Draft Regulations laid before Parliament under section 77(2A) of the New Towns Act 1981, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2018 No.

NEW TOWNS, ENGLAND

The New Towns Act 1981 (Local Authority Oversight) Regulations 2018

Made - - - - ***

Coming into force in accordance with regulation 1

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 1A(4) and (5) of the New Towns Act 1981(**a**).

In accordance with section 77(2A) of that Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the New Towns Act 1981 (Local Authority Oversight) Regulations 2018 and come into force on the day after the date on which they are made.

Interpretation

2. In these Regulations—

"the 1981 Act" means the New Towns Act 1981;

"locally-led new town" means a new town, designated by order under section 1 of the 1981 Act (designation of areas), in relation to which the Secretary of State has appointed an oversight authority; and

"oversight authority" means one or more local authorities appointed by the Secretary of State to oversee the development of a new town pursuant to section 1A(2) of the 1981 Act (local authority to oversee development of new town).

Functions of oversight authority

3.—(1) In relation to a locally-led new town, the oversight authority for the new town is to exercise the functions of the Secretary of State under the following provisions of the 1981 Act—

(a) section 4(4) (objects and general powers of development corporations);

(**a**) 1981 c. 64. Section 1A was inserted by section 16(2) of the Neighbourhood Planning Act 2017 (c. 20). Section 77(2A) was inserted by section 16(3) of the Neighbourhood Planning Act 2017.

(b) section 5(2) and (3) (restrictions on powers of development corporations)(**a**);

(c) section 7(1) (planning control);

(d) section 10(1) or (3) (acquisition of land by development corporations) excluding the function of confirming an order in accordance with Schedule 4 to the 1981 Act, which remains with the Secretary of State;

(e) section 17(2) (conditions as to disposal);

(f) section 59 (other borrowing powers of development corporations);

(g) section 71 (information);

(h) section 73(2) (rights of entry);

(i) paragraph 1 of Schedule 2 (disposal of land); and

(j) Schedule 3 (constitution and proceedings of development corporation),

(2) So far as is necessary for the purposes of or in consequence of paragraph (1), the provisions mentioned in paragraph (1) have effect as if references to the Secretary of State in those provisions were references to the oversight authority.

4.—(1) The oversight authority for a locally-led new town is to exercise the functions of the appropriate national authority under section 39(1) to (3) of the 1981 Act(**b**) and those provisions have effect subject to paragraph (2), as if—

(a) references to the appropriate national authority were references to the oversight authority, and

(b) reference to concurrence of the Treasury were omitted.

(2) Where a local authority which makes an agreement under section 39 of the 1981 Act with the development corporation is the oversight authority section 39 has effect as if—

(a) in subsection (1), the references to approval of the appropriate national authority and concurrence of the Treasury were omitted; and

(b) in subsection (2) and (3), the references to the appropriate national authority approving an agreement were references to the local authority making an agreement.

Functions of the Secretary of State

5. The functions of the Secretary of State under the following provisions of the 1981 Act may only be exercised by the Secretary of State in relation to a locally-led new town with the consent of the oversight authority for that new town—

(a) section 2 (reduction of designated areas);

(b) section 6 (allocation or transfer of new town functions);

(c) section 63 (Secretary of State's general power);

(d) section 65 (disposal of surplus funds); and

(e) paragraph 2 of Schedule 10 (additional provisions as to transfer of property).

Modifications of the 1981 Act

6. Schedule 1 makes further modifications to the provisions of the 1981 Act in relation to locally-led new towns.

(**a**) 1981 c. 64. Section 5 was amended by Schedule 4 to the New Towns and Urban Development Corporations Act 1985 (c. 5) and paragraph 64 of Schedule 25 to the Water Act 1989 (c. 15); section 17(2) was amended by Schedule 3 to the New Towns and Urban Development Corporations Act 1985; section 59 was amended by Schedule 5 to the Housing and Regeneration Act 2008 (c. 17) ("the 2008 Act") and article 4 of S.I. 2011/1043; section 71 was amended by Schedule 5 to the 2008 Act; paragraph 1 of Schedule 2 was amended by Schedule 3 to the New Towns and Urban Development Corporations Act 1985; paragraph 5 of Schedule 3 was amended by S.I. 2012/2404, and section 17(2) was amended by Schedule 5 to the 2008 Act.

(**b**) 1981 c.64. Section 39(1) to (3) was amended by Schedule 5 to the Housing and Regeneration Act 2008.

Consequential amendments

7. Schedule 2 contains consequential amendments.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Name
Parliamentary Under Secretary of State
Date Ministry of Housing, Communities and Local Government

SCHEDULE 1

Regulation 6

Modification of the 1981 Act

1. In relation to locally-led new towns, the 1981 Act is modified in accordance with the following provisions.

2. Section 3 (establishment of development corporations for new towns)(**a**) has effect as if for paragraph (c) of subsection (2) there were substituted—

"(c) such number of other members as may be prescribed by the order.".

