



Levelling-up and Regeneration Act 2023

2023 CHAPTER 55

PART 9

COMPULSORY PURCHASE

Compensation

188 ‘No-scheme’ principle: minor amendments

- (1) In section 6D of the Land Compensation Act 1961 (no-scheme principle)—
- (a) in subsection (3), for “regeneration or redevelopment” substitute “development”;
 - (b) in subsection (4)(a), for “regeneration or redevelopment” substitute “development for which the land is acquired”;
 - (c) after subsection (6) insert—

“(7) In this section and section 6E, “development” includes re-development, regeneration and improvement.”
- (2) In section 6E of that Act (further provision about inclusion of transport projects in “scheme” for purposes of no-scheme principle)—
- (a) in subsection (2)(a), for “regeneration or redevelopment” substitute “the development of land in the vicinity of land comprised in the relevant transport project”;
 - (b) in subsection (2)(c), omit “for regeneration or redevelopment”;
 - (c) in subsection (3), for “8 September 2016” substitute “the relevant date”;
 - (d) after subsection (3) insert—

“(3A) The “relevant date” is—

 - (a) 8 September 2016, in a case where the land is acquired for regeneration or redevelopment and regeneration or redevelopment was part of the published justification for the relevant transport project;

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Changes to legislation: There are currently no known outstanding effects for the Levelling-up and Regeneration Act 2023, Cross Heading: Compensation. (See end of Document for details)

- (b) in any other case, the first day after the period of three months beginning with the day on which section 188 of the Levelling-up and Regeneration Bill comes into force.”

Commencement Information

- I1** S. 188 not in force at Royal Assent, see s. 255(7)
I2 S. 188 in force at 31.1.2024 by S.I. 2024/92, reg. 2(o)

PROSPECTIVE

189 Prospects of planning permission for alternative development

- (1) The Land Compensation Act 1961 is amended as follows.
- (2) In section 14 (taking account of actual or prospective planning permission in valuing land)—
- (a) in subsection (2), for paragraph (b) substitute—
- “(b) of the prospect of planning permission being granted on or after that date for development, whether on the relevant land or other land, other than development for which planning permission is in force at the relevant valuation date.”;
- (b) for subsections (3) and (4) substitute—
- “(2A) If a description of development is certified under section 17 as appropriate alternative development in relation to the relevant land (or any part of it), it is to be taken as certain for the purposes of subsection (2)(b) that—
- (a) planning permission for development of that description would be (or would have been) granted on the relevant valuation date, and
- (b) the permission would be (or would have been) granted in accordance with any indication given under section 17(5B).
- (2B) In relation to any other development, the prospects of planning permission are to be assessed for the purposes of subsection (2)(b)—
- (a) on the assumptions set out in subsection (5), and
- (b) otherwise, in the circumstances known to the market at the relevant valuation date.”;
- (c) in subsection (5), in the words before paragraph (a), for “subsections (2)(b) and (4)(b)” substitute “subsection (2B)(a) (and in section 17(1B)(a))”;
- (d) in subsection (9), in the words before paragraph (a), for the words from “to” to “15(1)(b)” substitute “in subsection (2) to planning permission that is in force”.
- (3) In section 17 (certification of appropriate alternative development)—
- (a) in subsection (1), for the words from “containing” to the end substitute “stating that a certain description of development is appropriate alternative development in relation to the acquisition”;
- (b) after subsection (1) insert—

