

NEW TOWNS FOR LONDON

CALL FOR EVIDENCE

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

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Date submitted: 3 March 2026

INTRODUCTION

1. BusinessLDN is a business membership organisation with the mission to make London the best city in the world to do business, working with and for the whole UK. BusinessLDN works with the support of the capital's major businesses in key sectors such as housing, commercial property, finance, transport, infrastructure, professional services, ICT, and education.
2. We welcome the opportunity to respond to the London Assembly Planning and Regeneration Committee's call for evidence about new towns in London. In December 2024, prior to the New Towns Taskforce and Government selecting the 12 shortlisted new towns, BusinessLDN published [The case for a New Town in London](#), which outlined why London should be the location for at least one new town. We were therefore pleased to see both Enfield (Chase Park and Crews Hill) and Thamesmead selected on the Government's new towns shortlist and want to see them formally confirmed in the Spring.
3. We have answered the call for evidence questions that are relevant to our interests.

RESPONSE TO QUESTIONS

1. **What are the conditions that need to be in place to make new towns a success in London?**
4. For new towns to succeed in London, several conditions need to be in place. These include:
 - Appropriate governance arrangements, including delivery vehicles if required, with strong political leadership at both local, regional and national levels, providing certainty and continuity over the long-term.
 - Robust strategic and local planning frameworks to coordinate development including high standards of design and placemaking.
 - Infrastructure must be planned and funded early, ensuring high-quality transport connectivity alongside utilities, digital networks and sustainable energy provision.
 - New settlements must be supported by a full suite of social and community infrastructure including schools, healthcare, green space, and cultural facilities.
 - A balanced mix of housing tenures, including genuinely affordable homes and build to rent, is essential to meet London's needs while ensuring that scheme viability is maintained.

- Housing must be delivered in tandem with other uses to create genuinely mixed and sustainable communities rather than dormitory estates. A clear economic strategy that provides access to employment opportunities must be put in place.
- Funding mechanisms, including proportionate developer contributions and appropriate public sector support, must be structured to unlock development rather than constrain it.
- Meaningful community engagement, conducted over the life of the scheme. Residents must feel heard and be part of the process.

a. How should citizen engagement, consultation and coproduction inform the development of new towns?

5. 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 public consultations on housing, the most important issue that people raise is the affordability of homes and the quality of what is being built. Beyond housing, concerns move quickly to focus on community infrastructure and wider placemaking.
6. As new towns are brought forward, residents must feel heard and be part of the process. Communities that have experienced change in their area are often more likely to support further change, understanding the community benefits that development can bring. Learning the lessons from community engagement undertaken for largescale regeneration schemes in the capital provides a good basis upon which to promote the new towns in London.

b. How can delivery partners ensure that essential infrastructure is in place to ensure the success of new towns?

7. One of the reasons why London is so well suited to accommodate new towns is that it is already served by extensive infrastructure. Extending existing infrastructure connections is, in general, less time consuming and expensive than building new infrastructure in its entirety.
8. Timely planning of infrastructure needs, supported by an appropriately streamlined consenting regime, backed by a clear plan for financing and funding are integral to securing the essential infrastructure needed in London's new towns.
9. Given the current challenging and low-growth environment, it is unlikely the Government will step into fund the entirety of London's new town infrastructure requirements. However, the capital's track record in finding innovative solutions to fund new infrastructure does provide it with a firm basis from which to deliver against. Examples include the use of the Mayoral Community Infrastructure Levy for Crossrail, Tax Increment Financing for the Northern Line Extension, tolling for the Silvertown Tunnel, and Regulated Asset Base model for Thames Tideway tunnel.
10. We have already seen confirmation that the Docklands Light Railway will be extended to Thamesmead backed by TfL borrowing and a guarantee from the Government. While there is still more work to be done on this package, including further details on the long-term funding for it, it clearly demonstrates the benefits of utilising London's existing infrastructure and the importance of joint working between national, regional, local government, and the business community.

11. Further innovation in infrastructure delivery may be required depending on the exact infrastructure requirements of London's new towns and those across the country. In our report with WSP, *Generating Land Value to Grow London* we set out how a new approach could be used to better capture value from residential development and deploy it to accelerate the delivery of new transport infrastructure by evolving the current Tax Increment Finance (TIF) model. Our proposal adds to how the current TIF structure captures value – through retaining the increase in business rates on commercial property – by capturing revenue from residential property taxes generated by new homes that have been unlocked by new transport infrastructure.
12. Whatever funding mechanisms are used, and where they relate to new development, it is important that they secure an appropriate contribution at a level that does not deter development from happening in the first place and therefore not generating any value to help fund the necessary infrastructure.

