

**EXPLANATORY MEMORANDUM TO**  
**THE NEW TOWNS (COMPULSORY PURCHASE OF LAND) (AMENDMENT)**  
**REGULATIONS 2024**

**2024 No. 913**

**1. Introduction**

- 1.1 This explanatory memorandum has been prepared by the Ministry of Housing, Communities and Local Government and is laid before Parliament by Command of His Majesty.

**2. Declaration**

- 2.1 Matthew Pennycook MP, Minister of State for Housing and Planning at the Ministry of Housing, Communities and Local Government confirms that this Explanatory Memorandum meets the required standard.
- 2.2 Lucy Hargreaves, Deputy Director for Development Management, at the Ministry of Housing, Communities and Local Government confirms that this Explanatory Memorandum meets the required standard.

**3. Contact**

- 3.1 Theresa Donohue at the Ministry of Housing, Communities and Local Government Telephone: 0303 444 1719 or email: PDMCorrespondence@communities.gov.uk can be contacted with any queries regarding the instrument.

**Part One: Explanation, and context, of the Instrument**

**4. Overview of the Instrument**

*What does the legislation do?*

- 4.1 As part of the compulsory purchase order (“CPO”) process under the New Towns Act 1981 (“the 1981 Act”), New Town Development Corporations, local highways authorities and the Secretary of State must issue certain documents at different stages of the CPO process. The information which must be included in these documents is set out in secondary legislation (known as prescribed forms).
- 4.2 This statutory instrument inserts new prescribed forms in the New Towns (Compulsory Purchase of Land) Regulations 1977 (“the 1977 Regulations”) for compulsory acquisitions of land in England to give effect to a reform introduced through section 190 of the Levelling-up and Regeneration Act 2023 (“the 2023 Act”) as it relates to England.

*Where does the legislation extend to, and apply?*

- 4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.
- 4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales.

## 5. Policy Context

### *What is being done and why?*

- 5.1 The 2023 Act made reforms to the compulsory purchase compensation regime to introduce a power for New Town Development Corporations to include in their CPOs a direction that the value associated with the prospects of planning permission (colloquially known as “hope value”) is to be ignored when the value of the land is assessed for compulsory purchase compensation purposes. A direction may be made where the project land will be used to provide a certain number of units of affordable housing and may be confirmed where it is justified in the public interest.
- 5.2 This statutory instrument makes minor changes to the prescribed forms that apply to the compulsory acquisition of land in England for CPOs made under the 1981 Act as a result of the reform to the land compensation regime described in paragraph 5.1. This statutory instrument amends the information which must be included in those forms when issued by New Town Development Corporations at certain stages of the CPO process to reflect the new power.
- 5.3 This statutory instrument effectively amends the prescribed forms that apply to the compulsory acquisition of land in England. The forms that apply in relation to land in Wales are not being amended. This is because the provision of the 2023 Act being reflected in this statutory instrument is not yet in force in Wales and Welsh Ministers have executive competence under the 1981 Act. The statutory instrument makes clear that there are now two different sets of forms – one for use in England and the other for use in Wales.
- 5.4 This statutory instrument also removes an outdated regulation that no longer has effect in either England or Wales.

### *What was the previous policy, how is this different?*

Power to require prospects of planning permission to be ignored

- 5.5 Where land is acquired by compulsion, those whose land is taken are entitled to compensation. Previously, for all CPOs, landowners could claim compensation for the loss of hope value where applicable, including compensation for the loss of any potential for alternative development for which there was a reasonable expectation that planning permission would have been granted in the absence of the CPO scheme (defined as “appropriate alternative development”).
- 5.6 Section 190 of the 2023 Act gives New Towns Development Corporations the power to make a CPO under the 1981 Act that facilitates the provision of a certain number of units of affordable housing with a direction that particular compulsory purchase compensation rules will not apply. Those rules provide for compensation for the loss of the prospect of hope value, including compensation for the loss attributable to appropriate alternative development. The Secretary of State can confirm a CPO with such a direction provided doing so is justified in the public interest.
- 5.7 The reform is intended to enable more land value to be captured and invested for the public benefit in schemes where there is a compelling case in the public interest to do so.
- 5.8 Section 190 of the 2023 Act was brought into force in England on 30 April 2024 by the Levelling-up and Regeneration Act 2023 (Commencement No. 2 and Transitional Provisions) Regulations 2024 (S.I. 2024/92) but has not substantively come into force in Wales (it was brought into force in Wales for the purpose of making regulations

