

creating garden cities and suburbs today

policies, practices, partnerships and model approaches –
a report of the garden cities and suburbs expert group



The Lady Margaret
Paterson Osborn Trust



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The Lady Margaret
Paterson Osborn Trust

Creating Garden Cities and Suburbs Today: Policies, Practices, Partnerships and Model Approaches – A Report of the Garden Cities and Suburbs Expert Group

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The TCPA is grateful for the use of photographs provided by Letchworth Garden City Heritage Foundation, page 6; Patrick Clarke, URS Infrastructure & Environment UK, page 7 (middle picture); Caroline Brown, David Lock Associates (pages 21 and 23); NaSBA (Ashley Vale Action Group), page 27 (both pictures); and Will Cousins, David Lock Associates (page 31).

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Foreword

It will be no surprise that the TCPA – which started out as the Garden City Association, and is now Britain's oldest charity concerned with planning, housing and the environment – is keen to re-make the case for new communities as part of the solution to the UK's chronic housing crisis. The TCPA believes that the radical ideals of the Garden City movement remain highly relevant in the 21st century, providing a crucial foundation for high-quality inclusive places and the creation of new jobs and truly sustainable lifestyles. But the TCPA is not alone in recognising the benefits of bringing forward comprehensively planned new communities.

'Locally planned large scale development' is included among the *'measures to provide long-term stability and increased supply'* set out in the Government's Housing Strategy,ⁱ and Housing Minister Grant Shapps has stated that *'the scale of housing need that we now face means that we need imaginative proposals to come forward which get us back to Howard's original ideas'*.ⁱⁱ The Housing Minister went on to invite *'the TCPA to start a discussion with developers, investors, designers, local authorities and, most importantly of all, community groups, to reinvent the garden city for the 21st century'*.

In a recent speech on infrastructure, the Prime Minister reinforced the ambition set out in the Housing Strategy, stating that we *'urgently need to find places where we're prepared to allow significant new growth to happen. That is why we'll begin consultation later this year on how to apply the principles of garden cities to areas with high potential growth in places people want to live.'*ⁱⁱⁱ

This report is a direct response to the Government's challenge. Drawing upon extensive feedback from two roundtable meetings of the Garden Cities and Suburbs Expert Group convened by the TCPA, it is intended to

be a catalyst for action by politicians, community and self-build groups, housing associations and housebuilders, investors and landowners, local authorities, and planners, spurring them to work together towards creating highly sustainable new communities based on Garden City principles – such as stronger community engagement and ownership, long-term private sector commitment, and visionary design.

The report considers opportunities to bring forward sustainable new communities within the context of localism, planning reform and the package of Government incentives designed to encourage growth. Based on an appraisal of Garden City principles and an analysis of current barriers to delivering large-scale development, it sets out potential ways forward in delivering Garden Cities and Suburbs today. If we are serious about creating new Garden Cities and Suburbs, we need to ensure that any large-scale development brought forward is collaborative and co-operative in approach and based upon a strong vision of creating beautiful places which secure the best of town and country living.

The TCPA is grateful to the Lady Margaret Paterson Osborn Trust and Crest Nicholson PLC for their support for this report, and to the experts from the public, private and voluntary sectors involved in the Garden Cities and Suburbs Expert Group, for their time, enthusiasm and willingness to engage in the process. Very valuable discussions have been started, and the quality of the dialogue highlights the benefits of cross-sector engagement in considering how to bring forward new communities that the nation can be proud of.

Kate Henderson

Chief Executive, Town and Country Planning Association

i *Laying the Foundations: A Housing Strategy for England*. HM Government. Department for Communities and Local Government, Nov. 2011. <http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf>

ii G. Shapps: 'Garden cities: reshaping the ideas of the past for the 21st century'. *Guardian Housing Network*, 19 Sept. 2011. <http://www.guardian.co.uk/housing-network/2011/sep/19/garden-cities-grant-shapps-housing>

iii D. Cameron: 'Prime Minister's Speech on Infrastructure'. Delivered to the Institution of Civil Engineers, London. 19 Mar. 2012. <http://www.number10.gov.uk/news/pm-speech-on-infrastructure/>

Executive Summary



The UK needs more, better-quality and greener housing. Many younger people want somewhere affordable to bring up a family, and many of the older generation are looking to comfortably 'downsize'. People want to live within positive, healthy, vibrant communities with easy access to the natural environment. Alongside providing homes, we also need to create jobs and support growth in sustainable locations and bring about a transition to a green economy.

The purpose of this report is to highlight ways in which sustainable new communities can be delivered using Garden City principles. The potential to create new Garden Cities and Suburbs as modern, healthy and desirable living and working communities is immense.

Over the last century Garden City ideals have proven to be outstandingly durable. Places like Letchworth and Welwyn Garden Cities and Hampstead Garden Suburb have stood the test of time and remain highly desirable today. Not only are they beautiful places, but they offer high-quality lifestyles that promote wellbeing; a wide

range of employment opportunities and cultural services; a complete mix of housing, including social and affordable housing; walkable neighbourhoods, tree-lined streets and high-quality design; vibrant parks; and opportunities for residents to grow their own food – while also promoting access to nature and opportunities for biodiversity.

Furthermore, the Garden City pioneers understood the powerful opportunity that new communities provide to introduce governance structures that put local people at the heart of their community and in ownership of community assets.

While there is no 'silver bullet' solution to unlocking the potential benefits offered by new Garden Cities and Suburbs today, a Garden Cities and Suburbs Expert Group convened by the TCPA identified the need for urgent action in five principal areas, to address barriers to the development of a new generation of world-class communities.

Vision, leadership and governance

If the nation is serious about delivering high-quality, sustainable new Garden Cities and Suburbs, we will need leadership at all levels, and a real commitment to the Garden City principles set out in this report. **The Government must make a sustained commitment to Garden City principles**, recognising that large-scale, comprehensively planned new developments are worth investing in. This requires consistent policy and a reliable package of support for large-scale developments, to provide certainty for communities, local authorities and investors.

Local authority leadership and advocacy of Garden Cities and Suburbs are also vital. Local authorities should urgently consider the role of Garden Cities in offering a better quality of life for local people, through beautiful, affordable homes in well designed neighbourhoods, with access to jobs and truly sustainable lifestyles. Where they support such a project, they need to be willing to be entrepreneurial partners to help realise the vision.

And it is vital that **communities are at the heart of debates about a locality's future**. We need a **radical culture change in the governance of new communities, so as to rebuild trust in, and change public perceptions of, new communities and large-scale development** – brought about through stronger community engagement and ownership of community assets, long-term private sector commitment, and visionary design.

Unlocking land

The Garden City vision cannot be realised without access to the right land in the right place at the right price. The Government can play a key role in the assembly and co-ordinated release of public sector land, working in partnership with local authorities and the private sector. The Government should also consider how the rules surrounding 'best value' might be modified to deal with specific deliverability and viability issues. There may be a case for releasing suitable public sector land at less than market value where this is demonstrably in the public interest. This would open up the prospect of delivering high-quality communities with, for example, a meaningful proportion of decent social and affordable housing and custom/self-build plots. It is still possible to achieve good value for the taxpayer using this mechanism; it is simply that some of the returns to the public purse are generated through the growth of a new community and the wider economic benefits of housing delivery for the nation.

The Expert Group recommended that the best approach to aligning the vision for a new Garden City or Suburb is for local authorities, landowners and developers to

enter into a **Garden City Joint Venture or Local Development Agreement**. Capacity-building within public bodies is needed in this area to ensure that they become more adept at taking a strategic role and are empowered to take a lead in enabling development. Local authorities and Local Enterprise Partnerships could play a much more dynamic role in building partnerships and demonstrating how strategic co-operation can benefit housing, jobs and the environment.

Investing in infrastructure – balancing risk and reward

Garden Cities will not be delivered without long-term patient investment to meet upfront infrastructure costs. **De-risking development for investors is the only way to unlock the potential of high-quality new communities.**

Capturing the increased land values arising from the grant of planning permissions was the crucial and highly successful funding model used in the development of the original Garden Cities and the post-war New Towns.

The Government can play a key role in laying the foundation for local action, by:

- considering how land values can best be used for the long-term benefit of the community;
- providing certainty about policy and fiscal measures in order to de-risk investment, including providing clarity on how the range of measures and incentives currently available or recently announced might fit together – for example, the operating duration of, and amount of financial support offered by, measures such as the New Homes Bonus and TIF (Tax Increment Financing) could be clarified, so as to de-risk prudential borrowing by local authorities;
- exploring the possibility of local authorities being allowed to borrow against expected income from the Community Infrastructure Levy (CIL);
- ensuring that a credible long-term investment mechanism is in place to enable the private sector and local authorities to raise the necessary funding; and
- considering European models of public sector infrastructure investment banks.

