

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Fourth Delegated Legislation Committee

DRAFT NEW TOWNS ACT 1981 (LOCAL  
AUTHORITY OVERSIGHT) REGULATIONS 2018

*Monday 16 July 2018*

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**Friday 20 July 2018**

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**The Committee consisted of the following Members:**

*Chair:* MR VIRENDRA SHARMA

- |   |   |
|---|---|
| † Blackman-Woods, Dr Roberta ( <i>City of Durham</i> )<br>(Lab) | † Mills, Nigel ( <i>Amber Valley</i> ) (Con)                |
| † Elmore, Chris ( <i>Ogmore</i> ) (Lab)                         | Morgan, Stephen ( <i>Portsmouth South</i> ) (Lab)           |
| Godsiff, Mr Roger ( <i>Birmingham, Hall Green</i> ) (Lab)       | † Morris, Anne Marie ( <i>Newton Abbot</i> ) (Con)          |
| † Goldsmith, Zac ( <i>Richmond Park</i> ) (Con)                 | † Slaughter, Andy ( <i>Hammersmith</i> ) (Lab)              |
| † Herbert, Nick ( <i>Arundel and South Downs</i> ) (Con)        | Snell, Gareth ( <i>Stoke-on-Trent Central</i> ) (Lab/Co-op) |
| Hoey, Kate ( <i>Vauxhall</i> ) (Lab)                            | † Tolhurst, Kelly ( <i>Rochester and Strood</i> ) (Con)     |
| † Howell, John ( <i>Henley</i> ) (Con)                          | † Western, Matt ( <i>Warwick and Leamington</i> ) (Lab)     |
| † Hughes, Eddie ( <i>Walsall North</i> ) (Con)                  |   |
| † Jones, Mr David ( <i>Clwyd West</i> ) (Con)                   | Margaret McKinnon, <i>Committee Clerk</i>                   |
| † Malthouse, Kit ( <i>Minister for Housing</i> )                | † <b>attended the Committee</b>                             |

## Fourth Delegated Legislation Committee

Monday 16 July 2018

[MR VIRENDRA SHARMA *in the Chair*]

### Draft New Towns Act 1981 (Local Authority Oversight) Regulations 2018

4.30 pm

**The Minister for Housing (Kit Malthouse):** I beg to move,

That the Committee has considered the draft New Towns Act 1981 (Local Authority Oversight) Regulations 2018.

It is a pleasure to serve under your chairmanship, Mr Sharma. The draft regulations were laid before this House on Monday 4 June 2018. If approved, they will allow for the establishment of new locally led town development corporations to be overseen by the local authorities covering the area designated for the new town. Currently, any newly created town development corporation is overseen by the Secretary of State for Housing, Communities and Local Government.

The Government are committed to helping fix the broken housing market and close the gap in getting towards building 300,000 homes a year. Garden towns and villages are a key part of that, and we want them to have every lever at their disposal.

Where there are complex delivery and co-ordination challenges, we consider that new town development corporations may be the right vehicles for driving forward high-quality new communities at scale. With a statutory objective to secure the laying out and development of the new town and their own suite of powers, they should have the focus and heft to get things done. In line with our locally led approach to new garden towns and villages, we think it is right to provide the option for new town development corporations to be overseen not by the Secretary of State but by the local authorities covering the area for the new town. Our housing White Paper, “Fixing our broken housing market”, published in February 2017, therefore committed the Government to legislating to allow locally led new town development corporations to be set up. Section 16 of the Neighbourhood Planning Act 2017 enables that to happen by providing a regulation-making power to set out the necessary detail to make it work in practice.

The draft regulations effect a simple principle: the transfer of functions relating to the oversight of a new town development corporation from the Secretary of State to the local authority or authorities covering the area of the new town. As the length of the draft regulations testifies, in practice that process is not as straightforward as replacing the words “Secretary of State” with the words “local authority” in the New Towns Act 1981.

Some functions, such as the confirmation of compulsory purchase orders, will remain with the Secretary of State, and it will, of course, continue to be the Secretary of State who will lay the regulations that designate new towns and establish and dissolve new town development

corporations. Some provisions, such as those relating to audit and accounts and planning, have required amendment to make them work in a context where the development corporation answers not to central Government but to local councils.