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- “(1A) Development is “appropriate alternative development” for this purpose if it is development—
- (a) on the land in which the interest referred to in subsection (1) subsists (whether alone or together with other land),
 - (b) for which planning permission is not in force at the relevant planning date, and
 - (c) in respect of which the following test is met.
- (1B) The test is whether, had an application for planning permission for the development been determined on the relevant planning date, the local planning authority would have been more likely than not to grant the permission—
- (a) on the assumptions set out in section 14(5),
 - (b) on the assumption that it would act lawfully, and
 - (c) otherwise, in the circumstances known to the market at the relevant planning date.
- (1C) For the purposes of subsections (1A) and (1B), the “relevant planning date” is—
- (a) the relevant valuation date, or
 - (b) if earlier, the date on which the application under this section is determined.”;
- (c) in subsection (3), for paragraphs (a) and (b) substitute—
- “(ba) must set out the applicant’s reasons for considering that the description of development given in the application is appropriate alternative development, and”;
- (d) for subsections (5) to (8) substitute—
- “(5A) The local planning authority may issue a certificate under this section in respect of—
- (a) the description of development given in the application for the certificate, or
 - (b) a description of development less extensive than, but otherwise falling within, the description given in the application.
- (5B) A certificate under this section must give a general indication of—
- (a) any conditions to which planning permission for the development would have been subject, and
 - (b) any pre-condition for granting the permission (for example, entry into an obligation) that would have had to be met.
- (5C) The test to be applied for the purposes of subsection (5B) is whether the local planning authority would have been more likely than not to impose such conditions, or insist on such a pre-condition, on the assumptions, and otherwise in the circumstances, referred to in subsection (1B).”;
- (e) in subsection (10)—
- (i) for “there must be taken into account any expenses reasonably” substitute “no account is to be taken of any expenses”;
 - (ii) omit the words from “where” to “favour”.

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(4) In section 18 (appeals to Upper Tribunal)—

(a) in subsection (2)—

(i) after paragraph (a) (but before the “and” at the end) insert—

“(aa) must consider those matters as if, in subsections (1B) and (5C), the references to the local planning authority were references to a reasonable planning authority.”;

(ii) in paragraph (b), after sub-paragraph (ii) insert—

“(iia) cancel it, or”;

(b) after subsection (2) insert—

“(2A) Where the local planning authority have rejected an application for a certificate under section 17, the person who applied for the certificate may appeal to the Upper Tribunal against the rejection.

(2B) On an appeal under subsection (2A)—

(a) paragraphs (a) and (aa) of subsection (2) apply as on an appeal under subsection (1), and,

(b) the Upper Tribunal must—

(i) confirm the rejection, or

(ii) issue a certificate,

as the Upper Tribunal may consider appropriate.”;

(c) in subsection (3), for the words from “the preceding” to the end substitute “subsection (2A) applies as if the local planning authority have rejected the application”;

(d) after subsection (3) insert—

“(4) The references in sections 14(2A) and 17(5A) and (5B) to a certificate under section 17 include a certificate issued, or as varied, by the Upper Tribunal under this section.”

(5) In section 19 (applications by surveyors)—

(a) in subsection (3), for “paragraphs (a) and (b)” substitute “paragraph (ba)”;

(b) after that subsection insert—

“(4) In the application of section 18 by virtue of subsection (1)—

(a) subsection (1)(a) of that section is to be read as if it included the surveyor, and

(b) subsection (2A) of that section is to be read as if the reference to the person who applied for the certificate included the person entitled to the interest.”

(6) In section 20(a) (power to prescribe time limit for issuing certificate under section 17), for the words from “time” to the end substitute “period within which an application under that section is to be determined”.

(7) In section 22 (interpretation of Part 3), after subsection (2) insert—

“(2A) The completion of the acquisition or purchase referred to in the applicable paragraph of subsection (2) does not affect the continued application of that subsection.”

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Commencement Information

I3 S. 189 not in force at Royal Assent, see [s. 255\(7\)](#)

190 Power to require prospects of planning permission to be ignored

- (1) In the Acquisition of Land Act 1981—
- (a) in section 7(3) (regulations subject to negative procedure), before “paragraph 4A” insert “section [15A\(11\)](#) or”;
 - (b) in section 14A (confirmation by acquiring authority), after subsection (2) insert—

“(2A) Nor does it apply to an order directing that compensation is to be assessed in accordance with section [14A](#) of the Land Compensation Act 1961 (see section [15A](#)).”;
 - (c) after section 15 insert—

