

[Department](#)

[for](#)

[Levelling](#)

[Up,](#)

[Housing](#)

[&](#)

[Communities](#)

(<https://www.gov.uk/government/news/department-of-housing-and-local-government>)

[for-](#)

[levelling-](#)

[up-](#)

[housing-](#)

[and-](#)

[communities\)](#)

[Ministry](#)

[of](#)

[Housing,](#)

[Communities](#)

[&](#)

[Local](#)

[Government](#)

(<https://www.gov.uk/government/organisations/ministry-of-housing-and-local-government>)

[of-](#)

[housing-](#)

[communities-](#)

[and-](#)

[local-](#)

[government\)](#)

Consultation outcome

Development corporation reform: technical consultation response

Updated 31 August 2022

Contents

[Introduction](#)

[Summary of responses](#)

[Next steps](#)



© Crown copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at <https://www.gov.uk/government/consultations/development-corporation-reform-technical-consultation/outcome/development-corporation-reform-technical-consultation-response>

Introduction

On 26 October 2019 the department published the Development corporation reform: technical consultation, seeking views on reforming the legislative framework for development corporations. The consultation invited 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 model exists.

It is the government's view that development corporations are an important and powerful tool for both national and local government, particularly given the scale of the challenge to deliver the homes and employment the country needs and provide the necessary infrastructure.

While development corporations have an important role to play in delivering much needed housing, and in leading the critical regeneration that will help levelling up around the country and supporting the recovery from COVID-19, we recognise that they are not the only tool that can be used to drive forward development at scale. Depending on the specific local circumstances, there are other models which may be more appropriate to drive delivery, for example partnering with Homes England, establishing a joint venture, or a bespoke statutory body.

Following the introduction of the [Levelling-up and Regeneration Bill](https://www.gov.uk/government/collections/levelling-up-and-regeneration-bill) (<https://www.gov.uk/government/collections/levelling-up-and-regeneration-bill>), we are now publishing the consultation response. The consultation closed on 18 January 2020 and all responses have been carefully considered. There were 45 responses and the table below provides a breakdown of the responses by type of respondent.

Category	Number of responses
Individuals	11
Local authorities ^[footnote 1]	13
Professional bodies and trade organisations	7
Other representative organisations ^[footnote 2]	11
Developers	3

Not every respondent answered each question, nor where they did so were yes/no answers provided. We have not therefore provided a detailed statistical analysis. Rather in the question by question breakdown below we have sought to give a sense of the weight of respective views, reflect the wide range of thoughtful

comments, and provide a similarly well-considered response to those. We are grateful to the individuals and organisations that took the time and effort to respond to this consultation.

Summary of responses

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?

What consultees said

Many responses recognised the potential benefits of private sector involvement and investment in development corporations but emphasised that this involvement should be focused on improving delivery, and was not an end in itself. Some cautioned that too much private sector involvement could dilute the strong public sector leadership which was seen as important to safeguard community interests. There was also a clear recognition that democratic accountability needed to be maintained, with the risk of conflict of interest mentioned by a number of respondents. There was a consensus that barriers to private investment are less of a structural issue, and more a matter of creating certainty for investors.

A recurring theme was a desire for greater certainty around land acquisition and compulsory purchase – it was felt that this was what made the post-war New Town Development Corporations (NTDCs) an attractive proposition for private investment. There were also a handful of calls for government to clarify or set out guidance for public and private sector roles in development corporations, aimed at achieving appropriate public and private balance.

The general perception was that private sector involvement and investment could be best facilitated through measures to create investor confidence, including public sector finance.

“ [We] would advise that greater clarity on the parameters /expectations/opportunities for development corporations and the respective roles of private sector, LEP, local authority and financial stakeholders would be useful.”

(Local authority respondent)

“ The government might consider... further guidance on different ways in which mutually beneficial private sector involvement can be secured. This might be through more task-specific or time-limited roles, or stronger consultative processes nevertheless requiring less commitment from private organisations.”

