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Public Bill Committee

PLANNING AND INFRASTRUCTURE BILL

Eleventh Sitting

Tuesday 20 May 2025

(Morning)

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Saturday 24 May 2025

The Committee consisted of the following Members:

Chairs: Wera Hobhouse, Dr Rupa Huq, † Christine Jardine, Derek Twigg

† Amos, Gideon *(Taunton and Wellington)* (LD)
† Caliskan, Nesil *(Barking)* (Lab)
† Chowns, Ellie *(North Herefordshire)* (Green)
† Cocking, Lewis *(Broxbourne)* (Con)
† Dickson, Jim *(Dartford)* (Lab)
† Ferguson, Mark *(Gateshead Central and Whickham)* (Lab)
† Glover, Olly *(Didcot and Wantage)* (LD)
† Grady, John *(Glasgow East)* (Lab)
† Holmes, Paul *(Hamble Valley)* (Con)
† Kitchen, Gen *(Wellingborough and Rushden)* (Lab)
† Martin, Amanda *(Portsmouth North)* (Lab)
† Murphy, Luke *(Basingstoke)* (Lab)
† Pennycook, Matthew *(Minister for Housing and Planning)*
† Pitcher, Lee *(Doncaster East and the Isle of Axholme)* (Lab)
† Shanks, Michael *(Parliamentary Under-Secretary of State for Energy Security and Net Zero)*
† Simmonds, David *(Ruislip, Northwood and Pinner)* (Con)
† Taylor, Rachel *(North Warwickshire and Bedworth)* (Lab)

Simon Armitage, *Committee Clerk*

† attended the Committee

Public Bill Committee

Tuesday 20 May 2025

(Morning)

[Christine Jardine *in the Chair*]

Planning and Infrastructure Bill

9.25 am

The Chair: I remind Members to send their speaking notes by email to hansardnotes@parliament.uk and to switch electronic devices to silent, please. Tea and coffee are not allowed during sittings. Interventions are taken at the discretion of the Member who has the Floor and they should be short and pithy. Members may bob to make another speech if they want to speak at greater length.

Clause 79

Areas for development and remit

Question proposed, That the clause stand part of the Bill.

The Minister for Housing and Planning (Matthew Pennycook): It is a pleasure to continue our proceedings with you in the Chair, Ms Jardine. We have now reached part 4 of the Bill, which concerns development corporations. Among other reforms, the Government are clear that boosting housing supply requires renewed focus on building large-scale new communities across England. Development corporations are statutory bodies established for the purpose of urban development and regeneration. They are important vehicles for delivering large-scale and complex regeneration and development projects. The four clauses in this part are designed to create a clearer, more flexible and more robust framework for their operation.

Clause 79 strengthens development corporations by providing greater clarity and flexibility for them in terms of the variety, extent and types of geographical area over which they can operate. That will ensure that development corporations can be used to respond to site-specific challenges, without having to retrofit the scope of the project to match the development corporation model used. The changes are necessary to ensure that development corporations are suitable for modern development needs. They will enable delivery of more large-scale developments, including consented sites that have been stuck in the system for far too long. They will be vital to the delivery of new large-scale projects, such as the new generation of new towns to which the Government are committed.

Existing legislation provides for five types of development corporation. It is probably worth mentioning them to aid our deliberations: the new town development corporation, the urban development corporation, the mayoral development corporation, the locally-led new town development corporation and the new locally-led urban development corporation, which was introduced in the Levelling-up and Regeneration Act 2023 and is subject to the commencement of its provisions.

Clause 79 clarifies that new town development corporations can deliver urban extensions—expansions of existing urban sites—and that new town development corporations and urban development corporations can develop brownfield and greenfield sites. The clause also expands the remit of mayoral development corporations so that they can be used to deliver new settlements, including on greenfield sites, as well as urban regeneration projects. That will ensure that mayors have the right powers to deliver the range of places their communities need.

Finally, the clause creates maximum application and flexibility for new town development corporations by allowing separate, non-contiguous parcels of land to be designated for development, aligning NTDCs with the other development corporation models. A single new town development corporation will also be able to oversee the laying out of more than one new town site.

By making the legislative framework clearer and more flexible, the reforms will facilitate the use of development corporations and therefore unlock more sites for development, further supporting the Government's growth mission and the delivery of 1.5 million new homes in this Parliament. I commend the clause to the Committee.

Jim Dickson (Dartford) (Lab): It is a pleasure to serve under your chairship, Ms Jardine. I welcome these measures to make development corporations fit for purpose. In my constituency, as members of the Committee may know, Ebbsfleet development corporation is building Ebbsfleet garden city. That experience shows how important it is that we align infrastructure delivery with housing growth to ensure that communities are supported from day one with everything that they need to live full and healthy lives. I welcome the clause. Development corporations outside Ebbsfleet, across the country, are an extremely important tool to get the right, well-balanced developments planned and built, so that they become communities. The clauses in part 4 give development corporations the flexibility to adapt, each one to a unique circumstance.

I have a couple of questions for the Minister to come back on if possible. First, given that development corporations are time-limited, what consideration has been given to the need for them to plan for their legacy, and to how their newly-built amenities will be catered for after closure, especially given the financial challenges faced by local government? Secondly, I know there is some desire in the sector for development corporations to have an explicit aim to provide upskilling and training for local residents, so that the economic benefits of their work can be shared across the local area. Have the Government looked at that, or might they consider looking at that in future?

Matthew Pennycook: I thank my hon. Friend for those questions. To be clear, the purpose of the clause is to ensure clarity around the remit and functions of development corporations. I understand his points about legacy and the wider contributions that development corporations can make, not least to construction and other skills areas. I am happy to take those up with him outside the Committee and to provide full responses on those points, but they are slightly outside the scope of this clause.

Question put and agreed to.

Clause 79 accordingly ordered to stand part of the Bill.

Clause 80

DUTIES TO HAVE REGARD TO SUSTAINABLE DEVELOPMENT AND CLIMATE CHANGE

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Clause 80 seeks to ensure that all types of development corporation must aim to contribute to sustainable development, climate change mitigation and adaption, and good design. The delivery of large-scale development and regeneration projects is vital to boost the housing supply, as I just mentioned. We must ensure, however, that large-scale new communities are delivered sustainably, with care for our climate, and that they have good design and quality at their heart.

Currently, only new town development corporations are required to aim to contribute to sustainable development and have regard to the desirability of good design. The current legislative framework does not require any development corporation model to contribute to climate change mitigation and adaption. Clause 80 will change that by amending current legislation to ensure that all development corporations must aim to contribute to sustainable development, climate change mitigation and adaptation, and good design.

Through the changes, we will create certainty for local communities that development corporations working in their areas will put sustainable development, climate change, and good design at the heart of delivery. I commend the simple, straightforward and, I hope, uncontroversial clause to the Committee.

Lee Pitcher (Doncaster East and the Isle of Axholme) (Lab): I want to express my absolute support for this clause. I chair the all-party parliamentary water group and the APPG for sustainable flood and drought management, and prior to my time in this place, I worked in the world of design and engineering around the climate, so this is an important issue for me. I support sustainable urban drainage systems, especially after this April and May, as it looks like we will have had the driest spring in 100 years. We need to consider what we are doing on developments about drought, with grey water recycling, and we need to look at how we address future flood risk and build resilience in new towns—and existing ones as well. I am happy to see this measure in the Bill.

Gideon Amos (Taunton and Wellington) (LD): It is a pleasure to serve on this Committee with you in the Chair, Ms Jardine. I, too, rise to support this clause, but I note that here we will mitigate "and" adapt to climate change, whereas in the spatial development strategies, we will mitigate "or" adapt to climate change. Without wishing to nit-pick, I feel that point needs to be made.

Matthew Pennycook: I will not rehearse our previous debate, in which I was clear that the Government's intention, and what the Bill delivers, on spatial development strategies does account for mitigation and adaptation. I thank my hon. Friend the Member for Doncaster East and the Isle of Axholme and the hon. Member for Taunton and Wellington for their support of this clause.

This clause is important because, in some cases, development corporations taking on planning powers will already be subject to such duties, but we know that not every development corporation will take on planning powers. Some will have a major role to play in development through master planning, for example, and we want to cater for all eventualities. It is therefore essential that development corporations are subject to the duties in this clause, independent of whether they take planning powers, to cater for the full range of uses.

Question put and agreed to.

Clause 80 accordingly ordered to stand part of the Bill.

Clause 81

POWERS IN RELATION TO INFRASTRUCTURE

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Clause 81 primarily seeks to standardise the list of infrastructure that development corporations can deliver to be in line with that of mayoral development corporations. The co-ordination of infrastructure with large-scale property development is essential. However, the current legislation is inconsistent concerning the types of infrastructure that different development corporation models can provide, creating unnecessary uncertainty.

In particular, the existing legislation sets out a long list of infrastructure that mayoral development corporations can provide, but the same list is not currently applied to new town and urban development corporations. Clause 81 addresses that by standardising the list of infrastructure that development corporations can provide. It also goes further in adding heat networks to the list. This recognises heat as a distinct utility, alongside others such as water, gas and electricity. The addition of heat networks will also empower development corporations in their aims with respect to sustainable development and climate change, a point that we have just debated.

Existing legislation also places unnecessary restrictions on new town development corporations to deliver transport infrastructure. Clause 81 therefore removes the restriction on new town development corporations so that they can provide railways, light railways and tramways. No other type of development corporation is subject to this restriction, and provision of sustainable transport systems is vital to delivering large-scale developments. These measures will ensure that development corporations are on an equal footing to deliver the infrastructure to unlock more sites and co-ordinate more housing infrastructure and transport in the public interest. I commend the clause to the Committee.

Paul Holmes (Hamble Valley) (Con): It is a pleasure to serve under your chairmanship, Ms Jardine. It is good to see the Minister and all members of the Committee here again; I have déjà vu, but we are still happy, aren't we? *[Interruption.]* "Speak for yourself," the Minister says.

We generally welcome the powers in relation to infrastructure in clause 81. I particularly welcome what the Minister said about removing restrictions to deliver infrastructure such as trams. That is a welcome move to

[Paul Holmes]

deliver for those of us who have had constantly had frustrations at the lack of ability to get that infrastructure, but I would like to ask a few questions. Having said that, I deem that the clause does not account for the varying needs and characteristics of different regions. Can he reassure the Committee about the effective standardisation that he is promoting?