“Special provision about compensation

15A Directions applying section [14A](#) of the Land Compensation Act 1961

- (1) Subsection (2) applies if—
- (a) an acquiring authority submits a compulsory purchase order for confirmation, and
 - (b) the authorising enactment is listed in [Schedule 2A](#).
- (2) The acquiring authority may include in the order a direction that compensation is to be assessed in accordance with section [14A](#) of the Land Compensation Act 1961 (cases where prospect of planning permission to be ignored); and if it does so the following provisions of this section apply.
- (3) The acquiring authority must submit to the confirming authority a statement of commitments together with the order.
- (4) A “statement of commitments” is a statement of the acquiring authority’s intentions as to what will be done with the project land should the acquisition proceed, so far as the authority relies on those intentions in contending that the direction is justified in the public interest.
- (5) If the authorising enactment is listed in any of paragraphs [2](#) to [7](#) of [Schedule 2A](#), those intentions must include the provision of a certain number of units of affordable housing.
- (6) The statement under section 12(1)(a) must include a statement of the effect of the direction; and paragraphs (ba) and (bb) of the same subsection apply in respect of the statement of commitments as they apply in respect of the compulsory purchase order.

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- (7) The confirming authority may permit the acquiring authority to amend the statement of commitments before the decision whether to confirm the order is made.
- (8) But the confirming authority may do so—
- (a) only if satisfied that the amendment would not be unfair to any person who made or could have made a relevant objection for the purposes of section 13, and
 - (b) if the authorising enactment is listed in any of paragraphs 2 to 7 of [Schedule 2A](#), only if the statement of commitments as amended will still comply with subsection (5).
- (9) If the confirming authority decides to confirm the order in accordance with the applicable provisions of this Part—
- (a) it may confirm the order with the direction included if satisfied that the direction is justified in the public interest;
 - (b) otherwise, it must modify the order so as to remove the direction.
- (10) If the order is confirmed with the direction included, a confirmation notice under section 15 must (in addition to the matters set out in subsection (4) of that section)—
- (a) state the effect of the direction,
 - (b) explain how the statement of commitments may be viewed, and
 - (c) explain that additional compensation may become payable if the statement of commitments is not fulfilled.
- (11) In this section—
- “the authorising enactment” means the enactment that confers the power to make the compulsory purchase to which the order in question relates;
- “the project land” means—
- (a) the land proposed to be acquired further to the compulsory purchase order, and
 - (b) any other land that the acquiring authority intends to be used in connection with that land;
- “unit of affordable housing” means a building or part of a building that is constructed or adapted for use as a separate dwelling and—
- (a) in the case of a building in England, is to be used as—
 - (i) social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008, or
 - (ii) housing of any other description that is prescribed, or
 - (b) in the case of a building in Wales, is to be used as housing of a description that is prescribed.”;
- (d) after Schedule 2 insert—

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“SCHEDULE 2A

Section 15A

ENACTMENTS ELIGIBLE FOR DIRECTIONS APPLYING
SECTION 14A OF THE LAND COMPENSATION ACT 1961

Enactments authorising acquisitions for purposes including housing

- 1 Section 21A(1)(c) and (2)(c) of the Welsh Development Agency Act 1975 (acquisition by Welsh Ministers of land in England for Welsh development purposes).
- 2 Section 142 of the Local Government, Planning and Land Act 1980 (acquisition by urban development corporation).
- 3 Section 17 of the Housing Act 1985 (acquisition by local housing authority).
- 4 Section 226 of the Town and Country Planning Act 1990 (acquisition by local authority for development or planning purposes).
- 5 Section 333ZA of the Greater London Authority Act 1999 (acquisition by Greater London Authority for housing or regeneration purposes).
- 6 Section 9 of the Housing and Regeneration Act 2008 (acquisition by the Homes and Communities Agency).
- 7 Section 207 of the Localism Act 2011 (acquisition by mayoral development corporation).

Enactments authorising acquisitions for purposes of the NHS

- 8 Paragraph 46 of Schedule 4 to the Health and Social Care (Community Health and Standards) Act 2003 (acquisition by NHS foundation trust).
- 9 Paragraph 27 of Schedule 4 to the National Health Service Act 2006 (acquisition by NHS trust).
- 10 In the National Health Service (Wales) Act 2006—
 - (a) paragraph 20 of Schedule 2 (acquisition by local health board);
 - (b) paragraph 27 of Schedule 3 (acquisition by NHS trust).

