New Towns call for evidence[1]

SUMMARY

The Community Planning Alliance is promoting a Homes for Everyone approach that uses what we already have before building on greenfield. 11,000 people have sent this report to their MP: the approach is popular.

Government's proposed new towns are unlikely to have a significant impact. The New Towns Taskforce's approach, relying on developer-submitted sites, lacks strategic oversight and rigorous due diligence. If left to the private sector, these developments will likely mirror existing car-dependent, low-density, and unaffordable housing. Most proposed new towns will take years to materialize, as demonstrated by past projects like Ebbsfleet and North Essex Garden Communities, which have faced long delays and financial difficulties.

The new towns initiative does not significantly differ from previous eco-town and garden community schemes. Relying on land value capture, is insufficient to fund infrastructure and affordable housing. Without government funding or long-term investment, these settlements will struggle to be viable.

Several barriers hinder the development of good-quality new towns:

1. Developer-led planning, which prioritises profit over sustainability.
2. Lack of funding for infrastructure and social housing.
3. Poor integration of transport and spatial planning, leading to car dependency.

Current policy approaches have failed to deliver viable new settlements. Instead, smaller, high-density developments (around 2,000 homes) integrated with frequent public transport offer a more sustainable solution. Future inquiries should explore financing models and successful European examples, such as those in the Netherlands and Germany.

Local and central governments must take an active role in funding infrastructure and supporting development corporations. Compact, high-density, transit-oriented settlements provide the most effective economic model. Community engagement is vital but must be safeguarded against vested interests and lack of transparency.

A clear strategy should precede site selection, prioritising brownfield urban intensification and well-connected developments. Without substantial government financial support, these new towns risk delays, broken promises, and financial failure, as seen in previous projects.

[1] https://committees.parliament.uk/committee/518/built-environment-committee/news/205902/new-towns-inquiry-launched-by-lords-built-environment-committee/

Questions

1. *What do you anticipate will be most significant impact(s) of the Government's proposed new towns?*

The proposed new towns will have very little impact. We envisage business as usual for the development sector. The New Towns Taskforce set the bar low when it issued a call for sites instead of taking a strategic approach to new settlements. This means that sites submitted are developer-selected and opportunistic. It also means that the Taskforce is reliant on developer honesty in submissions about the deliverability and viability of their proposals. In our experience, very thorough due diligence and robust testing of proposals will be required.

If, as it appears, the intention is that the private sector is to deliver new towns, then we will simply see more of the current housing model which, invariably results in car-dependent, low density, unaffordable (even when purportedly 'affordable') red-box sprawl. Instead, we advocate a Homes for Everyone approach that uses what we have (empty homes, commercial, brownfield, unbuilt planning permissions and spare rooms) before constructing new builds in the countryside.

a. *Over what timescale do you expect this(/these) to be realised?*

Very few will come to fruition and if they do, they will take many years (unless they are already a long way into the planning process).

Lichfield's 'Start to Finish'[2] report demonstrates that from outline planning permission it takes seven years for sites over 2,000 homes to build out. Before outline planning permission there will be many years of pre-planning, usually including a master-planning stage for sites of this size, and likely also several years during the local plan process for a site to obtain allocation.

One simply has to look at Ebbsfleet for a salutary tale (and it has nothing to do with the spiders cited by the Prime Minister) – it was started in 1996. By 2022, only 3,000 homes had been built.

Tendring Colchester Borders Garden Communities first appeared as a concept in 2015. In 2020 it gained local plan allocation (and then only because it received £100m from the government for infrastructure). Since then, it has been through a process of master-planning, with the development plan document examined in 2024, with decision awaited. If we said, charitably, that the DPD for this settlement gains consent this year, then, according to Lichfields, around 2,000 homes could be built by 2032 (of 7,500 planned). That's seventeen years for 2,000 homes.

2. How do the proposed new towns and expanded settlements differ from previous initiatives over the last 80 years?

Labour's new towns do not appear to differ at all from eco towns (Labour) and garden communities (Conservatives). The current new towns and these recent attempts were all developer-led. Land value capture will not deliver a viable new town. To fund all the necessary affordable housing, social housing and infrastructure will require external funding. That will likely have to be from Government itself unless long term patient capital can be shown a model which gives a steady and predictable return. Creative thinking around mechanisms such as congestion charging, workplace charging and tax increment financing could also contribute funds.