We do not necessarily have an argument with it, but we would like to examine the checks and balances in the consultation element of what the Minister is proposing to ensure that there is not a one-size-fits-all model. Even though I know that is what standardisation aims to do, I hope he would accept that in varying regions, with the wants and needs of different communities, that may not be appropriate at all times. Will he outline the checks and balances and how that could be varied according to the needs of local communities? Other than that, the Opposition welcome the clause and the Minister's commitment to infrastructure.

Matthew Pennycook: I thank the shadow Minister for that question. I think it raises a slightly wider debate than the provisions of the clause and their purposive effect, but he raises a valuable point. Decisions to designate and grant powers to a development corporation must be made via regulations. They are subject to statutory consultation and are carefully made with consideration given to issues of oversight and governance. The particular model selected in a particular area will be chosen by the relevant parties on the basis that it is the model that best suits what they are trying to achieve.

I take the shadow Minister's point about regional variation in the sense that all this clause does is standardise the list of infrastructure that can be provided by development corporations of all types, making it equal to the existing list that applies to mayoral development corporations. It is a simple simplification to ensure standardisation across the infrastructure that can be provided across all models.

Question put and agreed to.

Clause 81 accordingly ordered to stand part of the Bill.

Clause 82

Exercise of transport functions

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Clause 82 seeks to introduce a new duty for relevant local transport authorities to co-operate with development corporations in the development and implementation of their plans, Too often developments are not co-ordinated with the transport infrastructure needed to service existing and new communities. That has detrimental impacts on quality of life, productivity and economic growth. Development corporations cannot currently take on local transport powers. As a result, there can be significant delays and barriers to delivering essential transport infrastructure, particularly where local transport authorities are unaligned with the plans of development corporations. Clause 82 will therefore place a duty of co-operation on local transport authorities to ensure that sites delivered by development corporations include the necessary transport infrastructure and are seamlessly integrated into the wider spatial plan for the area.

Local transport authorities must have regard to the plans of development corporations and co-operate in the development and implementation of their plans. Where that duty is not fulfilled—resulting, for example, in a failure to produce key outputs in an agreed timeframe or transport provisions being blocked and impacting growth potential—the Secretary of State will have a new power to direct relevant local transport authorities. Where the direction is not complied with, and as a last resort, the Secretary of State will have the new power to transfer specific transport functions from local transport authorities to the development corporation in question.

In addition to transport planning functions, the transfer may also include specific property rights and liabilities—for example, in instances where the development corporation needs to undertake upgrades to existing highways within its red line area. Any such transfer will be made by regulations and in relation to the development corporation's red line area. The measures are intended to increase co-operation while ensuring that development corporations can ultimately deliver necessary transport infrastructure in a timely manner. I want to be very clear: our preferred approach is for the development corporation to work with the local transport authority in the first instance. The measures are therefore escalatory and will be used only as a last resort. On that basis, I commend the clause to the Committee.

Paul Holmes: I welcome the Minister's commitment to transport infrastructure. We have had disagreements on other parts of the Bill that we have discussed in previous sittings, and no doubt we will in this afternoon's sitting on the new clauses, but I think this part of the Bill genuinely tries to reform models to make sure that transport infrastructure, which is often controversial, is delivered. We welcome his commitment and foresight in that.

The clause aims to address, as we know, the co-ordination issues between development corporations and fragmented local transport authorities by placing the statutory duty of co-operation on the latter. Although the intention to improve alignment between housing and transport planning is welcome, I have a couple of questions about its practical impact and enforceability. None of the questions comes from a place of criticising or carping; they are to get genuine clarification for Opposition Members. By simply requiring transport authorities to "have regard to" and "co-operate" with development corporations, does the Minister not have a concern that the plans may not be sufficient to ensure meaningful collaboration? The terms are legally vague and may result in only minimal compliance. He has said that it is escalatory, but I wonder whether the clause needs to be slightly strengthened, in terms of "have regard to" and "co-operate".

The clause stops short of granting development corporations any direct transport powers. That may be a fundamental disagreement between us, if the Minister does not believe they should have those powers, but we have a concern about the good intentions not being delivered on because of that collaboration and "having regard to". Other than that, we welcome the clause, which will make a huge difference in delivering the fundamental change that we need in regional and local communities.

Rachel Taylor (North Warwickshire and Bedworth) (Lab): It is a pleasure to serve under your chairship once again, Ms Jardine. I welcome the clause. In the area where I live in Warwickshire, public transport is woeful, which means that children and young people are left behind because they cannot access school and college facilities. It also means that people are reluctant to make a trip to the hospital because they simply cannot get there.

The clause means that young people can have aspirations for their future and live in communities that are connected. The powers will be very welcome in areas like mine where transport authorities seem reluctant to fulfil their functions. I really welcome it.

9.45 am

Jim Dickson: I also very much welcome the clause, which rectifies the fragmentation of housing and transport and therefore the inability to co-ordinate them. It will be hugely important to the new towns that the Government are planning in order to fulfil our housing targets.

I have one query for the Minister. The clause covers local transport authorities and their relationship with development corporations. Did he consider including a provision on the relationship between development corporations and national transport bodies such as National Highways? I can foresee situations in which co-operation between those bodies will be necessary to achieve the aims of the development corporation. In such a situation, would he use powers to ensure that National Highways co-operates with the development corporation, or at least broker the conversation to enable that to happen?

Matthew Pennycook: I welcome the support for the clause that hon. Members have indicated. The integration of transport infrastructure and its timely delivery are essential to delivering large-scale urban developments, and that is what the clause will facilitate.

The shadow Minister and others asked me whether the wording is sufficient to deliver the objectives of the clause. I will reflect on that, as I always do, but we are clear that introducing a duty on local transport authorities to have regard to and co-operate with development corporations—this is our preferred approach in the instance—will facilitate co-operation. Each development corporation will respond to particular and localised delivery challenges, with differences in transport requirements for each development, so it is not possible to specify the nature of the co-operation required in all cases.

In practical terms, officials in my Department will support the development corporation to have those conversations with local transport authorities, try to get a shared understanding and resolve transport challenges in particular circumstances. As a necessary minimum, we will expect local transport authorities to engage constructively with the development corporation's plans for transport delivery and not unduly block the delivery of transport infrastructure that is necessary to unlock growth in the red line area.

Lewis Cocking (Broxbourne) (Con): I support this clause on development corporations and transport. NHS and healthcare services in the new development corporations are also vital, so why did the Government not include a clause that would make local NHS trusts behave in the way that the Minister wants transport authorities to behave, so that development corporations cater for healthcare needs as well?

Matthew Pennycook: I thank the hon. Gentleman for his question. We just debated a clause about standardising the list of infrastructure that all development corporations can bring forward, but clause 82 addresses a specific gap in the legislation, which is that development corporations cannot have transport powers and are reliant on local transport authorities to bring them forward. I do not dismiss his point about wider infrastructure—we have debated it elsewhere, and I have taken on board the points that hon. Members have raised—but the clause addresses a specific issue and outlines a way of dealing with it. As I say, the preferred approach is co-operation in the first instance and working with the local transport authority in question.

The ability to transfer transport powers, which is available under the clause, is ultimately a backstop measure, and escalation via direction is an initial measure to address insufficient co-operation. The clause clearly sets out how the escalatory process will work, although it is worth saying that decisions to either direct or transfer powers will be taken on a case-by-case basis and applied only where there is good reason to believe that co-operation on the part of the local transport authority is not forthcoming and necessary transport infrastructure is not delivered.

We think that the backstop is necessary for cases where the local transport authority refuses to co-operate and is blocking necessary infrastructure that the development corporation requires for its urban regeneration and development needs. On that basis, I hope I have reassured hon. Members.

Paul Holmes: You may rule me out of order, Ms Jardine—I entirely expect that you might—but I want to follow up on the point made by my hon. Friend the Member for Broxbourne on health services. I know that it is not directly in the scope of this clause, but I want to explore the fact that, in many of our constituencies, integrated care boards, which, as the Minister will know, are locally responsible for the provision of health services, simply are not doing the work that is needed on demographic or infrastructure changes because of the silo-based approach to central and local government. Can the Minister assure the Committee that he will go away and work with the Department of Health and Social Care—maybe other clauses could be included—on how we can bring that together and allow those health facilities, as well as transport issues, to be delivered?

Matthew Pennycook: I thank the shadow Minister for that question. *Hansard* will correct me if I am wrong, but I feel that I have already given a commitment in that area, which I am more than happy to give again, on the following basis: to the extent that essential infrastructure and amenities, particularly those delivered via the existing developer contribution system, are not forthcoming in the manner required or in a timely manner, and where section 106 agreements are not being honoured, the Government are looking to take action to strengthen the existing system. There are two aspects to this. One is ensuring that local authorities are in a position to, on a

[Matthew Pennycook]

fairly equal basis, negotiate with an applicant and get a good section 106 agreement. Then, there is the other part of the process, which is ensuring that the agreements entered into are honoured.

However, in some instances—I think I have recognised this in a previous debate—there is a co-ordination issue. I am interested in what more can be done and I am exploring that across Government Departments. ICBs are a good example—there have been examples in my constituency. In certain cases, it may be that the 106 agreement or other provision is not bringing forward the necessary—let us put it in very practical terms—GP centre. In other cases, as I hear from many hon. Members across the country, the 106 has facilitated the construction of the building, but there is a workforce challenge. That is a wider challenge for Government and the Department of Health and Social Care to address, which they are doing. I think that co-ordination can help us to address some of these problems.

To bring us back to the clause that we are debating, we are talking specifically about instances of a development corporation, either within the red line area or outside it where transport infrastructure is necessary to facilitate growth within it. We need a mechanism to ensure that co-operation occurs with the local transport authority. As I have said, judged on a case-by-case basis, in instances where the local transport authority in question is not co-operating, or where Government have good reason to believe that it will not co-operate, we need a measure to ensure that those powers are transferred or a direction is put in place. On that basis, I commend the clause to the Committee.

Question put and agreed to.

Clause 82 accordingly ordered to stand part of the Bill.

