

BUILT ENVIRONMENT SELECT COMMITTEE

WRITTEN EVIDENCE – NEW TOWNS: PRACTICAL DELIVERY

Response from: BusinessLDN, One Oliver's Yard, 55–71 City Road, London EC1Y 1HQ

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INTRODUCTION

BusinessLDN is a business membership organisation with the mission to make London the best city in the world in which to do business, working with and for the whole UK. We convene and mobilise business leaders to tackle the key challenges facing our capital.

We welcome the opportunity to provide written evidence to the House of Lords Built Environment Select Committee on New Towns: Practical Delivery.

This submission is based on our report '*The Case for a New Town in London*'¹, written in partnership with Arup, DP9, Kanda Consulting, Zack Simons of Landmark Chambers and Volterra. It recommends that the Government should establish at least one new town in London, given the capital's housing needs and its unique statutory framework. These powers could be harnessed to get construction going quickly, with London acting as a trailblazer for the next generation of new towns and providing invaluable insights for locations across England.

General

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

The delivery of new towns will support the Government's growth mission, which includes housing as a core focus. The revised National Planning Policy Framework has set London's housebuilding target at 88,000 new homes a year. This will require a step change in delivery, and new towns can help contribute towards that, although other policy interventions will also be needed to hit the target.

In the context of London, delivering more homes will help to attract and retain talent across income scales, supporting labour mobility, which underpins economic growth in the capital and the rest of the UK.

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

New towns are a long-term endeavour and should be viewed as such. Building new communities over 10,000 or more – and in some instances significantly more than that – will take a considerable period of time. Their impact will last a generation and the build-out of the various towns will depend on a range of site-specific factors, making it hard to generalise about exact timescales.

¹ https://www.businessldn.co.uk/sites/default/files/documents/2025-01/BLDN_Report_Case%20for%20a%20new%20town%20in%20London_0.pdf

In the case of London, its unique powers and structures mean it could quickly establish a framework to deliver a new town and potentially start construction quicker than other locations. This framework combines regional plan-making and decision-taking. The Mayor has the powers to create vehicles to oversee the delivery of new places and the ability to direct investment, through organisations controlled by him, that could help to deliver them, such as Transport for London (TfL). This is all underpinned by a strong democratic legitimacy – the Mayor’s million-vote mandate provides him with the largest direct mandate of any politician in the UK.

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

One key challenge is finding the right site in the right location. Every site, however well-positioned, will need some form of support. Understanding what the support looks like from the beginning will help remove barriers and allow bespoke plans to be put in place to aid delivery.

Barriers to the development of good-quality new towns include:

- Lack of infrastructure from transport to energy, water, digital;
- Lack of affordable homes, including sufficient grants, to hit the Government’s 40% target;
- Over-reliance on developer contributions to fund infrastructure and affordable housing; and
- Failing to establish a clear vision and plan for the area with strong political leadership that can last the course of multiple development cycles.

Even for new town locations that have been identified as attractive to private investment, it is still likely that a comprehensive package of support to aid delivery will be required. Such a package could include grants, loans, guarantees or devolving powers for bespoke solutions. If this is not recognised, then many new towns will struggle to achieve their full potential.

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

As outlined in other answers, London has a unique statutory framework combining regional plan-making and decision-taking through the Mayor and the Greater London Authority. This serves as an excellent starting point to deliver a new town. The London Plan, prepared under the Greater London Authority Act 1999, sets the spatial development strategy for the capital. These planning powers, combined with the Mayor’s power to create Mayoral Development Corporations (MDCs) (the Localism Act 2011), provide a good platform to bring forward a new town. The Planning and Infrastructure Bill, currently in Parliament, also contains important and positive new powers for Development Corporations both in and outside of London.

In addition to the powers set out above, the Mayor is responsible for TfL and can align the growth of London’s transport network with the development needs of the capital. The Mayor has also created Places for London – TfL’s property company – to unlock the development potential of TfL’s 5,500 acres of land that it owns.

At a national level, other relevant powers to bring forward strategic-level development include: Spatial Development Orders; The New Towns Act 1981, Local Development Orders; and Enterprise Zones.

