



Ministry of Housing,  
Communities &  
Local Government

# Development Corporation Reform

Technical consultation



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If you have any enquiries regarding this document/publication, complete the form at <http://forms.communities.gov.uk/> or write to us at:

Ministry of Housing, Communities and Local Government  
Fry Building  
2 Marsham Street  
London  
SW1P 4DF  
Telephone: 030 3444 0000

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October 2019

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## Scope of the consultation

Topic of this consultation:	This consultation seeks views on the effectiveness of the legislation governing development corporations. The consultation invites ideas on whether and how legislative reforms might ensure that, in future, where it is appropriate for a development corporation to be used, a fit-for-purpose models exists.
Scope of this consultation:	The consultation covers ways to ensure development corporations have up-to-date powers they need to deliver.
Geographical scope:	These proposals relate to England only.
Impact Assessment:	<p>We do not consider that the options covered in this consultation will have an impact on businesses, charities or the voluntary sector. The consultation relates to the establishment process and powers of development corporations that are set up and overseen by government (either local authorities or central government). As a result, an impact assessment has not been undertaken.</p> <p>The Government is mindful of its responsibility under the Public Sector Equality Duty to have due regard to the potential impact of its proposals on people with protected characteristics. The purpose of the consultation is to gather evidence and seek views on the issues above. We invite views on the Public Sector Equality Duty in relation to any and all of the questions in this consultation document. Any policy change brought forward as a result of the consultation would be subject to appropriate assessment.</p>

## Basic Information

To:	This consultation is technical in nature but is open to everyone. We are keen to hear from interested parties from across the public and private sectors, and welcome responses from the general public as well.
Body responsible for the consultation:	Ministry of Housing, Communities and Local Government
Duration:	This consultation will last for 8 weeks from 26 October 2019 to 21 December 2019.
Enquiries:	For any enquiries about the consultation, or if you would like to receive the consultation document in any alternative format, please contact: <b>newsettlements@communities.gov.uk</b>
How to respond:	Where possible, please submit your response by online survey at:

<https://www.surveymonkey.co.uk/r/3JJGW39>

If you are unable to respond via the online survey, you may submit your response via email to:

newsettlements@communities.gov.uk

or by post to:

Development Corporations Consultation  
Housing Infrastructure & New Settlements Division  
Ministry of Housing, Communities and Local Government  
3rd floor SW, Fry Building  
2 Marsham Street  
London  
SW1P 4DF

When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

- your name
- your position (if applicable)
- the name of your organisation (if applicable)
- an address (including post-code)
- an email address
- a contact telephone number

# 1. Introduction

- 1.1. Development corporations are important tools for delivering large-scale development, including mixed-use regeneration, transformational urban extensions and new settlements. In the right circumstances, these powerful vehicles can bring a number of advantages to complex projects including:
  - the focus, coordination and consistent delivery of a dedicated body
  - the ability to harness the delivery expertise and leadership of the private sector
  - visible public-sector commitment that can help attract private investment
  - broad powers to facilitate delivery of the project.
- 1.2. The development corporation model has been used successfully since the post-war period. From the late 1940s, new town development corporations (NTDCs) were established to deliver over 20 new towns across England, such as Telford and Milton Keynes. From the early 1980s, urban development corporations (UDCs) were used to lead the renewal of former industrial areas in many English cities, helping to create thriving new areas such as Canary Wharf in London and Royal Albert Dock in Liverpool. Today, a new generation of mayoral development corporations (MDCs) is emerging to tackle complex development challenges in London and mayoral combined authority areas.
- 1.3. We believe that development corporations have an important role to play in delivering much-needed housing for the long term, and in leading, at pace, the critical regeneration that will help to boost development of areas that have not fully shared in the country's recent economic growth. The advantages of development corporations are clear: they harness the expertise of the private sector with boards that bring together skills from across the development sector; they have the specific purpose to develop a strategic vision for an area, and the planning and delivery tools to implement it; and they have the brand and backing to attract investment. Following recent reforms, development corporations also now have the potential to be locally-led, with mayoral development corporations being established over the past decade, and new legislation in 2018 to allow the creation of locally-led new town development corporations (LNTDCs) under the oversight of local authorities.
- 1.4. Given the scale of the challenge to renew our town centres, provide the necessary infrastructure, and deliver the growth and housing current and future generations need, we want to explore what more can be done to make development corporations attractive and accessible to use, looking in particular at the current legal framework for these bodies.
- 1.5. Alongside this consultation, we are also launching a new £10 million fund to encourage local areas with ambitious regeneration and development proposals to come forward.