Enactment authorising acquisitions for educational purposes

- 11 Section 530 of the Education Act 1996 (acquisition by local authority for purposes of educational institution or function).”

(2) In the Land Compensation Act 1961—

- (a) after section 14 insert—

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“14A Cases where prospect of planning permission to be ignored

- (1) The following provisions apply in relation to an acquisition if the compulsory purchase order authorising the acquisition directs that compensation is to be assessed in accordance with this section.
 - (2) Section 14 does not apply.
 - (3) In assessing the value of land in accordance with rule (2) in section 5, it is to be assumed that no planning permission would be granted for development on the relevant land (whether alone or together with other land).
 - (4) Subsection (3) does not prevent account being taken of planning permission that has already been granted.
 - (5) Subsection (3) does not apply in relation to development consisting of the use as two or more separate dwellings of any building previously used as a single dwelling.
 - (6) [Schedule 2A](#) provides for the payment of additional compensation in respect of the acquisition in certain circumstances.”;
- (b) in section 32 (interest from entry on land), after subsection (2) insert—
- “(3) This section does not apply in relation to additional compensation payable under [Schedule 2A](#).”;
- (c) after the second Schedule insert—

“SCHEDULE 2A Section 14A(6)

ADDITIONAL COMPENSATION WHERE SECTION 14A APPLIED

Directions for additional compensation

- 1 (1) This paragraph applies if—
 - (a) an interest in land has been acquired further to a compulsory purchase order, and
 - (b) the order directed that compensation was to be assessed in accordance with section 14A.
- (2) The confirming authority must, on an application by an eligible person, make a direction for additional compensation if it appears to the confirming authority that the following conditions are met.
- (3) Those conditions are—
 - (a) that the statement of commitments has not been fulfilled,
 - (b) either—
 - (i) that the period of 10 years beginning with the date on which the compulsory purchase order became operative has expired, or
 - (ii) that there is no longer any realistic prospect of the statement of commitments being fulfilled within that period, and

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(c) that the initial direction would not have been confirmed on the basis of a statement of commitments reflecting what has in fact been done with the project land since its acquisition.

(4) In sub-paragraph (3)—

“the statement of commitments” means the statement of commitments submitted in connection with the compulsory purchase order under section 15A(3) of the Acquisition of Land Act 1981 (and if the statement was amended after its submission, means the statement as amended);

“the initial direction” means the direction referred to in sub-paragraph (1)(b) (and that direction was “confirmed” when the compulsory purchase order was confirmed with the inclusion of the direction);

“the project land” means the land treated as the project land for the purposes of the statement of commitments;

and that statement is “fulfilled” if what is done with that land after its acquisition is materially in accordance with the statement.

(5) The effect of a direction for additional compensation is that each eligible person may make a claim to the acquiring authority for any additional compensation in respect of the acquisition payable to the person under this Schedule.

(6) A person is an “eligible person” for the purposes of this Schedule if the person was entitled to compensation in respect of the acquisition (and see also paragraph 4(1)).

Amount of additional compensation

- 2
- (1) Additional compensation in respect of an acquisition is payable to an eligible person only if, in relation to that person, the alternative amount is greater than the original amount.
 - (2) The amount payable is the difference between the two amounts.
 - (3) The “original amount” is the amount of compensation awarded or agreed to be paid to the person in respect of the acquisition.
 - (4) The “alternative amount” is the amount of compensation that would have been assessed as due to the person in respect of the acquisition had compensation been assessed without the application of section 14A.
 - (5) If the original amount was agreed, the relevant valuation date for the purposes of the assessment imagined under sub-paragraph (4) is the date on which the agreement was concluded.
 - (6) In relation to the determination of an amount of additional compensation under this Schedule, section 17(2)(b) applies as if its reference to the amount of compensation were to the amount of additional compensation.

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- (7) A certificate issued under section 17 (or 18) after the award or agreement referred to in sub-paragraph (3) is to have effect for the purposes of the assessment imagined under sub-paragraph (4) as if it had been issued before that assessment.
- (8) Any amount of compensation that is or would be attributable to disturbance, severance or injurious affection is to be ignored for the purposes of sub-paragraphs (3) and (4).