(a professional body)

A small number of respondents called for development corporations to be private sector led. The rationale was that allowing this would insulate development corporations from what they perceived to be the short-term cycles of local politics and therefore accelerate housing delivery. One respondent supported the private sector having a formal role in the plan-making process, while another suggested that private sector partners should be closely involved in governance and decision-making for the development corporation.

Government response

We continue to take the view that the nature and significant scale of projects delivered by development corporations is such that private sector expertise will be crucial to drive delivery. This is in line with a strong tradition of development corporations leveraging in significant private investment and harnessing the expertise of the private sector through multi-disciplinary boards with considerable private sector representation, including in some cases the Chair of the Board.

Equally though, and as many respondents observed, we recognise that it is vital to ensure that development corporations are, and are perceived to be, democratically accountable and appropriately representative of local interests. It should be noted that we will ensure the integrity of decision-making around the exercise of public duties such as planning and compulsory purchase is fully maintained.

Accountability and decision-making powers will ultimately sit firmly with either the Secretary of State (in the case of centrally-led development corporations), or the democratically elected decision-makers for the local authority or authorities in charge of the scheme (in the case of locally-led development corporations).

In light of the responses to this question, government will explore, with stakeholders, publishing further information on the potential roles that public and private sector stakeholders might play in a development corporation, including potential partnership models. This could form part of a potential toolkit to provide further information on development corporations.

In addition to this, we are removing the cap on the number of board seats which is in place for NTDCs and Urban Development Corporations (UDCs), bringing them in line with Mayoral Development Corporations (MDCs) via the Levelling-up and Regeneration Bill. This will help ensure that appropriate private sector expertise can be on the board, while maintaining democratic accountability.

We also know that land ownership and certainty around land assembly can be a key barrier to private sector participation in projects led by development corporations. Development corporations have strong compulsory purchase powers, and we published new guidance on the use of NTDCs' compulsory purchase order powers in 2019. The Levelling-up and Regeneration Bill includes a package of reforms to make it easier and faster to use compulsory purchase. These include measures to improve the compulsory purchase process and greater clarity about local authorities' powers for using compulsory purchase to support regeneration.

We have also recently consulted on reforms on to the Land Compensation Act 1961 to enable hope value to be limited for specific projects when calculating compensation as a result of the compulsory purchase of land.

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?

What consultees said

The majority of respondents suggested, to varying extents, that the existing models of development corporation are not currently broad enough. Multiple responses noted the gap in the existing models of development corporation for a locally-led model with a regeneration remit outside of mayoral areas. It was suggested that this be addressed by legislating for the creation of a locally-led Urban Development Corporation (in a similar way to the 2018 regulations for locally-led New Town Development Corporations (LNTDCs)).

“ [T]here are no provisions in current legislation for a UDC to be ‘locally-led and accountable’. Overcoming this may mean reconsideration of the UDC legislation to enable local leadership or other such legislative changes which create a more suitable framework...”

(a local authority)

There was also support for giving all development corporations access to the same range of powers – in effect, creating a flexible single development corporation model with ability to tailor its remit and powers to fit with local circumstances.

“ At present there are several types of development corporation, with different powers and remits. There would be benefit in bringing these together, providing a single model with a potential range of powers that can be flexed to suit the particular local market circumstances.”

(a local authority)

In addition, there were several calls for development corporations to have the ability to develop sites in non-urban areas, where there are also challenges around housing delivery and employment opportunities, but fewer options for local authorities to pursue.

Although they were a minority, a few respondents were of the opposite view, and felt that the existing models were sufficient.

A number of barriers to uptake of existing models were flagged up. The most commonly mentioned was the considerable amount of upfront resource required to make the case for a development corporation, in terms of funding, time, and skills. Public and private sector respondents consistently flagged that local authority

resource constraints (both personnel and funding) were a major barrier in this regard, with respondents commenting on apprehension about the level of evidence that may be required.