## *Purpose of this consultation*

- 1.6. There are several types of development corporations, governed by separate pieces of primary legislation dating from different periods. The main legislation relevant to this consultation is set out below.

<b>Development corporation type</b>	<b>Legislation</b>
New Town Development Corporation	New Towns Act 1981
Urban Development Corporation	Local Government and Land Act 1980
Mayoral Development Corporation	Localism Act 2011
Locally-led New Town Development Corporation	New Towns Act 1981 New Towns Act 1981 (Oversight Authority) Regulations 2018

1.7. As development corporation legislation was designed at different times in response to different circumstances the corporations have varying powers and remits. The purpose of this consultation is to seek views on whether this varied legal framework inhibits the operation of development corporations, and to invite ideas on how the legal framework might be reformed. We want to hear your views on whether, and how, legislative reforms might ensure that, where it is appropriate for a development corporation to be used, a fit-for-purpose model exists.

1.8. The consultation document covers three main areas of potential change:

- involving the private sector
- use of development corporations by local areas
- comparable powers for development corporations.

## 2. Involving the private sector

- 2.1. The nature and scale of projects delivered by development corporations is such that the private sector needs to be at the heart of their delivery. Development corporations already have a strong tradition of levering in significant private investment and harnessing the expertise of the private sector through multi-disciplinary boards. We want to see a new generation of development corporations that bring together private and public sector partners to an even greater extent and that work with local communities to deliver the regenerated town centres, renewed facilities, critical infrastructure and transformational housing they need.
- 2.2. With new legislation in 2018 to enable the creation of locally-led new town development corporations we required that a majority of members of the board be independent, including both the chairman and deputy chairman. We expect the board members to collectively have a wide range of place making skills including expertise and experience from the private sector.
- 2.3. We are now interested in exploring what additional measures might help to attract more investment and the greater private sector involvement in the leadership of development corporations. Greater involvement could take a variety of forms, for example measures around governance structures, board composition or the introduction of more explicitly described powers to enter into contractual agreements with private sector partners.
- 2.4. It should be noted that development corporations exercise significant public duties, for example in relation to planning and compulsory purchase. Any measures to increase private sector involvement would need to ensure that the integrity of decision-making around these functions was fully maintained.

**Question 1:** *Are there measures that you would like to see implemented to further facilitate private sector involvement and investment in development corporations? What changes would you like to see?*

## 3. Use of development corporations by local areas

- 3.1. Traditionally, development corporations have been established and led by central government. This approach started to change with the creation of the mayoral development corporation (established by legislation in 2011<sup>1</sup>). The decision to designate a mayoral development area is made locally by elected mayors in consultation with their combined authorities. Once the Secretary of State has been notified of the designation, he must lay a statutory instrument establishing the MDC.

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<sup>1</sup> Localism Act 2011



- 3.2. In 2018, Government legislated further to enable the creation of locally-led new town development corporations under the oversight of local authorities, rather than the Secretary of State<sup>2</sup>. In the case of LNTDCs, it is expected that a proposal for a new town will be initiated locally and then made to the Secretary of State, who (subject to approval) will lay the statutory instruments needed to designate the new town and establish the new town development corporation.
- 3.3. The Secretary of State should retain their role in overseeing centrally-led development corporations and the formation of new development corporations more widely, to ensure that these tools are used appropriately. However, the right delivery tools should be available for local areas to further drive their own growth where appropriate. We would like to hear your views on whether the existing models available to local areas – Mayoral and Locally-led New Town Development Corporations – are sufficiently broad in scope to support modern mixed-use developments, such as delivery of new settlements, regeneration and/or a combination of the two. We would also like to hear your views on what barriers there might be for the uptake of existing models.

**Question 2:** *Are the existing models of development corporations sufficiently broad in scope to allow for the types of development that local areas wish to pursue? Are there any barriers to the uptake of existing models? If so, what sort of change do you think is needed?*

## 4. Comparable powers for development corporations

- 4.1. Different types of development corporations have access to different powers in relation to planning. For example, an MDC may exercise the planning functions (both plan-making and development management) usually exercised by a local authority, becoming the local planning authority for its development area. A UDC may exercise development management functions but not plan-making. Traditionally, new town development corporations operate differently, with the Secretary of State approving their plans and using a special development order to grant planning consent<sup>3</sup>.
- 4.2. We are interested in your views about whether reform is needed to provide all development corporations with access to a suite of up-to-date planning powers.

