



13 November 2024

Dear New Towns Taskforce

New Towns Taskforce: Call for evidence¹

In response to this call for evidence, we write to highlight three problems that will arise from holding a call for sites before determining a strategy, and we pose a number of questions about the Taskforce's approach:

- **Lack of strategic framework by which to assess proposals.**
- **Due diligence & viability.**
- **Lack of transparent process leading to lack of trust**

1. Lack of strategic framework by which to assess proposals.

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:

- The taskforce might learn from Freiburg², 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;
- The taskforce would read the Wolfson 2014 prizewinning submission of Falk & Rudlin³, 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;
- The taskforce would note from work in Cambridgeshire⁴ that (after villages) new settlements are the least sustainable approach to development, even with a zero-carbon approach. See Appendix 1 for the relevant chart;
- The taskforce would study in great detail all of the viability submissions for the North Essex Garden Communities in 2018 and 2020. Those viability submissions include appraisals done for the councils, for the developers, by the campaign group and by the delivery body. They are very instructive. In addition, the Inspector's letters set out very clearly that a new settlement is not sustainable if it is not financially viable, as well as useful guidance on land value;
- The taskforce would analyse a variety of typologies for development, as in the report by 5th Studio⁵ for the National Infrastructure Commission, which looked at Town Centre Intensification, Suburban Intensification, Edge Intensification, Strong Edge and

¹ [New Towns Taskforce - GOV.UK](#)

² [\(2\) Freiburg: Should we try this at home? | LinkedIn](#)

³ [Uxcester Garden City: Winning Submission of the Wolfson Economics Prize 2014 | URBED](#)

⁴ [Greater Cambridge Local Plan Strategic Spatial Options Assessment: Carbon Emissions Supplement.](#)

⁵ <https://nic.org.uk/app/uploads/NIC-FinalReport-February-2018-Rev-A-optimised.pdf>



WWW.COMMUNITYPLANNINGALLIANCE.ORG

Satellite, Compact City - Urban Extension, New Small Settlement, New Town, String City and New City. Note 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, the taskforce would be able to create a new town preferences hierarchy, along the lines of:

- 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.

Questions for the Taskforce

- *Why is the Taskforce taking this back-to-front approach?*
- *How does the Taskforce justify the increase in land price expectations that the process has given rise to and the reduction in infrastructure and affordable housing that will be delivered as a result?*
- *Why is the Taskforce relying on the market to deliver new towns and has the Taskforce read and understood the wide body of literature⁶ which demonstrates that the private sector operates a 'margins over volume' model?*
- *What are the criteria for determining the most sustainable sites and will the criteria include transport?*
- *Who are the new towns for? We note that they are in addition to the 1.85m homes required by Government's standard method, which is itself above the 1.5m manifesto pledge, which is itself not evidence-based. Does the Taskforce agree that there is an affordability crisis that needs addressing with funding for social housing, not a generic housing crisis that needs addressing by asking the market to add supply?*

⁶ Not least this: [Why have the volume housebuilders been so profitable? - UK Collaborative Centre For Housing Evidence](#)



2. Due diligence & viability.

In this call for sites, the taskforce is now entirely reliant on the word of the site promoters. In our experience that is highly problematic and will result in misleading sales pitches and opportunistic proposals which at best waste everyone's time and at worst lead to very bad decisions. You will be told by submitters what they want you to hear. .

It will be imperative that the taskforce challenges submitters' claims and assumptions very robustly. Unfortunately, however, the additional workload generated by the call for sites will limit the team's ability to carry out thorough due diligence.

Without proper appraisal of viability and of potentially better alternatives than those submitted to you, the risk is that a sub-optimal development will proceed, leading to problems further down the line.

The taskforce should take heed of Gilson's 10,000-home development proposal. It was granted approval despite not meeting local plan policy requirements for affordable housing, such that 1,700 much-needed affordable homes will not be built and the developer will pocket an extra £130m. This was despite a consortium having presented a more sustainable and viable proposal for Gilston.

The case study in Appendix 1, of Tendring Colchester Borders Garden Community, is also a useful current example.

Put very simply, the bigger a new settlement is, and the greater the distance from an urban centre, the more it sinks itself under the weight of its own infrastructure costs and requires very substantial government funding to ensure that it is sustainable and that promises are kept. Note that Ebbsfleet required a £300m injection from government and that 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.