On LNTDCs specifically, several local authority respondents said that uncertainty about the process was a barrier and that legal and financial risks for local authorities needed to be fully understood. In addition, some responses noted that there was a lack of clarity around the support that could be provided by central government, and there were some calls to modernise the establishment process.

“ For requesting authorities, the whole process may seem like a step into the unknown. The council would therefore hope and expect that the Ministry would commit to providing a meaningful level of advice and support to prospective applicants.”

(a local authority)

It was suggested that streamlining the establishment process or government providing clearer guidance could go some way toward mitigating these concerns. Others proposed that there could be a role for Homes England or MHCLG to provide specialist support.

“ There is a possible role for Homes England or MHCLG to create a specialist unit to provide development corporations with specialist advice, resource and skill support.”

(An individual with industry experience)

Government response

We have been clear that we want to empower local areas to drive forward the renewal and growth they need, and as part of this, in recent years we have devolved more power to local authorities to set up development corporations. We have seen MDCs established up and down the country, and in summer 2018 we legislated for the creation of LNTDCs, which could be overseen by the local authority or authorities for the area rather than the Secretary of State.

However, consultation responses show that the existing models are not sufficiently broad in scope and pose barriers in some cases to local authorities looking to establish a development corporation appropriate to their ambition and aligned with their unique local circumstances. In particular, outside of mayoral areas, there is no model available to local areas which has a regeneration focus, and this is an area we wish to address as part of the levelling up agenda. We believe that by legislating to give development corporations greater flexibility in terms of both their statutory purpose and the planning powers available to them, we can help more local areas to access appropriate delivery tools for their transformational housing and regeneration projects.

We are therefore creating a locally-led Urban Development Corporation (LUDC) model via the Levelling-up and Regeneration Bill by amending the Local Government, Planning and Land Act 1980. This will allow non-mayoral areas to pursue a locally-led development corporation for the purposes of transformational regeneration and growth specific to the needs of their areas.

Similarly, to LNTDCs, locally-led Urban Development Corporations will be directly accountable not to the Secretary of State, but to an oversight body made up of the local authority or authorities for the area. It will also have access, if needed, to an up-to-date suite of planning powers. This will allow non-mayoral areas to pursue a locally-led development corporation for the purposes of genuine transformational regeneration and growth.

We know that exploring the potential for a development corporation is a significant undertaking and requires significant commitment of capacity and capability that is beyond the day-to-day remit of a local authority. Government has a range of programmes available to support local authorities in their growth aspirations and they should approach the department or Homes England to discuss such proposals in the first instance.

We also take the view that the current designation of a development area and the establishment process of a development corporation is overly burdensome, in particular the level of evidence required to establish one and creates too much uncertainty for local authorities at this early stage. We are streamlining this process in the Levelling-up and Regeneration Bill, including reforming the statutory procedure for designating a development area and establishing a development corporation. Currently, for most development areas to be designated and development corporations to be established, an 'affirmative' Statutory Instrument (SI) has to be debated in and pass both Houses of Parliament, while the more modern MDCs require a 'negative' SI to be laid in Parliament.

We are updating the procedure for all locally-led development corporations to align with the negative procedure already used for MDCs – this will equalise access across mayoral and non-mayoral areas to locally-led development corporations by standardising the parliamentary process, whilst maintaining democratic oversight. We will also review the existing guidance for LNTDCs to ensure that the guidance is proportionate and provides sufficient certainty early in the process.

Another barrier to the uptake of development corporations that we have heard cited is the lack of expertise available to advise local authorities and private sector partners on the establishment of different types of development corporations. We believe there is an opportunity for government to provide greater clarity on potential new development corporations and will be exploring options on how this could be implemented, including through publication of a toolkit. We will also work with Homes England to explore the use of the agency's expertise, powers and funding in support of development corporations. We will explore opportunities to develop skills/training programmes to develop expertise in the longer-term.