Time limit for application for direction

- 3 An application under paragraph 1(2) may not be made after the expiry of the period of 13 years beginning with the date on which the compulsory purchase order became operative.

Mortgages

- 4 (1) For the purposes of this Schedule an “eligible person” includes a person who would have been entitled to compensation in respect of the acquisition but for the existence of a mortgage (but the mortgage is in that case still to be taken into account in determining the original and alternative amounts under paragraph 2).
- (2) An amount agreed or awarded to be paid to a mortgagee under section 15 or 16 of the Compulsory Purchase Act 1965 in respect of the acquisition is to be treated for the purposes of this Schedule as compensation in respect of the acquisition.
- (3) The reference in sub-paragraph (2) to an amount paid under section 15 or 16 of the Compulsory Purchase Act 1965 (“the applicable section”) includes an amount paid under section 52ZA or 52ZB of the Land Compensation Act 1973 and taken into account by virtue of section 52ZC(7)(d) of that Act for the purposes of the applicable section.
- (4) Additional compensation payable under this Schedule to a person in the person’s capacity as a mortgagee (or to a person exercising rights of a mortgagee) is to be applied towards the discharge of the sums secured by the mortgage.
- (5) If there is no remaining sum secured by the mortgage, the additional compensation that would be payable as described in sub-paragraph (4) is instead payable to the person who is an eligible person by virtue of the interest that was subject to the mortgage.
- (6) If the additional compensation that would be payable as described in sub-paragraph (4) exceeds the total of the remaining sums secured by the mortgage, the amount of the excess is instead payable to the person who is an eligible person by virtue of the interest that was subject to the mortgage.

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Successors-in-title

- 5
- (1) This paragraph applies if, had the compensation to which an eligible person was entitled in respect of the acquisition remained unpaid, the right to be paid it would now vest in some other person (assuming that it remained enforceable and any obligations in respect of the right had been complied with).
 - (2) If the eligible person is still alive or in existence, the rights that the eligible person would have under this Schedule are exercisable by the other person and not by the eligible person.
 - (3) If the eligible person is no longer alive or in existence, the rights that the eligible person would have under this Schedule if that person were still alive or in existence are exercisable by the other person.
 - (4) The right exercisable by the other person under sub-paragraph (2) or (3) is subject to any restriction, condition or other incident to which the right vested in that person as imagined under sub-paragraph (1) would be subject.
 - (5) Additional compensation paid to the other person by virtue of sub-paragraph (2) or (3) must be dealt with by the person in any way in which the person would have to deal with compensation paid to that person further to the right vested in that person as imagined under sub-paragraph (1).
 - (6) If a person is an eligible person by virtue of paragraph 4(1), the reference in sub-paragraph (1) to compensation to which the person was entitled is to be read as a reference to the compensation to which the person would have been entitled but for the mortgage.

Consequential losses

- 6
- (1) The relevant authority may by regulations provide for additional compensation payable on a claim under paragraph 1(5) to include (in addition to any amount payable under paragraph 2) an amount to make good qualifying losses.
 - (2) “Qualifying losses” are financial losses shown to have been suffered by an eligible person, or a person entitled to exercise the rights of the eligible person under paragraph 5, as a result of the compensation initially payable to the eligible person in respect of the acquisition being of the original amount rather than the alternative amount.
 - (3) In the case of an eligible person who is so by virtue of an interest that was subject to a mortgage, the reference in sub-paragraph (2) to compensation payable to the eligible person is to be taken to include compensation payable to the mortgagee of that interest.

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- (4) Regulations under this paragraph may limit the qualifying losses in respect of which additional compensation is payable under the regulations by reference to—
- (a) a description of loss,
 - (b) an amount, or
 - (c) any other circumstance.