3. Section 4 (objects and general powers of development corporations)(**b**) has effect as before subsection (1) there were inserted—

"(A1) The aim of the oversight authority in overseeing the development of an area as a new town is—

(a) to plan for the creation of a high quality settlement which is a sustainable community;

(b) to support sustainable development and good design; and

(c) to plan from the outset for—

(i) the long-term stewardship of the assets of the new town for the benefit of the community;

(ii) the participation of the community; and

(iii) the legacy arrangements following the dissolution of the new town development corporation.".

4. Section 7 (planning control)(**c**) has effect as if for subsection (2) there were substituted—

"(2) Where the oversight authority is the local planning authority (or is authorised to act on behalf of the local planning authority) for the whole or part of the area of the new town, the oversight authority may, in addition to approving proposals under subsection (1)—

(a) adopt them as a local development document (within the meaning of section 17 of the Planning and Compulsory Purchase Act 2004)(**d**);

(b) make a local development order under section 61A of the Town and Country Planning Act 1990(**e**), which grants planning permission for any development of land in accordance with proposals approved under subsection (1), and such permission shall be subject to such conditions, if any (including conditions requiring details of any proposed development to be submitted to the authority), as may be specified in the order.

(2A) Subsection (2) is without prejudice to the generality of—

(**a**) 1981 c. 64. There are amendments to section 3 not relevant to this instrument.
(**b**) 1981 c. 64. There are amendments to section 4 not relevant to this instrument.
(**c**) 1981 c.64. Section 7 was amended by Schedule 2 to the Planning (Consequential Provisions) Act 1990 (c.11).
(**d**) 2004 c.5.
(**e**) 1990 c.8. Section 61A was inserted by Section 40(1) of the Planning and Compulsory Purchase Act 2004 (c.5).

(a) Part 2 of the Planning and Compulsory Purchase Act 2004; and

(b) the powers conferred by section 61A of the Town and Country Planning Act 1990. ".

5. Section 41 (transfer of property and dissolution of corporation)(**a**) has effect as if—

(a) in subsection (1) for "shall by order direct" substitute "may, with the consent of the oversight authority for the new town in question, by order direct";

(b) after subsection (2) there were inserted—

"(2A) Where the oversight authority is comprised of more than one local authority an order under subsection (1) shall provide for the corporation's property, rights, liabilities and obligations to vest in the relevant transferee—

(a) in such proportions as those local authorities which were designated as the oversight authority have agreed provided the details of the agreement have been notified to the Secretary of State before the order is made; or

(b) in the absence of such notification, in such proportions as the Secretary of State considers appropriate.".

6. Section 41A (Part 2: interpretation)(**b**) has effect as if for the definition of "the relevant transferee" there were substituted—

""relevant transferee" means the local authority, or local authorities, designated as the oversight authority for the new town; and".

7. Section 59 (other borrowing powers of the development corporation) has effect as if for that section there were substituted—

"**59.** A development corporation may borrow (temporarily or otherwise) with the consent of the oversight authority, or in accordance with any general authority given by the oversight authority, in any currency from any person, such sums as the development corporation may require for meeting its obligations or performing its functions.".

8. Section 67 (accounts of development corporations) has effect as if for that section there were substituted—

"**Accounts and audit**

67. The Local Audit and Accountability Act 2014 applies to a locally-led new town development corporation as if the development corporation were a "relevant authority" (as defined in section 2 of, and Schedule 2 to, the Local Audit and Accountability Act 2014).".

9. Section 68 (audit), section 69 (Secretary of State's accounts) and section 70 (reports) have effect as if they were omitted.

10. Section 80(1) (general interpretation provisions)(**c**) has effect as if the following definition where inserted in the appropriate place—

""oversight authority" means one or more local authorities appointed by the Secretary of State to oversee the development of a new town pursuant to section 1A(2) of the 1981 Act (local authority to oversee development of new town);".

11. Schedule 3 (constitution and proceedings of development corporation)(**d**) has effect as if—

(a) for paragraph 1 there were substituted—

(**a**) 1981 c.64. Section 41 was amended by Schedule 5 to the Housing and Regeneration Act 2008 (c.17).
(**b**) 1981 c. 64. Section 41A was inserted by paragraph 9 of Schedule 5 to the Housing and Regeneration Act 2008 (c.17).
(**c**) 1981 c.64. There are amendments to section 80(1) not relevant to this instrument.
(**d**) 1981 c.64. There are amendments to Schedule 3 not relevant to this instrument.

"Appointment of members and tenure of office

1.—(1) The members of a development corporation (in this Schedule referred to as "the corporation") shall be appointed by the oversight authority and the authority must ensure it appoints a majority of independent members.