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

What consultees said

There was broad support for giving development corporations the ability to exercise plan-making and development management powers, where appropriate. There was also a recognition that not all development corporations would require these powers, and that therefore such a matter should be determined on a case-by-case basis, where appropriate. The option for different development corporations to retain the ability to use existing planning powers, and for these to be extended to other types of development corporation where appropriate, was also suggested.

“ Whilst all of these powers may not necessarily be required for a development corporation in every case, the ability to potentially take these on should certainly be available.”

(a local authority)

“ We think that the full spectrum of powers available to different development corporations should be available to all the various models (or their successor model(s)).”

(a professional society)

“ Overall, I think these extended powers should be considered on a case by case basis, bearing in mind their potential to distract the NTDC away from its main task.”

(an individual with industry experience)

There was also general agreement that the granting of such powers should be accompanied by strong checks and balances. It was considered that development corporations given access to plan making or development management powers should be subject to the same safeguards that apply to local planning authorities. Another consultee suggested that development corporations which act as local planning authorities should be subject to the Housing Delivery Test and the duty to co-operate.

There were a minority of responses which argued against giving development corporations plan-making and development management powers, primarily owing to concern about taking powers away from democratically-elected local authorities. Some respondents also felt that a development corporation having such powers would risk adding another layer of complexity to the planning system, or risk distracting the development corporation from its primary job by focusing too much

resource on handling small-scale planning applications (as alluded to in the quote above). One local authority suggested instead that development corporations could be given powers to create a neighbourhood plan or equivalent.

Government response

We want to ensure that local authorities can access the most appropriate tools to drive forward the renewal and growth they need. An important part of this is giving all types of development corporation the legislative flexibility to take on the planning powers that best reflect their local circumstances – currently different types of development corporation have access to different powers in relation to planning. The development of a new settlement, large site, or regeneration project through a development corporation will require both an endorsed masterplan to guide development and then full planning consent as each phase comes forward. The nature of the powers needed to achieve these two planning functions will vary depending on scale of the project and its local context.

Currently only MDCs have access to local plan-making and development management powers akin to local authorities, while UDCs for example only have the ability to take on the development management function of an LPA and NTDCs have traditionally operated using Special Development Orders (SDOs) (LNTDCs can rely on existing local arrangements, including Local Development Orders (LDOs)).

We therefore believe that both UDCs and NTDCs (both locally and centrally-led) should have the option to be given access, where appropriate, to local plan-making and development management powers. The provisions in the Levelling-up and Regeneration Bill provide for this.

We are also extending the power that UDCs have under section 33 of the Planning and Compulsory Purchase Act 2004 to disapply the local plan for other types of development corporations. Before using this power, the Secretary of State would consider any views expressed by the relevant local planning authority.

It is important, as noted in many of the responses, that powers are accompanied with appropriate measures to ensure accountability and transparency. We will therefore ensure that the Secretary of State has the necessary powers, to be exercised as a last resort to intervene where an authority is failing in its duties.

Question 4: Do you agree that all development corporations should be able to access a range of developer contributions (such as CIL, SIT and Section 106) where they have taken on the corresponding planning powers from the local planning authority?

What consultees said

The majority of respondents broadly agreed with this proposition, with a general consensus that where the corresponding planning powers had been taken on, it was logical for the development corporation to have the ability to secure developer contributions, subject to local determination. It was felt by many that as the local planning authority for the area, the development corporation would be best placed to understand the specific strategic infrastructure requirements and therefore the appropriate level of contribution required.

“ Methods for securing, retaining and distributing developer contributions will be critical to the delivery of strategic infrastructure and for ongoing management and maintenance.”

(a professional society)

However, a minority put forward the view that the local authority should retain the ability to levy these charges, with a mechanism created to allow the development corporation to receive some of these levies as and when needed. This was for a variety of reasons; some believed that the local authority would be better placed to understand strategic infrastructure requirements for the wider area, and others wished to avoid a potential duplication of function. Some suggested treating development corporations in a similar way to parish councils, which are able to retain up to 25% of CIL contributions. In theory this would enable development corporations that choose not to take up planning powers to nonetheless claim an allocation of developer contributions levied by the local authority.