One area of policy change to consider is infrastructure funding, looking at new financing models to unlock infrastructure investment. Our recent report, '*Generating Land Value to Grow London: A New Residential Funding Approach*'², recommends building on the tax increment financing (TIF) model which allows borrowing against future increases in tax revenue resulting from infrastructure projects in order to finance London's transport schemes, with the potential to unlock over 70,000 new homes.

The Role of Government

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

Once a decision of where new towns should be located is taken, ideally, all levels of government from national to regional to local will be aligned on this decision. While it is possible for new towns to be driven by central government, it would be more effective and provide for smoother delivery if regional and local government are supportive of the schemes in their areas.

In the context of London, as outlined in previous answers, there is a strong role for regional government to play in the delivery of new towns through the use of a Mayoral Development Corporation. The comprehensive set of powers the Mayor has, detailed in response to Q4, means that the GLA is well-positioned to take forward a new town in the capital. At a local level, a borough(s) that will accommodate the MDC will be fully consulted and could have a role in the various detailed delivery strands of the MDC, such as a role on planning and other committees that may be formed.

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

Central government can help at both the strategic level and localised delivery level. At the strategic level, positive changes are already being made to legislation in the Planning and Infrastructure Bill to update Development Corporation policy, providing a more comprehensive set of powers that could be used to bring new towns forward.

The Government must also make clear what, at a general level, the package of support is for new towns. Even those new towns located in seemingly viable areas will need forms of support, given the longevity and complexity of bringing these schemes forward. At a local, site-specific level, bespoke deals are likely to be needed in areas such as affordable housing, infrastructure investment and land assembly.

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

If new towns are to succeed, they must be desirable places to live, taking account of what people want from new development. Based on the experience of previous public consultations on housing, the most important issue that people raise is the affordability of

² https://www.businessldn.co.uk/sites/default/files/documents/2025-01/BLDN_Report_Generating%20Land%20Value_0.pdf

homes and the quality of what is being built. Beyond thinking about the new homes, concerns move quickly to focus on community infrastructure and wider placemaking.

Communities that have experienced change in their area are often more likely to support further change and understand the community benefit that large developments can bring. London has seen many large-scale regeneration schemes and learning from previous community engagement provides a good basis on building on the support and promotion for the next generation of new towns.

Strategic Master Planning

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

London has a long history of successfully delivering major schemes, and several key features can help form specific place-based policies for the next generation of new towns. Three elements which should be prioritised in strategic master planning include:

- Co-ordinating master planning, planning, design processes and decisions about upfront infrastructure delivery and funding. Taking a long-term view, particularly about the financing and funding of the scheme;
- Establishing a clear vision and ensuring it is supported by key stakeholders and landowners through community engagement and public consultation; and
- Delivering homes alongside other uses and infrastructure to act as a catalyst.

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

There are a range of factors that could be used to determine the location and size of a new town. Two overarching factors that should steer the Government's thinking are housing need and economic growth. On the former, new development should be built primarily according to where the need is highest, as evidenced by several metrics such as housing affordability, housing waiting lists, underlying housing demand and housebuilding targets, amongst other metrics.

On the latter, the Government has made it clear that economic growth is its central mission, and this should help to guide the location of new towns. This means looking at new settlements, in spatial terms, that support growth or locations where the potential for economic growth is high.

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

The Government's policy statement on new towns outlines three types of locations where new towns should be built: greenfield land, separated from other nearby settlements; urban extensions; and urban regeneration schemes. We support this typology.

In terms of which parts of the country should be prioritised for new development and why, London's scale means that it could accommodate any of the above typologies of new town, and there are locations that overlap between the three types of criteria. An obvious focus is Opportunity Areas – outlined in the London Plan – which are designated as locations that can accommodate significantly more new homes, jobs and infrastructure. Even seemingly

the least well-connected parts of the capital are relatively well connected. For example, 60% of London's green belt is within 2km of an existing rail or tube station.

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

There are lessons to be learned from new towns for general housing development. Key factors for new town development include the creation of a clear programme, strong political leadership to deliver it and a programme of support to make it happen. This could apply more generally to wider housing schemes. If suitably tailored mechanisms can be found to replicate this on more schemes across the country, though clearly at a smaller scale than new towns, this could support more development to come forward.