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## WRITTEN STATEMENT BY THE WELSH GOVERNMENT

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<b>TITLE</b>	<b>Levelling-up and Regeneration Bill – Compulsory Purchase Amendments - Hope Value and Compensation</b>
<b>DATE</b>	<b>16 August 2023</b>
<b>BY</b>	<b>Julie James MS, Minister for Climate Change</b>

This written statement is laid under Standing Order 30 – Notification in relation to UK Parliament Bills. It relates to a UK Government Amendment 412D<sup>1</sup>, tabled on 13 March 2023 during the Lords Committee Stage, in the Levelling-up and Regeneration Bill (“the Bill”) which will modify the Welsh Ministers’ functions but does not require a Legislative Consent Motion under Standing Order 29, as Senedd Cymru does not have legislative competence in relation to the amendment provision. The Bill was introduced in the UK Parliament, the House of Commons, on 11 May 2022.

Other provisions in the Bill regarding land use planning; environmental outcome reports for certain consents; information and records relating to land, the environment or heritage; governance of the Royal Institution of Chartered Surveyors; and vagrancy and begging required the legislative consent of the Senedd. I laid a Legislative Consent Memorandum<sup>2</sup> and a Written Statement<sup>3</sup> before Senedd Cymru on 28 September 2022 in accordance with Standing Order 29 and 30 respectively. A revised Legislative Consent Memorandum<sup>4</sup> was laid on 25 November 2022. A Supplementary Legislative Consent Memorandum<sup>5</sup> was laid on 30 November 2022 relating to several UK Government amendments that had been tabled during Commons Report stage. A Written Statement<sup>6</sup> was laid on 21 March relating to UK Government amendments

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<sup>1</sup> <https://bills.parliament.uk/publications/50270/documents/3123>

<sup>2</sup> <https://senedd.wales/media/5gdfx1u1/lcm-ld15356-e.pdf>

<sup>3</sup> [gen-ld15357-e.pdf \(senedd.wales\)](https://senedd.wales/media/gen-ld15357-e.pdf)

<sup>4</sup> <https://senedd.wales/media/rw0nf3iz/lcm-ld15495-e.pdf>

<sup>5</sup> <https://senedd.wales/media/1fwfrofa/slcm-ld15508-e.pdf>

<sup>6</sup> [Written Statement: Levelling-up and Regeneration Bill – Virtual Proceedings Amendment \(21 March 2023\) | GOV.WALES](https://gov.wales/written-statement-levelling-up-and-regeneration-bill-virtual-proceedings-amendment-21-march-2023)



relating to virtual proceedings. A further supplementary Legislative Consent Memorandum<sup>7</sup> was laid on 27 April 2023 in relation to amendments to Environmental Outcomes Reports, which fell within the legislative competence of the Senedd. The same day I laid a further Written Statement<sup>8</sup> in relation to amendments to Part 9 Compulsory Purchase provisions and Hope Value.

### **The relevant amendments**

The tabled amendment address compulsory purchase compensation by providing an enabling power to the Welsh Ministers to seek directions to remove hope value from compulsory purchase compensation for the acquisition of land through Compulsory Purchase Orders made under the Welsh Development Agency Act 1975 (WDAA 1975).

‘Hope value’ refers to uplift in the value of land when taking account of what planning permission could be granted should the compulsory purchase scheme not proceed. The amendments include inserts into Part 1 of Schedule 4 to the WDAA 1975 (procedure for compulsory acquisition under that Act) which sets out the procedure that the Welsh Ministers will be required to follow if they make a direction that compensation is to be assessed in accordance with section 14A of the Land Compensation Act 1961. The procedure includes preparing a statement of commitments setting out the intentions of the acquisition which include a provision of a certain number of units of affordable housing. The inclusion of this power therefore brings with it significant potential benefits in the context of regeneration and housing.

The amendments laid also extend the power for directions to be sought to remove hope value from compulsory purchase compensation for Compulsory Purchase Orders to those made by NHS Trusts in Wales under paragraph 27 of Schedule 3 of the National Health Service (Wales) Act 2006.

The amendments laid also change the definition of “unit of affordable housing” to ensure the existing definition within the meaning of Part 2 of the Housing and Regeneration Act 2008 is correctly made to apply in Wales.

As I set out in my Written Statements<sup>9</sup> dated 28 September 2022, 21 March 2023 and 27 April 2023 relating to the Bill, Senedd Cymru has limited competence in respect of compulsory purchase in devolved areas, including housing and land use planning. In practice, this means any proposed modifications to the law of compulsory purchase, via primary legislation, must clearly be in the context of specified changes to land use

<sup>7</sup> <https://senedd.wales/media/hbpecjfk/slcm-ld15802-e.pdf>

<sup>8</sup> [Written Statement: Levelling-up and Regeneration Bill – Compulsory Purchase Amendments - Hope Value and Compensation \(27 April 2023\) | GOV.WALES](#)

<sup>9</sup> [gen-ld15357-e.pdf \(senedd.wales\)](#) <https://www.gov.wales/written-statement-levelling-and-regeneration-bill-virtual-proceedings-amendment> <https://www.gov.wales/written-statement-levelling-and-regeneration-bill-compulsory-purchase-amendments-hope-value-and>



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planning law or another non reserved matter. Senedd Cymru is therefore unable to modify the law of compulsory purchase generally, or for its own sake or to achieve reserved ends. This prevents Senedd Cymru from modifying the general rules on compulsory purchase and compensation for compulsory acquisition in legislation such as the Acquisition of Land Act 1981 in respect of all compulsory acquisitions in Wales.

The provision will add an additional aspect to the existing functions of the Welsh Ministers functions in their role as confirming authority. Therefore, the provision falls under Standing Order 30 for provisions which will modify the Welsh Ministers functions, but do not require a Legislative Consent Motion under Standing Order 29.

### **Reasons for making the provision**

The Welsh Government is committed to improving the compulsory purchase process to make it fairer, more efficient, and intelligible. Our priority is to remove barriers to, and encourage greater use of, compulsory purchase powers by local authorities through streamlining and modernising the compulsory purchase process. We consider the amendments are an improvement through rebalancing the position between acquiring authority and landowner.

I consider that it is appropriate for the provision relating to compulsory purchase to apply in relation to Wales and for it to be included in this Bill.

This statement is being issued during recess in order to keep members informed. Should members wish me to make a further statement or to answer questions on this when the Senedd returns I would be happy to do so