Several responses put forward the view that the level of contributions would need to be independently examined to ensure they had been appropriately targeted. Most respondents were supportive of keeping existing procedures and safeguards around this in place, to ensure a degree of consistency in the way contributions are applied.

It was noted by a number of respondents across the private and public sector that while it would be beneficial for development corporations to have access to these contributions, it was doubtful that this was the best mechanism to cover the strategic infrastructure likely to be required by a development corporation. Some felt that a more useful reform would be to empower development corporations to acquire land at near to existing use value.

Government response

Development corporation projects will vary in size and scope, but all are likely to have to address infrastructure challenges, including the requirement for significant upfront infrastructure. The government is committed to ensuring that the right infrastructure is put in place before people move into new homes. Government has a range of programmes available to support local authorities in their growth aspirations and they should approach the department or Homes England to discuss such proposals in the first instance.

We recognise that development taken forward by a development corporation is likely to have an impact on the wider area, and there should be an appropriate mechanism by which it contributes to mitigating that impact. Where a development corporation has taken on development management powers from the local authority, this includes the ability to secure developer contributions through obligations under s.106 of the Town and Country Planning Act 1990. In addition, MDCs with plan-making functions may charge the Community Infrastructure Levy.

Measures in the Levelling-up and Regeneration Bill will replace the current system of developer contributions with a simple, mandatory, and locally determined Infrastructure Levy. We are also extending the ability to charge the levy to all development corporations where they take on plan-making functions. The Bill sets out the framework for the new Levy, and the detailed design will be delivered through regulations. As the detailed design of the levy develops, we will explore the role development corporations can play, including whether Levy funds might be collected by and/or passed to development corporations which have not taken planning powers.

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?

What consultees said

Multiple respondents across the public and private sector expressed support for reviewing the Local Plan process to make it easier for large sites to progress through the system, as it was felt the current Local Plan process was burdensome and ineffective for large sites of the kind likely to be delivered by development corporations. There were a number of different views expressed on how this would best be achieved.

A number of responses specifically voiced their support for requiring a comprehensive masterplan for the area or wider region to be in place prior to the establishment and designation of a development corporation (as per the post-war NTDCs) and for this plan to act as a regulatory plan.

“ The original New Towns were required to create a comprehensive masterplan, which then acted as a land allocation document. Measures should be considered to require a comprehensive masterplan for the area in question to be in place and act as a regulatory plan.”

(a local authority)

It was felt that this would allow the development corporation to act more strategically, while also having the potential to allow for more streamlined planning measures to result. Another suggestion made was to extend elements of the Nationally Significant Infrastructure Projects (NSIP) regime to cover the work of

development corporations, although it was noted that development corporation projects are likely to be more complex than the infrastructure projects currently processed via the NSIP regime.

Several responses to this question also raised the issue of land acquisition powers, suggesting that development corporations should be able to buy land at as close to existing use value, plus disturbance, as possible. Some of these expressed the view that the 'no scheme' principle was too complex and time consuming.

Government response

We note the views of respondents that the planning system makes it very challenging for large sites of the scale that development corporations would likely be working on to come forward, and will separately be exploring options for how to address this.

We consider that any changes proposed that would give development corporations the ability to put in place a regulatory masterplan across the wider region are outside the scope of this consultation. As in the response to question four, we acknowledge the importance of wider strategic planning to the work of development corporations and emphasise that it will be important for development corporations to work strategically with relevant partners outside of their dedicated area.

We recognise the importance of development corporations having strong powers to assemble land, and development corporations already have strong compulsory purchase powers. We also recognise that clarity around the use of development corporations' compulsory purchase powers is important, and this is why we published new guidance on the use of New Town Development Corporations' compulsory purchase order powers in 2019. The Levelling-up and Regeneration Bill includes a package of reforms to make it easier and faster to use compulsory purchase. These include measures to improve the compulsory purchase process and greater clarity about local authorities' powers for using compulsory purchase to support regeneration. We have also recently consulted on reforms to the Land Compensation Act 1961 to enable hope value to be limited for specific projects when calculating compensation as a result of the compulsory purchase of land.