[2] start-to-finish-3_how-quickly-do-large-scale-housing-sites-deliver.pdf

3. *What, if any, are the barriers to the development of good quality new towns?*

   i. Developer-led planning (as we see with the New Towns Taskforce's call for sites. It is all very well to announce that "exemplary development will be the norm not the exception", but impossible to make this a reality if the private sector is at the helm).
   ii. Lack of funding for infrastructure, affordable housing and social housing. Developers are not a magic money tree but they will pretend to be so until it is too late in the process to change anything, at which point they will renege on earlier promises. We saw this happening during the North Essex Garden Communities process
   iii. Lack of integrated transport & spatial planning, such that low density, car-dependent model is proposed by developers, and accepted by those making the decisions.

4. *What current policy channels exist to deliver new towns, and are they sufficient? If insufficient, what policy changes would facilitate their development?*

It is first essential to learn from the past, and to realise that the larger the new town, the greater the issues with viability – they sink themselves under the weight of their own infrastructure & affordable housing needs. Instead, a 'small is beautiful' model of compact settlements of around 2,000 dwellings built around frequent and cheap public transport, offer greater viability and sustainability.

Without robust demonstrations of viability, these will be empty words, "Our 'New Towns Code' will ensure they deliver to the highest standards and help meet housing need by targeting rates of 40% affordable housing with a focus on genuinely affordable social rented homes." The very definition of affordable housing means that even if the developers do provide anything, it will most likely be at 80% of market pricing, which in no way accommodates those in true need. They require social housing.

5. *What do you think future modules in our inquiry should examine when considering what makes a successful new town?*
   a. Financing & viability
   b. Learning from the continent – Holland and Germany. Both are excellent at integrating spatial and transport planning and building high density, walkable, cyclable new settlements with excellent public transport.
   c. What doesn't work? In particular, look at all the costs and problems associated with car-dependent sprawl. The UK is one of the most car-dependent countries in the world and yet this model is the most costly to sustain, with increased infrastructure expenses, environmental damage, and reduced public health, impacting both individuals and society.
   d. How to deliver the Homes for Everyone approach – what are the barriers and blockers (…it is not newts, bats, spiders or communities)?

6. *What should be the respective roles and responsibilities of local and regional government in the delivery of new towns?*

Government: providing funding for infrastructure and social housing, and expertise for any new development corporations. Local expertise is a major barrier.

7. *How can central Government support the planning and delivery of new towns?*

By providing funding for infrastructure and social housing, and expertise for local delivery vehicles.

8. *What is the most effective economic model for building and managing a new town?*

Modular, around excellent public transport and high density (to support walking and critical mass for public transport and services).

9. *What role should community engagement play in developing and planning new towns?*

This should be at the heart of the process – from the stages of new settlement typology and site selection, through all the stages. However, there is a risk that the public will quickly lose trust in the process. Given the enormous sums of money at stake, there is a chance that there will be accusations of lobbying, vested interests, conflicts of interest or even inducements. Processes will have to be transparent, robust and fair.

10. *What elements should be prioritised in the strategic master planning of new towns?*

Transport planning and density planning to ensure that any new settlement is planned around walking, cycling and public transport. Natural capital impacts and benefits should also be prioritised to ensure environmental and ecological harms are minimised.

a. In what ways can master plans support the long-term economic viability of new towns?

High density – it supports walking, cycling and it provides critical mass for public transport and services. It also reduces land take. We need to protect our farmland, countryside and habitats for food security, climate mitigation and nature's recovery.

11. On what basis, and using what metrics, should the location and size of new towns be decided?

All metrics should be publicly available and from trusted sources, such as the Office for National Statistics. The metrics should be comprehensive and must include the risks and impact of any new development. The carbon implications, for example, and the air, noise, light, vibration and water pollution impact on the local environment. The government's climate and nature responsibilities must not be forgotten. The Treasury Green Book, which is mandatory for projects and policies must be adhered to.

a. In which types of locations and in which parts of the country would you prioritise the development of new towns and why?

