

Royal Institute of British Architects

Response to the Department for Levelling Up, Housing and Communities: Compulsory purchase - compensation reforms July 2022

The Royal Institute of British Architects is a global professional membership body driving excellence in architecture. We serve our members and society in order to deliver better buildings and places, stronger communities and a sustainable environment. Being inclusive, ethical, environmentally aware and collaborative underpins all that we do.

The RIBA welcomes the opportunity to respond to this consultation.

We are committed to assisting the Government in delivering the well-designed, sustainable new homes that the country needs. It is crucial that we see sufficient new homes built which are well designed and which meet the needs of their residents now, and for generations to come.

The RIBA also welcomes the Government's mission to level up across the country and regenerate our local towns. Good design is integral to this mission – by driving up living standards, promoting pride of place, and ensuring quality housing.

The RIBA recommends that:

- Hope value should be removed from the Land Compensation Act and compulsory purchase compensation should be set at existing use value plus a modest premium.
- Compulsory purchase orders should be used as a last resort.
- Local authorities require further planning and design resource within the planning system to create sustainable and well-designed communities and deliver change.

Compulsory purchase compensation reforms

The RIBA recommends that hope value should be removed from the Land Compensation Act and compulsory purchase compensation should be set at existing use value plus a modest premium.

The introduction of 'hope value' into the Land Compensation Act 1961 entitling landowners to expect compensation based on the potential of gaining planning permission has significantly weakened the ability of development corporations to deliver successful new towns and developments. It has also greatly distorted the beneficiaries of public investment in infrastructure, as landowners have benefited from the value of their land increasing through no efforts of their own.

This should help local authorities to assemble sites more easily by encouraging landowners to release land more readily by removing the expectation of increasing hope value.

Hope value continues to be a barrier preventing the state from rightfully capturing the values created by public infrastructure investment and reinvesting this into the necessary local social infrastructure that creates a successful place.

In addition to reforming compulsory purchase compensation, strategic land assembly can be a major challenge. Local authorities should be supported in engaging effectively with stakeholders in the land-assembly process, with compulsory purchase orders available as a last resort.

Ensuring local authorities have adequate resources

It is positive to see the recognition from Government that there needs to be greater capacity within local authorities. Currently, local authorities are not adequately resourced to carry out their role in proactive planning. Local authorities must be well resourced with experts to ensure land is freed up for required housing and developments. We must also urgently address the resource gap in local authority planning departments, particularly the shortage of qualified design expertise.