2. What new opportunities could new town designation in London unlock that existing planning tools do not?

13. Without the new town designation, neither of the proposed new towns in London would be happening at the speed or scale that they currently are. The new towns programme has galvanised action and provided a much-needed focus on delivery, with an ambitious target for some of the new towns to have got spades in the ground before the end of this Parliament.
14. While the DLR extension to Thamesmead has been talked about for several years and is an integral part of unlocking the site, it has taken the new towns designation to generate the political momentum to get the extension approved. In an ideal world this would not be the case, and there would be a transparent and coherent process in the capital for bringing forward large-scale enabling infrastructure along with suitably matched funding mechanisms. In the absence of such a process, the new towns programme has played a pivotal role.
15. Likewise, new town designation is set to create the space to reimagine an area's entire character and, with placemaking at the heart of this process, deliver significant numbers of new homes at high densities than would have happened without the designation.

3. What density, design and placemaking principles should underpin London's new towns?

16. Housing density should be maximised in London's new towns within the context of the respective locations and their site-specific needs. High density development ensures a site is fully optimised, providing as many homes as possible. It helps generate a sufficient financial return to invest in social infrastructure, such as new schools, healthcare and other community facilities, required to support such development. High density development can be delivered through a variety of building heights and development types.
17. While London does have the highest housing density in England, even the densest areas in central London are below comparable urban areas in Europe¹, and suburban London has

¹ See Redefining Density, Making the best use of London's land to build more and better homes, London First and Savills (September 2015).

potential for intensification with many parts of the capital having good transport links but low housing density.²

18. In terms of design and placemaking principles, planning policies and planning consenting mechanisms should be shaped specifically to the place and circumstances associated with each site. Design codes and guidance could be used to ensure quality, but they must allow room for creativity and innovation. To support placemaking, new homes should be delivered alongside other uses and infrastructure to act as a catalyst. Having attractor and anchor uses will be important to shaping the new towns.

4. What lessons can be learned from the past delivery of Mayoral Development Corporations (MDCs), Opportunity Areas (OAs), and the original development of Thamesmead (in the late 1960s to early 1970s) to inform the development of new towns for London in the present day?

19. There are multiple lessons that can be learned from MDCs and OAs, but the overarching one is that there must be a clear reason for establishing the vehicle/designation and that it must also be provided with a full suite of powers, resources and investment to enable the delivery of a full range of benefits. Simply establishing a vehicle or designating an area a new town without, for example, providing enhanced infrastructure investment or devolving planning powers to the vehicle will reduce the effectiveness of the vehicle/designation from the outset.
20. Control of land is also key within a new town: whether through private acquisition and/or compulsory purchase, having certainty over land provides the basis for control over delivery. Where MDCs have delivered, they have been able to heavily control or influence the type of development that is brought forward. And conversely, where some OAs have been unable to make much progress, this can often be because, amongst other reasons, there is disparate control of land and an inability to act at scale and in a coordinated manner.
21. Finally, while true of long-term development in general, a key factor in the success of previous MDCs and OAs is strong political leadership. A leader who acts as a 'champion', helping to build momentum and consensus, taking a long-term view across political and economic cycles is essential.

6. What roles should the Mayor, GLA, London boroughs, and central Government each play in planning, funding and delivering new towns in London?

22. It is not yet clear what the financial or other benefits Government will provide to new towns. Providing grant, soft loans or other types of financial support is the most obvious role that Government is best placed to play, and it must do so otherwise it runs the risk of undermining the new towns designation. The two areas, amongst many, that will require financial support are the provision of infrastructure and affordable housing.
23. The role played by the Mayor, GLA and London boroughs will depend on what governance structures the new towns in London have, as outlined in answer to question 6 a) below. There is scope for London government to help by utilising policy allocations; development

² See How to fix the broken housing market, Should we increase housing density? CBRE (September 2024).

corporations; compulsory purchase; development management tools; policy and guidance; design and development frameworks; and regeneration strategies.

a. What governance structures should be implemented to ensure the long term success of new towns in London?

24. The governance structures put in place for London's new towns should be bespoke to the area. There is not a one-size-fits-all approach that should be used. As we outlined in our new towns report, London already has the power and structure to support quick delivery. Other options beyond a Mayor Development Corporation could be used, if all partners involved in the new town support that approach, be that a different type of development corporation or no development corporation, but an area which benefits from a streamlined and simplified planning regime, for example. Whatever governance structure is chosen, it must be at an appropriate spatial level and capable of taking swift decisions.