



Huge cuts to hit southern RDAs

25 May, 2010 | By [Allister Hayman](#)

The three northern regional development agencies and the west midlands agency will be “relatively protected” from swingeing in-year budget cuts that will fall most heavily on the agencies in the south, LGC has been told.

A source within the Department for Business, Innovation and Skills (BIS) said that One North East, the North West RDA, Yorkshire Forward, and Advantage West Midlands were to be “relatively protected” from the £270m of cuts to this year’s budgets announced by the Treasury yesterday.

This means the in-year savings will likely fall more heavily on three RDAs in the south of England as well as the East Midlands RDA. The London Development Agency, which comes under the auspices of the Mayor of London, is excluded from the cuts, a BIS spokeswoman said.

That means if the £270m in cuts were spread evenly across the budgets of the agencies in the South East (Seeda), the South West (SWRDA), the East of England (Eeda), and the East Midlands (Emda), each would be hit cut by cuts of around 58%. If the cuts are shared evenly between the eight agencies, each will still be hit hard, with around 20% taken from each agency overall 2010-11 budget.

Where £270m cuts on 2010/11 RDA budgets might fall		
RDA budget	Cuts if evenly spread	If some protected
Seeda £107m	£22m	£62m
SWRD £145m	£27m	£84m
Eeda £103m	£19m	£59m
Emda £110m	£22m	£65m
AWM £203m	£38m	(protected)
NWDA £289m	£57m	(protected)
One £222m	£43m	(protected)
YF £217m	£43m	(protected)

An RDA source said the cuts would “definitely” impact on programmes and projects that already have funding committed. “These are not the sort of savings that can not be soaked up through efficiencies. They are deep cuts and will have a big impact on what RDAs are doing,” he said.

The source added that officials in BIS were now going through each RDA’s budget, line by line, to determine what can be cut without breaching contracts that are already in place.

Andrew Finney (Con), leader of Basingstoke & Deane BC and chair of the South East Diamonds for Investment and Growth, a consortium of south east England councils, said that while the cuts to Seeda were “not unsurprising” he feared the impact on business in the region would be “severe”.

He said the Seeda funded a “wide range” of business support programmes as well as initiatives to foster innovation and growth and withdrawing funding could “jeopardise the economic recovery in the region”. “It’s dangerous cutting now - we should remember, the south east is the economic powerhouse of the country,” he said.

John Lamb (Con), Southend-on-Sea BC deputy leader and chair of Regional Cities East, a consortium of east England councils, said that in deciding where the cuts will fall the government must ensure that projects that have had funding committed are honoured.

He said major long-term infrastructure projects, such as upgrades to the A13 road and rail links to Norfolk, Peterborough and Ipswich could now be put at risk. "These projects must be honoured. We all have to share in cuts to public spending but there is no way that infrastructure improvements should be comprised," he said.

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