



# Levelling-up and Regeneration Act 2023

## 2023 CHAPTER 55

PROSPECTIVE

### PART 5

#### COMMUNITY LAND AUCTION PILOTS

##### *Community land auction arrangements*

#### **141 Community land auction arrangements and their purpose**

- (1) In making CLA regulations the Secretary of State must aim to ensure that the overall purpose of community land auction arrangements is to ensure that costs incurred in—
  - (a) supporting the development of an area, and
  - (b) achieving any purpose specified under [section 143\(7\)](#), [section 144\(3\)](#) or [section 145\(3\)](#),can be funded (wholly or partly) by owners or developers of land.
- (2) “CLA regulations” means regulations made under this Part by the Secretary of State.
- (3) A “community land auction arrangement” means an arrangement provided for in CLA regulations under which—
  - (a) a local planning authority is to invite anyone who has a freehold or leasehold interest in land in the authority’s area to offer to grant a CLA option over the land, with a view to the land being allocated for development in the next local plan for the authority’s area,
  - (b) any CLA option granted under the arrangement ceases to have effect if the land subject to the option is not so allocated when that plan is adopted or approved (unless the option has already been exercised or been withdrawn or otherwise ceased to have effect), and
  - (c) the local planning authority may—

*Status: This version of this part contains provisions that are prospective.*

*Changes to legislation: There are currently no known outstanding effects for the Levelling-up and Regeneration Act 2023, Part 5. (See end of Document for details)*

- (i) exercise the CLA option and dispose of the interest in the land to a person who proposes to develop the land,
  - (ii) exercise the CLA option with a view to developing the land itself, or
  - (iii) dispose of the CLA option to a person who proposes to exercise it and then develop the land.
- (4) A “CLA option”, in relation to land, means an option to acquire a freehold or leasehold interest in the land which—
- (a) subject to CLA regulations under paragraph (c), can be—
    - (i) exercised by the local planning authority in whose area the land is situated, or
    - (ii) disposed of by that authority to any other person, on such terms as the authority considers appropriate,
  - (b) is granted under a community land auction arrangement, and
  - (c) meets any requirements imposed by CLA regulations.
- (5) CLA regulations under subsection (4)(c) may, in particular, include provision about—
- (a) how long a CLA option must be capable of being exercised for;
  - (b) when, or the circumstances in which, a CLA option may or must be capable of being exercised;
  - (c) when, or the circumstances in which, a CLA option may or must cease to have effect;
  - (d) when, or the circumstances in which, a CLA option may or must be withdrawn;
  - (e) when, the circumstances in which or the terms on which, a CLA option may or must be disposed of;
  - (f) sums that are to be paid under or in connection with a CLA option (including provision permitting or requiring such sums to be adjusted to reflect changes in the value of money);
  - (g) the form and content of a CLA option.

#### Commencement Information

- II** S. 141 not in force at Royal Assent, see [s. 255\(4\)](#)

## 142 Power to permit community land auction arrangements

- (1) This section applies where—
- (a) CLA regulations provide that a local planning authority which is to prepare a local plan may put in place a community land auction arrangement in relation to that plan,
  - (b) the local planning authority resolves to do so (and that resolution has not been rescinded), and
  - (c) the community land auction arrangement has not come to an end.
- (2) The local plan may only allocate land in the authority’s area for development—
- (a) if the land is subject to a CLA option or a CLA option has already been exercised in relation to it, or
  - (b) in circumstances which are prescribed by CLA regulations.

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- (3) Any financial benefit that the local planning authority has derived, or will or could derive, from a CLA option may be taken into account—
  - (a) in deciding whether to allocate land which is subject to the option, or in relation to which the option has been exercised, for development in the local plan;
  - (b) in deciding whether the local plan is sound in an examination under Part 2 of PCPA 2004.
- (4) CLA regulations may make provision about how, or to what extent, any financial benefit may be taken into account under subsection (3) (including provision about how any financial benefit is to be weighed against any other considerations which may be relevant to whether the land should be allocated for development in the local plan or to whether the plan is sound).
- (5) References in this section to a local plan do not include references to a joint local plan (but see [section 147](#) in relation to the application of this Part in relation to joint local plans).