There needs to be a positive approach to sharing risk and reward between landowners, developers and local authorities, with changed attitudes towards direct investment and/or borrowing to support delivery. To de-risk developments, **local authorities should consider actions such as prudential borrowing against income from the New Homes Bonus**. In return for greater direct financial commitment from the public sector, landowners could be expected to take a **longer-term, patient and reasonable approach** to assessing the value of their land assets. Future residents, employees and businesses in the Garden

City or Suburb could be offered the opportunity to invest through co-operative share capital schemes.

Planning ahead

Delivery of the Garden City vision requires long-term holistic masterplanning which sets out with boldness and flexibility local aspirations for high-quality communities. An **effective strategic approach** can maximise certainty for business and reap the benefits of economies of scale. It can also ensure that effective public transport, health and employment infrastructure, along with strategic green infrastructure, is delivered in the right place and at the right time. This requires the involvement of a wide range of investors, planners, designers and, crucially, the public.

A compelling vision for sustainability must be integral to new Garden Cities developed today. The Garden City concept and vision can be brought fully up to date through the application of new technology, design concepts and materials to create leading-edge sustainable developments. As the global economy moves towards a sustainable future – driven by resource efficiency, climate change and competitive advantage – the Garden City model, premised on leading-edge sustainability principles, is becoming one which will attract investment and new jobs, as well as wider emulation.

Recent work on eco-town projects has moved the debate forward and increased our levels of expertise in applying advanced sustainability principles to large-scale development. British designers are working on large-scale projects with high sustainability standards across the world, and there is much expertise that could be

repatriated back into the development of Garden Cities in the UK.

Skills, co-ordination and delivery

Past experience clearly shows that a wide range of skills are required to deliver high-quality Garden Cities and Suburbs, in areas ranging from finance and architecture to health and community development. Creating the right balance of skills and expertise requires investment in a **dedicated team who can support delivery over the long term**. Local communities will need access to the highest-quality support from both the public and private sectors to enable them to play a full role in the design and governance of a new Garden City or Suburb.

The funding and delivery of infrastructure must be carefully co-ordinated. To assist with capacity, skills and knowledge issues, **the Government should provide a 'one-stop shop'** offering local authorities and developers direct access to statutory and support bodies that will influence the evolution and content of emerging proposals.

We are currently presented with a unique opportunity to shape the future of the nation. There is no doubt that we will build new homes, but the challenge is whether we have the determination to leave future generations with a legacy of beauty and durability which truly meets the challenges of the 21st century. This report sets out a clear call for action to renew our commitment to building outstanding, inclusive and resilient places that truly merit the accolade of 'Garden Cities'.

1

Introduction



Letchworth Garden City – the potential to create new Garden Cities and Suburbs as modern, healthy and desirable new living and working communities is immense

1.1 Overview of the report

This report highlights ways to encourage the development of comprehensively planned, sustainable new communities, based on Garden City principles such as stronger community engagement and ownership, long-term private sector commitment, and visionary design.

Leading representatives from across the spectrum of Garden Cities and model villages (including Letchworth, Welwyn and Bournville), self-build groups, charities, housebuilders, investors and landowners, local authorities, architects, surveyors and planners have contributed to this report through two roundtable

meetings of a Garden Cities and Suburbs Expert Group convened by the TCPA, held in the spring of 2012. The Expert Group considered how sustainable new communities might best be delivered within the context of localism and planning reform, making the most of new fiscal incentives and opportunities to stimulate and incentivise the release of land for housing.

The report is forward-looking and positive, and is intended to help all those involved in delivering new communities to move towards a new era of building attractive, resilient and sustainable places. It brings together pragmatic lessons from the original Garden Cities and Suburbs and the post-war New Towns which can be used by those taking forward the development of

Box 1 Garden City principles



The Garden Cities were underpinned by a famously strong vision developed by the TCPA's founder, Ebenezer Howard, who in his seminal text of 1898, *To-morrow: A Peaceful Path to Real Reform*, described how *'the advantages of the most energetic and active town life, with all the beauty and delight of the country, may be secured in perfect combination'*.

At the heart of the Garden City ideals is the development of holistically planned new settlements which enhance the natural environment and provide high-quality affordable housing and locally accessible jobs in beautiful, healthy and sociable communities. The Garden Cities were among the first manifestations of attempts at sustainable development. Key Garden City principles include:

- strong vision, leadership and community engagement;
- land value capture for the benefit of the community;
- community ownership of land and long-term stewardship of assets;
- mixed-tenure homes that are affordable for ordinary people;
- a strong local jobs offer in the Garden City itself, with a variety of employment opportunities within easy commuting distance of homes;
- high-quality imaginative design (including homes with gardens), combining the very best of town and country living to create healthy homes in vibrant communities;
- generous green space linked to the wider natural environment, including a mix of public and private networks of well managed, high-quality gardens, tree-lined streets and open spaces;
- opportunities for residents to grow their own food, including generous allotments;
- access to strong local cultural, recreational and shopping facilities in walkable neighbourhoods; and
- integrated and accessible transport systems – with a series of settlements linked by rapid transport providing a full range of employment opportunities (as set out in Howard's vision of the 'Social City').

new, large-scale communities today. The report examines these lessons and the application of Garden City principles (see Box 1) in the context of the Government's planning reform agenda, which seeks to give people greater power over the places in which they live, and in the context of the tough financial circumstances currently faced by both the public and private sectors.

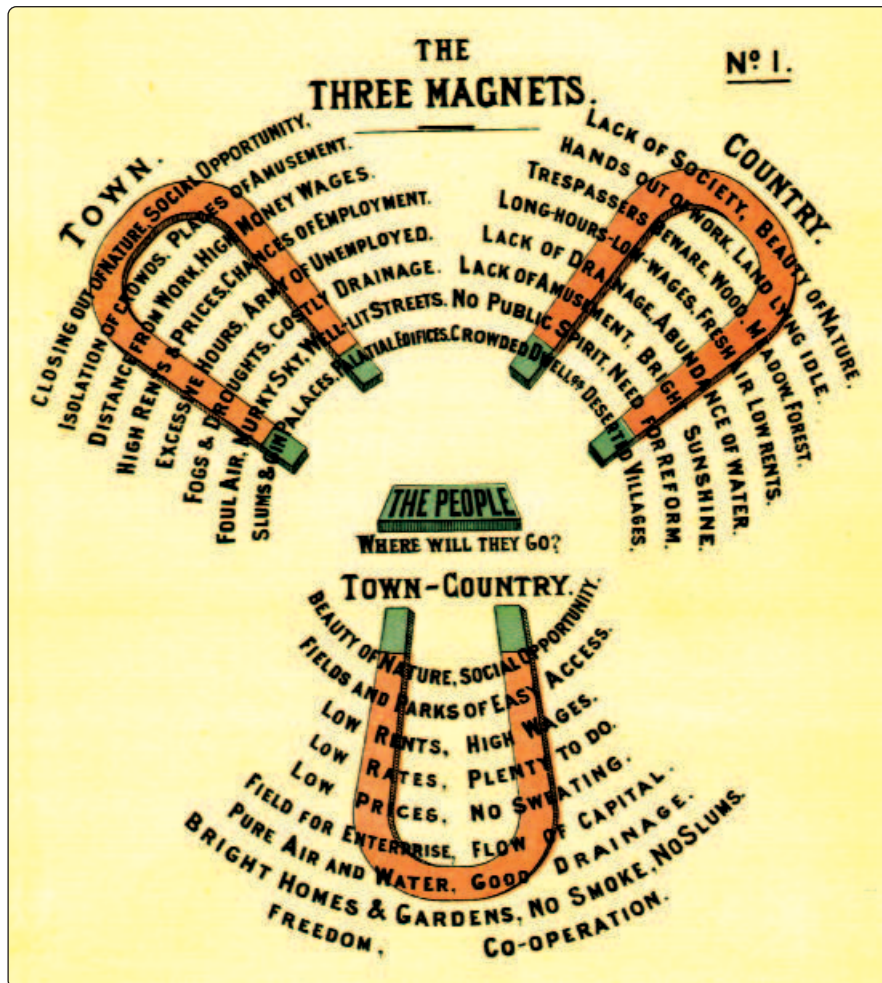
1.2 Why look back?

Ebenezer Howard and the Garden City pioneers left an outstanding legacy. From the world-renowned Letchworth and Welwyn Garden Cities through to the countless places inspired by them – both in the UK

(from Garden Suburbs through to the post-war New Towns) and abroad – this legacy offers a rich seam of experience of both the successes and the limitations of such projects.

Today, we still face the primary challenges confronted by Howard and his followers: meeting a housing shortage, generating jobs, and creating beautiful and inclusive places. However, we also face the new challenges of globalised markets and the urgent need to adapt to, and mitigate the impacts of, climate change.