Clause 83

Electronic service etc

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Clauses 83 to 92 relate to compulsory purchase and are designed as a group to improve the compulsory purchase order process and land compensation rules to enable more effective land assembly through public sector-led schemes. As hon. Members will no doubt be aware—I am sure that they have read every word—the Government's 2024 manifesto made a commitment to further reform compulsory purchase compensation rules to improve land assembly, speed up site delivery and deliver housing, infrastructure, amenity and transport benefits in the public interest. That manifesto promised that a Labour Government would take steps to ensure that, for specific types of development schemes, landowners are awarded fair compensation rather than inflated prices based on the prospect of planning permission.

The Government's reforms, which were outlined in the consultation published at the end of 2024, are necessary to deliver the housing and critical infrastructure that this country needs and to make it more attractive for the public sector to use its compulsory purchase powers to deliver development in the right places. That is the intent behind the clauses that we are debating this morning. To be clear, changes introduced in the Bill are not targeted at farmers or any particular landowners, and they make a limited addition to the existing power for CPOs to be confirmed with directions removing hope value, so it may apply to parish or town council CPOs facilitating affordable housing provision.

I made this point on Second Reading and I want to be clear: there is nothing in the Bill that changes the core principle of compulsory purchase—that it must be used only where negotiations to acquire land by agreement have not succeeded and where there is a compelling case in the public interest. It will be for individual authorities to decide where it is most appropriate to use their CPO powers to deliver their schemes in the public interest. Taken together, the clauses will ensure that quicker decisions on CPOs can be made, the administrative costs of undertaking the process are reduced, and a better balance is struck so compensation paid to landowners is, as I have said, fair but not excessive.

Clause 83 amends the legislation underpinning the compulsory purchase process and compensation rules to allow the service of statutory notices to be undertaken by electronic methods of communication. Allowing CPO notices to be served on parties by electronic communication will ensure that the CPO process is modernised and made more efficient. Notices may be served by electronic communication providing the person receiving the notice has provided an address for such a service, such as an email address. Where an address is not provided, the existing methods of service—for example, by post—will remain. The default method for service of notices on public authorities will be electronic communication, providing the authority has specified an address for communicating about the specific CPO in question. The clause, which again I hope is uncontroversial, simply intends to modernise and speed up the compulsory purchase process and reduce the administrative costs, and I commend it to the Committee.

Paul Holmes: I will take the tactic of discussing each clause relating to CPOs at a time, if that is all right with the Minister. I know he had to give an overview of clauses 83 to 92, but we would like to scope out some questions before coming on to new clause 52, which we will discuss under clause 88, where most of our disagreement comes from.

I understand what the Minister has said about CPO reform and not targeting farmers. However, the record of this Government's relationship with farmers in other areas of policy has raised anxieties about agricultural land and the rights of farmers, and the amount of compensation that tenant farmers versus occupied land farmers will be offered. Some of the reforms that the Minister is making raise questions about the Government's general campaign against farming and agriculture in this country, which we remain very concerned about in other areas of policy, but we will discuss those issues in a moderate and constructive manner when we debate later clauses.

Clause 83 concerns electronic services. We generally welcome any simplification and reduction in costs and administration; that is why I am a Conversative. However, we believe that the clause could still raise some implementation challenges. Public authorities are presumed to consult with an electronic service if they provide a

relevant email or web address, but that assumption may lead to issues where authorities have multiple points of contact or emails go unattended, potentially causing delays or disputes within an effective service.

Secondly, the clause introduces a default presumption that notices are received the next business day after sending, but that might not hold in practice—for example, if the message is caught in a spam filter or fails to send due to technical error. There could be some conflicts and complications in some of the cases that the clause seeks to amend. The legislation could benefit from a clearer mechanism for confirming receipt to reduce uncertainty or legal challenge further down the line.

Moreover, although the shift to digital communication is welcome, the clause stops short of encouraging or mandating broader digital transformation across the CPO process. For instance, there is no mention of a centralised digital portal for tracking notices or verifying delivery, which could further enhance transparency and reduce administrative friction. Although modest in scope, the clause is a positive step towards a more efficient compulsory purchase regime, notwithstanding the concerns that we have about further reforms, but its practical success will hinge on thoughtful implementation, clear guidance and ongoing support for acquiring authorities and affected parties.

10 am

Matthew Pennycook: I thank the shadow Minister for those fair and reasonable questions. I will provide a reassurance on the central mechanism by which we expect the Bill to operate. Electronic communication will become the default. Where parties do not agree to receive service of notice by electronic methods, or do not provide an electronic address for service, they will continue to receive notices by post, hand delivery or it being left at their address, so there is a clear mechanism for those who do not want to, or feel they cannot, receive such notices by electronic communication.

However, authorities will need to ensure that the electronic address given by recipients for service of notice is the one used when they serve notices electronically on that person. Where an action is triggered by the receipt of a notice under the CPO process, the legislation is clear that if notice is served by electronic communication, the notice will be taken to have been received on the next working day—"working day" is defined in the legislation. We will, of course, provide guidance for local authorities on best practice, and ensure that routes to legal challenge on procedural grounds are maintained.

The central point on which we must be clear is that where parties have agreed in writing to receive service of notice by electronic methods, the burden of responsibility for responding to an action triggered by receipt of a notice will lie solely with the recipient. If they do not feel able to administer the process on those grounds, there is an option to still receive notices in the existing manner.

David Simmonds (Ruislip, Northwood and Pinner) (Con): It is a pleasure to serve with you in the Chair, Ms Jardine. Is this proposed to become the default across Government? In my experience as a magistrate, large numbers of people do not attend court. The rules essentially say that a notice is deemed served if it has been posted to a correct postal address of the individual concerned. Clearly, that could become more efficient in the days of electronic communication. However, are we going to find that there is a sufficiently consistent approach, especially in situations where there is a dispute between the landowner and those acting in pursuit of the compulsory purchase order, so that there are no misunderstandings by lawyers advising people about which rules apply under this specific legislation, as opposed to other legislation of which they also have experience?

Matthew Pennycook: I take the shadow Minister's point. He tempts me to opine on digital communication strategy across Government, but it is too early in the morning to do that. Different Government Departments are taking forward reform in different ways. I recognise the point he makes. It may or may not interest the Committee that I am required to do jury service in the coming weeks, which the Whips have some issue with. I received electronic and postal notice of that jury service. Different processes are in different stages of reform.

We are very clear that, for this process, we want to move to default electronic communication, which has lots of administrative benefits, but we have made provision for those who do not feel that they can move, or want to move, to that type of notice. We will, as I have said, provide guidance for local authorities on best practice and ensure that routes to legal challenge on procedural grounds are minimised. However, I will take the hon. Member's point away. I am happy to share it with ministerial colleagues in other Departments. I think it is a fair challenge that the Government should ensure that, across the board, to the extent that they possibly can, they have a uniform approach to moving to electronic communication in instances where they want to do so.

Question put and agreed to.

Clause 83 accordingly ordered to stand part of the Bill.

Clause 84

Required content of newspaper notices

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Although we are maintaining the requirement for notices on the making and confirmation of CPOs to be published in newspapers, this clause simplifies the information required in the description of land included in those newspaper notices. Instead of giving complete, detailed descriptions of land, authorities will be able to comply with the requirement by briefly identifying the land through stating its postal address or, where that is not available, briefly describing its location. This will mean that newspaper notices contain succinct and clear information regarding the description of land included in CPOs and not overly complex text, ensuring that they are easier to understand and making the CPO process more accessible. The simplification of information in this regard will deliver administrative cost savings for acquiring authorities. I commend the clause to the Committee.

Paul Holmes: Again, we do not see the clause as particularly controversial, but we would like to ask some questions. Can I put on record, first, that I wish the Minister well with his jury service? We will see whether he is the living embodiment of being "tough on crime, tough on the causes of crime". I am sure that the Whips will love the fact that one of their Ministers is off-site—hopefully on Report so that we can get most of our amendments through.

As the Minister said, clause 84 aims to streamline the content requirements for newspaper notices related to CPOs by permitting either the use of a postal address or a general location description where a specific address is not available. The clause is expected to reduce administrative complexity and cost, which is a welcome step for authorities managing CPOs under tight timelines and budgets.

However, while simplification is beneficial, there is a risk that overly brief or vague descriptions could undermine transparency for affected landowners or the wider public. Newspaper notices remain a critical means of ensuring that individuals who may not be directly notified are still informed about CPOs that could affect them. If the language becomes too generic, individuals may be unaware that their land is included in an order, potentially limiting opportunities for objections or engagement.

The clause could benefit from safeguards or accompanying guidance to ensure that clarity and public accessibility are maintained, especially in cases involving rural land, undeveloped plots or where postal addresses are unclear. Moreover, the clause does not address whether digital platforms could supplement or eventually replace newspaper notices, which could further modernise the process while improving public access to information. Overall, the clause is a pragmatic reform, but we must strike the right balance between efficiency and the need for meaningful public engagement.

Has the Minister had any feedback from local newspaper industry representatives saying that they are concerned, given some of the ways in which these notices provide an income stream to a sector that is increasingly under pressure in being able to communicate with our local residents?

Matthew Pennycook: I again thank the shadow Minister for that fair and reasonable challenge. I recognise—as the other shadow Minister, the hon. Member for Ruislip, Northwood and Pinner, would—that the loss of local newspapers is very keenly felt in a London context. Blogs and other things have sprung up in their place, but this is definitely an issue. That is one of the reasons why we have determined not to remove the requirement to publish CPO notices in newspapers. We think that that does have benefits, particularly for members of the public who cannot access the internet, but we do think that a modernisation of the process is necessary.

This is not about reducing transparency; it is about making the administrative process more proportionate and more cost-effective. The key point is that the information contained in the newspaper notice will still give the location of the land and other information, and, importantly, as I have said, that will be complemented by information available in site notices affixed to the land in question, notices served on individuals, and information published about the CPO on the acquiring authority's website—for example, electronic copies of the CPO, including a map and notices. The requirement to describe the land fully in these other notices is not changing. We are just trying to make more proportionate the information contained in the newspaper notice in question.

