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Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: qA1297805

Chair of the Economy, Skills & Infrastructure Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

25 July 2019

Dear Russell,

**Economy, Infrastructure and Skills Committee –
Compulsory Purchase**

I would like to thank the members of the Economy, Infrastructure and Skills Committee for their report on compulsory purchase. I am particularly pleased to see the Committee's recommendations are in line with our current and future plans. The Welsh Government believes compulsory purchase powers are an important tool for local authorities and other public bodies to use as a means of assembling land needed to help deliver environmental, social and economic change. Used properly, they can contribute towards effective and efficient regeneration, placemaking, the revitalisation of communities, and the promotion of business – leading to improvements in quality of life.

An objective of the Welsh Government is to increase confidence and understanding amongst local authorities of the compulsory purchase regime in Wales to reduce barriers to the use of compulsory purchase powers. We are also considering how best to bring together expertise in this area to provide a viable service which all local authorities can use.

I have set out our response to the Report's individual recommendations in the annex to this letter.

Yours sincerely

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Economy, Infrastructure and Skills Committee

Compulsory Purchase

Committee Recommendation	Welsh Government Response	Comments	Delivery Timeframe	Financial Implications
<p><u>Recommendation 1</u></p> <p>The Welsh Government should work with a wide range of users to ensure that its forthcoming revision to the circular on Compulsory Purchase Orders provides clear guidance to all who might wish to use, or contest a CPO.</p>	Accept	The Welsh Government intends to consult and engage widely on a draft updated Circular on Compulsory Purchase. The following stakeholders, amongst others, will be targeted: Local Authorities, businesses, specialist bodies including Compulsory Purchase Association, RICS, RTPI, Sustrans, landowner representatives.	Consultation on the draft updated Welsh Government Circular on Compulsory Purchase to commence in Autumn 2019.	None. Any additional costs will be drawn from existing programme budgets.
<p><u>Recommendation 2</u></p> <p>Welsh Government's updated circular on Compulsory Purchase Orders should provide a clear steer to local authorities on the benefits of the Compulsory Purchase Order process and Welsh Government's commitment to its use as one important tool to resolve issues relating to derelict property and land and barriers to infrastructure development. The circular should actively challenge negative perceptions of the CPO process, and point local authorities to sources of advice and support to build the confidence of councillors and officers in pursuing it as an option.</p>	Accept	<p>The Welsh Government intends to include in its updated Circular on Compulsory Purchase clear and up-to-date guidance on the compulsory purchase powers available to Local Authorities and the issues they need to consider when justifying use of their statutory powers in the public interest.</p> <p>The updated Circular on Compulsory Purchase will also include examples of best practice on the making of CPOs and updated templates for the drafting of CPOs which Local Authorities will be encouraged to adopt.</p>	Consultation on the draft updated Welsh Government Circular on Compulsory Purchase to commence in Autumn 2019.	None. Any additional costs will be drawn from existing programme budgets.

<p><u>Recommendation 3</u> The Welsh Government should emulate the Scottish Government's pre-checking service for draft CPOs by establishing a small expert unit within Welsh Government to conduct timely, enhanced technical pre-checks. The service should be set up in such a way that it is effective in streamlining the process for Acquiring Authorities to formally submit CPOs to Welsh Government for confirmation. It should also be entirely separate from any advice-giving function, to avoid any public perception of prejudicing the process of confirming CPOs.</p>	<p>Accept in principle</p>	<p>The Welsh Government's current compulsory purchase guidance (<i>NAFW Circular 14/2004: Revised Circular on Compulsory Purchase Orders</i>) advises acquiring authorities may ask the Welsh Ministers to undertake a technical examination of their draft CPOs. The updated Circular on Compulsory Purchase will enhance this advice which will be promoted by the Welsh Government to ensure acquiring authorities are aware of the service when drafting their CPOs.</p> <p>Officials will explore methods to develop the Welsh Government's technical examination service. Including producing procedural guidance for acquiring authorities on how they should submit draft CPOs for technical examination to the Welsh Government and what matters will be considered.</p>	<p>Officials will present options to the Minister on the enhancement of the Welsh Government's technical examination service by March 2020 in order for a final decision to be made.</p>	<p>None. Any additional costs will be drawn from existing programme budgets.</p>
<p><u>Recommendation 4</u> In the case of dispute, the Welsh Government should encourage both sides to engage in dispute resolution in an effort to avoid a potentially expensive journey through the legal system.</p>	<p>Accept</p>	<p>The Welsh Government's current compulsory purchase guidance (<i>NAFW Circular 14/2004: Revised Circular on Compulsory Purchase Orders</i>) urges acquiring authorities to consider offering to those with concerns about a CPO full access to using alternative dispute resolution (ADR) techniques. The Welsh Government recognises the use of ADR can save time and money for parties involved with a CPO, while its relative</p>	<p>Consultation on the draft updated Welsh Government Circular on Compulsory Purchase to commence in Autumn 2019.</p>	<p>None. Any additional costs will be drawn from existing programme budgets.</p>