only by the Levelling-up and Regeneration Act 2023 (Commencement No. 3 and Transitional and Savings Provision) Regulations 2024 (S.I. 2024/389).

- 5.9 This statutory instrument amends the prescribed forms for CPOs made under the 1981 Act for the compulsory acquisition of land in England and statutory notices associated with those CPOs. The amended prescribed forms provide the appropriate wording for New Town Development Corporations to include in those documents where they wish to make a CPO which includes a direction that the compulsory purchase compensation rules discussed above in paragraph 5.6 will not apply.

*Outdated particulars provision*

- 5.10 Prior to 2017, the 1981 Act required an owner or occupier of land to notify the Secretary of State of their address and the particulars of their interest in the land being compulsorily acquired as a pre-condition of the Secretary of State serving upon that owner or occupier a notice when a compulsory purchase order was confirmed. The owner or occupier had to provide those “particulars” of their interest that were prescribed by regulations.
- 5.11 The Housing and Planning Act 2016 (Compulsory Purchase) (Corresponding Amendments) Regulations 2017 (S.I. 2017/16) (“the HPA Regulations 2017”) amended the 1981 Act whereby the owner or occupier no longer needs to notify the Secretary of State and there is no longer any power or need for the Secretary of State to prescribe those particulars.
- 5.12 This statutory instrument revokes the regulation that prescribed those particulars (“the particulars provision”).

## **6. Legislative and Legal Context**

*How has the law changed?*

- 6.1 The 1981 Act sets out the process for New Town Development Corporations, local highways authorities and the Secretary of State to follow when compulsorily acquiring land for the purpose of delivering a new town. The 1981 Act requires those bodies to make CPOs using certain forms and issue specific notices to interested parties at different stages of the CPO process under the 1981 Act. The 1981 Act empowers the Secretary of State to prescribe the forms of those documents.
- 6.2 The 1977 Regulations prescribe the relevant forms. The 1977 Regulations were originally made under the New Towns Act 1965 (c. 59), the predecessor to the 1981 Act. The 1977 Regulations remain in force as if they were made under the Act by virtue of section 17(2) of the Interpretation Act 1978 (c. 30).
- 6.3 This statutory instrument inserts new prescribed forms for compulsory acquisitions of land in England. The new forms are based on the previous forms contained in the 1977 Regulations with minor changes that reflect the power introduced by the 2023 Act described in paragraph 5.6 above. This statutory instrument references the provisions of the current Act and, for clarity, includes a footnote explaining that the 1977 Regulations have effect as if made under the relevant provisions of the New Towns Act 1981 by virtue of section 17(2)(b) of the Interpretation Act 1978 (c. 30).
- 6.4 The 1977 Regulations prescribed the particulars referred to in paragraphs 5.10 to 5.12. Paragraph 4(2)(c) of the HPA Regulations 2017 changed the law (in both England and Wales) so that there is no longer any power or need to prescribe those particulars.