#### Commencement Information

- I2** S. 142 not in force at Royal Assent, see [s. 255\(4\)](#)

### *CLA receipts*

#### **143 Application of CLA receipts**

- (1) CLA regulations must require a local planning authority which receives sums that represent financial benefit derived from CLA options over land in its area (“CLA receipts”) to apply them, or cause them to be applied, to—
  - (a) support the development of an area by funding the provision, improvement, replacement, operation or maintenance of infrastructure, or
  - (b) fund the operation of community land auction arrangements in relation to its area.
- (2) Subsection (1) is subject to the following provisions of this section and sections [144\(1\)](#) to [\(3\)](#) and [145\(2\)](#) and [\(3\)](#).
- (3) CLA regulations may make provision about the extent to which the CLA receipts received by a local planning authority may or must be applied to funding the provision, improvement, replacement, operation or maintenance of infrastructure of a particular description.
- (4) In this section (except subsection (6)) and sections [144\(2\)](#), [145\(2\)](#) and [146](#) “infrastructure” includes—
  - (a) roads and other transport facilities,
  - (b) flood defences,
  - (c) schools and other educational facilities,
  - (d) medical facilities,
  - (e) sporting and recreational facilities,
  - (f) open spaces,

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- (g) affordable housing,
  - (h) facilities and equipment for emergency and rescue services,
  - (i) facilities and spaces which—
    - (i) preserve or improve the natural environment, or
    - (ii) enable or facilitate enjoyment of the natural environment, and
  - (j) facilities and spaces for the mitigation of, and adaptation to, climate change.
- (5) In [subsection \(4\)\(g\)](#) “affordable housing” means—
- (a) social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008, and
  - (b) any other description of housing that CLA regulations may specify.
- (6) CLA regulations may amend this section so as to—
- (a) add, remove or vary an entry in the list of matters included within the meaning of “infrastructure”;
  - (b) list matters excluded from the meaning of “infrastructure”.
- (7) CLA regulations may make provision about circumstances in which local planning authorities may apply a specified amount of CLA receipts, or cause a specified amount of CLA receipts to be applied, towards specified purposes which are not mentioned in [subsection \(1\)](#).
- (8) CLA regulations may specify—
- (a) works, installations and other facilities whose provision, improvement or replacement may or is to be, or may not be, funded by CLA receipts,
  - (b) maintenance activities and operational activities (including operational activities of a promotional kind) in connection with infrastructure that may or are to be, or may not be, funded by CLA receipts,
  - (c) things within [subsection \(1\)\(b\)](#) that may or are to be, or may not be, funded by CLA receipts,
  - (d) things within [section 144\(2\)](#) that may or are to be, or may not be, funded by CLA receipts passed to a person in discharge of a duty under [section 144\(1\)](#),
  - (e) things within [section 145\(2\)](#) that may or are to be, or may not be, funded by CLA receipts to which provision under [section 145\(2\)](#) relates,
  - (f) criteria for determining the areas that may benefit from funding by CLA receipts, and
  - (g) what is to be, or not to be, treated as funding.
- (9) The regulations may—
- (a) require local planning authorities in relation to which [section 142](#) applies to prepare and publish a list of what is to be, or may be, wholly or partly funded by CLA receipts;
  - (b) include provision about the procedure to be followed in preparing a list (which may include provision for consultation or for the appointment of an independent person or both);
  - (c) include provision about the circumstances in which a local planning authority may and may not apply CLA receipts to anything not included on the list;
  - (d) permit or require the list to be prepared and published as part of a CLA infrastructure delivery strategy (see [section 146](#)).
- (10) In making provision about funding the regulations may, in particular—

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- (a) permit CLA receipts to be used to reimburse expenditure already incurred;
  - (b) permit CLA receipts to be reserved for expenditure that may be incurred in the future;
  - (c) permit CLA receipts to be applied (either generally or subject to limits set by or determined in accordance with the regulations) to administrative expenses in connection with infrastructure or anything within [section 144\(2\)\(a\)\(ii\)](#) or [section 145\(2\)\(b\)](#) or otherwise in connection with a community land auction arrangement;
  - (d) include provision for the giving of loans, guarantees or indemnities;
  - (e) make provision about the application of CLA receipts where anything to which they were to be applied no longer requires funding.
- (11) The regulations may—
- (a) require a local planning authority to account separately, and in accordance with the regulations, for CLA receipts received or due;
  - (b) require a local planning authority to monitor the use made and to be made of CLA receipts in its area;
  - (c) require a local planning authority to report on actual or expected collection and application of CLA receipts;
  - (d) permit a local planning authority to cause money to be applied in respect of things done outside its area;
  - (e) permit a local planning authority or other body to spend or retain money;
  - (f) permit a local planning authority to pass money to another body (and in paragraphs (a) to (e) a reference to a local planning authority includes a reference to a body to which a local planning authority passes money in reliance on this paragraph).
- (12) For the purposes of [subsection \(1\)](#) a financial benefit is derived from a CLA option if it arises as a consequence of the local planning authority—
- (a) exercising the option and developing or disposing of the land which was subject to it, or
  - (b) disposing of the option.