David Simmonds: I agree with my fellow shadow Minister that the Government are landing in the right place on this. It was a great frustration for many of us who served in local government that quite a few of those newspapers moved to being online-only, but maintained a print edition because that meant that they could charge the local authority £5,000 for putting a notice in that, if it was a lonely hearts ad or someone selling their car, would have been £25. The system has been abused at the expense of council tax payers for quite a long time, and this moves us a bit more to the right location.

Matthew Pennycook: I think I have said enough. There is no further information that I can provide on the clause.

Question put and agreed to.

Clause 84 accordingly ordered to stand part of the Bill.

Clause 85

Confirmation by acquiring authority: orders with modifications

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Clause 85 will speed up decisions on CPOs where no objections have been received. Currently, where a CPO is not objected to, the confirmation decision can be made by the acquiring authority, providing certain conditions have been met. One condition is that the CPO does not require modification—for example, to correct an error in the drafting of the order. That adds unnecessary delay and prevents authorities from taking earlier possession of land to deliver benefits in the public interest.

Clause 85 allows an acquiring authority to confirm its own compulsory purchase order with modifications, providing that they do not affect a person's interest in the land. Where they do, it introduces the ability for acquiring authorities to confirm their own CPOs where modifications are required, providing that the modifications do not affect a person's interest in a controversial way. Where modifications need to be made to a CPO— for example, to remove land from the CPO, or to correct a drafting error such as the wrong colour used on the map to identify land—the confirming authority will set out in a notice what modifications are required. Acquiring authorities will not be allowed to add new land into CPOs or exclude part of a plot of land from CPOs, as such changes could provoke objections. In those circumstances, the modification and confirmation of the CPO will still be made by the confirming authority.

The changes are intended to speed up the decision-making process for CPOs that have not been objected to, and to allow benefits in the public interest to be delivered more efficiently. They will be particularly helpful

in situations where, as part of a wider land assembly exercise, an acquiring authority needs to exercise its compulsory purchase powers to acquire title to land in unknown ownership. Modifications that do affect a person's interest in land are allowed, but only if the affected person gives their consent for the modification being made. For these reasons, the Government believe that the clause will enable the CPO process to better benefit the public interest.

Paul Holmes: Again, we welcome the Minister taking a pragmatic approach to streamlining the process. That would be useful to some elements of CPOs, with minor modifications. Although the clause is framed around efficiency, however, it raises some concerns about checks and balances. Even modifications deemed minor can have implications for how land is used or valued. Relying on the judgment of the acquiring authority alone may create a risk of oversight or perceived conflicts of interest.

The provision for consent from affected landowners offers a safeguard, but in practice, there may be power imbalances that undermine the voluntariness of that consent, especially if pressure to expedite delivery is high. Furthermore, the process for how affected parties are informed and how modifications are assessed as "non-impactful" remains vague. Without clear guidance or criteria, the risk of inconsistent applications across authorities is significant. I would welcome the Minister's comments on that specific issue. Although the goal of speeding up land assembly for public benefit is legitimate, greater transparency and procedural clarity is essential to ensure that the clause does not erode public trust in the compulsory purchase process.

Matthew Pennycook: I welcome that question from the shadow Minister. We are confident that the power will not be misused. The legislation will allow acquiring authorities to make minor modifications to CPOs in cases where they do not affect a landowner's interests, other than with the landowner's consent. We broadly consider that such modifications are non-controversial and will not provoke objections, but given the strength of feeling that the shadow Minister has expressed on the matter, I am more than happy to write to him to set out some further clarification of how we believe the process would operate, and why we do not think there is risk of misuse in the way that he fears.

Question put and agreed to.

Clause 85 accordingly ordered to stand part of the Bill.

Clause 86

General vesting declarations: advancement of vesting by agreement

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss clause 87 stand part.

Matthew Pennycook: These clauses introduce provision to allow more flexibility for taking possession of land subject to compulsory purchase. Currently, before an acquiring authority can take possession of land under the general vesting declaration procedure, it must give a minimum of three months' notice to those with an interest in the land. Generally, this is to allow those who occupy or use the land time to relocate, move out or arrange alternative access. Clauses 86 and 87 introduce the ability for authorities to take earlier possession of land in certain circumstances.

10.15 am

Clause 86 introduces processes for the earlier taking of possession of land or property by acquiring authorities under the general vesting declaration procedure. Following the confirmation of a CPO, instead of having to wait a minimum of three months to take possession of land or property, acquiring authorities may, in certain circumstances, take possession under the general vesting declaration procedure after a minimum of six weeks.

The circumstances in which acquiring authorities can take possession of land or property early are, first, where land or property is unoccupied and unfit for its ordinary use because of its physical condition—for example, where it is in a state of disrepair, neglect, contamination or is unfit for human habitation—and secondly, where the acquiring authority, after making inquiries into the ownership of the land or property subject to the CPO, has been unable to identify anyone with an interest.

In those circumstances, acquiring authorities may give a minimum of six weeks' notice before taking possession. Where an acquiring authority believes the conditions for taking earlier possession apply, the acquiring authority must give notice to all persons with an interest in the relevant land and inform them that they may make representations.

A person may make representations that the conditions allowing the earlier taking of possession of land or property do not apply. Acquiring authorities must respond to any representations made and must notify all relevant persons where there is a change in date of when possession of the relevant land or property is to be taken. The clause introduces flexibility into the procedure for taking possession of land or property that is subject to a CPO, where the circumstances justify that, in order to help deliver the benefits of schemes in the public interest more quickly than would otherwise be the case.

Clause 87 makes provision to introduce a process for the earlier taking of possession of land or property under the general vesting declaration procedure by agreement. That will allow an acquiring authority and an owner to agree that the authority may take possession of the relevant land or property on a date before the expiry of the minimum notice period. That will generally be six weeks after the date on which the notice of the confirmation of the CPO was first published, instead of waiting a minimum of three months from the date the general vesting declaration is executed. Clause 87 ensures that the procedure for taking possession of land or property subject to a CPO is more flexible when owners wish their land or property to be taken more quickly, which will again deliver benefits in the public interest more efficiently.

Taken together, the clauses will quicken the delivery of benefits in the public interest through the use of CPO powers. They also introduce more flexibility so that owners can transfer their interests more expediently, to access their compensation more quickly. I commend both clauses to the Committee.

Paul Holmes: I will make some brief comments on the clauses. On clause 86, we believe that the conditions under which earlier possession may occur, such as when land is unoccupied, unsafe or where ownership is unknown, are potentially valid, but they rely heavily on subjective judgements by the acquiring authority. For instance, allowing the authority to determine whether items left on the land are of significant value or whether the land is

"unfit for its ordinary use"

introduces a risk of inconsistent or contested interpretations. The exclusion of illegal occupation from the definition of occupancy is also fraught with complexity, particularly in areas where land may be informally used by vulnerable individuals.

Although the clause provides a process for effective parties to make representations, it does not establish an independent mechanism for appeal or review if the acquiring authority rejects those representations. That could weaken procedural safeguards and may leave individuals or communities with limited recourse. Furthermore, although the clause excludes partial acquisitions of buildings, the broader implications for owners of derelict or disputed property could be significant, particularly in urban regeneration contexts where such assets are common.

Overall, while the reform seeks to introduce efficiency, it must be implemented with caution to avoid undermining rights to property and due process. Stronger safeguards, such as independent oversight of early possession decisions and clearer statutory definitions, may be necessary to prevent potential misuse or unintended consequences.

On the surface, the provisions in clause 87 appear pragmatic: they enable willing parties to bypass the standard three-month wait under the general vesting declaration procedure, and instead agree to an earlier possession date no sooner than six weeks after the publication of the CPO confirmation notice. We accept that this could reduce delays in project delivery, particularly where landowners prefer a swift resolution, or where prolonged possession timelines would otherwise stall regeneration or infrastructure efforts.

However, the clause's wider implications warrant attention. While this is an agreement-based route, the inherent power imbalance in the compulsory purchase context can make voluntary agreements feel pressurised. Landowners—particularly smaller ones or those with limited legal support—may feel compelled to agree to early possession without fully understanding their rights or the valuation consequences. The clause attempts to address compensation timing and valuation issues, but the technical nature of the provisions may still leave room for confusion or disputes. I look to the Minister for reassurance.

The exclusion of counter-notice rights in cases of partial early possession under schedule A1 to the Compulsory Purchase (Vesting Declarations) Act 1981 also weakens the landowner's ability to negotiate fairly, as it removes a potential tool for resisting piecemeal acquisitions that may render the remainder of the property less viable. While efficiency is a legitimate goal, it must be weighed against individual rights and procedural fairness.

Overall, while the clause introduces a useful flexibility for streamlined land acquisition, it should be accompanied by strong safeguards, including clear guidance for landowners, transparent compensation mechanisms and accessible dispute resolution processes, to prevent coercion and ensure genuinely informed agreements.

Matthew Pennycook: I thank the shadow Minister for those questions. As ever, I will reflect on his request for procedural fairness to be maintained, but in broad terms, I would say that abuses of the kind he suggests are highly unlikely. I am more than happy to provide him with further reassurance on that point.

Given that clause 87 is about undertaking the procedure in question by agreement, I think it is less controversial. On clause 86, it will be for the acquiring authority to be confident that the conditions for the use of the power have been met, and to objectively identify where it thinks that the conditions for the use of the power have been met. In doing so, it will be for acquiring authorities to respond to and defend against any disputes or challenges made on the use of the power.

Where the land includes a dwelling, the acquiring authority is empowered only to expedite the vesting of the land if the dwelling is unfit for human habitation within the well-understood meaning set out in section 10 of the Landlord and Tenant Act 1985. However, included within the power to take early possession of land or buildings is a safeguard to prevent the vesting of land from being brought forward where there is disagreement as to whether the land is unoccupied or is in a condition that it is fit for use, or where an occupant identifies themselves to the authority. As I have said, parties can make representations to the acquiring authority that those conditions have not been met, but ultimately, the decision as to whether they have or not remains with the acquiring authority. However, I am happy to reflect on whether there is a need for further safeguards in this area and to update the shadow Minister accordingly.

Question put and agreed to.

Clause 86 accordingly ordered to stand part of the Bill.

Clause 87 ordered to stand part of the Bill.

Clause 88

ADJUSTMENT OF BASIC AND OCCUPIER'S LOSS PAYMENTS

The Chair: Does anyone wish to move amendment 134?