The first decision that needs to be made is whether new towns are necessary at all given their complexity, cost and build times. Instead, we recommend taking the approach set out in our Homes for Everyone report which looks at how to make better use of our existing building stock instead of building on greenfield land.

The way to decide on how and where to build new towns is to understand what you are trying to achieve, and this requires analysis of the costs & benefits of different approaches. This would then lead to a hierarchy of preferences before seeking sites. For example:

- Learn from Freiburg, in Germany, which decided on a strategy of compact, high density, brownfield, urban extensions with extensive public transport, located within walking and cycling distance of the city centre;
- Take the Wolfson 2014 prizewinning submission of Falk & Rudlin, which found that a stand-alone new settlement is not viable and that 'beads on the necklace', i.e. transit-oriented development, are more sustainable and viable;

- Note from work in Cambridgeshire that (after villages) new settlements are the least sustainable approach to development, even with a zero-carbon approach to housebuilding. The most sustainable approach of all is our Homes for Everyone approach;
- The viability submissions for the North Essex Garden Communities in 2018 and 2020 are instructive. Those viability submissions include appraisals done for the councils, for the developers, by the campaign group and by the delivery body. In addition, the Inspector's letters set out very clearly that a new settlement is not sustainable if it is not financially viable, especially standalone new towns without governmental financial support, as well as useful guidance on land value and build-out rates;
- There are a variety of typologies for development, as in the report by 5th Studio for the National Infrastructure Commission, which looked at Town Centre Intensification, Suburban Intensification, Edge Intensification, Strong Edge and Satellite, Compact City - Urban Extension, New Small Settlement, New Town, String City and New City. The emphasis on intensification, the polar opposite of car dependent suburban sprawl. The report also concluded that spatial and transportation planning must be intertwined, a test against which this current new town call for sites fails.

With evidence like the above, particularly around viability, a hierarchy along the following lines could be created:

  - Brownfield, high density urban
  - High density, well-connected, edge of urban growth
  - Transit-oriented development
  - New settlements (likely least favoured, being least viable and least sustainable.)

Only at this stage should the taskforce begin the process of selecting sites. It would have been preferable for the New Towns Taskforce to have such a strategy before it asked for sites.

12. *To what extent can the proposed new towns act as a model for general housing development across the UK?*

In reality, it is unlikely that they can at all. They will be mired in delays and will result in developers reneging on promises because what they were asked to deliver was never viable. For example, 1,700 much-needed affordable homes will not be built and the developer will pocket an extra £130m at Gilston[3] new town. This was despite a consortium having presented a more sustainable and viable proposal.

In addition, speculative new town proposals such as the Quinn Estates, 8,500-home proposal in Swale, Kent, that is currently at inquiry, should never be allowed to gain traction. Proposals like this undermine the local plan process.

13. *What long-term support will new towns need to ensure that their delivery is efficient and successful?*

Access to finance. Note that:

- Ebbsfleet required a £300m injection from government;
- the campaign group against 24,000-home West Tey in north Essex calculated that £1.8bn would be required from Government to deliver the infrastructure and affordable promises;

[3] Huge windfall profit for Gilston developers by scrapping affordable housing - CPRE Hertfordshire

- Tendring Colchester Borders Garden Community required a £100m grant from government to demonstrate viability but that was insufficient, and the promised link road will not be built;
- At Otterpool Park, Kent, the council did successfully assemble the land, but the difficulties of creating a 10,000-home new settlement were highlighted last autumn when the developer pulled out. Previously, Crown Estates had decided the scheme was unviable
- The proclaimed financial success of the early new towns is not what it seems either, according to research by Peiser & Change: “In September 1986, £512 million of accumulated historical debt and outstanding loan charges were written off under the New Towns 'Extinguishment of Liabilities' Order.” The reasons cited were difficult economic conditions (high inflation and interest rates, and lower growth; less buoyant property market; higher costs of funding infrastructure; cumulative effects of financing revenue deficits).

Viability is key to the success or failure of new towns but we are yet to see any evidence from any recent government that the financing of new towns has been studied, let alone understood.

14. Does the construction sector have sufficient capacity and skills to deliver new towns?

a. If not, what should be done to ensure that it is, and over what timeframe can capacity be made?
b. Is there sufficient capacity in the English workforce?

No comment