Although it is over 40 years since the last New Town was designated, comprehensively planned large-scale development proposals have formed an important part



The famous 'Three Magnets' diagram from Ebenezer Howard's *To-morrow: A Peaceful Path to Real Reform*, illustrating the attractions of town, country, and – in the form of the Garden City – town and country combined

of housing supply as places have grown and evolved through the creation new urban extensions and new communities.

This process of evolution has yielded much learning and a greater understanding of what works, and of what areas need particular care. It is clear that while new places can provide great opportunities, creating them and making them successful can be a very challenging task. We need to learn from the original Garden Cities and Suburbs, the New Towns programme and, more recently, the eco-towns initiative. The TCPA strongly believes that new comprehensively planned sustainable communities have a powerful contribution to make to Britain's future (see Box 2).

1.3 The Garden Cities and Suburbs Expert Group

In the summer of 2011 the TCPA published *Re-imagining Garden Cities for the 21st Century*,¹ marking the beginning of a resurgence of interest in one of the most successful stories in the UK's social

and architectural history. The report explored the legacy of the Garden Cities and how they delivered successful, sustainable places which people continue to enjoy living and working in. Since then, the idea of a return to Garden City principles has gained momentum.

In September 2011 Housing Minister Grant Shapps (who also is also Member of Parliament for Welwyn Garden City) stated that *'the scale of housing need that we now face means that we need imaginative proposals to come forward which get us back to Howard's original ideas'*. The Housing Minister went on to invite *'the TCPA to start a discussion with developers, investors, designers, local authorities... and community groups to reinvent the garden city for the 21st century'*.

The TCPA agrees that this is the right approach, and it brought together the cross-sector Expert Group in response to the Minister's challenge.

By November 2011 *'locally planned large scale development'* had appeared as an element of the Government's Housing Strategy,² which noted it as an important way of creating long-term stability and

¹ *Re-imagining Garden Cities for the 21st Century: The Benefits and Lessons in Bringing Forward Comprehensively Planned New Communities*. TCPA, Jul. 2011. http://www.tcpa.org.uk/data/files/reimagining_garden_cities_final.pdf

² *Laying the Foundations: A Housing Strategy for England*. HM Government. Department for Communities and Local Government, Nov. 2011. <http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf>

Box 2

The benefits of comprehensively planned new Garden Cities and Suburbs

Meeting the nation's housing needs involves more than just delivering housing units – we need to create beautiful places which offer a wide range of employment opportunities (initially through the delivery of development, but in the long term through the promotion of lasting business growth); a complete mix of housing types, including social and affordable housing; zero-carbon design; sustainable transport; vibrant parks; and local food sourcing. Comprehensively planned new Garden Cities and Suburbs can deliver all this, but they also provide a powerful opportunity to introduce governance structures that put people at the heart of new communities and give them ownership of community assets. Taken together, this approach provides a unique opportunity to encourage the emergence of more sustainable lifestyles.

The case for new Garden Cities, Suburbs or Villages can be made in three parts:

- First, large-scale new communities are an important part of the portfolio of solutions that will be essential in tackling today's acute housing shortage – a shortage which cannot be addressed exclusively on a plot-by-plot basis.
- Secondly, well planned new communities provide an opportunity to create high-quality sustainable places, allowing for the highest sustainability standards, economies of scale, and better use of infrastructure. A holistic approach to designing new communities provides an opportunity to consider how homes and neighbourhoods can be made attractive places in which to live and work, in environments which are socially inclusive and resilient to climate change. In the words of Raymond Unwin, one of the Garden City pioneers, Garden Cities offer a *'more harmonious combination of city and country, dwelling house and garden'* – the exact opposite of the 'bolt-on estates' so often seen today.
- Thirdly, experience from the Garden Cities and New Towns shows that, properly managed and underwritten by the capture of land values, large-scale new developments can be good for business and society.

increasing the supply of housing. In March 2012 the Prime Minister confirmed the Government's commitment to examine the opportunities offered by large-scale new communities in a speech on infrastructure, in which he announced a *'consultation later this year on how to apply the principles of garden cities to areas with high potential growth in places people want to live'*.³

Clear recognition of the *'principles of Garden Cities'* in the National Planning Policy Framework (NPPF) provides a further foundation for examination of the application of Garden City principles – it is the first time that Garden Cities have been directly mentioned in national planning policy for over 40 years.⁴

With such strong references to Garden City principles emerging in the Coalition Government's policies it is important to understand the original vision: Garden Cities combine the very best of town and country living to create healthy homes for working people in vibrant communities (see Box 1).

The original Garden Cities were fired by a sense of idealism and enthusiasm, with numerous voluntary groups and organisations involved in making development happen.

Today, we can go further. The creation of Garden Cities provides an opportunity, with advantageous economies of scale, to fulfil the ambitions of sustainable development by delivering multiple benefits, including social housing, zero-carbon design, sustainable transport, and local food sourcing.

New communities also offer a powerful opportunity to introduce structures that put local people at the heart of community governance and in ownership of community assets.

This report is therefore published at a unique time. There is an opportunity to put forward innovative ideas as the Government prepares to publish a prospectus and subsequently select sites to support as they go forward.⁵

3 D. Cameron: 'Prime Minister's Speech on Infrastructure'. Delivered to the Institution of Civil Engineers, London. 19 Mar. 2012. <http://www.number10.gov.uk/news/pm-speech-on-infrastructure/>

4 *National Planning Policy Framework*. Department for Communities and Local Government, Mar. 2012. <http://www.communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf>. Para. 52 states: *'The supply of new homes can sometimes be best achieved through planning for larger scale development, such as new settlements or extensions to existing villages and towns that follow the principles of Garden Cities.'*

5 *Laying the Foundations: A Housing Strategy for England*. HM Government. Department for Communities and Local Government, Nov. 2011. <http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf>

However, the report also provides local authority councillors and officers, developers, landowners and local communities with ideas on the type of partnerships and model approaches that could help them to reconnect people and planning, giving communities a stronger say and developers greater certainty as they work together to deliver truly sustainable new communities fit for the 21st century.

1.4 The policy context for Garden Cities and Suburbs

Existing and emerging Government policy is intended to address the deepening housing crisis while stimulating wider economic growth and

employment. The Government aims to provide long-term stability and an increased supply of housing by putting in place incentives and new mechanisms to assist delivery.

Alongside such initiatives major reforms to the planning system have been introduced, formalising a move from strategic to localist planning approaches through a restructuring of the Development Plan process and the introduction of neighbourhood planning. A number of community empowerment measures have also been introduced.

Relevant Government policies are summarised in Box 3, and Appendix 1 of this report sets out Government policies in greater detail.

Box 3 Key Government policies

Government policies that are particularly relevant in delivering new Garden Cities and Suburbs include the following:

- **The Localism Act 2011:** The Localism Act sets out a number of planning reforms, including the introduction of a new 'duty to co-operate' on strategic planning and a new community tier of neighbourhood planning. It also sets out a number of measures designed to give local communities and community groups powers to control the way some services and facilities are run in their area.
- **The National Planning Policy Framework:** The NPPF sets out how local authorities can plan to meet housing needs in a strategic manner, and clearly identifies Garden City principles as a potential way of achieving this objective – the first time that Garden Cities have been directly referenced in national planning policy for over 40 years. Para. 52 states: *'The supply of new homes can sometimes be best achieved through planning for larger scale development, such as new settlements or extensions to existing villages and towns that follow the principles of Garden Cities.'*
- **The Housing Strategy:** 'Locally planned large scale development' is identified in the Housing Strategy as a tool for securing better-quality development on major new sites, based on real community ownership, a clear local vision, and stronger incentives for investors. A competition to promote the development of a wave of larger-scale projects 'where there is clear local support and private sector appetite'ⁱ will commence in 2012. The Government is also supporting individuals and communities who want to build their own homes through a £30 million new funding programme for self-build or 'custom build'.
- **Enterprise and local growth:** Local Enterprise Partnerships (LEPs) are involved in helping to prioritise infrastructure investment, for example through the Growing Places Fund.ⁱⁱ LEPs could make the case for new and expanded villages, towns and cities by linking housing to economic growth and jobs. Enterprise Zones within LEP areas offer businesses simplified planning and business rate incentives designed to respond to specific local challenges.
- **The transition to a green economy:** The Coalition Agreement included proposals for a range of measures to fulfil 'ambitions for a low carbon and eco-friendly economy'. A major advantage of planning a large-scale development is that low- and zero-carbon solutions can be laid down across a whole town, so that individual buildings can be incorporated in combined solutions, rather than each building being developed in isolation. Planning for low-carbon solutions at scale can use tools such as the Government's Feed-in Tariff, the definition of zero carbon, and the Code for Sustainable Homes. The Green Investment Bank is intended to complement other green policies and help accelerate the flow of capital into green infrastructure. It could be the key to providing long-term, low-interest loans for sustainable infrastructure for new communities.

i *Laying the Foundations: A Housing Strategy for England*. HM Government. Department for Communities and Local Government, Nov. 2011. <http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf>

ii *Growing Places Fund. Prospectus*. Department for Communities and Local Government, Nov. 2011. <http://www.communities.gov.uk/publications/regeneration/growingplacesfund>

1.5 The need for diverse solutions – size and location

The TCPA believes that the full range of planning solutions – urban regeneration, sustainable urban extensions, and new settlements – should be available to local authorities and communities to choose from as they search for the most sustainable pattern of development locally.⁶ As set out in the NPPF (para. 159), in assessing their full housing needs local planning authorities should address *‘the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes)’*, and local planning authorities should work *‘with... neighbouring authorities where housing market areas cross administrative boundaries’* in order to plan for functional housing market areas.