Procedure etc

- 7 (1) The relevant authority may by regulations make provision—
- (a) about the procedure for applications under paragraph 1(2) or claims under paragraph 1(5) (including provision about the costs of such applications or claims);
 - (b) about steps that must be taken by the acquiring authority or the confirming authority for the purposes of publicising or giving notice of a direction for additional compensation;
 - (c) for interest to be applied to amounts of additional compensation that are payable;
 - (d) about how or when additional compensation (and any interest) is to be paid.
- (2) Regulations under this paragraph about costs of claims under paragraph 1(5)—
- (a) may modify or disapply section 29 of the Tribunals, Courts and Enforcement Act 2007 (costs or expenses) or provisions in Tribunal Procedure Rules relating to costs;
 - (b) may apply (with or without modifications) section 4 of this Act;
- and section 4 of this Act does not apply in relation to such a claim unless so applied.

Regulations

- 8 (1) For the purposes of this Schedule “the relevant authority” is—
- (a) the Secretary of State, in relation to England;
 - (b) the Welsh Ministers, in relation to Wales.
- (2) Regulations under this Schedule may make—
- (a) consequential, supplementary, incidental, transitional or saving provision;
 - (b) different provision for different purposes.
- (3) Regulations under this Schedule are to be made by statutory instrument.
- (4) A statutory instrument containing such regulations is subject to annulment in pursuance of—
- (a) a resolution of either House of Parliament, in the case of regulations made by the Secretary of State, or

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- (b) a resolution of Senedd Cymru, in the case of regulations made by the Welsh Ministers.

Interpretation

- 9 (1) In this Schedule—
- (a) “the confirming authority” means—
 - (i) the person who confirmed the compulsory purchase order, or
 - (ii) any successor to that person’s function of confirming compulsory purchase orders of the type in question;
 - (b) references to “the acquisition” or “the compulsory purchase order” are to the acquisition or order by virtue of which paragraph 1 applies;
 - (c) references to the acquisition of an interest in land include—
 - (i) the creation of such an interest, and
 - (ii) the acquisition or creation of a right in or over land;and references to interests in land are to be read accordingly.
- (2) In the case of a compulsory purchase order made under section 10(1) of, and Part 1 of Schedule 4 to, the New Towns Act 1981 (compulsory acquisition by new town development corporation in usual cases), the reference in paragraph 1(4) to section 15A(3) of the Acquisition of Land Act 1981 is to be read as a reference to paragraph 5A(2) of Schedule 4 to the New Towns Act 1981.
- (3) In the case of a compulsory purchase order made under section 13(1)(a) of, and Part 1 of Schedule 5 to, the New Towns Act 1981 (compulsory acquisition by new town development corporation of statutory undertakers’ operational land)—
- (a) the reference in paragraph 1(4) to section 15A(3) of the Acquisition of Land Act 1981 is to be read as a reference to paragraph 5A(2) of Schedule 5 to the New Towns Act 1981, and
 - (b) the references in paragraph 1(4) and sub-paragraph (1)(a) to the confirmation of the order are to be read as references to the making of the order.
- (4) In the case of a compulsory purchase order made under section 21A(1)(b) or (2)(b) of the Welsh Development Agency Act 1975 (compulsory acquisition by Welsh Ministers of land in Wales for Welsh development purposes)—
- (a) the reference in paragraph 1(4) to submission under section 15A(3) of the Acquisition of Land Act 1981 is to be read as a reference to preparation under paragraph 3B(2) of Schedule 4 to the Welsh Development Agency Act 1975, and

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- (b) the references in paragraph 1(4) and sub-paragraph (1)(a) to the confirmation of the order are to be read as references to the making of the order.
 - (5) If—
 - (a) an interest in land is acquired further to section 154(2) of the Town and Country Planning Act 1990 (deemed compulsory acquisition further to blight notice), and
 - (b) the land falls within paragraph 22 of Schedule 13 to that Act (land blighted by compulsory purchase order),

the interest is to be treated for the purposes of this Schedule as having been acquired further to the compulsory purchase order by virtue of which the land falls within that paragraph.”
- (3) In the New Towns Act 1981—
 - (a) in Schedule 4 (procedure for compulsory acquisition by new town development corporation in usual cases), after paragraph 5 insert—

“5A (1) A development corporation submitting an order to the Secretary of State under this Part of this Schedule may include in the order a direction that compensation is to be assessed in accordance with section 14A of the Land Compensation Act 1961 (cases where prospect of planning permission to be ignored); and if it does so the following provisions of this paragraph apply.