		<p>speed and informality may also help to reduce the pressure which the process can place on those affected.</p> <p>The updated Circular on Compulsory Purchase will include enhanced advice on the benefits of using ADR.</p> <p>Officials are engaging with the RICS dispute resolution service on improvements to the RICS ADR offer for CPO compensation work.</p>		
<p><u>Recommendation 5</u> In addition to publishing its updated Circular, Welsh Government should prioritise the active promotion of other measures, such as detailed guidance, training and seminars, to improve confidence and understanding amongst local authorities and dispel myths about the CPO process.</p>	Accept	<p>The Welsh Government is committed to improving confidence and understanding amongst Local Authorities in Wales of the compulsory purchase regime in Wales to remove barriers to the use of their compulsory purchase powers.</p> <p>As part of this work, officials will produce a CPO Manual to provide detailed, step-by-step technical guidance to acquiring authorities on the process of making a CPO. Consideration will also be given to the delivery of a training programme on how to use the manual.</p>	A procurement process will be undertaken to appoint expert services to inform the development of the CPO Manual to be published by March 2020.	None. Any additional costs will be drawn from existing programme budgets.
<p><u>Recommendation 6</u> Welsh Government should work with local authorities and other stakeholders to find ways to “unblock” the process of using CPOs to develop cycle routes. This should include a) updating active travel guidance to emphasise the benefits of choosing the most appropriate route which</p>	Accept	<p>The Welsh Government will work with partners to identify and reduce barriers to using CPO powers for the creation of walking and cycling routes. The updated Statutory Guidance supporting the Active Travel Act will highlight that CPOs should be used where they offer the best way of securing the most appropriate route. The Welsh Government’s updated Circular on</p>	<p>The review of statutory active travel guidance is underway with consultation planned for Autumn 2019.</p> <p>Consultation on the draft updated</p>	None. Any additional costs will be drawn from existing programme budgets

<p>involves the use of CPO powers over a lower grade alternative, and b) using its updated Circular and other activities to build confidence within local authorities about using the CPO procedure to develop walking and cycling routes, and to share expertise and best practice.</p>		<p>Compulsory Purchase will also include enhanced guidance on CPOs made to acquire land for the purposes of facilitating active travel routes and the assessment of alternative proposals.</p>	<p>Welsh Government Circular on Compulsory Purchase to commence in Autumn 2019.</p>	
<p><u>Recommendation 7</u> A central unit should be established in Wales as soon as possible to act as a shared resource of expertise on CPOs for Acquiring Authorities, in particular local authorities. It should provide advice, mentoring and support to Acquiring Authorities. Welsh Government should consider whether this requires a strengthening of existing expertise within the civil service (separate from those responsible for confirming CPOs or providing any technical check) or the establishment of a separate unit within local government, and set out clearly its rationale for the approach taken.</p>	<p>Accept in principle</p>	<p>The Welsh Government supports in principle the creation of a Public Sector Land Division to meet the needs of public authorities in Wales.</p> <p>It is anticipated the Division could provide a mechanism for the sharing of expertise and highlighting of best practice to address skill gaps in the public sector which impede the development of public land for public policy benefit. Skill gaps include: compulsory purchase, land assembly and project delivery.</p> <p>The Local Government and Elections (Wales) Bill will also provide a mechanism for joint working by local authorities at a regional level – currently referred to as Statutory Joint Committees.</p> <p>A Statutory Joint Committee could provide a mechanism for local government to share their functions, resources, capacity and expertise at a regional level to address skill shortages in specified policy areas.</p>	<p>Ongoing - the remit of the Public Sector Land Division will evolve over the coming months.</p> <p>The Local Government and Elections (Wales) Bill will be introduced to the National Assembly for Wales in the Autumn of 2019.</p>	<p>None. Any additional costs will be drawn from existing programme budgets.</p>