Paul Holmes: I do not know whether this is helpful clarification procedurally, but on this group, I would like to speak only to new clause 52 under the name of the official Opposition. We are happy not to press amendments 134 to 147 at this stage.

The Chair: Okay.

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss new clause 52—*Alignment of basic and occupier's loss payments*—

"(1) The Land Compensation Act 1973 is amended as follows.

(2) In section 33B (occupier's loss payment: agricultural land), in subsection (2)(a) omit '2.5%' and insert '7.5%'.

(3) In section 33C (occupier's loss payment: other land), in subsection (2)(a) omit '2.5%' and insert '7.5%'."

This new clause, being an amendment of the Land Compensation Act 1973, would align the occupier's loss payments with the basic loss payments at 7.5% of the value of the party's interest.

Matthew Pennycook: I thank the shadow Minister for not pressing amendments 134 to 147. I would not have been able to accept them for reasons I could have gone into at some length.

I will deal with the clause and then new clause 52, which the Opposition still wish to move. To ensure that compensation paid to those whose land is compulsorily acquired is fair, clause 88 makes changes to the Land Compensation Act 1973 and the framework for basic and occupier's loss payments. Loss payments exist to reflect the inconvenience caused by compulsory purchase. They are valued either on the market value of a person's interest or on an amount calculated by reference to the area of the land or buildings known as the "land amount" or "building amount", whichever is the highest.

The market value of a freehold interest is often more than the market value of a leasehold interest held by an occupying tenant, which often has little or no market value. That usually results in occupying tenants receiving less compensation than owners. As occupying tenants bear the burden of having to close or relocate their businesses, the existing allocation of loss payments is poorly targeted. It unduly favours investor owners over occupying businesses or agricultural tenants who incur greater costs. The Government believe that to be unfair. The clause therefore amends the 1973 Act to adjust the balance of loss payments in favour of occupiers.

Under our changes, we are increasing the land and buildings amount payments, which will benefit occupiers as that is the payment that they usually receive. That will better reflect the level of disruption and inconvenience caused to them through compulsory purchase, compared with investor-owners. It also ensures that the compensation regime is fair. To be clear, the reforms to the CPO process and compensation rules will not encourage the use of any particular type of CPO or change the fundamental principle that there must always be a compelling case in the public interest for use of a CPO.

The changes being made to the loss payments regime will benefit tenant farmers whose land interest is compulsorily acquired, as they will receive a fairer share of compensation to reflect the level of inconvenience that they experience from CPOs. The changes under the clause will not result in landowners being paid less than market value for the compulsory purchase of their interests.

The clause also simplifies the method of calculating the buildings amount for occupier's loss payments relating to non-agricultural land by using the gross internal area method instead of gross external area, which we believe is more consistent with industry standards. The clause applies to England only, apart from the change to the method of calculating buildings amounts, since the Welsh Ministers have devolved competence to reform loss payments for CPOs in Wales. I therefore see the clause as an integral part of ensuring that the CPO process is built on a fair and balanced compensation process, relative to the level of disruption and inconvenience caused to occupiers of land by a CPO. I commend the clause to the Committee.

I am more than happy to respond in due course, but will first turn briefly to non-Government new clause 52, which seeks to introduce a change to the loss payment compensation regime under the Land Compensation Act 1973. The new clause would increase the amount that occupiers of buildings or land subject to a CPO would be entitled to, and place them on an equal footing with owners. Clause 88 already achieves, in part, what the shadow Minister is looking for: it increases the loss payment compensation due to occupiers of buildings and land in the way that the new clause seeks to do. The purpose of loss payments, however, is to reflect the inconvenience caused by compulsory purchase, and it is occupiers, rather than investor owners, who bear the greater burden in that respect because they are the ones who will need to close or relocate their businesses.

As I said, the clause rebalances loss payment compensation to allow occupiers to claim a higher amount and landowners to claim a lower amount. We believe that that rebalancing of loss payment compensation in favour of occupiers is the right approach. While the clause does some of what new clause 52 seeks to achieve, elements of the new clause are problematic for the reasons I set out. I am afraid I will not be able to accept the new clause, and I ask the shadow Minister not to move it.

Paul Holmes: I thank the Minister for that detailed assessment of the clause. Lord knows how long his speech would have been if we had referred to the amendments that my hon. Friend the Member for Keighley and Ilkley (Robbie Moore) tabled. I thought I would spare the Minister that—and also spare myself having to explain them. We will table more amendments on Report.

As the Minister explained, the clause revises key provisions of part I of the Land Compensation Act 1973, particularly loss payments to landowners and occupiers whose properties in England are subject to compulsory purchase. The intent behind the changes is to ensure that compensation more accurately reflects the disruption and inconvenience caused to affected individuals.

10.30 am

The clause introduces two types of payment: the basic loss payment for landowners who are not occupying the land, and the occupier's loss payment for those in occupation. However, we believe that the reforms create a two-tier system. The basic loss payment will be reduced from 7.5% to 2.5% of the market value of the land, with the cap reduced from £75,000 to £25,000. That is seen as a disadvantage to certain landowners and we would argue that it is unfair.

On the other hand, in a welcome announcement, the occupier's loss payment will be increased for both agricultural and non-agricultural land from 2.5% to 7.5%. That changes compensation on the basis of floor space or land area and offers greater compensation to occupiers who may face greater financial hardship owing to the compulsory purchase of their land and property. We agree with the Minister's assessment of that.

However, although the increase will benefit tenants, particularly those in the agriculture or business sectors, the clause may be viewed as inequitable by freeholders who face a reduction in their compensation. Furthermore, the clause requires that the law on land in Wales remain

unchanged, thus allowing Welsh Ministers to make adjustments to the amounts or percentages that relate to loss payments.

Although the clause aims to address fairness in compensation by increasing payments for certain occupiers, its complexity and varying compensation structures create a disparity between landowners and occupiers and potentially cause confusion. New clause 52, tabled by my hon. Friend the Member for Ruislip, Northwood and Pinner, would improve the fairness in the system. We accept that the increase is welcome for tenants and occupiers, but many people going through a CPO may not welcome it, and being a landowner does not make someone any less hard done by. The process can be incredibly disruptive, even for landowners, who do not necessarily earn huge amounts. It is right that compensation for landowners who suddenly go through the process matches that for occupiers because such a system is fair and easy to administer, and everybody knows what they will get. The new clause aims to create that fairness, whether someone is fortunate enough to be a landowner, or whether someone is a tenant.

I therefore ask the Minister to think again about reducing the element of compensation for landowners. Being a landowner does not necessarily mean that someone is exceptionally well-off. It simply means that landowners will go through huge disruption, particularly if they want to challenge the CPO. Given that we agree with the level of compensation that the Minister has set in the new regime for occupiers, it is fair that he reconsiders. Has he made an assessment of any costs that the new clause would incur? Will he explain why he believes that the element of fairness in the system that the new clause introduces should not be accepted? I ask him to reconsider his resistance to it.

Luke Murphy (Basingstoke) (Lab): It is a great pleasure to serve under your chairship, Ms Jardine. I want to ask the Minister a couple of questions about compulsory purchase and redevelopment and regeneration schemes. A significant regeneration scheme has been proposed in Basingstoke for the communities of South Ham and Buckskin by the housing association SNG. To say that the consultation with residents has been badly handled is an understatement. I have been calling for a complete reset of the project by SNG, which has fundamentally failed to take the community with it. It has lost the trust of many people, from its tenants to local homeowners and private renters. It must rebuild that trust. I have committed to working with residents to ensure that any plans benefit and have the support of the local community.

One of the key concerns of the community is the threat of widespread compulsory purchase. Can the Minister confirm that nothing in the Bill will weaken the voice or say of residents involved in redevelopment or regeneration schemes, where CPO is involved? Can he also confirm that CPO should always be used as a last resort, that it must always be taken in the public interest, and that it will not change the compensation available to ordinary owner-occupiers and tenants involved in such regeneration schemes?

Matthew Pennycook: I thank all Members for their contributions. To the point made by my hon. Friend the Member for Basingstoke, I do not think that I can add much more to the very clear set of principles that have guided our approach in opening this particular part of the Bill. This is not particularly directed at the shadow Minister, but there has been a fair amount of scaremongering about what the compulsory purchase provisions in the Bill entail, which has not always been completely accurate—let me put it as gently as that.

In response to a number of the challenges, I recognise why the shadow Minister raised his point, and I addressed the point about the Welsh Government. Welsh Ministers have devolved competence to reform loss payments for CPO in Wales, and therefore this clause applies in the way that I have set out. On the more substantive point, without getting into individual cases, I note the case that my hon. Friend the Member for Basingstoke made and I appreciate why he raised it, but he will also recognise why I cannot comment on specific instances of CPO use.

On the general principle of the Bill, I will say a couple of things to the shadow Minister. First, we are not removing the ability for landowners and occupiers to claim for a basic occupier's loss payment. The Government consider it necessary to rebalance how loss payments are allocated between owners and occupiers to ensure—this is the guiding principle—that those who experience the most level of disruption and inconvenience caused by compulsory purchase are compensated fairly.

The shadow Minister pushed me to reassure him and to go away and reflect to ensure that the system has equal parity. We already have a two-tier system in place; there are differing rates for tenants and landowners. All we are seeking to do through this clause is rebalance the loss payment compensation in favour of occupiers for the reasons that I have given. Landowners and occupiers can still claim for loss payments in addition to claiming compensation for the market value of their land, disturbance costs and other reasonable costs incurred because of a CPO, such as legal and other professional fees.

We may have a principal difference of opinion here; however, on the substantive point, although we have a two-tier system already, we think that it is right to rebalance that two-tier system and weight it slightly more in favour of occupiers of land so that they are entitled to the higher amount of 7.5%, and owners of land to the lower amount of 2.5%. We think that is right, and for that reason, we will not be able to accept new clause 52.

Question put and agreed to.

Clause 88 accordingly ordered to stand part of the Bill.

Clause 89

HOME LOSS PAYMENTS: EXCLUSIONS

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Clause 89 amends the Land Compensation Act 1973 and introduces provision to exclude the right to a home loss payment in certain situations. A home loss payment is an additional amount of compensation paid to a person to recognise the inconvenience and disruption caused where a person is displaced from their home as a result of a CPO. We have just had a debate about a slightly different aspect of what the Government intend to effect by these provisions.