 - (2) The corporation must submit a statement of commitments together with the order.
 - (3) A “statement of commitments” is a statement of the corporation’s intentions as to what will be done with the project land should the acquisition proceed, so far as the corporation relies on those intentions in contending that the direction is justified in the public interest.
 - (4) Those intentions must include the provision of a certain number of units of affordable housing.
 - (5) The notice under paragraph 2(1) must—
 - (a) state the effect of the direction, and
 - (b) name a place where a copy of the statement of commitments may be seen at any reasonable hour.
 - (6) The Secretary of State may permit the corporation to amend the statement of commitments before the decision whether to confirm the order is made.
 - (7) But the Secretary of State may do so—
 - (a) only if satisfied that the amendment would not be unfair to any person who duly made or could duly have made an objection for the purposes of paragraph 4, and
 - (b) only if the statement of commitments as amended will still comply with sub-paragraph (4).
 - (8) If the Secretary of State decides to confirm the order under paragraph 3, the Secretary of State—

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- (a) may confirm the order with the direction included if satisfied that the direction is justified in the public interest;
 - (b) otherwise, must modify the order so as to remove the direction.
- (9) If the order is confirmed with the direction included, the notice under paragraph 5 must—
 - (a) state the effect of the direction,
 - (b) explain how the statement of commitments may be viewed, and
 - (c) explain that additional compensation may become payable if the statement of commitments is not fulfilled.
- (10) In this paragraph—
 - “the project land” means—
 - (a) the land proposed to be acquired further to the compulsory purchase order, and
 - (b) any other land that the corporation intends to be used in connection with that land;
 - “unit of affordable housing” means a building or part of a building that is constructed or adapted for use as a separate dwelling and—
 - (a) in the case of a building in England, is to be used as—
 - (i) social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008, or
 - (ii) housing of any other description that is set out in regulations made by the Secretary of State, or
 - (b) in the case of a building in Wales, is to be used as housing of a description that is set out in regulations made by the Welsh Ministers.”;
- (b) in Schedule 5 (procedure for compulsory acquisition by new town development corporation of statutory undertaker’s operational land), after paragraph 5 insert—
 - “5A (1) A development corporation making an application under this Part of this Schedule may include in the application a request for a direction that compensation is to be assessed in accordance with section 14A of the Land Compensation Act 1961 (cases where prospect of planning permission to be ignored); and if it does so the following provisions of this paragraph apply.
 - (2) The corporation must submit a statement of commitments together with the application.
 - (3) A “statement of commitments” is a statement of the corporation’s intentions as to what will be done with the project land should the acquisition proceed, so far as the corporation relies on those

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intentions in contending that the direction would be justified in the public interest.

- (4) Those intentions must include the provision of a certain number of units of affordable housing.
- (5) The notice under paragraph 2 must—
 - (a) state that the request has been made and what the effect of the direction would be, and
 - (b) name a place where a copy of the statement of commitments may be seen at all reasonable hours.
- (6) The Secretary of State and the appropriate Minister may permit the corporation to amend the statement of commitments before the decision whether to make an order on the application is made.
- (7) But they may do so—
 - (a) only if satisfied that the amendment would not be unfair to any person who duly made or could duly have made an objection for the purposes of paragraph 3, and
 - (b) only if the statement of commitments as amended will still comply with sub-paragraph (4).
- (8) If the Secretary of State and the appropriate Minister decide to make an order on the application under paragraph 3, they may include the direction in the order only if satisfied that the direction is justified in the public interest.
- (9) If an order is made with the direction included, the notice under paragraph 5 must—
 - (a) state the effect of the direction,
 - (b) explain how the statement of commitments may be viewed, and
 - (c) explain that additional compensation may become payable if the statement of commitments is not fulfilled.
- (10) In this paragraph—

“the project land” means—

 - (a) the land proposed to be acquired further to the compulsory purchase order, and
 - (b) any other land that the corporation intends to be used in connection with that land;

“unit of affordable housing” means a building or part of a building that is constructed or adapted for use as a separate dwelling and—

 - (a) in the case of a building in England, is to be used as—
 - (i) social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008, or
 - (ii) housing of any other description that is set out in regulations made by the Secretary of State, or

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(b) in the case of a building in Wales, is to be used as housing of a description that is set out in regulations made by the Welsh Ministers.”