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

What consultees said

Responses to Question 6 covered very similar themes to Question 4, centred on development corporations having the ability to access the full range of developer contributions.

Some responses also suggested a need for more flexibility than permitted by Community Infrastructure Levy, s106 and Strategic Infrastructure Tariff with one proposal being for development corporations to have the power to claw back contributions retrospectively from private development toward upfront strategic infrastructure delivered in advance of need (e.g. schools) by the public sector.

Other suggestions included bringing in strong guidance and governance to ensure that developer contributions go where they are most needed.

Government response

As outlined under our response to question 4, we recognise the importance of development corporations being able to deliver the necessary infrastructure to support housing and economic growth. We will be exploring routes that would allow development corporations that do not take on planning powers to access some share of developer contributions. Where planning powers are taken up, this includes access to developer contributions.

With regards to issuing stronger guidance and governance measures, we believe that should be a matter for local areas to arrange for themselves to best suit their individual circumstances. We recognise the challenges local areas might face in doing this, and that is why we launched the £10 million New Development Corporation Competition, which is intended to support local areas generate proposals for innovative delivery vehicles, including measures for their governance. With the competition now closed, local authorities should approach the Department or Homes England to discuss proposals.

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

What consultees said

This question elicited responses on a wide number of topics.

A significant number called for development corporations to have the ability to purchase land at, or close to, existing use value, in order to retain and invest any land value uplift into the community. It was felt this would be particularly useful to allow development corporations to invest in the necessary strategic infrastructure.

Provision of utilities was also raised as an important area for development corporations, and it was suggested that development corporations should have a mechanism to directly provide and run utility services.

Taxation was another recurring topic, with suggestions including giving development corporations the same corporation tax, VAT, and stamp duty land value tax status as local authorities; allowing development corporations to levy increases in local taxes to contribute toward infrastructure; ability for development corporations to carry out tax increment financing.

It was proposed that in order to work in a low density rural area, the LNTDC model requires flexibility and powers to deliver locally identified objectives at a smaller scale than in higher density areas, perhaps which facilitate clustering of multiple schemes in different geographic areas.

Government response

We consider that the development corporation's strong compulsory purchase powers, in addition to the measures we are taking to allow all development corporations who take on planning powers to levy developer contributions, to be sufficient tools to allow the area to benefit from some of the uplift in land value. We have also recently consulted on reforms to the Land Compensation Act 1961 to enable hope value to be limited for specific projects when calculating compensation as a result of the compulsory purchase of land.

We also recognise there is an interest in exploring whether development corporations are operating efficiently from a taxation perspective and will explore further with HMT and HMRC to understand the current tax landscape for development corporations in the round.

We are aware that a statutory delivery vehicle may not be the most appropriate delivery mechanism and we recognise that there are other delivery models that may be more appropriate, depending on local circumstances. That is why we launched the £10 million New Development Corporation Competition, which is intended to support local areas generate proposals for innovative delivery vehicles.

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?

What consultees said

The responses to questions 7 and 8 broadly fell along similar lines, but question 8 did elicit responses on some wider issues, with a significant number of responses suggesting embedding climate change mitigation into the remit for development corporations, and ensuring that new towns are not exempt from environmental net gain.

Other responses called for greater certainty on the lifespan of a development corporation, and for this to be specified up front, although opinions varied on how long this timescale should be. There were also a handful of calls for greater clarity on the government's financial offer for development corporations.

“ [We would like to see the] creation of a tailorable package of support for Local Authorities who are interested in establishing them. Particularly the ability to secure initial capacity funding to support research and staffing.”

