Allister Hayman
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19 April 2011 **Our Ref:** R270

Dear Mr Hayman

Freedom of Information Request – Impacts of RDA Closure

Thank you for your request dated 2nd March 2011 made under the terms of the Freedom of Information Act 2000. Your request and our response are provided below. I do apologise for the slight delay in our response which is due to a family bereavement in the team.

Information request:

I am researching the impact of the closure of the RDAs on each English region and want to create a picture of the activity that the RDAs have had to stop doing, due to their budget cuts and wind down ahead of the new financial year 2011/12.

With that in mind, could the agency please provide for the following information:

1. *Details of the receipt targets set by the Department or Business, Innovation & Skills for the agency in both 2011/12 and 2012/13 (ie- targets set by government for sale of assets etc)*

Answer:
The Department for Business Innovation & Skills (BIS) has not set capital receipt targets for SEEDA in either 2011/12 or 2012/13. As yet, no overall **capital receipts** figures have been forecast pending BIS agreeing all the proposals in SEEDA's Assets and Liabilities Plan.

The Minister for Business and Enterprise, Mark Prisk recently announced the Government's approval for RDAs to dispose of certain assets in 2011/12. In SEEDA's case those assets currently comprise five sites, as listed below, from which we would expect to generate capital receipts this financial year:

- **Ropetackle, Shoreham**
- **Adur Business Centre, Shoreham**
- **Andover Business Centre, Hampshire**
- **Faringdon Business Centre, Oxfordshire**
- **Chilterns Business Centre site, Princes Risborough**

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Given the market sensitive nature of the disposal of these assets, we are not able to release a figure for anticipated receipts for these 5 sites. Furthermore, as indicated above, as we are still developing our plans in relation to possible asset disposals anticipated during the course of 2011/12, our receipts position is likely to evolve during the next few months.

SEEDA currently anticipates **revenue (rental) receipts** in the region of £5.5m in 2011/12, as in previous years. We have no anticipated revenue receipts for 2012/13 as SEEDA will be closed by 31 March 2012 and our land and property will need to have been sold or transferred to other ownership by that date.

2. Details of the work and commitments undertaken by the agency that have been reviewed and stopped ahead of the new financial year.

This should show:

The number of involvements/commitments (ie- projects/programmes, etc) the agency has ended/withdrawn from and the savings realised

- *Details of how the agency ended its involvement (ie- withdrew or reduced grant, stopped project, withdrew commitment, renegotiated contract etc)*
- *How many legal commitments the agency has had to withdraw from – if any - and if possible the cost/savings of withdrawing from those legal commitments*

Answer:
SEEDA's three-year **Corporate Plan 2008-2011** set out our planned activity to the end of March 2011. As 2010/11 saw both the end of the Corporate Plan period and the **Comprehensive Spending Review** coincide with the Government's decision to close RDAs by April 2012, SEEDA has not – as would normally have been the case - developed new forward commitments beyond those already extending into 2011/12. Many of SEEDA's contracted programmes and projects were due to come to a close during 2010/11 or by the end of March 2011. SEEDA's original budget for 2010/11 was £107m which was reduced in year to £79m.

SEEDA, alongside the other RDAs, reviewed all of its legal and non-legal commitments in response to the Government's decisions and budget cuts in 2010/11. As a result, we revised our Business Plan during July – September 2010 and have not made any substantial changes since, other than in relation to the duration of the following contracts:

- **Business Link South East** – to close in November 2011 rather than March 2012 and transition to a national programme thereafter
- **Manufacturing Advisory Service** (MAS) – to close in January 2012 rather than in March 2012 and transfer to a national programme thereafter
- **Innovation & Growth Teams** (IGTs) to close in August 2011 rather than March 2012

We have kept our stakeholders informed throughout our closure programme during 2010/11. SEEDA's Chief Executive wrote to all of our stakeholders, setting out in headline terms how the cuts would affect SEEDA's planned programmes and projects up to and including 2011/12. Our February 2011 stakeholder letter explains which programmes will be continued through to SEEDA's closure in March 2012; which will be handed over to other organisations; and which functions we are seeking to preserve through new business approaches. A copy is enclosed for your reference. In the case of programmes and projects where we had to reduce budgets or end contracts early to meet our in-year savings, we have done so through detailed negotiation with project partners and stakeholders during 10/11 so as to minimise any impact of reduced investment and closure of programmes.

European funded programme investment, i.e. ERDF and RDPE, remain unchanged and will be managed by the Departments for Communities & Local Government (DCLG) and Environment, Food & Rural Affairs (Defra) respectively from July 2011

3. *Details of the involvements/commitments to be continued by the agency in 2011/12 and beyond*

   Answer:
   SEEDA's commitments in 2011/12 include 25 live programmes which were already contracted prior to the RDA closure plans. Please see the attached list at Annex 1.

   SEEDA's small number of legal commitments beyond 2011/12 will be passed to other bodies or government departments.

4. *Details of the agency's final budget settlement for 2011/12 and an estimate of the budget, if any, required to continue any involvements/commitments entered into by the agency for 2012/13 and beyond.*

   Answer:
   On 31st March, BIS confirmed that SEEDA's final Single Pot budget settlement for 2011/12 is £26.987m, exclusive of the £5.5m revenue (rental) receipts mentioned above and £10.2m administration budget for staff and non-staff costs. Programme costs for 2012/13 and beyond will be in the region of £1.8m and as indicated in our answer to your 3rd question (and as set out in Annex 1), will be managed by other bodies. There will be no administrative costs in 2012/13 except to cover a very small team of up to five staff to complete our statutory accounting requirements.

Disclosure Log

This information will also be made available on SEEDA's Freedom of Information Disclosure Log on the SEEDA website:

http://www.seeda.co.uk/about-us/freedom-of-information/foi_disclosure_log

Personal details and other information that could identify requesters are redacted (removed) from the disclosure log version.

Conclusion

I hope this information is helpful. If you are not satisfied with the way we have handled your request, or if you are unhappy with our response, you can appeal using our Complaints Procedure as follows:

A request for a review should be addressed to Oona Muirhead, Chief Executive Designate, and sent by email to: oonamuirhead@seeda.co.uk or by post to SEEDA, Cross Lanes, Guildford, GU1 1YA. You will be notified of the outcome within 20 working days.

If you are still dissatisfied after pursuing our Complaints Procedure, then under Section 50 of the Act, you are entitled to appeal to the Information Commissioner - Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF, telephone: 01625 545700, fax: 01625 524510

Please do not hesitate to contact me if you have any other queries.

Yours sincerely

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