
WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Levelling-up and Regeneration Bill – Compulsory Purchase Amendments - Hope Value and Compensation**

DATE **27 April 2023**

BY **Julie James MS, Minister for Climate Change**

This written statement is laid under Standing Order 30 – Notification in relation to UK Parliament Bills. It relates to a UK Government Amendment 412D¹, tabled on 13 March 2023 during 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 the 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 Memorandum² and a Written Statement³ before Senedd Cymru on 28 September 2022 in accordance with Standing Order 29 and 30 respectively. A revised Legislative Consent Memorandum⁴ was laid on 25 November 2022. A Supplementary Legislative Consent Memorandum⁵ was laid on 30 November 2022 relating to several UK Government amendments that had been tabled during Commons Report stage. A Written Statement⁶ was laid on 21 March relating to UK Government amendments relating to virtual proceedings.

The relevant amendments

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

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

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

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

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

⁶ [Written Statement: Levelling-up and Regeneration Bill – Virtual Proceedings Amendment \(21 March 2023\) | GOV.WALES](#)

The tabled amendment will enable certain public sector acquiring authorities where they are facilitating affordable housing, education, or health related development via a compulsory purchase order to be able to request a direction from the confirming authority (in this instance Welsh Ministers) that, for a specific scheme, compensation payments would not need to be made in respect of hope value where it can be demonstrated there is a case in the public interest. It also allows for the effect of that direction to be reversed if the land is not subsequently used as planned.

Currently, compensation is payable in a compulsory acquisition for the potential for planning permission on a site, known as hope value. Section 14 of the Land Compensation Act 1961 (the 1961 Act) provides that prospective planning permission can be taken into account when assessing compensation for compulsory acquisition. The tabled amendment would insert a new section into the Acquisition of Land Act 1981 (the 1981 Act) that allow an acquiring authority to seek a direction disapplying section 14 of the 1961 Act so that hope value could not be taken into account in certain defined circumstances.

The main principles under this new section are that the acquiring authority must list the authorising enactment (i.e., the compulsory purchase power) relating to either housing, NHS or education in the order, and submit a 'statement of commitments' setting out the acquiring authority's intentions for the land if the acquisition proceeds. In the case of acquisitions relating to housing, this must include the provision of a certain number of units of affordable housing. The acquiring authority may also include in the order that compensation is to be assessed in accordance with the new section 14A of the 1961 Act.

If the confirming authority decides to confirm the order, it must be satisfied that the direction is in the public interest, if not, it must modify the order to remove the direction. The provisions include further detail on the conditions that need to be met and how to calculate the amount of compensation that is to be paid, if eligible. The provisions also include regulation making powers for the Welsh Ministers to make provision about the procedure for eligible applications, the steps that must be taken by the acquiring authority or the confirming authority, interest and when compensation should be paid.

As I set out in my Written Statements⁷ dated 28 September 2022 and dated 21 March 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 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

⁷ [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-virtual-proceedings-amendment)

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.

Notwithstanding my position on the legislative consent for this Bill as set out in relevant legislative consent memoranda, 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.