Under the current provisions, where property owners have failed to comply with a statutory notice or order served on them to make improvements to their neglected land or properties, their right to basic and occupier's loss payments may be excluded. There are, however, currently no similar exclusions for home loss payments. Clause 89 amends the 1973 Act to apply this exclusion to home loss payments also. The situations where home loss payments may be excluded will include where certain improvement notices or orders have been served on a person and they fail to undertake the necessary works.

Local authorities can expend significant resource and cost using CPO powers to acquire neglected properties to bring them back into use. Where property owners fail to undertake mandated improvement works to their properties, they should not be able to benefit financially through claiming a home loss payment. Non-compliance with improvement notices or orders can increase the costs to the public purse of bringing valuable housing resources back into use through use of CPOs. If memory serves, we had a short debate on empty homes and what more the Government can do, and I think that making changes in this area will help with that. Introducing provision for these circumstances will lower local authorities' costs of using their CPO powers. It will support the delivery of more housing for communities. It also further ensures that the compensation regime is fair.

Paul Holmes: I have nothing further to add.

Question put and agreed to.

Clause 89 accordingly ordered to stand part of the Bill.

Clause 90

TEMPORARY POSSESSION OF LAND IN CONNECTION WITH COMPULSORY PURCHASE

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Clause 90 amends the power to take temporary possession of land under the Neighbourhood Planning Act 2017. Promoters of major infrastructure have indicated that their current consenting regimes provide flexibility for the taking of temporary possession of land, and should the 2017 Act power be commenced, that flexibility would be taken away. The clause sets out that the power for acquiring authorities to take temporary possession of land by agreement or compulsion under the 2017 Act does not apply in respect of: first, other express temporary possession powers provided for by other Acts; secondly, development consent orders made under the Planning Act 2008, and infrastructure consent orders made under the Infrastructure (Wales) Act 2024; thirdly, orders made under the Transport and Works Act 1992.

The clause will enable the taking of temporary possession under the 2017 Act, without interfering with the process for taking temporary possession under development consent orders, infrastructure consent orders or transport and works orders. It will help ensure continued flexibility for the delivery of critical infrastructure, while paving the way for the taking of temporary possession under other regimes such as the CPO process and the New Towns Act 1981.

Paul Holmes: We do not have much to say on this clause, but it would be rude if I did not say something. *[Interruption.]* I know Government Back Benchers agree.

Clause 90 provides a targeted amendment to the temporary possession provisions under the Neighbourhood Planning Act 2017, clarifying the scope of that Act's powers in relation to other legislative frameworks. It stipulates that the temporary possession powers under the 2017 Act do not apply where other Acts such as the Planning Act 2008, the Infrastructure (Wales) Act 2024 or the Transport and Works Act 1992 already contain express provisions for temporary possession. That clarification will ensure that there is no duplication or conflict between the different legislative regimes, thereby promoting legal certainty and administrative efficiency.

By explicitly excluding scenarios where other statutory mechanisms are in place, the clause avoids overlapping authorities and potential jurisdictional confusion. Moreover, it preserves the functionality of the 2017 Act for compulsory purchase orders under the Acquisition of Land Act 1981 and New Towns Act 1981, ensuring that those frameworks can continue to utilise the temporary possession powers where no alternative statutory mechanism exists.

Although the clause provides a cleaner legislative structure, it may also introduce complexity for practitioners who must now navigate multiple legislative sources to determine the applicable authority for temporary possession. That could increase the burden on acquiring authorities and landowners alike, particularly in large infrastructure schemes involving various enabling statutes. Overall, the clause serves a valuable purpose in harmonising the law, but may require careful guidance to ensure that its practical application does not create uncertainty or administrative hurdles. Although we are generally supportive, I look to the Minister to see whether he deems it appropriate to provide advisory guides and accompanying documents when the legislation is enacted.

10.45 am

Matthew Pennycook: It is important to make one point about the Neighbourhood Planning Act 2017, and then to reiterate the purpose and effect of the clause. The temporary possession powers in the Neighbourhood Planning Act 2017 still need to be commenced. Before commencing those provisions, the Government must consult on regulations relating to the reinstatement of land, subject to a period of temporary possession.

The commencement of the 2017 Act temporary possession powers is an important reform, to which the Government are committed. However, scoping of the work required to prepare the necessary consultation and draft regulations is still under consideration. The clause is an important tidying-up measure, although I will reflect on whether we can do more through guidance to ensure that the process is as clear as possible for those participating in it. In certain cases, the 2017 Act will—inadvertently, to be fair to the previous Government—prevent the powers from being used to enable major infrastructure regimes.

We want those infrastructure regimes to continue under the current legal provisions granted to them for the taking of temporary possession of land, so we think it necessary to amend the temporary possession powers introduced through the 2017 Act: to disapply them for

[Matthew Pennycook]

the consenting regimes I set out, to ensure that, when commenced, the 2017 provisions operate as intended and that this does not frustrate major infrastructure coming through the other consenting regimes. I do not think I can be clearer than that. The clause is fairly straightforward and simple, but I am more than happy to take away the shadow Minister's points about guidance.

Question put and agreed to.

Clause 90 accordingly ordered to stand part of the Bill.

Clause 91

AMENDMENTS RELATING TO SECTION 14A OF THE LAND COMPENSATION ACT 1961

Ellie Chowns (North Herefordshire) (Green): I beg to move amendment 2, in clause 91, page 131, line 17, at end insert—

"(za) after subsection (1) insert—

'(1A) Subsection (2) also applies if an acquiring authority submits a compulsory purchase order in relation to furthering the purposes of delivering housing targets set out in a local plan.'"

This amendment would provide that, where a compulsory purchase order is applied for to acquire land or property for the purpose of delivering housing targets set out in local plans, the prospect of planning permission being granted can be disregarded when calculating compensation (also known as "hope value").

The Chair: With this it will be convenient to discuss the following:

Amendment 86, clause 91, page 131, line 17, at end insert—

"(za) in subsection (2), at end insert "unless the acquiring authority states that the whole of the land is being acquired for the purpose (or for the main purpose) of provision of sporting or recreational facilities in which case subsection (5) shall not apply."

This amendment would enable hope value to be disregarded in calculating the compulsory purchase value of land, where it is being purchased for recreational facilities.

Amendment 87, clause 91, page 131, line 18, at end insert—

"(ab) in subsection (5), at end insert "unless the acquiring authority states that the whole of the land is being acquired for the purpose (or for the main purpose) of provision of sporting or recreational facilities in which case this provision shall not apply."

This amendment is linked to Amendment 86.

Clause stand part.

New clause 108—*Repeal of section 14A of the Land Compensation Act 1961*—

"In the Land Compensation Act 1961, omit section 14A."

Ellie Chowns: It is a pleasure to serve under your chairship, Ms Jardine. I rise to speak to amendment 2. Before I do, I would like to welcome the tone in which the Minister has presented the clauses in this part of the Bill. I recognise and understand the intention to clarify the CPO process and enable it to work better, and I particularly welcome our discussions on clause 88—the determination to ensure a fairer distribution between tenants and owners, for example.

Amendment 2 is intended to be fully in that spirit. It recognises the reality of our dysfunctional land and housing markets in the UK, that hope value plays a part in that, and that reforming hope value could unlock significant resources for the delivery of social and affordable housing. I understand that the calculation is that reforming hope value could free up £4.5 billion a year, which could enable us to build a third more social rented homes than had previously been intended. That would be very valuable.

Under the Land Compensation Act 1961, land owners can potentially claim the value of planning permissions that have not even been thought of, let alone applied for. I understand that land with planning permission is on average worth 275 times more than land without—really quite an extraordinary step change in land value. Reforms to address the issue are very much needed.

Under the Levelling-up and Regeneration Act 2023, changes were made; the previous Government recognised that there was a problem. The 2023 Act allows hope value to be removed when a development is deemed to be in pursuit of public benefit, particularly affordable housing, health and education. It is a step in the right direction, but still requires the local authority to apply to the Secretary of State for permission on a case-by-case basis. Amendment 2 would simply clarify the situation and specify that when a local authority is compulsorily purchasing land to provide affordable housing, hope value can be disregarded. It is entirely in the spirit of previous reforms to the legislation. It clarifies the situation, and it avoids the potential for councils to be subject to challenge from developers on a case-by-case basis. It does that by clarifying that when the public benefit is being served—something that the Minister has repeatedly referred to—it is clear that hope value can be disregarded, because the public benefit from providing affordable housing is, in those cases, overriding. I look forward to the Minister's comments.

Olly Glover (Didcot and Wantage) (LD): It is a pleasure to serve under your chairship once again, Ms Jardine. I rise to speak to amendments 86 and 87 on behalf of my hon. Friend the Member for Twickenham (Munira Wilson). In tackling the issue of hope value, the Planning and Infrastructure Bill misses an opportunity when it comes to playing fields. The amendments seek to include recreational facilities such as playing fields by ensuring that when an acquiring authority uses a compulsory purchase order to acquire land for use as a sports or recreational facility, hope value would not be applied, thus making the cost more affordable.

The amendments would enable hard-pressed local authorities to acquire playing fields for their local communities' use at playing-field value, instead of at an overinflated hope value, to boost additional grassroots sports provision. Such a change would allow sites such as Udney Park playing fields in Teddington, in my hon. Friend's constituency—they have lain derelict for more than a decade under private ownership—to be acquired for public use. There is a dire need for additional playing space in the area.

The Liberal Democrats believe that everyone should have access to high-quality sports and recreation facilities in their local community. Indeed, Sport England says that those spaces are key to physical and mental health, and to community links. According to a 2023 College of Policing report, such facilities can help to reduce reoffending,

particularly among young people. Up and down the country, too many communities lack the necessary land and space to support young people and families, as well as the wider community, to enjoy sport and improve their physical and mental health. I hope the Minister will consider the amendments in the spirit in which they are intended.

Gideon Amos: I rise to support the principle of what is being proposed in clause 91 and what has been said about the need to allow authorities to acquire land without paying additional hope value or value of planning permissions not yet sought or granted. It is a long-standing issue, and debates on it go back a very long time indeed; I think it began with Lloyd George, who said that it should be the state, rather than landowners, that benefits when the state invests resources or increases the value of land from its own actions.