**Question 3:** *Do you agree that all development corporations should have the ability, where appropriate, to exercise the plan-making and development management functions of a local planning authority?*

- 4.3. The mixture of approaches to planning functions in turn affects whether development corporations can use mechanisms such as a Community Infrastructure Levy (CIL), Strategic Infrastructure Tariff (SIT) and section 106

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<sup>2</sup> New Towns Act 1981 (Oversight Authority) Regulations 2018

<sup>3</sup> New Towns Act 1981 (s.7)

planning obligations to secure contributions from developers to help fund the infrastructure necessary to support development. This is because these mechanisms are generally linked to planning functions. We are interested in your views about whether reform is needed to provide all development corporations with the ability to access developer contributions.

- 4.4. Development corporations can lead a wide variety of development projects from urban extensions to the regeneration of brownfield sites. These different schemes demand different planning tools and routes to secure planning consent. We are interested in your views on whether the current planning tool package is sufficient for the broad needs of development corporations or whether further bespoke tools would be useful.

**Question 4:** *Do you agree that all development corporations should be able to secure contributions from developers using a range of mechanisms, such as CIL, SIT and Section 106 planning obligations, where they have taken on the corresponding planning powers from the local planning authority?*

**Question 5:** *Are there any other measures relating to planning powers and/or increasing the efficiency and effectiveness of planning in development areas designated to be overseen by development corporations?*

**Question 6:** *Are there any measures relating to developer contributions that should be put in place for development corporations?*

- 4.5. In order to deliver large and complex schemes development corporations have a range of other powers. This can include providing infrastructure, highways and acquiring land, including through its compulsory purchase. For example, MDCs may provide infrastructure and facilitate the provision of infrastructure (including water, electricity, gas, telecommunications, sewerage, transport facilities, health facilities, and community facilities). They may also purchase land compulsorily, subject to the mayor's consent and authorisation by the Secretary of State<sup>4</sup>. We are interested to know your views on whether these or any other aspects of development corporation powers should be reformed.

**Question 7:** *Are there any other measures relating to development corporation powers that you would like to see implemented?*

## 5. Other comments

- 5.1 We are interested to hear your views on any other points on development corporations that you would like to raise. The Government is also mindful of its responsibility under the Public Sector Equality Duty to have due regard to the potential impact of its proposals on people with protected characteristics. We would welcome any comments you may have on how future proposals on development corporations might relate to the Public Sector Equality Duty.

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<sup>4</sup> Localism Act 2011 (s.205-208)

**Question 8:** *Is there anything else that you would like to see new legislation or policy address regarding the aims, objectives, remit, powers and restrictions of development corporations?*

**Question 9:** *Do you have any views on the Public Sector Equality Duty in relation to any of the questions above?*

## 6. About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation, including personal data, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA), the EU General Data Protection Regulation, and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the Department is bound by the Freedom of Information Act and may therefore be obliged to disclose all or some of the information you provide. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Ministry of Housing, Communities and Local Government will process your personal data in accordance with the law and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. A full privacy notice is included at Annex A.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](#).

# Annex A

## **Personal data**

The following is to explain your rights and give you the information you are be entitled to under the Data Protection Act 2018. Please note that this section refers only to your personal data (your name, address and anything that could be used to identify you personally) not the content of your response to the consultation.

### **1. The identity of the data controller and contact details of our Data Protection Officer**

The Ministry of Housing, Communities and Local Government (MHCLG) is the data controller. The Data Protection Officer can be contacted at: [dataprotection@communities.gov.uk](mailto:dataprotection@communities.gov.uk)

### **2. Why we are collecting your personal data**

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

### **3. Our legal basis for processing your personal data**

The Data Protection Act 2018 states that, as a government department, MHCLG may process personal data as necessary for the effective performance of a task carried out in the public interest (i.e. a consultation).

### **4. With whom we will be sharing your personal data**

Your personal data will not be shared with any organisation outside of MHCLG.

### **5. For how long we will keep your personal data, or criteria used to determine the retention period.**

Your personal data will be held for two years from the date the consultation closes.

### **6. Your rights (e.g. access, rectification, erasure)**

The data we are collecting is your personal data and you have considerable say over what happens to it. You have the right:

- a) to see what data we have about you
- b) to ask us to stop using your data, but keep it on record
- c) to ask to have all or some of your data deleted or corrected
- d) to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/> or telephone 0303 123 1113.

7. The data you provide directly will be stored by Survey Monkey on their servers in the United States. We have taken all necessary precautions to ensure that your rights in terms of data protection will not be compromised by this.

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be moved from Survey Monkey six months from the date the consultation closes and stored in a secure government IT system.