I emphasise that the draft regulations do not change the powers of new town development corporations; they simply localise oversight of the development corporation. Moreover, although the draft regulations provide the mechanism for a locally led new town development corporation to be set up, they do not enable Government to simply do so at the behest of a local authority or group of local authorities. If, as we hope and expect, local authorities consider a locally led new town development corporation to be the right vehicle, we will need to undertake a public consultation, and only if we consider designating the particular new town to be expedient in the national interest would we lay a statutory instrument to that effect. It is also important to note that Parliament will have an opportunity to scrutinise each proposal for the designation of a new town, because a statutory instrument designating a new town must be debated in both Houses.

In conclusion, if approved, the draft regulations will allow newly established town development corporations to be overseen by local authorities, via further statutory instruments laid under the affirmative procedure. In short, the draft regulations support locally led ambitions for high-quality new development at scale. They provide an important lever for delivering the transformational housing growth we need, while ensuring that surrounding existing communities can also benefit through well-planned infrastructure and community amenities.

4.34 pm

**Dr Roberta Blackman-Woods (City of Durham) (Lab):** It is a pleasure to serve under your chairmanship, Mr Sharma. I welcome the Minister to his new position and hope that he manages to stay in it for some time—I have lost count of the number of housing and planning Ministers I have shadowed over the years. I thank him for outlining why the Government wish to introduce the regulations. I understand the need for them, having discussed this issue throughout the passage of the Neighbourhood Planning Act 2017.

The Opposition do not intend to divide the Committee largely because, as I pointed out often during the passage of the Act, the Government’s approach to new towns borrows heavily from ideas set out by Labour in the Lyons review, published in 2014, on how to deliver more housing for the nation. The review had a whole chapter on garden cities and new towns. On page 95, we say:

“The process of establishing the sites for new Garden Cities is both politically and technically complex...The evidence is clear that Garden Cities will not happen without local support and therefore we propose that the process will be locally-led with designation proposed by local authorities”

and proposals from other local agencies. We set out the policy intention to enable local authorities to lead on garden cities and new towns in 2014, and we are pleased that the Government have taken our idea on board, but I have a few questions for the Minister.

The regulations seek to create an oversight mechanism for new town development that reflects the locally led approach to new garden cities and villages. That is set out clearly in what the Government want to do. We are

pleased that new town development corporations can be locally led, but if that is to happen local authorities need to be adequately supported and, from the information in paragraph 7.4 of the explanatory memorandum and regulation 2, I am not sure that that is the case.

Although the Opposition welcome the fact that new towns will be locally led, we have some concerns about what schedule 1, which modifies the 1981 Act, says that a new town should encompass. Our contention is not with what the schedule says but with what is missing. The Government say a new town should be expected to be

“a high quality settlement which is a sustainable community”,  
that it should

“support sustainable development and good design”,

that it should have a plan for the long-term stewardship of assets, that there should be participation from the local community and that arrangements should be set in place for a legacy from the new town development corporation. However, that is not the same as adopting garden city principles to underpin new towns. There is nothing in that list about ensuring a degree of affordability and mix in the local community or how the new settlements might address climate change, and there is nothing specific about how the infrastructure that makes new settlements work, particularly through access to transport and employment, will be funded.

There is a reliance on local authority borrowing to finance new towns in paragraphs 7 and 8 of schedule 1. Indeed, I cannot see where the Government outline their financial commitment to supporting local authorities who propose plans for new towns or garden villages, and the Minister can tell me if I missed it. I accept that the Government have made a small amount of money available for the garden towns programme, some of which is for infrastructure, but the general consensus seems to be that it is nothing like what is needed if local authorities are to be encouraged and incentivised to bring forward local new town development corporations.

It seems very curious for the Government to shift the whole financial responsibility for new towns to local government when many local authorities up and down the country have had their budgets cut massively for the past 10 years. The Opposition think that that might mean that it will be very difficult for local authorities, even if they wish to establish a new town development corporation, to do so, because they will be worried about financial liability and, perhaps, the lack of support from central Government.

Similarly, I have some issues with paragraph 11 of schedule 1 about the appointment of members to the corporation board, and their tenure of office. It is good that the Government want some resident membership of the board, or local knowledge reflected on it, and we would expect to see that in a proposal made by local authorities. But the local voice could always be heard under the current system, through the public inquiry process. There does not appear to be any mention in the regulations of local authorities' new town proposals needing to go through a public inquiry process. Indeed, when outlining the process a few minutes ago, the Minister said there would be public consultation, but we do not know what that will be. Will the Minister confirm that there is no requirement for a public inquiry

in the process, and that that is a change? Will he inform the Committee of how that public consultation will be carried out in future?