I support the clause as a Liberal Democrat—it was in our manifesto—but I should add that it does not represent a radical or enormous change; in fact, it was the position for a great many years. Following the second world war, the Pointe Gourde case established the principle that hope value would not be paid. As has been mentioned, it was only the Land Compensation Act 1961, exaggerated by further case law in the 1970s, that gradually increased the amount of compensation payable to landowners on the basis of planning permissions not sought or obtained—that is, hope value. As we have been discussing, that frustrates and stymies the delivery of social housing, which we all wish to see, and of other public development.

For all those reasons, this is a welcome clause and we definitely support it. On amendment 2, my understanding is that the clause would allow social housing to be delivered under the provisions of clause 91, but no doubt the Minister will clarify that. We will make our decision about amendment 2 on that basis.

Finally, this has been a long campaign by a number of people and organisations, including the Town and Country Planning Association. People such as Wyndham Thomas, a pioneer in this field, long argued for a change to the hope value provisions. The change, if it comes today, will do credit to those who pushed for it for so many decades.

Paul Holmes: For the Committee's convenience, I note that we do not plan to speak to proposed new clause 108, tabled by my right hon. Friend the Member for Louth and Horncastle (Victoria Atkins); I have just scribbled it out. We welcome some provisions of clause 91, but we have some concerns. The Minister will definitely come back to me and say, "But your Government made some reforms." We know that, but the Opposition have some concern about the scattergun—I would not say "spontaneous"—approach to bypassing hope value, which allows its removal through a much more centralised and unfair system. As we said previously about some CPO provisions, we are concerned that the clause will be unfair on some people who are not well off or affluent.

However, overall the clause is a pragmatic and well targeted reform that aims to steer towards prioritising community benefits and affordability. We will look at it in more detail in later stages of consideration; the Minister knows that we will constructively try to reform the elements that we are concerned about. But we will not press proposed new clause 108, and are happy to let clause 91 through without a Division.

Matthew Pennycook: I will first respond to amendments 2, 86 and 87, then speak to clause 91 stand part, and finish by touching briefly on proposed new clause 108.

Amendment 2 was moved by the hon. Member for North Herefordshire. As she set out, it would amend clause 91 to expand the power, introduced by the Levelling-up and Regeneration Act 2023, for CPOs to be confirmed with directions removing hope value. The amendment proposes expanding the direction power to CPOs that are delivering housing targets set out in their local plans.

The Government agree that there is a need to address issues around the payment of hope value, but I am unable to support the amendment. Sympathetic as I am to the greater use of hope value—mayors and local authorities around the country read *Hansard* closely, so I stress that the Government very much want an acquiring authority to utilise the powers in the Levelling-up and Regeneration Act—I cannot accept the amendment because its principal objectives can already be achieved with the existing direction power. That power has similar effects but, importantly, requires affordable housing to be part of any scheme reliant on CPO powers. We therefore do not believe that the amendment is required.

If the hon. Member for North Herefordshire wants to respond we can have an exchange on this point, but the power in question is used on a case-by-case basis according to the public interest. This Government, like the previous Government, are well aware of the need to meet the public interest test so that use of the power does not fall foul of article 1 of the first protocol of the Human Rights Act 1998, in a true, broader application. That is why the public benefit test is important and needs to be judged on a case-by-case basis. Seeking to expand the use of the power beyond that test, and apply it much more widely, is problematic.

Gideon Amos: It would be helpful if the Minister confirmed what I think he is saying: that the application of compulsory purchase under clause 91 could include compulsory purchase of land that will be used for social or affordable housing.

11 am

Matthew Pennycook: I absolutely can confirm that. If the hon. Member is interested, that was set out in the extensive debates on that power during the Levelling-up and Regeneration Bill Committee. The public benefits to which the direction can apply are very clear: transport schemes but also affordable housing schemes. However, it would be judged on a case-by-case basis whether the amount of affordable housing provided, in each instance, was sufficient to meet that public benefit test.

The important point that I need to make is that the reference to the provision of affordable housing and other benefits is an important safeguard, to ensure that directions removing hope value could meet the public interest justification test and ensure that the use of the power would be compliant with human rights legislation. That is really important. Trying to draw the power too widely would fall foul of human rights legislation and we would not be able to use it in any case. That is why it has to be targeted at schemes that deliver in the public interest. That will be judged on a case-by-case basis.

[Matthew Pennycook]

The Government also have concerns that amendment 2 could introduce a change that could make it difficult for authorities to justify directions removing hope value in the public interest. We think that it could make the benefits delivered through use of the existing direction power less clearly identifiable and problematic for those reasons, so I will not be able to accept the amendment, although, as I say, I am sympathetic to the use of the direction in clear instances when a public benefit is at stake.

Although we have commenced the Levelling-up and Regeneration Act provisions only this year, to date no acquiring authority has used them; I suspect that is partly from the usual hesitancy about being the first mover and partly about ensuring that there are sufficient skills in the acquiring authority to use it. But the Government are very clear: we do want an acquiring authority, where appropriate, to make use of the power, although we cannot draw it more widely for the reasons I have given.

I turn to amendments 86 and 87. The amendments seek to amend clause 91 and expand the power introduced by the Levelling-up and Regeneration Act for CPOs to be confirmed with directions removing hope value. The amendments propose to extend the types of CPOs for which directions removing hope value may be sought to CPOs providing provision of sporting and recreational facilities. The amendments also seek to introduce a change so that CPOs that provide sporting and recreational facilities would not have to facilitate affordable housing provision when seeking directions removing hope value.

While the Government recognise the value of parks and playing fields to our communities—we could all give our own examples of how much they are cherished and loved—we are unable to support the amendments. As I have said, the non-payment of hope value to landowners through the use of CPO powers must be proportionate and justified in the public interest. Affordable housing, education and health are types of public sector-led development where the public benefits facilitated through the non-payment of hope value can be directly demonstrable to local communities. The Government have concerns that the provisions would be less compelling for sporting and recreational facilities. The proposed changes could make it difficult for authorities to justify directions removing hope value in the public interest, as the benefits to be delivered would be less clearly identifiable. The Government are therefore unable to support the amendments.

I turn briefly to clause stand part. Clause 91 makes amendments to the power introduced by the Levelling-up and Regeneration Act, which we have just been debating, that allows authorities to include in their CPOs directions the removal of hope value from compensation, when that is justified in the public interest. First, the clause amends the Acquisition of Land Act 1981 and provides that CPOs made with directions removing hope value may be confirmed by acquiring authorities where there are no objections to the relevant CPO.

Alongside that reform, the Government intend to publish updated CPO guidance to make clear their policy that the power for inspectors to be appointed to take decisions on CPOs under the 1981 Act can be used for CPOs with directions removing hope value. CPO guidance published by my Department sets out criteria that the Secretary of State will consider in deciding whether to delegate confirmation decisions to inspectors. The updated CPO guidance, reflecting the Government's policy, will be published when we implement the Bill's reforms following Royal Assent. The changes will speed up the decision-making process for CPOs with directions removing hope value and ensure that the process is more efficient and effective.

Secondly, clause 91 extends the power for CPOs to include directions removing hope value to CPOs made on behalf of parish or community councils under section 125 of the Local Government Act 1972. That will allow parish or community councils, when seeking to deliver affordable housing in their areas, to acquire land without paying hope value compensation—again, when a direction removing hope value is justified in the public interest demonstrably and clearly. The change is intended to increase the viability of such schemes to deliver more affordable housing, which these communities desperately need.

Lastly, the clause amends the legislation to ensure that when CPOs are confirmed with directions removing hope value, the directions apply not only to the assessment of market value of land taken but to loss payments where the assessment of market value is a relevant factor. That makes it clearer that hope value will be removed from all heads of claim where market value is assessed. That provides for the consistent application of the principles for the assessment of the market value of land where CPOs are confirmed, with directions removing hope value. It also ensures that the compensation regime does not deliver excessive compensation where compulsory purchase is used to deliver benefits in the public interest.

I again make it clear that these reforms are not about targeting farm owners or any specific types of land or landowner. Neither do the clauses seek to change—returning to the point made by my hon. Friend the Member for Basingstoke—the core principles of compulsory purchase, which remain. There is nothing in the Bill that changes the core principles of compulsory purchase. As I have said, it must be used only where negotiations to acquire land by agreement have failed, and where there is a compelling case in the public interest. To deliver the homes and infrastructure we need, we must look to unlock land in the right places. These clauses ensure we have the correct tools to realise that.

Briefly, new clause 108, tabled by the right hon. Member for Louth and Horncastle, seeks to repeal section 14A of the Land Compensation Act 1961, which provides the power for CPOs to be confirmed, with directions removing hope value where justified in the public interest. For that reason, I understand why the shadow Minister has at the last moment hesitated to speak to it. In essence, the new clause would remove the power introduced by the Levelling-up and Regeneration Act 2023, which allows acquiring authorities to take forward certain types of scheme by compulsory purchase and to pay a reduced value for land where it will deliver clear and significant benefits and is justified in the public interest.

I disagree with the reforms made by Baron Gove—I think that is now the correct terminology—in a number of areas. He tainted his record in my Department very late on in the previous Government by abolishing

mandatory housing targets under pressure from the so-called planning concern group, the ringleaders of which all lost their seats in any case. He did, however, introduce a number of very valuable reforms, one of which is that reform to CPOs. It is therefore absolutely right that we do not attempt—as the right hon. Lady clearly does, if not the shadow Minister—to remove it from the statute book.

Paul Holmes: The Minister is being slightly unfair in saying that I have chosen not to speak to the new clause at the last minute; I had always intended not to speak to it because we are very collaborative on our Opposition Front Bench in deciding what we will and will not speak to. The Minister should know that there is always a good intention behind a new clause or amendment—in this case, to restrict the unfairness to some people.

The Minister should also not be surprised that the shadow Cabinet and shadow Ministers such as myself are assessing what happened under the last Government. We are looking back and, as we have said repeatedly, we are under new leadership. The Minister will know—in a basic constitutional lesson—that no Government is bound by the actions of its predecessor, and we are not bound by the actions of our previous leader. *[Interruption.]* They should not be surprised by that. They were always reviewing their successes under Gordon Brown and particularly the right hon. Member for Doncaster North (Ed Miliband). They have changed a lot of their views from what they used to say then. They have definitely changed a lot of what they thought when they were under the leadership of the right hon. Member for Islington North (Jeremy Corbyn) and were extolling the virtues of loyalty.