(a local authority)

In addition, there were a small number of responses which called for development corporations to be used to revive town centres in decline. Several also restated their desire to see compulsory purchase powers simplified, or the planning process streamlined to speed up development.

Some consultees reiterated their desire for greater high-level strategic direction from government, for example with a regional or sub-regional plan, but others were of the view that development corporations should be entirely locally accountable and locally led.

Government response

Government expects development corporations to deliver high quality, exemplar development, which we would of course expect to include embedding good quality green infrastructure, climate change mitigations and the consideration of environmental net gain, as well as designing safer places, and we will work to integrate the newest design guidance into any future guidance on development corporations. NTDCs must already aim to contribute to the achievement of sustainable development, with particular regard to the benefits of good design and the creation of well-designed and well-built places that benefit people and communities. We will ensure that these statutory obligations are maintained and will explore the need for any supplementary guidance.

Locally-led development corporations can only be dissolved when every relevant local authority and the appropriate national authority are satisfied that the purposes for which it has been established have been substantially achieved. We are confident that this provides sufficient certainty for local residents and potential investors as to the long-term nature of development corporations and believe it would be unhelpful to by prescribe a minimum operational term for a development corporation at the outset.

We consider that the measures proposed in response to question 2 will give local areas sufficient flexibility to address specific issues such as town centre decline. We believe that whether the development corporation is centrally or locally led is a question that should be addressed on a case-by-case basis.

We recognise the importance of infrastructure being delivered at the right time and in the right places, particularly where it will impact a wider region. To strengthen infrastructure delivery, the Levelling-up and Regeneration Bill will require local planning authorities to prepare infrastructure delivery strategies. These will set out a strategy for delivering local infrastructure and spending Infrastructure Levy proceeds. The Bill will also enable local planning authorities to require the assistance of infrastructure providers and other bodies in devising these strategies, and their development plans.

We are also removing the borrowing limits for all development corporations. The aggregate borrowing cap is currently set at £5,250 million for NTDCs and £100 million for UDCs. Borrowing limits will still be agreed by HMT but will be decided on

a case-by-case basis, and lending will be subject to the appropriate HMT and statutory controls.

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

What consultees said

The majority of consultees did not respond to this question. Of those that did respond, a number of different points were raised, including: consideration for digital discrimination and exclusion, ensuring that any new development corporation is bound by the Public Sector Equality Duty, consideration for putting in place targets to ensure that development corporations have Boards which fairly represent the areas they serve (modelled on the approach taken with Local Enterprise Partnerships), and consideration for removing any geographical selection bias to ensure disadvantaged groups share in the benefits.

Government response

The government remains mindful of its responsibility under the Public Sector Equality Duty to have due regard to the potential impact of these proposals on people with protected characteristics. At this time, we do not believe that any specific action is required with regards to the Public Sector Equality Duty. Development corporations are and will remain accountable for fulfilling the Public Sector Equality Duty.

Next steps

The government wants to ensure places have access to stronger and more consistent range of powers, giving local areas access to the tools they need to deliver their housing and regeneration ambition, and that development corporation legislation supports the government's levelling up mission.

In summary, we are legislating on the measures contained in this document via the Levelling-up and Regeneration Bill, including to enable local areas to establish a locally-led Urban Development Corporation and ensure all forms of development corporations can access plan-making and development management powers.

We are standardising the statutory process for establishing and designating a locally-led development corporation including by moving to a 'negative' procedure and removing the cap on the number of board seats which is in place for NTDCs and UDCs, bringing them in line with MDCs. We are also removing the aggregate borrowing cap for development corporations; instead, agreeing borrowing limits with HMT on a case by case basis.

We will continue to work with stakeholders on drafting secondary legislation and to strengthen and streamline the guidance to support the creation and operation of development corporations.

1. Including groups of local authorities who submitted a joint response
2. Including third sector and private sector organisations

[↑ Back to top](#)

OGL

All content is available under the [Open Government Licence v3.0](#), except where otherwise stated

[© Crown copyright](#)