

Briefing Paper 14: Facilitating Development of Major Sites: The Role of New Towns and the contribution local authorities can make

Introduction

The Government has set a target of 1.5 million new homes to be built by the end of this parliament. A New Towns Taskforce has been established to push ahead with the vision for new towns- new communities of over 10,000 homes that could either be free-standing or large scale extensions to existing towns.

The Government has also set ambitious housing targets for local planning authorities and is reintroducing a comprehensive system of strategic planning, which is likely to be led by Mayors and Combined Authorities covering logical economic sub-regions.

Delivery of new towns will require co-ordinated strategic thinking across sub-regions and development of clear practice guidance for land acquisition, quality standards and links to existing communities. This paper draws on lessons from past experience to say how this can be speedily achieved.¹

Realistic and desirable policy objectives

The new towns programme can make a long term and continuing contribution to meeting the UK's housing needs.

New towns should be:

- located in the right place and planned to the optimum scale to deliver social, economic and environmental benefits
- viable over the long term and deliverable in the short term with minimum recourse to public funding
- designed to the highest standards of sustainability and place-making
- socially mixed and deliver a wide range of types and tenure of housing
- mixed use rather than just dormitories
- well managed with a view to the effective and efficient long term stewardship of community assets.

How these objectives can be achieved in the present circumstances

Location: Sites should be chosen by a rational process of establishing suitability and viability, rather than by a 'call for sites' from developers or relying on the availability of publicly owned land such as redundant airfields (which are often by definition in remote locations). The following criteria should be used in site selection:

¹ See also <https://www.tcpa.org.uk/resources/all-party-parliamentary-group-on-new-towns/>

- Digital mapping provides an effective means of excluding sites which have significant constraints such as flood risk, protected areas, high grade agricultural land, etc. and identifying viable sites with good transport connections
- New towns should fit within a sub-regional network of high quality public transport giving access to a wide range of job opportunities.
- Regional and local variations in land values and market conditions will have a crucial impact on viability and deliverability in different locations.

Delivery agencies and the role of the local planning authority: New towns are most effectively delivered by Development Corporations that have planning and compulsory purchase powers. These should report to a regional Mayor or Combined Authority to give them democratic legitimacy. The relevant local planning authority(ies) should have a seat on the Board, and a local advisory group should be established to guide the Development Corporation and provide a focus for community engagement. Regional Mayors and local MPs will have a key role in driving this process and monitoring progress.

Homes that are built in a new town should count towards the relevant local planning authority's housing targets to foster local support and buy-in.

Land acquisition and finance Past UK experience and recent European practice has shown that the acquisition of land at or close to existing land values is crucial to the viability and deliverability of a new town:

- The Development Corporation should use compulsory purchase powers to acquire land close to existing use values.²
- The terms of valuation on which any public land is acquired by or transferred to the Development Corporation should be harmonised across all public land owners, to avoid the risk of possible challenge and delay.
- A reliable source of long-term 'patient capital' is crucial to fund up-front infrastructure. Possible sources could be:
 - The National Wealth Fund³
 - Pension funds
 - Real Estate Investment Trusts
 - Bonds
- The pay-back on loans would be from the sale of serviced land to developers, Sale on a "build under licence" basis reduces development risk and enables the Development Corporation to share any uplift in values.

Vision: The vision for the new town should be derived from:

- a thorough analysis of the place and its landscape setting, understanding ground conditions, microclimate and physical and economic context
- a master plan that promotes healthy living developed in close consultation with local stakeholders and the local community
- an understanding of access to public transport and job opportunities and the need to minimise car use

² See Briefing Note 8 on use of CPO powers

³ The NWF is currently the lowest cost source of finance for local authorities delivering ambitious infrastructure projects that tackle climate change and support economic growth. See <https://www.nationalwealthfund.org.uk/local-authority-services>

- an understanding of local housing needs and requirements reflected in the type and tenure of housing provided
- a commitment to providing mixed uses rather than a dormitory town
- a commitment to enhance biodiversity and provide great landscapes as well as beautiful townscapes.

Implementation and phasing: Implementation should be based on the principle that the Development Corporation is best placed to deliver essential physical and social infrastructure whereas the private sector and the social/community housing sector are best placed to deliver the type and quality of homes and jobs that the community needs, based on standards set by the Development Corporation⁴.

A coherent phased approach will be crucial in establishing early value and credibility in the local housing market. Development should start around the sub-regional transport interchange and build outwards. Early phases of development should include 'meanwhile uses' on sites which need to be reserved for uses for which funding or market demand does not yet exist and this could include Custom and Self Build or older people's housing.

Legacy and stewardship: An early decision is needed on management and stewardship of public spaces and community assets. Options to consider should include the transfer of ownership management and a long term funding stream⁵ to:

- the local authority
- a neighbourhood/parish council
- a locally controlled Community Land Trust⁶

Lessons from past UK experience or elsewhere

- The UK has an impressive track record in delivering new towns, from the Garden Villages of the late 19th and early 20th centuries to the series of post-war new towns that culminated in the creation of Milton Keynes from 1967⁷.
- The successful use of Mayoral Development Corporations has been established by the achievements of London's Olympic Delivery Authority⁸ and its successor London Legacy Development Corporation.
- Recent European experience⁹ has also shown the value and effectiveness of public sector-led development agencies in delivering successful new communities.

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⁴ See for instance the Milton Keynes Energy Cost Index produced by MKDC in conjunction with HBF and the local developer forum <https://www.sciencedirect.com/science/article/abs/pii/S0378778890900291>

⁵ Milton Keynes Parks Trust provides an example of funded community stewardship financed by donation of commercial properties on Development Corporation land see <https://www.theparkstrust.com/our-work/products-services/property-portfolio/>

⁶ See <https://www.communitylandtrusts.org.uk/news-and-events/new-research-explores-community-led-stewardship-as-an-alternative-to-private-management-companies-in-housing-developments/>

⁷ <https://www.tcpa.org.uk/areas-of-work/garden-cities-and-new-towns/new-towns/>

⁸ <https://www.gov.uk/government/publications/oda-sets-out-achievements-since-2006>

⁹ See Briefing Paper 13