#### Commencement Information

**I3** S. 143 not in force at Royal Assent, see [s. 255\(4\)](#)

### 144 Duty to pass CLA receipts to other persons

- (1) CLA regulations may require a local planning authority that receives CLA receipts in respect of development in an area to pass them to a person other than the authority.
- (2) CLA regulations imposing a duty under [subsection \(1\)](#) must contain provision to secure that any CLA receipts passed to a person in discharge of the duty are used to—
  - (a) support the development of the area to which the duty relates, or of any part of that area, by funding—
    - (i) the provision, improvement, replacement, operation or maintenance of infrastructure, or
    - (ii) anything else that is concerned with addressing demands that development places on an area, or

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- (b) fund the operation of community land auction arrangements in relation to land in the local planning authority's area.
- (3) CLA regulations may make provision about circumstances in which a specified amount of the CLA receipts may be used for specified purposes which are not mentioned in [subsection \(2\)](#).
- (4) A duty under subsection (1) may relate to—
  - (a) the whole of a local planning authority's area or the whole of the combined area of two or more local planning authorities, or
  - (b) part only of such an area or combined area.
- (5) CLA regulations may make provision about the persons to whom CLA receipts may or must, or may not, be passed in discharge of a duty under subsection (1).
- (6) A duty under subsection (1) may relate—
  - (a) to all CLA receipts (if any) received in respect of the area to which the duty relates, or
  - (b) such part of those CLA receipts as is specified in, or determined under or in accordance with, CLA regulations.
- (7) CLA regulations may make provision in connection with the timing of payments in discharge of a duty under [subsection \(1\)](#).
- (8) CLA regulations may, in relation to CLA receipts passed to a person in discharge of a duty under [subsection \(1\)](#), make provision about—
  - (a) accounting for the CLA receipts,
  - (b) monitoring their use,
  - (c) reporting on their use,
  - (d) responsibilities of local planning authorities for things done by the person in connection with the CLA receipts,
  - (e) recovery of the CLA receipts, and any income or profits accruing in respect of them or from their application, in cases where—
    - (i) anything to be funded by them has not been provided, or
    - (ii) they have been misapplied,
 including recovery of sums or other assets representing them or any such income or profits, and
  - (f) use of anything recovered in cases where—
    - (i) anything to be funded by the CLA receipts has not been provided, or
    - (ii) the CLA receipts have been misapplied.
- (9) This section does not limit [section 143\(11\)\(f\)](#).

#### Commencement Information

**I4** S. 144 not in force at Royal Assent, see [s. 255\(4\)](#)

### **145 Use of CLA receipts in an area to which [section 144\(1\)](#) duty does not relate**

- (1) Subsection (2) applies where—
  - (a) there is an area to which a particular duty under [section 144\(1\)](#) relates, and

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- (b) there is also an area to which that duty does not relate (“the uncovered area”).
- (2) CLA regulations may provide that the local planning authority that receives CLA receipts in respect of development in the uncovered area may apply the CLA receipts, or cause them to be applied, to—
- (a) support development by funding the provision, improvement, replacement, operation or maintenance of infrastructure,
  - (b) support development of the uncovered area, or of any part of that area, by funding anything else that is concerned with addressing demands that development places on an area, or
  - (c) funding the operation of community land auction arrangements in relation to the local planning authority’s area.
- (3) The regulations may make provision about circumstances in which the authority may apply a specified amount of CLA receipts, or cause a specified amount of CLA receipts to be applied, towards specified purposes which are not mentioned in [subsection \(2\)](#).
- (4) Provision under [subsection \(2\)\(a\)](#) or [\(b\)](#) may relate to the whole, or part only, of the uncovered area.
- (5) Provision under [subsection \(2\)](#) may relate—
- (a) to all CLA receipts (if any) received in respect of the area to which the provision relates, or
  - (b) such part of those CLA receipts as is specified in, or determined under or in accordance with, CLA regulations.