(2) In appointing members, the oversight authority must have regard to the desirability of appointing one or more persons resident in or having special knowledge of the locality in which the new town will be situated.

(3) In appointing a member, the oversight authority—

(a) must have regard to the desirability of appointing a person who has experience of, and has shown some capacity in, a matter relevant to the carrying-out of the development corporation's functions, and

(b) must be satisfied that the person will have no financial or other interest likely to affect prejudicially the exercise of the person's functions as member.

(4) The oversight authority—

(a) shall request nominations for members from each local authority which appear to the oversight authority to be concerned with the development of the new town (including any local authority which is, or forms part of, the oversight authority), and

(b) must appoint at least one member of the corporation from each relevant authority.

(5) The oversight authority must appoint two of the independent members to be chairman and deputy chairman of the corporation.

(6) On ceasing to be an elected member of a local authority a local authority nominated member also ceases to be a member of the corporation.

(7) In this paragraph—

"independent member" means any person who is appointed to be a member of the corporation who is not a local authority nominated member;

"local authority nominated member" means an elected member of a local authority who is appointed to be a member of the corporation following a nomination by a local authority under sub-paragraph (4); and

"relevant authority" means a local authority where any part of the designated area of the new town is within the authority's area.".

(b) for paragraphs 7 to 9 there were substituted—

"Remuneration

7. The corporation shall pay to their members, in respect of their office as such, such remuneration and such reasonable allowances in respect of expenses properly incurred in the performance of their duties as may be determined by the oversight authority, and shall pay to the chairman and deputy chairman, in respect of their office as such, such additional remuneration as may be so determined.

Pension benefits for chairmen

8. In the case of any person who is or has been the chairman of the corporation, the oversight authority may direct the corporation—

(a) to pay to or in respect of that person on retirement from office or death such pension, allowance or gratuity as may be so determined; or

(b) to make payments towards the provision of such a pension, allowance or gratuity.".

12. Schedule 10 (additional provisions as to transfer of property of development corporation)(**a**) has effect as if for paragraph 3(3)(a) there were substituted—

"(a) any permission for development in the new town granted by order made, or having effect as if made, under section 59 or 61A of the Town and Country Planning Act 1990 and in force on the transfer date shall continue in force as if references in the order to the development corporation included the relevant transferee;".

SCHEDULE 2

Regulation 7

Consequential amendments

Town and Country Planning (New Towns) Special Development Order 1977

1. In article 1 of the Town and Country Planning (New Towns) Special Development Order 1977(**b**), after paragraph (1) insert—

"(1A) This Order does not apply to a locally-led new town (as defined in regulation 2 of the New Towns (Local Authority Oversight) (England) Regulations 2018).".

Local Government Pensions Scheme Regulations 2013

2. In Part 2 of Schedule 2 to the Local Government Pensions Scheme Regulations 2013(**c**) after paragraph 13 insert—

"**13A.** A development corporation established under the New Towns Act 1981 in relation to which the Secretary of State has appointed one or more local authorities to oversee the development of the new town under section 1A of that Act."

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which apply in relation to England only, make provision for the local oversight of new town development corporations. The Regulations apply where the Secretary of State, pursuant to section 1A(2) of the New Towns Act 1981 ("the Act"), makes an order under section 1 of the Act appointing one or more local authorities to oversee ("an oversight authority") the development of the area as a new town ("locally-led new town").

Regulations 3 and 4 specify the functions of the Secretary of State under the Act which are to be exercised by the oversight authority instead of the Secretary of State.

Those include:

(a) where the oversight authority is the local planning authority for the area, approval of new town development corporations' plans for development of the new town;

(b) the appointment of the Board members of the new town development corporation;

(c) approval of land acquisitions or disposals by the new town development corporation; and,

(d) consenting to the development corporation's borrowing.

Regulation 5 specifies the functions of the Secretary of State which can only be exercised by him with the consent of the oversight authority.

Those include: making an Order to reduce the size of the area designated for the new town; and, making an Order for the dissolution of the new town development corporation.

(**a**) 1981 c.64. Schedule 10 was amended by Schedule 5 to the Housing and Regeneration Act 2008 (c.17).
(**b**) S.I. 1977/665. There are amendments not relevant to these Regulations.
(**c**) S.I. 2013/2356. There are amendments not relevant to these Regulations.

Regulation 6 provides that where the Secretary of State has designated an area as a locally-led new town the Act applies with the modifications set out in Schedule 1.

Regulation 7 and Schedule 2 make provision for consequential amendments in relation to locally-led new towns.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

© Crown copyright 2018

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Jeff James, Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament.

£6.00

UK201805311009 06/2018 19585

http://www.legislation.gov.uk/id/ukdsi/2018/9780111169995

ISBN 978-0-11-116999-5

9 780111 169995