While no one particular solution will be the right one in all cases, the Garden City principles explored in this report (such as stronger community engagement and ownership, long-term private sector commitment, and visionary design) are applicable to different models of large-scale growth.

The Expert Group debated the size of new settlement necessary to create the economies of scale needed to finance and sustain new infrastructure. Ebenezer Howard set out a vision of Garden Cities that would accommodate around 30,000 people, somewhere between 10,000 and 15,000 homes. Today, Letchworth Garden City is home to over 33,500 people and Welwyn Garden City has over 42,000 residents. However, Garden City principles can be applied to smaller developments, as in Garden Suburbs and model villages.

Ultimately, in the context of localism it will be for local authorities, developers and communities to work together to decide on the most suitable location and the size needed to provide a sustainable community that creates jobs, meets local housing need, and

finances and supports the necessary hard and soft infrastructure required to enable a community to thrive.

Although opportunities for delivering comprehensively planned new communities are clearly greater in areas of high demand, particularly in the South East of England, aspects of the Garden City principles and the partnerships and model approaches recommended in this report are applicable to the delivery of well planned development across the country.

1.6 The structure of the report

The Expert Group identified five essential elements to achieving high-quality, large-scale new Garden Cities and Suburbs where learning from the past and aligning thinking to the present can help delivery in the future. These five themes are closely interrelated:

- vision, leadership and governance;
- land assembly and land value;
- investment in infrastructure – balancing risk and reward;
- planning ahead; and
- skills, co-ordination and delivery.

This report examines each of these five elements through the lens of:

- the principles and practices of the original Garden Cities and Suburbs;
- an understanding of current barriers; and
- an exploration of how to overcome these barriers and move forward.

The final section of the report draws together a series of positive policies, practices and model approaches to unlocking the benefits that can be delivered by Garden Cities and Suburbs today. Appendix 1 explores emerging Government policies and fiscal incentives and the opportunities they present in bringing forward comprehensively planned new communities. Appendix 2 lists the membership of the Garden Cities and Suburbs Expert Group.

⁶ *Best Practice in Urban Extensions and New Settlements: A Report on Emerging Good Practice*. TCPA, Mar. 2007. <http://www.tcpa.org.uk/data/files/nsue.pdf>

2

Vision, leadership and governance

2.1 Lessons from the original Garden Cities

2.1.1 Vision

The original Garden Cities were underpinned by Ebenezer Howard's famously strong vision, as described in his seminal book on garden cities:⁷ *'the advantages of the most energetic and active town life, with all the beauty and delight of the country, may be secured in perfect combination'*.

The Garden Cities were notable for their optimism, sense of community and growth when they were first built. They were led by small groups of entrepreneurial individuals in a collaborative and co-operative spirit, with a long-term vision to create a community with extensive voluntary and co-operative activities. Early residents of the Garden Cities benefited from only limited amenities and infrastructure, but nevertheless created a sense of community and belonging in a way that echoes the Government's vision of a 'Big Society' today.

2.1.2 Communicating the vision

It is clear that communication was a key factor in the Garden Cities' success, with a long-term commitment that reinforced the image of the development itself. Early publicity for Welwyn made much of its Hertfordshire location and the quality of its housing, but also trumpeted benefits such as being able to walk to work in clean airy factories and offices without tedious and time-consuming journeys.

2.1.3 Community involvement and ownership

The Garden Cities worked hard at creating a sense of momentum around their development. In Welwyn, Howard was frequently seen out and about on the building sites, offering encouragement. The *Welwyn Garden City News* was delivered each Friday to every house. Welwyn Stores (owned by the development company) provided fresh local food, while operating with a narrow profit margin. Alongside community groups and arts associations, there was a Health Association, which organised an ambulance, a cottage hospital, and infant welfare and ante-natal classes. An Education Association provided social and educational events, starting the first school in a hut⁸ and eventually running a free library.

However, while the early pioneers of the Garden Cities clearly had strong community values, there were no formal consultation processes to engage residents.

Most of the 'New Town blues' experienced by early residents of the post-war New Towns were the result of a lack of social networks rather than delays in infrastructure provision.⁹ To address these problems, housing and public relations officers at Stevenage, the first designated New Town, became community development officers. Lacking informal social events and networking opportunities at the outset, the town saw a big drive to create amateur dramatic and other social groups, just as there had been at Welwyn Garden City. It was, as much as anything, the will of the residents that made the town succeed, and to this day there remains a strong sense of place.¹⁰

7 E. Howard: *To-morrow: A Peaceful Path to Real Reform*. Swan Sonnenschein, 1898

8 M. de Soissons: *Welwyn Garden City: A Town Designed for Healthy Living*. Cambridge University Press, 1988

9 C. Ward: *New Town, Home Town: The Lessons of Experience*. Calouste Gulbenkian Foundation, 1993

10 A. Alexander: *Britain's New Towns: From Garden Cities to Sustainable Communities*. Routledge, 2009

2.1.4 Strong political support and leadership

The leadership and vision shown in Letchworth and Welwyn Garden Cities, as well as in Garden Suburbs such as Hampstead, were crucial. While there may not have been input from local people into the masterplan, the ultimate goal was to create a place that would cultivate voluntary and charitable activities, with individuals *'enjoying the fullest rights of free association and exhibiting the most varied forms of individual and co-operative work and endeavour'*.¹¹

2.2 Understanding the barriers

The delivery of a new generation of Garden Cities and Suburbs will require leadership and advocacy at all levels; without drive and vision it is unlikely that they will be successful over the long term.

The barriers to success that need to be addressed are:

- government leadership and advocacy;
- local leadership;
- local community participation in scheme development; and
- creating a sense of belonging.

2.2.1 Government leadership and advocacy

Successive Governments have failed to take a clear, consistent long-term approach towards new development. Inconsistent policy and advocacy create uncertainty and delay. Governments have consistently missed the opportunity to learn from the successes and failures of large-scale development in the past, from the Garden Cities and New Towns, to the eco-towns today. A comprehensive appraisal of the New Towns programme has never been undertaken, despite recommendations to this effect made by House of Commons Select Committee reports in 2002¹² and 2008.¹³

2.2.2 Local leadership

The initiation of any large-scale project requires the enthusiasm and commitment of local leaders, otherwise the project is unlikely to be successful over the long term.

A barrier to the long-term commitment of local leaders can be that national and local politicians sometimes work to political cycles rather than beyond them. Without strong local leadership it will not be possible



Poster advertising opportunities at the then newly developing Welwyn Garden City – communication is key, and a long-term commitment must reinforce the image of the development itself

for a new Garden City or Suburb, a new market town or a sustainable urban extension to come forward, because the delivery period of the new community will extend far beyond several electoral cycles – and will, in fact, benefit future generations not represented in the political process.

Councillors can play a positive role in communicating to local residents and businesses both the long-term vision and the multiple benefits of attracting investment in large-scale development. However, the benefits are often not fully explained to the general public, and as a consequence the opportunities for more sustainable lifestyles and a better quality of life offered by high-quality new development are often not well understood.

2.2.3 Local community participation

A significant challenge lies in making community involvement meaningful within the complex decision-

11 T. Hunt: *Building Jerusalem*. Weidenfeld & Nicolson, 2004, p.319

12 *New Towns: Their Problems and Future*. HC 603. House of Commons Transport, Local Government and the Regions Committee, 19th Report, Session 2001-02. The Stationery Office, Jul. 2002. <http://www.parliament.the-stationery-office.co.uk/pa/cm200102/cmselect/cmtlgr/603/60302.htm>

13 *New Towns: Follow-Up*. HC 889. House of Commons Communities and Local Government Committee, Ninth Report, Session 2007-08. The Stationery Office, Jun. 2008. <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmcomloc/889/889.pdf>

making framework of planning. Few would disagree with giving communities greater power and influence over the places in which they live and the decisions that affect them. Indeed, many agree that this delivers better informed decisions as well as socially just outcomes. But broad consensus about the need for people to have a greater say is the easy bit.

The reality is that participation in planning often takes the form of opposition to development – even to development that is vital to meeting social needs, such as housing. Even though such opposition is often from a small but vocal minority, the resulting media attention and pressure on local politicians can have significant implications at both the Development Plan and planning application stages.