Instead of determining the strategic framework first, and then seeking out appropriate sites, this call for sites will result in sky high land value expectations for land owners. This flawed approach has just removed the opportunity to acquire target land discreetly at close to agricultural value. This in turn will affect the viability of new towns, meaning that there will be less infrastructure and less affordable housing. It is too late to think that compulsory purchase is the magic bullet because you will now have a bank of willing land owners all willing and able to argue through the courts that they are entitled to a fair value.

Otterpool Park is another instructive example. The council did successfully assemble the land, but the difficulties of creating a 10,000-home new settlement were highlighted last month when the developer pulled out⁷. Previously, Crown Estates had decided the scheme was unviable. A local councillor involved with Otterpool reminds us that councillors 'are not property developers' and this must be recognised by the Taskforce. The skills to build a new

⁷ [Otterpool Park Update: Places for People pull out of Otterpool deal – ShepwayVox Dissent is not a Crime](#)



town will not be found locally. This was apparent in the North Essex Garden Communities Ltd delivery vehicle, in which councillors responsible were not experienced in development. This led to uninformed and poor decisions.

Viability will be the key to the success or otherwise of new towns, and the lack of framework to assess sites submitted to you will result in poor decisions. While it is good to see that 'exemplary' development and a high proportion of 'affordable housing' will be required, new town viability is extremely challenging. The Taskforce will want to understand the financial risks of new towns by looking at the past. The proclaimed financial success of new towns is not what it seems, according to research by Peiser & Chang⁸:

“In September 1986, £512 million⁹ 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). We are yet to see any evidence from any recent government that the financing of new towns has been studied, let alone understood.

Questions for the Taskforce

- *How will the taskforce take on board alternative submissions or counter proposals?*
- *Will you confirm that the Treasury Green Book¹⁰ guidance will be followed to appraise alternatives?*
- *How much government investment is ear-marked for new town infrastructure and social housing to ensure the success of these proposals?*
- *Is there a risk register for the new towns? If not, why not?*
- *Will there be representatives of community groups on the taskforce? If not, why not? This is particularly important now, in the light of a developer-led call for sites process.*

3. Lack of transparent process leading to lack of trust

There is a risk that unless this call for sites process is highly transparent, the public will quickly lose trust in the process. Given the enormous sums of money at stake, there is a high risk that there will be accusations of lobbying, vested interests, conflicts of interest or even inducements. To prevent those accusations, the taskforce will have to put in place transparent, robust and fair processes.

⁸⁸ [Is It Possible to Build Financially Successful New Towns? The Milton Keynes Experience - Richard B. Peiser, Alain C. Chang, 1999](#)

⁹ £1.9bn in today's money.

¹⁰ It was confirmed by the Planning Inspector in the 2020 North Essex Garden Communities project that Treasury Green Book was applicable.



WWW.COMMUNITYPLANNINGALLIANCE.ORG

All site submissions received through this call for evidence must be available for public scrutiny. There must be a mechanism for stakeholder comments to corroborate (or otherwise), or add to, the land promoter site submissions that you will receive.

The site selection process by the taskforce must be made public, without the need to use Freedom of Information requests, and all decision-making must be transparent.

