

Locally Led New Towns (Development Corporation) (“LLNTDC”)

The New Town Act 1981 (Local Authority Oversight) Regulations 2018 came into force earlier this year and Guidance has been issued that outlines the way in which LLNTDCs will work.

The 1981 New Towns Act allows the Secretary of State to designate a new town and to incorporate a New Town Development Corporation. Normally the Secretary of State then takes responsibility for all oversight of the Development Corporation.

The 2017 Neighbourhood Planning Act introduced a provision that allowed the Secretary of State, as an alternative, to designate a Locally Led New Town Development Corporation in which the majority of the Secretary of State's functions under the 1981 Act can be transferred to identified local authorities.

An LLNTDC can only be established at the request of a local authority or group of local authorities. The Guidance notes that before designating a new town and incorporating a Development Corporation the Secretary of State will have to be satisfied that it is in the national interest to do so. The Guidance sets out six criteria on which the Secretary of State will need to be satisfied.

The Secretary of State will consult on any proposal. If agreed, an Order will be laid in Parliament for approval of both houses that will both designate the new town and will create the Development Corporation.

If approved, the Secretary of State will then appoint an "Oversight Authority". This will be the local authorities who requested the designation. They will be responsible for managing, monitoring and overseeing the way in which the Development Corporation operates. Before requesting an LLNTDC the authorities will need to agree between themselves how the oversight authority will be managed and the decision making processes.

An Oversight Authority has specific statutory responsibilities to:

- plan for the creation of a high quality settlement which is a sustainable community;
- support sustainable development and good design;
- plan from the outset for:
 - the long term stewardship of the assets and new town;
 - the participation of the community; and
 - the legacy arrangements following the dissolution of the new town.

The Oversight Authority will do this using a number of mechanisms including the appointment of Board members of the Development Corporation, the approval of business plans and debt limits, the approval of masterplans and other specified tasks. A number of powers continue to be reserved to the Secretary of State. Any Compulsory Purchase Order made by the Development Corporation has to be

confirmed by, and any distribution of surpluses needs the consent of, in each case the Secretary of State.

The dissolution of the Development Corporation can only take place on request of the local authority. When making a request there is ability (but not an obligation) to identify the proposed allocation of any assets and surpluses. If a proposal is made then the Secretary of State is bound to implement it. If no proposal is made then the Secretary of State will distribute assets and liabilities as appropriate

If an LLNTDC is used the hierarchical structure could comprise:

1. Oversight Authority - comprising a local authority or group of local authorities (this is the body that the Secretary of State devolves its responsibilities to);
2. Development Corporation(s) - which would act as the master planner body delivering development in the designated areas;
3. Local Delivery Vehicles - which could sit beneath the Development Corporation(s).