A history of poor-quality housing developments and examples of where infrastructure delivery has not kept pace with population and housing growth have produced a generally negative impression of development among the general public. The psychology of opposition to new development is broad and complex, and a lack of understanding of the complexity of the issue can present a barrier to effective engagement of communities in the development process. Incentivising communities to accept new development (for example through the New Homes Bonus) does not address the complexity of this issue. And despite much progress in this area, there remains the common problem of how to engage a resident community that does not yet exist in consultations on any proposed new large-scale development.

There are those who will object to any development just because it means change, but there are also more justified reasons for objection, such as concerns over the potentially negative impact on existing services and infrastructure for established communities.

Members of the Expert Group suggested that there is also a perception that development will have a negative impact on the value of personal land and property. Too often the process of community engagement does not clearly communicate the case for new development, or explain what the impacts will actually be and what has been done to minimise impacts on existing services and infrastructure.

Today, public trust in large-scale development is low, and the challenge remains to engender confidence and trust within the local area. The Government has introduced measures designed to incentivise growth, with the objective of providing a reason for communities to say ‘yes’ to development (see Appendix 1). However, as highlighted in Appendix 1, the degree to which these incentives (such as the New Homes Bonus) will rebuild trust and address issues of community resistance is uncertain. This is partly because monies paid to local authorities may not be adequately aligned to, or ring-fenced for, direct local

spending within the communities affected. If the New Homes Bonus does not provide additional funds – which might incentivise local people through the improvement of local services – it may not overcome local opposition to growth.

2.2.4 Creating a sense of belonging

One recognised barrier to creating successful new communities is that there can be a sense of isolation while the community gets established. As noted above, most of the ‘New Town blues’ experienced by early residents were the result of a lack of social networks rather than delays in infrastructure provision. Lacking informal social networks at the outset, the New Towns, such as Stevenage, saw a big drive to create amateur dramatic and other social groups, just as there had been at Welwyn Garden City.

2.3 The way forward

2.3.1 Government leadership

Recognising the powerful opportunities that large-scale new communities, such as Garden Cities, offer in helping to tackle the housing and employment crisis and creating a better quality of life, the Government must provide clear and consistent policy and fiscal support. **Strong and consistent support from Government is essential to provide confidence among local authorities, communities and private sector investors alike.**

Recognition of the Garden City principles by the Prime Minister and in the National Planning Policy Framework is welcome. The Government now needs to clearly articulate those principles, as set out in Section 1 of this report.

The Government’s forthcoming prospectus on ‘locally planned large scale development’, announced in the Housing Strategy, should prioritise proposals that are founded on the Garden City principles and should set out measures to ensure they are in the right place and meet the highest sustainability and design standards.

There is an opportunity to make the delivery of high-quality Garden Cities and Suburbs a national priority across Government. **The Government should ensure that large-scale sustainable new communities that apply Garden City principles are part of the National Infrastructure Plan, that they are prioritised in future Comprehensive Spending Reviews, and that they are seen as central to the Government’s employment strategy.**

Working with the grain of localism, **where a local authority has identified a need for large-scale new**

development in its area, the Government should support the local authority (or, where local authorities are working together, authorities) through a long-term partnership approach. This partnership between central and local government should recognise the need for long-term certainty in order to secure the financial support and expertise of developers.

2.3.2 Local leadership

Local authority leaders need encouragement and support to think boldly and in the long term. If new communities are to be successful, they need strong political support and leadership, with a clear vision and strong commitment. **Having identified the need and potential location for a large-scale new community through the Local Plan, a vital role for councillors will be to communicate to local residents and businesses the long-term vision and the multiple benefits of attracting investment in high-quality, large-scale development.** Where it adopts a Garden City project, the local authority needs to be prepared to act as co-developer with the private sector and to allocate resources from its funding streams to underpin the project over the long term.

Local authorities, working with delivery partners, must re-engage people in a planning system that has often been confrontational and inaccessible. It is vital that masterplanning for new communities is as inclusive, participative and representative as possible, to ensure that plans are informed by local people's knowledge, concerns and aspirations.

In addition to providing much greater scope for local community input on planning proposals right from the beginning, **there is also a need to ensure that the governance of the future community is inclusive and participative.** It takes skills and resources to investigate and establish appropriate governance structures.

Creating and maintaining momentum on the development of a new community will require local authorities and their communities to be at the heart of delivering new places, and they must be clear that they are in it for the long haul. Building cross-party consensus on the need for jobs and homes in large-scale sustainable new communities is vital, because implementation is almost certain to continue beyond several electoral cycles. It will not be possible for a new Garden City or Suburb to yield completed homes or other development for a number of years. It is also important that new developments do not put excessive strain on existing infrastructure, as this can be a source of tension with neighbouring communities.

2.3.3 Community involvement

To engender confidence and trust in the project within the local area, the existing community (and where possible the future community) should have an opportunity to engage with the proposals for a new Garden City or Suburb at the earliest opportunity. If engagement is to be meaningful, it must begin before the first draft masterplan is created, to ensure that local wishes are taken into account.

The governance structure of the new community, whether a local authority strategic board or a separate delivery vehicle, must include community representation. This will help to build social capital by supporting interaction and involving local people in planning, as well as in running services, in the new community. A community 'company' set up in the early stages of development could gradually develop into a long-term management organisation, forming a key part of the governance structure of the new Garden City or Suburb. The Expert Group suggested that this organisation could be funded from the ground rent, an operational sink fund or a share of service charges – however, regardless of funding sources, **the community company/group would ultimately need to be composed of people who actually live and work in the new community, and this group should be financially independent.**

It takes time for communities to develop, socially as well as physically. **Community development workers, ideally people drawn from the local community, can welcome new arrivals and act as catalysts for drawing people together. Community development workers need to be independent from the developer, and ideally should be employed by existing voluntary organisations in the area, perhaps using planning obligations or other funding.** They must be accountable to local people.

2.3.4 Private sector partnership approach

The private sector must also take a leadership role and make a long-term commitment to the vision for the Garden City or Suburb. The private sector should acknowledge that, as noted above, it takes time for communities to develop, socially as well as physically, and assurance should be given to the community that although there may be phases of difficulty along the way, they can be overcome.

New schemes must aim to show what high-quality sustainable development can achieve. The private sector has a vital role in creating confidence and the positive image central to the long-term success of a community.

3

Unlocking land

3.1 Lessons from the original Garden Cities

3.1.1 Land ownership

Before the First World War, the planning and building of homes was primarily delivered by private enterprise and charitable organisations. The original Garden Cities at Letchworth and Welwyn applied Howard's model of creating private companies to purchase land and provide the means for the development of the community. Although Welwyn Garden City could have been developed under the 1921 Housing Act, with public loans and powers of compulsory purchase, instead it was developed under company law, with investment capital raised from private, largely altruistic shareholders. It was agreed that the company would keep the freehold of the land, selling only the leasehold rights for housing and industrial development.

The land assembly model of the Garden Cities contrasts with that of the state-funded New Town Development Corporations, which themselves proved that control over land is the most important factor in the delivery of new communities. The Development Corporations bought land through compulsory purchase at agricultural value, which enabled them to benefit from the returns of the developed land, with the monies raised by selling the land with planning permission at a higher rate being used to offset the cost of infrastructure delivery. Land ownership also allowed the New Town Development Corporations to market land for specific purposes, with clear development briefs consistent with the overall management and vision. Development licenses were then granted, with the freehold passing only when the desired development was completed to the agreed standards.

The Garden Cities and New Towns had differing models of land assembly and investment, which all strayed to

varying degrees from Howard's original vision of communal land ownership, but they had in common the use of a single body to act as the landowner and they were able to capture the land value uplift resulting from development.

3.2 Understanding the barriers

Land is an essential component of development, and pressure on its supply, particularly in areas of high demand, is substantial and growing.

3.2.1 Land assembly

History shows that delivering a new community (whether a new settlement or urban extension) is best achieved through comprehensive assembly of the land, and by ensuring that the potential uplift in values can be used appropriately to support the delivery of necessary infrastructure.¹⁴ However, it is recognised that the market for land and the expectations of landowners may now be very different compared with the situation in years gone by, and consequently value appreciation may not be of the same scale experienced by the early pioneers, especially in places where some anticipation of development may have already filtered through.

3.2.2 Multiple landowners

New Garden Cities and Suburbs will require large sites, possibly involving a number of landowners, who in turn may each have different agreements with developers. Where unified land ownership is not with the local authority, alignment of the vision and the timescale for realising added value is of the utmost importance and must be addressed at the earliest possible stage – otherwise land ownership and planning will pull

14 *Best Practice in Urban Extensions and New Settlements: A Report on Emerging Good Practice*. TCPA, Mar. 2007. <http://www.tcpa.org.uk/data/files/nsue.pdf>

against each other, probably to the detriment of good delivery.¹⁵

Securing collaboration to deliver a comprehensive solution will introduce particular challenges, especially in circumstances where not all parties may be willing or financially able to commit to working with each other. Where there are multiple landowners, land equalisation agreements provide a means of co-operation between different owners, but it only takes one landowner to be unco-operative for a project to stall.