(4) In Part 1 of Schedule 4 to the Welsh Development Agency Act 1975 (procedure for compulsory acquisition under that Act), after paragraph 3A insert—

“3B (1) Where the Welsh Ministers prepare a compulsory purchase order in draft under section 21A(1)(b) or (2)(b), they may include in the draft order a direction that compensation is to be assessed in accordance with section 14A of the Land Compensation Act 1961 (cases where prospect of planning permission to be ignored); and if they do so the following provisions of this paragraph apply.

(2) The Welsh Ministers must prepare a statement of commitments together with the draft order.

(3) A “statement of commitments” is a statement of the Welsh Ministers’ intentions as to what will be done with the project land should the acquisition proceed, so far as they rely on those intentions in contending that the direction is justified in the public interest.

(4) Those intentions must include the provision of a certain number of units of affordable housing.

(5) The statement under paragraph 3(1)(a) of Schedule 1 to the 1981 Act must include a statement of the effect of the direction; and paragraphs (ba) and (bb) of the same sub-paragraph apply in respect of the statement of commitments as they apply in respect of the draft order.

(6) The Welsh Ministers may amend the statement of commitments before the compulsory purchase order is made.

(7) But they may do so—

(a) only if satisfied that the amendment would not be unfair to any person who made or could have made a relevant objection for the purposes of paragraph 4 of Schedule 1 to the 1981 Act, and

(b) only if the statement of commitments as amended will still comply with sub-paragraph (4).

(8) If the Welsh Ministers decide to make the compulsory purchase order in accordance with the applicable provisions of Schedule 1 to the 1981 Act—

(a) they may make the order with the direction included if satisfied that the direction is justified in the public interest;

(b) otherwise, they must modify the draft of the order so as to remove the direction.

(9) If the order is made with the direction included, a making notice under paragraph 6 of Schedule 1 to the 1981 Act must (in addition to the matters set out in sub-paragraph (4) of that paragraph)—

(a) state the effect of the direction,

(b) explain how the statement of commitments may be viewed, and

(c) explain that additional compensation may become payable if the statement of commitments is not fulfilled.

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(10) In this paragraph—

“the project land” means—

- (a) the land proposed to be acquired further to the compulsory purchase order, and
- (b) any other land that the Welsh Ministers intend to be used in connection with that land;

“unit of affordable housing” means a building or part of a building that is constructed or adapted for use as a separate dwelling and—

- (a) in the case of a building in Wales, is to be used as housing of a description that is set out in regulations made by the Welsh Ministers, or
- (b) in the case of a building in England, is to be used as—
 - (i) social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008, or
 - (ii) housing of any other description that is set out in regulations made by the Secretary of State.

(11) A statutory instrument containing regulations under sub-paragraph (10) is subject to annulment in pursuance of a resolution of—

- (a) Senedd Cymru, in the case of regulations made by the Welsh Ministers, or
- (b) either House of Parliament, in the case of regulations made by the Secretary of State.”

(5) In section 157 of TCPA 1990 (special provisions as to compensation for acquisitions further to blight notices), before subsection (1) insert—

“(A1) Where—

- (a) an interest in land is acquired in pursuance of a blight notice,
- (b) the interest is one in respect of which a compulsory purchase order is in force, and
- (c) the order directs that compensation is to be assessed in accordance with section 14A of the Land Compensation Act 1961,

the compensation payable for the acquisition is to be assessed in accordance with that direction and as if the notice to treat deemed to have been served in respect of the interest under section 154 had been served in pursuance of the compulsory purchase order.”

Commencement Information

I4 S. 190 not in force at Royal Assent, see [s. 255\(7\)](#)

I5 S. 190 in force at 31.3.2024 for specified purposes for W. by [S.I. 2024/389](#), [reg. 2\(I\)](#)

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