

LGA submission: The New Towns Act 1981 (Local Authority Oversight) Regulations Consultation

21 December 2017



About the Local Government Association (LGA)

The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government.

We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

The LGA welcomes the opportunity to respond to this [consultation](#).

Key messages

The LGA supported the commitment to allow local authorities to create locally-led New Town Development Corporations initially set out in the Housing White Paper, and introduced by the Neighbourhood Planning Act 2017. We are pleased that the regulations have been brought forward and support the principle of enabling oversight of the development of an area as a new town to rest with the local authority or authorities covering the area, rather than the Secretary of State.

We are pleased to submit some headline views on the draft regulations which will enable the creation, via further statutory instruments, of locally-led New Town Development Corporations.

However we are also frustrated that the Department has set a deadline of 2 January 2018 for views on Regulations published on 4 December 2017-this is an insufficient period of time to fully consider the issues with the sector.

We would like to make the following points regarding the draft regulations:

- Proposals for a borrowing cap should be removed. The draft regulations propose a cap on outstanding borrowing of £100 million without further Treasury approval. This will affect the delivery of councils' growth plans, limiting the scope of locally-led New Town Development Corporations to deliver new housing and prosperous places. This is because a borrowing cap creates uncertainty about investment beyond the cap, and risks damaging the confidence of third party private investors and funders. Furthermore, the level of the cap itself is an arbitrary figure that is not reflective of the scale of development or infrastructure that might be needed for each place.

Briefing

A cap also risks limiting the uptake of the new powers by councils.

- Flexibility of scale and legislative backing for garden villages. The introductory text refers to garden cities, towns and new villages which is welcome, however the references to 'villages' is absent from the consultation document and subsequent amendments to regulations. We would like assurances that the new flexibilities would also enable the creation of garden villages, or for local areas to vary scales as an option for delivery, in regulations or accompanying guidance.
- Compulsory Purchase Order powers and ease of use. There is some concern about the ability of councils and Local Development Corporations to be able to compulsory purchase properly and therefore negotiate reasonable land deals with landowners to implement garden communities. Without this power the Development Corporations will not be able to achieve their full potential.
- Additional legal certainty for quality place-making should be provided. The regulations place an emphasis on long term stewardship and create duties on good design, but do not provide detail as to how this will be implemented, or provide certainty about other issues related to place-making, such as sustainability and community participation. They also do not provide the legal certainty that Development Corporations will ensure the long-term stewardship of places through a suitable body to ensure the social, economic and environmental benefits of a new town in perpetuity.
- Additional policy and capacity support for local authorities. While the regulations set the legal framework, the Government should ensure there is clear guidance and policy support in place for councils looking to establish successful Development Corporations. The process for exploring and developing these models will be complex, time consuming and expensive and the Government should set out a plan for supporting local authorities to make the most of these opportunities.