3.2.3 Local authority capacity to assemble land

Local authorities have the option of using powers such as Compulsory Purchase Orders (CPOs), which in certain circumstances can be appropriate for assembling land in Strategic Development Areas (SDAs) identified in Local Plans. However, the Expert Group emphasised that this will work only where the local authority is not just enthusiastic, but also has proper funding and expertise – and that the task must be taken on with enthusiasm. Without adequate skills and resources, CPOs will not be successful.

3.2.4 Constraints on public sector land release

The Government has announced that there is enough previously developed surplus public sector land to build up to 100,000 homes and to support up to 25,000 new jobs. In theory, this provides a unique opportunity to identify sites suitable for large-scale development where there will be a single landowner.¹⁶ However, Government departments are required to sell surplus land at 'best value', in accordance with Treasury guidelines, and land receipts will go towards meeting deficit reduction targets. This incentivises departments to sell at the highest price and to secure full receipts upfront. But selling public sector land to the highest bidder diminishes the opportunity to capture the value of betterment for the benefit of the local community.

It should also be recognised that the operation of individual departmental strategies reinforces the view that the potential scope and scale of any one project will be massively variable, and this may impact on site selection determined by a bottom-up localist approach.¹⁷

3.3 The way forward

3.3.1 Government action

If the Government wants to realise the potential of public sector land – the unique opportunity for land assembly by a single landowner, and for the capture of betterment value for the benefit of the community – then **consideration needs to be given to whether certain elements of the current approach, such as the Accelerated Release of Public Land,¹⁸ will actually enable the large-scale sites required to deliver new Garden Cities and Suburbs to come forward in suitable locations with supporting infrastructure.** For example, the Whitehill Bordon eco-town is being developed on a former Ministry of Defence site, providing the town with a once-in-a-lifetime opportunity for regeneration.¹⁹

The Garden City vision cannot be realised without access to the right land in the right place at the right price. The Government can play a key role in the assembly and co-ordinated release of public sector land, working in partnership with local authorities and the private sector. The Government should also consider how the rules surrounding 'best value' might be modified to deal with specific deliverability and viability issues. There may be a case for releasing suitable public sector land at less than market value where this is demonstrably in the public interest. This would open up the prospect of delivering high-quality communities, with, for example, a meaningful proportion of decent social and affordable housing and custom/self-build plots. It is still possible to achieve good value for the taxpayer using this mechanism; it is simply that some of the returns to the public purse are generated through the growth of a new community and the wider economic benefits of housing delivery for the nation.

The Homes and Communities Agency, the co-ordinating agency in public sector land delivery and development, should play a central role in the release of public sector land.

It will be for local authorities and communities to identify the locations for new development. However, **the Government should learn from the past and ensure that the locations for sustainable new Garden Cities and Suburbs are identified using the necessary evidence base and assessment tools such as Strategic Environmental Assessment.**

15 *Re-imagining Garden Cities for the 21st Century: The Benefits and Lessons in Bringing Forward Comprehensively Planned New Communities*. TCPA, Jul. 2011. http://www.tcpa.org.uk/data/files/reimagining_garden_cities_final.pdf

16 *Accelerating the Release of Surplus Public Sector Land: Progress Report One Year On*. Department for Communities and Local Government, May 2012. <http://www.communities.gov.uk/documents/housing/pdf/2140164.pdf>

17 See Annex A of *Defence Infrastructure Interim Land and Property Disposal Strategy*. Defence Infrastructure Organisation. Ministry of Defence, 2011 Oct. 2011. <http://www.mod.uk/NR/rdonlyres/F7BAF8FC-7560-4ED3-82B9-EE341C44CCAE/0/20111005MODLandDisposalStrategy.pdf>

18 'Accelerating the release of public land'. Press Notice. Department for Communities and Local Government, 5 Oct. 2011. <http://www.communities.gov.uk/publications/housing/acceleratingreleaseland>

19 See the Whitehill Bordon eco-town website, at <http://www.whitehillbordon.com/>

3.3.2 Local authority leadership in land assembly

As noted above, local authorities have the option of using powers such as Compulsory Purchase Orders (CPOs), which in certain circumstances can be appropriate for assembling land in Strategic Development Areas (SDAs) identified in Local Plans. However, the Expert Group had mixed views about whether it was appropriate for local authorities to use CPOs, and some members felt it was not a useful option.

The TCPA has a more nuanced view about the use of CPOs. For example, once a community has decided that it wants a large-scale new community, and the location has been identified through the Local Plan, CPOs could be used as a last resort where negotiations have failed over land without which the development could not proceed. However, as noted above, **this will work only where the local authority is not just enthusiastic, but also has proper funding and expertise – and the approach must be taken on with enthusiasm.** Without adequate skills and resources, CPOs will not be successful. **Capacity-building within public bodies is needed in this area to ensure that they become more adept at taking a strategic role and are empowered to take a lead in enabling development.**

3.3.3 Public-private partnerships and joint ventures

Another, perhaps more favoured option put forward by the Expert Group for aligning the vision for the new Garden City or Suburb among all the partners involved is for local authorities, landowners and developers to enter into a Joint Venture or Local Development Agreement.

Large-scale development is opportunity-led, and the private sector, working with Local Enterprise Partnerships and local authorities, should identify sustainable locations suitable for large-scale sustainable development through Local Plans.

3.3.4 Community Land Trusts

Neighbourhood or town Community Land Trusts could be set up to facilitate the development of community facilities or affordable housing for members of the community. The use of a Community Land Trust would ensure that land gifted by the landowner (whether public land or land in private

ownership) is used for the benefit of the local community. **Some of the initial investment in the Garden City or Suburb should be held back in a Community Trust and earmarked for later investment in affordable housing and other assets.** For affordable housing, this funding reserve could be released after a certain period of time or once the population has reached a certain size, and an area of land could be set aside for this purpose. Members of the Expert Group highlighted the success of the Community Land Trust programme in Cornwall and elsewhere.²⁰

3.3.5 The evidence base for land value assessment and investment

To address the uncertainties surrounding the potential impact of the viability requirements set out in the NPPF, there is a need to develop a strong narrative that can inform policy-makers, practitioners, and landowners and their advisers about the impact on value and investment opportunities of bringing land forward for 'sustainable development' as set out in the NPPF.

This narrative, and its practical implications for testing the viability of Local Plans and calculating Community Infrastructure Levy contributions, will be an important and necessary contribution to the advancement of many of the ideas in this report. Local authorities and developers must ensure that comprehensive evidence is provided for viability tests to support the delivery of new Garden Cities and Suburbs by ensuring that any issues are identified and dealt with at an early stage.

Members of the Expert Group noted that work is currently under way on these issues. For example, the Royal Institution of Chartered Surveyors (RICS) is currently supporting work in this area – including producing guidance on 'financial viability in planning' for individual sites, reviewing formal valuation guidance on development land, researching 'place-making and value', and, with the Housing Forum, promoting the investment opportunities in land and infrastructure development to the institutional investment sector. The Expert Group also noted that a review being led by Sir John Harman²¹ is considering advice, to be agreed jointly by the House Builders Federation, the Local Government Association and the Homes and Communities Agency, on streamlining non-regulatory standards applying to new homes, and on the viability assessment of local plans (as set out in the National Planning Policy Framework).

²⁰ See the National CLT Network website, at <http://www.communitylandtrusts.org.uk/home>, and B. Paterson and K. Dayson: *Proof of Concept: Community Land Trusts*. Community Finance Solutions, University of Salford, Nov. 2011. <http://www.communityfinance.salford.ac.uk/pdf/Proof%20of%20Concept%20Final.pdf>

²¹ 'Grant Shapps welcomes new group to clear minefield of building standards'. Press Notice. Department for Communities and Local Government, 29 Jun. 2011. <http://www.communities.gov.uk/news/housing/1933403>

4

Investing in infrastructure – balancing risk and reward



The Broadway cinema at Letchworth – one of the benefits of the operation of Letchworth Garden City Heritage Foundation



4.1 Lessons from the original Garden Cities

4.1.1 Upfront investment for long-term gain

Adequate long-term investment is vital to the success of a new community and was central to Ebenezer Howard's Garden City model. The original Garden Cities were under-capitalised from the start, which slowed progress. Capital investment, planning powers and co-ordination are pivotal factors in the delivery of comprehensively planned new communities.

Howard had originally intended that the Garden Cities would generate funds in perpetuity for successive generations of residents.²² This would have been

possible through rising land values and rental income, but, in practice, commercial considerations largely ruled this out. At Letchworth initial investment was rapid but then slowed. Early development of the town reflected this, highlighting the importance of upfront and long-term investment.