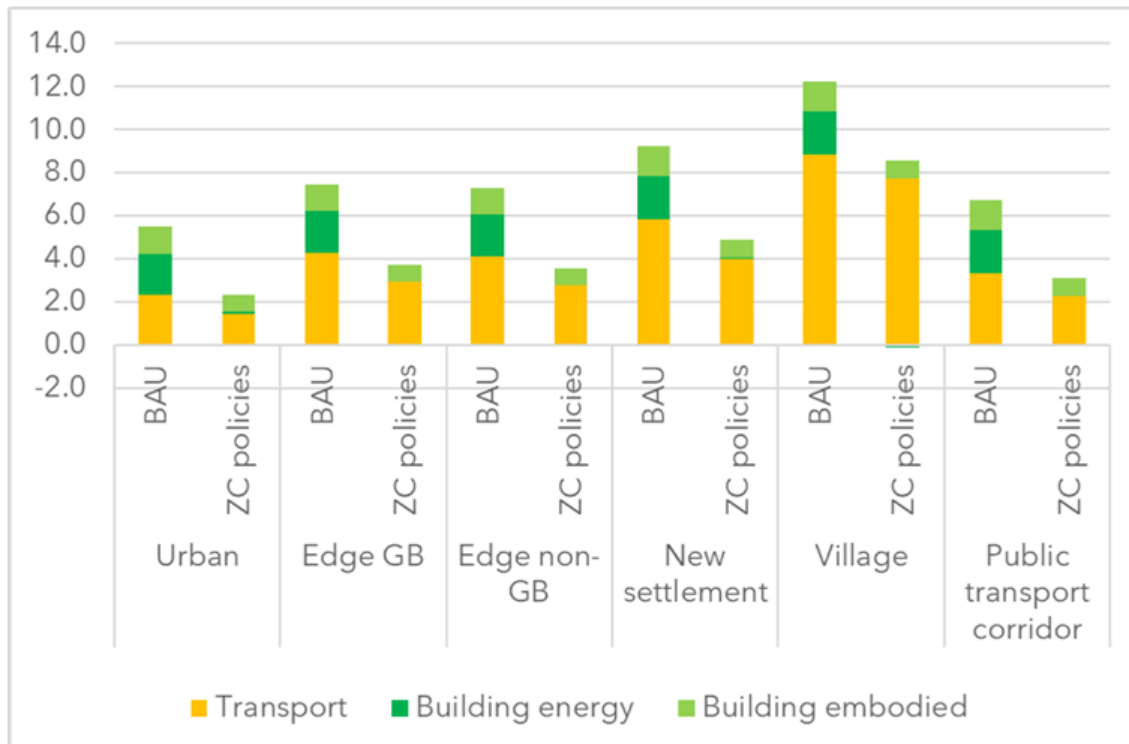
Questions for the Taskforce

- *When will the taskforce publish site submissions?*
- *What mechanism will there be for comment on these submissions?*
- *Will there be a Sustainability Appraisal? If not, why not?*
- *How will compliance with the enhanced biodiversity duty¹¹ be assured given the risk of environmentally or ecologically rich sites being selected?*
- *How will the Mitigation Hierarchy be applied?*
- *How is the Taskforce adhering to the Environmental Principles Policy Statement?*
- *Will the impact on the national carbon emissions target be (combined impact of development, transport infrastructure and future carbon emissions) be appraised? If not, why not?*

¹¹ [Complying with the biodiversity duty - GOV.UK](https://www.gov.uk/government/consultations/complying-with-the-biodiversity-duty)

Appendix 1

Figure 1 Annual carbon emissions (tCO₂) for 1 home in each location category in the modelling tool, with and without zero carbon policies, 2030



Appendix 2

A case study taken from Rosie Pearson’s LinkedIn page:

New town maths: new towns only viable with significant Government funding.

The North Essex Garden Communities project gave us several sets of viability appraisals: those for the councils, those for the delivery vehicle, those for the developers and our own campaign group's analysis.

It was abundantly clear that very large, standalone, new towns cannot support their own weight of infrastructure, even at land cost £100k an acre (and even at around £10k an acre at the biggest, West Tey). That's why only one of the three GC's was allocated in the plan: Tendring Colchester Borders GC. It's actually an urban extension and was the smallest of the three, plus it received a HIF grant. All three factors helped it scrape through.

However, the predictions our campaign made have come true. We pointed out that the HIF grant and its contingency were too low to cover the costs of the link road and rapid transit. Sure enough, there now isn't enough money to build the link road and the rapid transit consists pretty much of buses with occasional priority.



WWW.COMMUNITYPLANNINGALLIANCE.ORG

The contingency in the proposals is only 10% which, once again, is too low and gives no room for manoeuvre. It also isn't plan compliant. The Inspector agreed with us that new towns are complicated infrastructure projects and that the Treasury's 44% contingency was required.

If the project moves forward at too low a contingency it simply means that the GC will end up with reduced affordable housing or infrastructure. That's irresponsible because the houses will be built but market housing without sufficient infrastructure.

The problem is that 40% contingency would make the project unviable. There's only £117m profit but 40% contingency would be £180m instead of c£50m.

We all know that there will be cost overruns so that promises won't be delivered and we can already see that infrastructure (the link road) isn't being built. So, if the government wants TCBGC to succeed, it will need to inject hard cash, just as eventually happened at Ebbsfleet GC, with £300m from the then chancellor, George Osborne.

This will be the same for all new towns, yet no-one seems to be interested in studying all those invaluable NEGC viability appraisals to understand the issues.

TCBGC headline figures:

Infrastructure £500m (excluding road & rapid transit)

Land £105m

Master Developer costs & finance £781m

30% affordable (20% of which is shared ownership etc; 80% is a blend of social & affordable rent priced at 50% market discount)

Revenue £898m

Profit £117m (but remember, only at 10% contingency)

Contact: Rosie Pearson, communityplanningalliance@mail.com

www.communityplanningalliance.org brings together planning campaigners seeking a more collaborative planning system that better protects the environment and sees the right homes and infrastructure in the right places.