As I said earlier, Labour does not wish to reject any proposals, including these, that might lead to the creation of new towns and help deal with our housing crisis, but we would have liked to see the proposals for new towns genuinely reflect garden city principles so that their success for the longer term could be guaranteed. If the Government are going to swipe our policies, that is fair enough, but we would like them to implement them properly. I look forward to hearing the Minister's comments.

4.42 pm

**Kit Malthouse:** It is a great pleasure on my first outing as Minister in a Delegated Legislation Committee to preside over a break-out of cross-party consensus. Obviously, great minds think alike on local control. I am pleased that the hon. Lady has seen the importance of having local control over some of the drivers of new towns and how that it is likely to inject an element of dynamism into the proposals. She has raised a number of questions; if I do not get to them all, I am more than happy to write to her and clarify.

On support, there is a coincidence of interest between the Government and a group of local authorities that promote the new garden town to get the thing off the ground and get it built as quickly as possible. It is certainly the case that we would expect to be part of the ongoing dialogue that will take place beyond the establishment of the development corporation. The hon. Lady has my commitment that that would be the case, and I hope that of my successors whenever they may come—hopefully not for a long time. We have made a significant financial commitment, as she knows, of £22 million, with £7 million available this year. We have other pots of money, in particular for infrastructure. She knows that there is a £5 billion pot is available in the housing infrastructure fund to enable and accelerate development where appropriate.

On appointments, it is worth bearing in mind that we are increasing local democratic oversight. Although we encourage local authorities to ensure that local representation is embedded in the governance structure, the responsibility for that governance will fall to local, democratically elected politicians. An element of improved direct local oversight and local voices in the organisation will come about because of the draft regulations.

On the public inquiry, we want to make sure that the development corporations can be established as quickly and unbureaucratically as possible. There will be an up-front assessment process. The Secretary of State will look carefully at the robustness of the plans, particularly around some of the elements that were mentioned—community involvement, plans for the legacy, ongoing stewardship of the development corporation—and at their financial viability and deliverability before he or she, whoever the Secretary of State is, tables the regulation for the establishment of the development corporation. The House will then get a chance through the affirmative procedure to make known its own views about the likely success of the corporation being established. As far as we can see, that seems a sensible, non-bureaucratic—as lightly bureaucratic as we can get it—process to get these things established.

*[Kit Malthouse]*

I am sure the hon. Lady agrees with me that the housing need in this country is extremely pressing. We do not want to see undue delay where there is an accepted view among local democratically elected representatives that this is what they want to do. If a robust plan has been developed, it should proceed.

**Dr Blackman-Woods:** We would like reassurance from the Government that, if they are not going down the public inquiry line, there will be a real opportunity for local voices to be heard on what the new town will encompass. Local people often know best how to achieve the end product. I want to know a little more about what the Government intend to do. The Minister does not have to provide us with the information about how local voices will be included today, but can he at some point?

**Kit Malthouse:** We will look at things on a case-by-case basis, but the whole point of the regulations is to make local voices louder. Local authorities—people who have been elected by local people—are the progenitors of the idea. The hon. Lady raised issues about affordable housing, climate change and all that kind of stuff. We

should not forget that the planners will be intrinsically involved. While the development corporation is able to master-plan and make proposals, the local planners will ultimately make decisions about those kinds of issues. The local voice will be very strong in these organisations. They will serve the areas they are designated in much better than they have done thus far. I am happy to elucidate further if the hon. Lady wishes. If she has specific questions, she can drop me a line and I will be happy to respond.

We have debated regulations that will enable local areas to use the New Towns Act 1981—previously the preserve of central Government—to create their own locally led new town development corporations. This will give local authorities a powerful and effective tool for driving forward high quality new garden communities at scale. It is a game-changing move that puts local areas in the driving seat of developing new towns. We are really very excited—certainly I am, having campaigned on these issues in the past—to see how the measure will be picked up and used to deliver exemplary new settlements. I again commend the draft regulations to the Committee.

*Question put and agreed to.*

4.48 pm

*Committee rose.*