4.1.2 Industrial and Provident Societies

In the case of Letchworth, the residual assets of the original company have been incorporated into an Industrial and Provident Society, the Letchworth Garden City Heritage Foundation. The income from these investments provides a steady stream of resources to maintain public areas and other facilities, over and above what the district council provides. This income supports a wide range of services, from running the

22 M. Hebbert: 'The British Garden City: metamorphosis'. In S.V. Ward: *The Garden City: Past, Present and Future*. E & Spon, 1992, pp.165-186

local cinema to providing a local health service. This model could be used for new large-scale developments, with some commercial assets dedicated to maintain an income stream for high-quality maintenance of common areas. In Milton Keynes, the Parks Trust was created to care for most of the city's green space and was endowed with a substantial property and investment portfolio. The income from this portfolio pays for the vital work of nurturing and enhancing the landscape. The Trust is entirely self-financing and provides a solution to the financial issue of the long-term maintenance of green infrastructure in new development.²³

4.1.3 The capture of value and the Garden City development model

Shareholders investing in the private companies at Letchworth and Welwyn were rewarded with dividends as the settlements grew and land values and developments appreciated in value. There are economies of scale that can be applied to increase the capture of value. But against this value must be set the considerable costs of getting the site ready and then building to a high standard – not just 'more of the same'.

Freehold ownership of development in the Garden Cities meant that rent from lease-holding rights served the dual purpose of providing a return for investors and providing funding to be re-invested in community facilities and services. Howard's model identified three uses for this rent: paying the interest on the money used to purchase the land (the 'landlord's rent'); replacement of the principal investment sum (the 'sinking fund'); and 'rates' support for municipal services, as in any conventional local authority.

4.2 Understanding the barriers

The key barrier to delivering comprehensively planned large-scale development is risk and uncertainty for both the public and private sectors.

4.2.1 Risk and uncertainty

Given the ambition of localism and the constrained public purse, the Government favours community-led growth rather than central programmes. However, in the current climate it will be difficult for local authorities to have the confidence to borrow if this exposes them to any great financial risk. While it could be anticipated that the New Homes Bonus would be paid during the lifetime of the development from the first completions to six years following the last, there is currently no

contractual certainty that this will occur, and the Government needs to do more to instil greater confidence. It is also unclear how the variety of potential funding streams and investment vehicles currently available or being considered (for example Tax Increment Financing, the New Homes Bonus, prudential borrowing, Real Estate Investment Trusts, Enterprise Zone tax incentives, the Growing Places Fund, and deferred payment for released public sector land) fit together and relate to one another.

4.2.2 Capturing land values

Aside from issues of land assembly, over recent decades the value of land has risen faster than that of almost any other commodity.²⁴

With public and private sector finances severely constrained, there is now a greater need to fully consider the scope and burden of infrastructure costs. Capturing the increase in land value accruing from the grant of planning permission to address necessary infrastructure costs has a vital part to play, although there were varying views within the Expert Group on appropriate mechanisms. From the private enterprise model of the Garden Cities to the national New Towns programme, and through to the variety of models used today, getting the most out of land value uplift is key to meeting the building and ongoing costs of a new community.

4.2.3 Lack of long-term, 'patient' development finance

History shows that, properly managed and underwritten by the capture of land values, large-scale new developments can work financially. Ownership of land facilitates forward-funding by underpinning borrowing to provide infrastructure, which can then be repaid when the land is sold for its full development value. Unfortunately the process takes time, and whether the source of the borrowing is public or private, significant investment is needed very early on to prepare and plan the location and to deliver the infrastructure, even though commercial returns will follow for the investor in due course.

The Expert Group highlighted the fact that the financial gain from new communities comes at the last stage of the development process. When, at current build rates, a new community can take up to 30 years to build and establish, investors must be prepared for the long haul.

In the current economic climate it is particularly difficult to access long-term, 'patient' finance for large-scale development. Critical issues are being able to secure

23 See the Parks Trust website, at <http://www.theparkstrust.com/about-us/about-us>

24 M. Griffith: *We Must Fix It. Delivering Reform of the Building Sector to Meet the UK's Housing and Economic Challenges*. IPPR, Dec. 2011. http://www.ippr.org/images/media/files/publication/2012/02/we-must-fix-it_Dec2011_8421.pdf



Campbell Park, Milton Keynes – in Milton Keynes the Parks Trust was created to care for most of the city's green space

long-term, low-interest funding, and whether the local authority or developer is willing (or able) to take a long-term approach to making a return on their investment.

4.2.4 Bridging the 'gap' in infrastructure funding

New community development inevitably requires some upfront investment in infrastructure – how much will depend on whether it is a free-standing development and on existing infrastructural capacity to accommodate growth. Investment solutions are needed, for both the public and private sectors, to overcome the practical concern of cash flow, as considerable upfront capital is often required to deliver the required infrastructure. For local authorities there is a 'gap' between delivering finance for upfront infrastructure at the outset and the income received from the New Homes Bonus once the homes are complete.

A regular challenge to planned new communities is getting the right level of upfront investment. If infrastructure is not delivered on time, numerous opportunities will be missed. Timely infrastructure delivery is important in influencing the way that people live – for example by ensuring that good public transport is in place. This can also have a knock-on effect on the employment opportunities in the area. Having community facilities and green infrastructure established from the outset helps to facilitate social networks and contributes to the quality of life of the developing community. If the right level of infrastructure is not in place before residents begin to move in, strain can be placed on existing services in the area – which tends to be one of the strongest reasons people oppose new development.

There are also issues stemming from the mismatch between public funding initiatives and the medium- to long-term delivery timescale associated with large-scale projects. As funding does become available to assist with delivery, through initiatives such as Get Britain Building, the requirement is to initiate immediate delivery. Meanwhile, large-scale projects still evolving through the planning process are not able to predict with any certainty that future public funding may become available to assist them.

4.3 The way forward

4.3.1 Government certainty on funding mechanisms

To secure the necessary financial support and commitment from the private sector for large-scale development, there needs to be consistent policy and a reliable package of support at national and local government levels to provide certainty, for both communities and investors.

To de-risk investment, the Government needs to provide certainty about policy and fiscal measures, clarifying the operating duration of, and amount of financial support offered by, measures such as the New Homes Bonus to de-risk prudential borrowing by local authorities. The Expert Group discussed the need for a positive approach to sharing risk and reward between landowners, developers and local government, particularly regarding attitudes towards direct investment and/or borrowing to support delivery. An opportunity discussed by the Expert Group is local authorities' ability to obtain low-cost, long-term loans from the Public Works Loans Board against future

Box 4 The Netherlands' infrastructure investment model

Amersfoort near Utrecht in the Netherlands is a useful model for how to manage housing growth to achieve attractive new settlements and create balanced communities. It illustrates how the Dutch have managed to increase the housing stock by 7.6% in ten years in some 90 new settlements. The Dutch have not only built better housing at a much faster rate but have also created communities where children grow up much more happily than in the UK. There is none of the stigma associated with social housing in the UK. Facing similar issues, such as living in a crowded country, the Dutch have taken very different approaches to tackling common problems. For example, their traffic engineers have been the inspiration behind innovations like 'shared surfaces' and 'home zones'.

A major expansion of Amersfoort known as Vathorst has been delivered over the last decade. A Joint Development Company was set up between the council, as one shareholder, and a consortium of five companies as the other. The private investors included those who had bought land in the area but also those who the city wanted to involve because of the good work they had done previously.

The Vathorst Development Company (OBV) employs a small staff of under 15 with a Chief Executive from the private sector and a Chairman appointed by the municipality. It works through developers and housebuilders, most of whom are members of the company, and through two social housing companies. It is responsible for:

- land acquisition;
- urban planning;
- engineering;
- commissioning infrastructure; and
- allocating sites.

On the basis of the business plan for development of infrastructure and disposals, the company borrowed 750 million euros from the Dutch municipal bank – Bank Niermeenten (BNG), which is the largest financial body in the Netherlands after the state – at relatively low rates of interest (5%) to be repaid over 15 years. The borrowings are repaid out of the proceeds from land sales, and the company has built up a 'buffer' which allows it to act entrepreneurially; for example, it funded the railway company to open a station several years before the population justified it, and it underwrote an entrepreneur to open a restaurant.

Source: N. Falk: *Making Eco Towns Work: Developing Vathorst, Amersfoort NL*. URBED, Oct. 2008.
http://www.urbed.com/cgi-bin/get_binary_doc_object.cgi?doc_id=281&fname=extra_pdf_3.pdf

New Homes Bonus receipts. However, as noted above, in the current climate it will be difficult for local authorities to have the confidence to borrow if this exposes them to any great financial risk. While it could be anticipated that the New Homes Bonus would be paid during the lifetime of the development from the first completions to six years following the last, the Government needs to do more to instil greater confidence and provide contractual certainty. The possibility of borrowing against the Community Infrastructure Levy (CIL) was also discussed by the Expert Group. Although expected CIL income cannot currently be used to set against any form of prudential borrowing by local authorities, the legislative powers to do so exist, but they have not been enabled. The possibility of allowing City Mayors to borrow against CIL receipts to support national infrastructure is also being considered.²⁵ This could provide another

mechanism for providing upfront resources for infrastructure investment.