#### Commencement Information

**I5** S. 145 not in force at Royal Assent, see [s. 255\(4\)](#)

### 146 CLA infrastructure delivery strategy

- (1) CLA regulations may require a local planning authority in relation to which [section 142](#) applies to prepare and publish a CLA infrastructure delivery strategy.
- (2) A CLA infrastructure delivery strategy is a document which—
- (a) sets out the strategic plans (however expressed) of the local planning authority in relation to the application of CLA receipts, and
  - (b) includes such other information as may be prescribed by CLA regulations.
- (3) A CLA infrastructure delivery strategy may and, if required by CLA regulations, must set out the plans (however expressed) of the local planning authority in relation to the provision, improvement, replacement, operation and maintenance of infrastructure in the authority’s area.
- (4) A local planning authority may at any time prepare and publish a revision to, or replacement of, its CLA infrastructure delivery strategy.
- (5) CLA regulations may make provision for the independent examination of—
- (a) CLA infrastructure delivery strategies, and
  - (b) revisions to, or replacements of, such strategies.



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- (6) The regulations may make provision for an examination to be combined with—
- (a) an examination under Part 2 of PCPA 2004 in relation to a local plan, or
  - (b) an examination under Part 10A of the Planning Act 2008 in relation to an infrastructure delivery strategy under that Part.
- (7) The regulations may, in particular, make provision—
- (a) about who is to carry out the examination;
  - (b) about what the examiner must, may or may not consider;
  - (c) about the procedure to be followed;
  - (d) about recommendations, or other consequences, arising from or in connection with the examination;
  - (e) about circumstances in which an examination is not required;
  - (f) applying, or corresponding to, any provision made by or under Part 10A of the Planning Act 2008 relating to an examination in relation to a charging schedule or infrastructure delivery strategy under that Part (with or without modifications).
- (8) A local planning authority which is required to prepare and publish a CLA infrastructure delivery strategy must have regard to any guidance published by the Secretary of State in relation to the preparation, publication, revision or replacement of CLA infrastructure delivery strategies.
- (9) CLA regulations may make provision about—
- (a) the form and content of CLA infrastructure delivery strategies;
  - (b) the publication of CLA infrastructure delivery strategies and any related documents;
  - (c) the procedures to be followed in relation to the preparation, revision or replacement of CLA infrastructure delivery strategies;
  - (d) the timing of any steps in connection with the preparation, publication, revision or replacement of CLA infrastructure delivery strategies;
  - (e) the evidence required to inform the preparation of CLA infrastructure delivery strategies;
  - (f) consultation in connection with CLA infrastructure delivery strategies;
  - (g) the preparation of joint CLA infrastructure delivery strategies;
  - (h) the period of time for which CLA infrastructure delivery strategies are valid.

#### Commencement Information

**I6** S. 146 not in force at Royal Assent, see [s. 255\(4\)](#)

#### General

#### 147 Power to provide for authorities making joint local plans

- (1) CLA regulations may make provision applying any provision made by or under this Part in relation to local planning authorities whose next local plan is to be a joint local plan, with or without modifications.



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- (2) Where CLA regulations make provision under subsection (1) which permits local planning authorities that are to make a joint local plan to put in place a community land auction arrangement jointly, it must include provision about how CLA receipts deriving from that arrangement are to be shared between the authorities.

#### Commencement Information

**I7** S. 147 not in force at Royal Assent, see [s. 255\(4\)](#)

### 148 Parliamentary scrutiny of pilot

- (1) The Secretary of State must prepare a report which—
- assesses the effectiveness of the operation of this Part in delivering the overall purpose mentioned in [section 141\(1\)](#), and
  - contains such other information about, or assessments as to the effect of, community land auction arrangements as the Secretary of State considers appropriate.
- (2) The Secretary of State must lay the report before each House of Parliament before the later of—
- the end of the period of 24 months beginning with the day on which this Part expires in accordance with [section 150](#), and
  - the end of the period of 24 months beginning with the day on which the final community land auction arrangement comes to an end.
- (3) The “final community land auction arrangement” means the last community land auction arrangement to come to an end.
- (4) After the report has been laid before each House of Parliament under [subsection \(2\)](#), the Secretary of State must publish it as soon as is reasonably practicable.
- (5) In calculating a period of 24 months mentioned in [subsection \(2\)](#), no account is to be taken of any time during which—
- Parliament is dissolved or prorogued, or
  - either House of Parliament is adjourned for more than 4 days.