### *Why was this approach taken to change the law?*

- 6.5 The new forms reflect amendments to the original forms set out in the 1977 Regulations and are required to ensure the reforms introduced by section 190 of the 2023 Act operate as intended for CPOs made for the compulsory acquisition of land in England under the 1981 Act. The changes are minor and directly reflect the changes made in the 2023 Act. Substantively, this is the only possible approach to make the necessary changes.
- 6.6 This statutory instrument extends to and applies in England and Wales. However, the statutory instrument inserts new forms that apply to the compulsory acquisition of land in England to amend the existing forms as they apply to that land. Those aspects of this statutory instrument that apply in Wales are included only to differentiate the forms that apply to land in England (which are changing by virtue of this statutory instrument) from the forms that apply to land in Wales (which are not changing). The forms that apply to land in Wales are not being amended because the provision of the 2023 Act being reflected in this statutory instrument is not yet in force in Wales and because Welsh Ministers have executive competence for functions under the Act exercisable in relation to Wales by virtue of the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672).
- 6.7 A choice was made amend, rather than to revoke and reinstate, the 1977 Regulations as they relate to England. This choice was made to avoid creating parallel systems for England and Wales that may not have been obvious to users of the forms. It was considered clearer to create two schedules of forms within the same instrument that apply separately to compulsory acquisitions of land in England and Wales.
- 6.8 This is the only possible approach to make the necessary changes to remove the particulars provision.

## **7. Consultation**

### *Summary of consultation outcome and methodology*

- 7.1 There has been no public consultation on the changes being introduced through this statutory instrument which reflect the 2023 Act. They are minor, technical changes in nature and are necessary to give full effect to a reform in that Act. The reforms introduced by section 190 of the 2023 Act were subject to a public consultation in August 2022: [Compulsory purchase - compensation reforms: consultation - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/compulsory-purchase-compensation-reforms-consultation). The Government response to that consultation was published in April 2023: [Compulsory purchase - compensation reforms: consultation outcome - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/compulsory-purchase-compensation-reforms-consultation-outcome). The reforms introduced by section 190 of the 2023 Act were also subject to detailed Parliamentary scrutiny during the passage of the 2023 Act through Parliament.
- 7.2 There has been no consultation on the removal of the particulars provision. This statutory instrument reflects a change that was consequential on the HPA Regulations 2017.

## **8. Applicable Guidance**

- 8.1 This statutory instrument makes minor changes to the prescribed forms for CPOs and notices which New Town Development Corporations, local highways authorities and the Secretary of State are required to issue at certain points in the CPO process for new town developments. Guidance on the use of the forms is included in the “Notes” section of the prescribed forms. Also, guidance on the power for those bodies to make

CPOs under the 1981 Act is contained in the Government's [Guidance on Compulsory Purchase Process and The Crichton Down Rules](#).

## **Part Two: Impact and the Better Regulation Framework**

### **9. Impact Assessment**

- 9.1 A full Impact Assessment has not been prepared for this instrument because the changes being made are purely administrative and will not have a significant cost impact on any party.

#### *Impact on businesses, charities and voluntary bodies*

- 9.2 The legislation does not impact on business, charities or voluntary bodies.
- 9.3 The legislation does not impact small or micro businesses.
- 9.4 There is no, or no significant, impact on the public sector because the changes are procedural and minor in nature. No significant costs will be incurred by New Town Development Corporations in using the new forms.

### **10. Monitoring and review**

#### *What is the approach to monitoring and reviewing this legislation?*

- 10.1 The approach to monitoring this legislation is through routine engagement with the sector and key stakeholders.
- 10.2 The instrument does not include a statutory review clause because these regulations have no significant regulatory impact on businesses, in terms of the Statutory Guidance under section 31 of the Small Business, Enterprise and Employment Act: Determining whether it is appropriate to make provision for review (Post-Implementation Review Guidance) (September 2023).

## **Part Three: Statements and Matters of Particular Interest to Parliament**

### **11. Matters of special interest to Parliament**

- 11.1 None.

### **12. European Convention on Human Rights**

- 12.1 The Minister of State for Housing and Planning has made the following statement regarding Human Rights:

“In my view the provisions of the New Towns (Compulsory Purchase of Land) (Amendment) Regulations 2024 are compatible with the Convention rights.”

### **13. The Relevant European Union Acts**

- 13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (“relevant European Union Acts”).