We will look to see how we can strengthen the provisions in the new clause tabled by my right hon. Friend the Member for Louth and Horncastle, and we will come back to it a further stage. The Minister should not always think that there is a conspiracy when I decide not to press an amendment.

Matthew Pennycook: It has been pretty dry going this morning on these clauses. For the purposes of entertaining the Committee, I just want to make sure I have understood the shadow Minister.

Paul Holmes: No, you do not need to.

Matthew Pennycook: The Opposition are at liberty to change their position on any policy that the previous Government introduced, but they do not want to change policy in this area as they believe that the power is proportionate and necessary. However, the right hon. Lady still tabled the new clause to signal that they may be willing to come back to it at some point. Is that broadly right?

Paul Holmes: The Minister is being overly cynical. As he knows, our leader, my right hon. Friend the Member for North West Essex (Mrs Badenoch), has said that there is a mainstream review of what worked and what did not work under the very successful Conservative Government that served for the last 14 years. What we are looking at going forward is whether we need a new approach to planning reform. That is exactly what the new clause was intended to probe.

Ellie Chowns: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 91 ordered to stand part of the Bill.

Clause 92

NEW POWERS TO APPOINT AN INSPECTOR

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: Clause 92 amends the process for the confirmation of CPOs made under the New Towns Act 1981. Decisions to confirm CPOs made under the Acquisition of Land Act 1981, such as housing and planning CPOs, can be made by inspectors on the Secretary of State's behalf, but currently, confirmation decisions on CPOs made under the New Towns Act must be taken by the relevant Secretary of State. Clause 92 introduces a power for confirmation decisions on CPOs made under the New Towns Act to be delegated to inspectors, although the Secretary of State will retain the ability to recover decisions for their determination. This change will ensure the decision-making process for CPOs facilitating new towns is streamlined and consistent with the confirmation of other CPOs.

Clause 92 also amends the decision-making process for directions for the payment of additional compensation under schedule 2A to the Land Compensation Act 1961 where an acquiring authority has not fulfilled the commitments it relied on when it obtained a direction allowing it to acquire the land without hope value. The clause introduces a power for the Secretary of State to appoint inspectors to take decisions on applications for additional compensation. This will ensure that the process for considering applications for additional compensation is more efficient and consistent with the approach set out in clause 91, which allows for the delegation of decisions on CPOs. The clause will make the authorisation process more efficient, resulting in quicker decisions.

David Simmonds: I just want to ask the Minister, in respect of the appointment of the inspector, what the Government's thoughts are about the requirements for who that inspector would be. With reference to my fellow shadow Minister's point on an earlier clause, one of the concerns is whether what emerges from this process will be a fair level of compensation, particularly in a constituency such as mine on the edge of London, where there is a lot of farmland—a lot of green-belt land—for which the occupiers will have paid a significant hope value premium to Parliament, sometimes decades ago. The same will be true in many potential development areas on the fringes of cities.

Clearly, it will be necessary that the inspector, who comes to a view about what an appropriate compensation payment is, has a relevant level of qualification. Again, does the Minister have a view about including a requirement for the inspector to have a relevant accountancy, surveying or other qualification that would enable them to discharge this function, or to secure the relevant advice, so that all parties can be confident in the decision that is made?

Matthew Pennycook: If the shadow Minister will allow me, I will come back to him in writing on the specific point of how the Government will ensure that the relevant inspector has the correct skillset to make the necessary decisions.

[Matthew Pennycook]

I think it is probably worth making two other points. First, how will the delegation of decisions to inspectors on CPOs made under the New Towns Act 1981 be considered? The appointment by the Secretary of State of an inspector to make the decision on a CPO made under the 1981 Act will be considered against the delegation criteria published in the Government's guidance on the compulsory purchase process.

Secondly, there is the important question of whether the decision on an application for additional compensation will be delegated to the same inspector who considered the original CPO with the direction removing hope value. In that regard, it is important to note that the timescales between the confirmation of a CPO with a direction removing hope value and the determination of an application for additional compensation will vary in each case. As such, it may be impractical for the inspector who considered the original CPO with the direction removing hope value to determine the direction for additional compensation, so we need that flexibility.

11.15 am

David Simmonds: I understand the point the Minister is making. The lessons learnt from the HS2 project is that this can become a very significant source of hardship for land occupiers. I think of a constituent in his 90s who has waited six years for the payment of compensation for land that has been occupied throughout that time by HS2 in pursuance of its project. There are ongoing debates about how this will be settled. Despite an agreed figure having been reached some time ago, payment was held up. If the Minister is not minded to introduce deadlines around that, he might wish to table amendments to that effect at a later stage. I am interested in what he has to say about that.

Matthew Pennycook: I note the point that the hon. Gentleman is making. I will not comment on the specific case he raises, but I am keen to provide him with as much reassurance as possible about the skillset of inspectors, and that skillset being directly applicable to the types of cases they will be looking for in terms of compensation. On the practical considerations around the timescale of the process and other issues he has raised, I am more than happy to set that down in writing to him.

Question put and agreed to.

Clause 92 accordingly ordered to stand part of the Bill.

Clause 93

Reporting on extra-territorial environmental outcomes

Question proposed, That the clause stand part of the Bill.

Matthew Pennycook: As the Government move to bring forward the new system of environmental outcome reports that will replace the EU processes of environmental impact assessment and strategic environmental assessment, it is necessary to make a minor amendment to the original drafting to ensure the new system can comply with relevant international obligations. Environmental outcomes reports provide the opportunity to streamline the assessment process while securing better outcomes for nature, but it is vital we start this journey with the right powers.

Clause 93 amends the power to specify environmental outcomes to ensure they can relate to areas outside of our national jurisdiction. This is to ensure that the new system of EORs can comply with, among other things, the UK's obligations under the Espoo convention, which requires signatories to consider the potential transboundary impact of development. This measure will ensure that, as the Government progress with developing the new system of EORs, they will have sufficient powers to ensure the new system can adequately fulfil all our international obligations.

Paul Holmes: Before we receive a statement later from the Prime Minister, can the Minister outline whether any of the movements in this domestic legislation, which stem from the transitioning of EU-derived systems, will be affected by any Government deal made between the EU and the United Kingdom?

Matthew Pennycook: I will come back to the hon. Member on that point in writing, because it is important that I am precise on it. Obviously a series of obligations stem from the trade and co-operation agreement, and they are set out. This clause specifically attempts to ensure that the new system of EORs—legislated for through the Levelling-up and Regeneration Act 2023—can, once it is brought into force, function in a way that is compliant with all our international obligations. I think members of the Committee would very much support that being the case. I commend the clause to the Committee.

Paul Holmes: I would expect the Minister to write to us; I would not expect an answer on the Floor of the Committee. What the Prime Minister is going to outline later is a detailed and holistic deal. When we talk about a change that is being framed within the context of transitioning from the EU-derived systems of environmental impact assessments and strategic environmental assessments—I have only read what is in the papers; I am sure the Minister has, too—any area that is encapsulated within that wider deal may affect this domestic legislation going forward, so I would appreciate his writing to us on that.

By expanding the geographical scope within that derived system, the clause allows for a more holistic consideration of environmental impacts, including transboundary and global effects, as the Minister has outlined, which are particularly relevant in an era of climate change, biodiversity loss, and other interconnected environmental challenges. The broadened scope may be seen as a progressive move, enabling regulators to take a more comprehensive view of environmental harm such as greenhouse gas emissions or marine pollution, which can extend well beyond national borders. It aligns with growing international expectations that environmental assessments account for broader spatial impacts, enhancing the credibility and robustness of the UK's post-Brexit environmental governance framework, although that is potentially subject to change by the Government.

Although the clause strengthens the theoretical scope of environmental assessments, it does not clarify the practical mechanisms by which the likely significant effects beyond the UK will be evaluated or enforced.

Without that clear guidance, the broader remit could become more symbolic than operational, risking inconsistencies in application. Bearing in mind the time, I would appreciate it if the Minister could briefly come back on those points, and then we would be content not to vote against the clause.

Matthew Pennycook: In speaking to the clause, I stressed that the purpose is to ensure that the new system of environmental outcomes reports introduced by the Levelling-up and Regeneration Act, which this Government are committed to proceeding with, is compliant with all our international obligations. I mentioned, for example, the Espoo convention. The UK is party to that convention, and thus all development must consider whether the project will have likely significant effects on the environment in other states that are also party to it. I understand the shadow Minister's points, but this is a non-controversial clause that simply ensures that once we bring the new system into force, it is compliant with all our international obligations.

Gideon Amos: It might be helpful to point out that the Espoo convention—the transboundary convention—is not, although the shadow Minister referred to European obligations and transition, a European convention; it is a United Nations convention. It is therefore not related to Brexit. It is a convention signed under the United Nations commission. It is important that the clause addresses that.

The Espoo convention also reminded me of the training for inspectors point that the Minister made. I wonder whether the Government, given the clauses in the Bill, particularly the hope value clause we discussed earlier, would ensure that training of inspectors is brought up to date across the board to ensure that the provisions are properly applied. I declare an interest as a former inspector.

Matthew Pennycook: We value the hon. Gentleman's expertise and insight. I would say two things. It is worth clarifying—apologies if I gave the impression otherwise—that it is for the upper tribunal to determine compensation cases, but I reassure the Opposition that when it comes to inspectors and their role in the CPO process, they have the necessary skillset. I will provide further reassurance on that point.

To the hon. Gentleman's point on the Espoo convention, although I do not want to answer for the shadow Minister, it is right that, while the convention is not EU-derived, the new system of EORs will replace the EU-derived processes of EIAs and SEAs. I think that is the point that the shadow Minister was making. We want to ensure that the new system that replaces the EU-derived existing assessment regime is compatible with our international obligations, and nothing more.

Question put and agreed to.

Clause 93 accordingly ordered to stand part of the Bill.

11.24 am

Ordered, That further consideration be now adjourned. —*(Gen Kitchen.)*

Adjourned till this day at Two o'clock.