#### Commencement Information

**I8** S. 148 not in force at Royal Assent, see [s. 255\(4\)](#)

### 149 CLA regulations: further provision and guidance

- (1) CLA regulations may make provision—
- about the leasehold interests in relation to which a community land auction arrangement may, may not or must be capable of applying;
  - permitting a local planning authority to exclude land from a community land auction arrangement and disapply [section 142\(2\)](#) in relation to that land;
  - about the procedures to be followed under, or in connection with, a community land auction arrangement;

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- (d) about the provision or publication of information under, or in connection with, a community land auction arrangement;
  - (e) about how, when or the circumstances in which anything must be done under, or in connection with, a community land auction arrangement;
  - (f) about the treatment of anyone who has an interest in or over land which is subject to a CLA option;
  - (g) about when a community land auction arrangement is to be taken to be put in place or to come to an end;
  - (h) about how section 106 of TCPA 1990 (planning obligations) is to be used, or is not to be used, where [section 142](#) applies or has applied (including provision about the circumstances in which a planning obligation under that section may constitute a reason for granting planning permission);
  - (i) about the exercise of any other power relating to planning or development;
  - (j) about anything else relating to planning or development.
- (2) The Secretary of State may give guidance to a local planning authority or other authority about, or in connection with, community land auction arrangements (including guidance about how any power relating to planning or development is to be exercised in circumstances which include, or may include, a community land auction arrangement); and authorities must have regard to the guidance.
- (3) Provision may be made under [subsection \(1\)\(h\) to \(j\)](#), and guidance may be given under [subsection \(2\)](#), only if the Secretary of State thinks it necessary or expedient for—
- (a) delivering the overall purpose mentioned in [section 141\(1\)](#),
  - (b) enhancing the effectiveness, or increasing the use, of CLA regulations or community land auction arrangements,
  - (c) preventing agreements, undertakings or other transactions from being used to undermine or circumvent CLA regulations or community land auction arrangements,
  - (d) preventing agreements, undertakings or other transactions from being used to achieve a purpose that the Secretary of State thinks would better be achieved through the application of CLA regulations or community land auction arrangements, or
  - (e) preventing or restricting the imposition of burdens, the making of agreements or the giving of undertakings, in addition to those in connection with CLA regulations or community land auction arrangements.
- (4) CLA regulations may—
- (a) confer functions on any person, including functions involving the exercise of a discretion;
  - (b) make consequential, supplementary or incidental provision under [section 252\(1\)\(c\)](#) which disapplies, or modifies the effect of, any provision made by or under an Act of Parliament (whenever passed or made).

#### Commencement Information

**19** S. 149 not in force at Royal Assent, see [s. 255\(4\)](#)

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*Status: This version of this part contains provisions that are prospective.*  
**Changes to legislation:** There are currently no known outstanding effects for the  
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## 150 Expiry of Part 5

- (1) This Part, other than [section 148](#) and this section, expires at the end of the period of 10 years beginning with the date on which CLA regulations are first made.
- (2) Subsection (1) does not affect—
  - (a) any community land auction arrangement which is put in place before the expiry of this Part (whether or not it comes to an end before this Part expires);
  - (b) any CLA option, or allocation of land for development in a local plan, that is made under a community land auction arrangement which is put in place before the expiry of this Part (whether or not it comes to an end before this Part expires);
  - (c) the treatment of any CLA receipts after the expiry of this Part.
- (3) Subsections (1) and (2) are subject to such transitional, transitory or saving provision as may be made by CLA regulations in connection with the expiry of this Part.

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### Commencement Information

**I10** S. 150 not in force at Royal Assent, see [s. 255\(4\)](#)

## 151 Interpretation of Part 5

In this Part—

- “CLA option” has the meaning given by [section 141\(4\)](#);
- “CLA receipts” has the meaning given by [section 143\(1\)](#);
- “CLA regulations” has the meaning given by [section 141\(2\)](#);
- “community land auction arrangement” has the meaning given by [section 141\(3\)](#);
- “joint local plan” and “local plan” have the same meaning as in Part 2 of PCPA 2004 (see, in particular, section 15LH of that Act);
- “local planning authority” means a local planning authority for the purposes of Part 2 of PCPA 2004 (see, in particular, [section 15LF](#) of that Act) other than—
  - (a) a joint committee constituted under [section 15J](#) of that Act,
  - (b) an urban development corporation, a development corporation established under the New Towns Act 1981 or a Mayoral development corporation, or
  - (c) the Homes and Communities Agency,and references to the area of a local planning authority are to the area for which the authority is the local planning authority in accordance with Part 2 of PCPA 2004.

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### Commencement Information

**I11** S. 151 not in force at Royal Assent, see [s. 255\(4\)](#)

**Status:**

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**Changes to legislation:**

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