borough Council and Northamptonshire County Council. Both authorities participated in discussions and the decision-making on those property, rights and liabilities that would transfer to them. Officials from the Department of Communities and Local Government also liaised with Daventry District Council and South Northamptonshire Council about projects previously located in their area that had benefitted from Corporation funding and any contingent assets and liabilities that would transfer to those authorities.

8.3 There were three responses to the consultation letter of 27 November. Daventry District Council sought and received clarification on a technical point and confirmed its agreement to the transfer of the proposed assets. South Northamptonshire Council confirmed that they were content with the proposed approach. Northampton Borough Council responded stating their broad agreement with the terms specified for transfer. Discussions are on-going between the Department and Northampton Borough Council to work through final details including any valuations and liabilities, which are due to be finalised in January 2014.

9. Guidance

9.1 No guidance on either Order will be issued.

10. Impact

10.1 An Impact Assessment has not been prepared for either instrument as neither has any impact on business, charities or voluntary bodies.

10.2 The instruments will have a minimal impact on the public sector. The Revocation Order simply tidies up the statute book. The functions of WNDC will now be carried out by Northampton Borough Council, Northamptonshire County Council, Daventry District Council and South Northamptonshire Council.

11. Regulating small business

11.1 The legislation does not apply to small business.

12. Monitoring & review

12.1 There will be no formal monitoring or review of the effect of either of these Orders.

13. Contact

Marlene Rodney at the Department for Communities and Local Government Tel: 03033 44 43596 or email: marlene.rodney@communities.gsi.gov.uk can answer any queries regarding the instrument.