Further certainty would also be provided by a clear statement from the Government on how the variety of potential funding streams and investment vehicles currently available or being considered (for example Tax Increment Financing, the New Homes Bonus, prudential borrowing, Real Estate Investment Trusts, Enterprise Zone tax incentives, the Growing Places Fund, and deferred payment for released public sector land) might be related together to create incentives for comprehensively planned new settlements.

When allocating future funding through initiatives such as Get Britain Building and the Growing Places Fund, the Government should prioritise and amend eligibility criteria associated with funding

²⁵ *Regeneration to Enable Growth, A Toolkit Supporting Community-led Regeneration*. Department for Communities and Local Government, Jan. 2012. <http://www.communities.gov.uk/documents/regeneration/pdf/2064899.pdf>



Long-term, patient development finance is crucial

opportunities, so as to recognise the longer-term delivery nature of large-scale projects. This in turn could give greater certainty and confidence that public sector support would be in place to help overcome key infrastructure and cash flow challenges.

The Government should also:

- **Explore leasehold arrangements:** The original Garden City companies intended to keep the freehold of the land, selling only the leasehold rights for housing and industrial development. Successful high-quality place-making developers like Span Developments in the 1950s and 1960s followed similar principles. The Leasehold Reform Act 1967 prevents this model being used today. Members of the Expert Group recommended a Government re-examination of the opportunities that leasehold arrangements might offer in securing economic, social and environmental benefits for the community, and in the creation of successful places.
- **Create a vehicle for investment:** Institutional investors are looking for a transparent vehicle in which to invest, recognising the need for guaranteed returns. This vehicle could be the Green Investment Bank, providing low-cost, long-term loans for truly sustainable (criteria-specified), large-scale, high-quality sustainable developments (see Box 4 for details of the Netherlands' infrastructure investment model).
- **Take forward recommendations from the Calcutt Review:** The Government should take forward the Calcutt Review's recommendations²⁶ to identify and remove barriers to successful long-

term private investment in housing and new communities.

- **Explore the possibility of local authorities borrowing against CIL:** While it is understood that borrowing by local authorities against CIL payments would have implications for increasing debt in the short term, the possibilities of this mechanism should be explored, as the medium- and longer-term benefits of growth on the economy through unlocked development are potentially significant.

4.3.2 A proactive local authority approach

As noted above, the Expert Group discussed the need for a positive approach to sharing risk and reward between landowners, developers and local government, particularly regarding attitudes towards direct investment and/or borrowing to support delivery. Local authorities should have the confidence to go for growth and development, benefiting from the various revenue streams available. Local authorities could take the following approaches to de-risking development:

- **New Garden City Development Agreements:** New Garden City Development Agreements or Partnerships could be established to focus on de-risking. These could involve the local authority playing a central role in de-risking investment through a long-term commitment, using its planning powers to bring forward the site, potentially through existing mechanisms such as a Planning Performance Agreement or a Local Development Order; while the

26 J. Calcutt: *The Calcutt Review of Housebuilding Delivery*. Department for Communities and Local Government, 2007. <http://www.communities.gov.uk/documents/housing/pdf/calcuttreview.pdf>

landowner/developer would take a long-term approach to a return on value realisation.²⁷

- **Shorter-term developer involvement:** There may be ways in which developers with shorter-term business models can be involved without potentially risking the delivery of the long-term vision, such as agreed buy-out terms when a certain milestone is achieved or through initiatives such as 'Build Now, Pay Later'. Alternatively, public authorities may be able to put in place arrangements that help to de-risk development (for the delivery of key infrastructure, for example), aligned to some form of agreement with landowners, such as an equity stake or a time-limited loan. But all such arrangements need to be addressed, in principle at least, at an early stage. Given their long-term financial implications, a reasonable level of clarity will be needed very early on to give sufficient confidence that the level of risk to both the public and private sectors will be acceptable and manageable.
- **Garden City Infrastructure Investment Plans:** Local authorities should produce Infrastructure Investment Plans to identify the costs of delivering all the infrastructure associated with a new large-scale Garden City or Suburb, such as transport, water, waste, energy and green space (including the costs of long-term management). With an Infrastructure Investment Plan local authorities would be in a stronger position to pool funding and would be better prepared – with a series of 'shovel ready' proposals – to tap into Government funding streams such as the Growing Places Fund.
- **Prudential borrowing:** Local authorities, in discussion with key delivery partners, should identify any funding 'gaps' and could then fill them with long-term, low-cost loans from bodies such as the Public Works Loans Board, borrowed against future New Homes Bonus receipts, although this is dependent on the Government providing greater policy certainty.

4.3.3 Balancing risk and reward

In return for greater direct financial commitment from the public sector, **landowners could be expected to take a longer-term, patient and reasonable approach to assessing the value of their land assets.** This combined approach to sharing risk and reward could considerably ease cash flow and finance concerns, and could make it easier for projects to come forward.

4.3.4 Capturing land values for long-term investment

The TCPA has long supported the principle of capturing a proportion of the uplift in land value created by the

grant of planning permission (betterment), which should then be released for the benefit of the wider community. Re-invested land value gains can be used to deliver a better quality of development, for example by investing in green infrastructure which provides multiple benefits (such as increased resilience to climate change and a better quality of life for residents, alongside other sustainability gains).

The original Garden Cities and Milton Keynes provide good examples of where capturing value through land acquisition has been both an economic success and a benefit to the community. Members of the Expert Group proposed that where land for a new Garden City or Suburb is identified in the Local Plan, its value should be frozen at existing use plus a 'reasonable profit', as long as the local authority provided a reasonable level of certainty (for example through Development Agreements or Partnerships). The determination of what is 'reasonable' in terms of landowner's return is outside the scope of this report.

4.3.5 The patient investor

Where viable, developer and landowner consortiums should seek to take a long-term, 'patient' investment approach.

Properly managed and underwritten by the capture of land values, major comprehensively planned large-scale development can be good business. However, development of a new community takes time; and, as noted above, whether the source of borrowing is public or private, significant investment is needed very early on to prepare and plan the location and to deliver the infrastructure, even though excellent commercial returns will follow for the investor in due course.

4.3.6 Institutional investment

If the Government and local authorities sufficiently de-risk large-scale developments, international investment may be attracted from sovereign wealth funds and other sources, such as major insurers.

4.3.7 Community investment

Residents, employees and businesses in the Garden City or Suburb could be offered the opportunity to invest through co-operative share capital schemes.

27 J. Calcutt: *The Calcutt Review of Housebuilding Delivery*. Department for Communities and Local Government, 2007. <http://www.communities.gov.uk/documents/housing/pdf/calcuttreview.pdf>

5

Planning ahead

5.1 Lessons from the original Garden Cities

5.1.1 Masterplanning – character, quality and sustainability

The companies that built the first Garden Cities worked to the ideals of the Garden Cities and Town Planning Association (later renamed the Town and Country Planning Association): *'A Garden City is a town designed for healthy living and industry; of a size that makes possible a full measure of social life, but not larger; surrounded by a rural belt; the whole of the land being in public ownership, or held in trust for the community.'*²⁸

The Garden Cities were masterplanned to a holistic set of principles with economic, social and environmental objectives. Today, the Garden City principles of planning for healthy living and a flourishing community are still fundamental to the development of sustainable communities which are able to adapt to climate change.

Experience shows that a strong vision of high quality and sustainability is essential in delivering places that will stand the test of time and positively influence behaviour and promote healthy lifestyles. The vision for Welwyn was of being able to walk to work in clean airy factories and offices without tedious and time-consuming journeys; housing layouts would ensure a social and demographic mix; and the town would be small enough for everyone to be within walking distance of the centre in one direction and open countryside in the other. At a projected population of some 30,000, with a net density of 12 houses to the acre, Welwyn was to be big enough to support a diverse economic base and various facilities. Howard's vision was expressed in a masterplan drawn up by Louis de Soissons, who was also the principal architect for Welwyn's housing. As a result, a strong design character ran throughout the development, which is still largely maintained today.

Contemporary new communities, such as Eco-Bicester, being brought forward by Cherwell District Council in Oxfordshire (see Box 5), and Vauban in Germany, have

Box 5

A holistic approach to masterplanning – North West Bicester

Eco-Bicester, a partnership led by Cherwell District Council, Oxfordshire County Council and Bicester Town Council, is working with the community and delivery partners to deliver the eco-town designated in 2009 and create a vibrant Bicester in which people will choose to live, work and spend their leisure time in sustainable ways. It aims to:

- effect a town-wide transition to a low-carbon community, triggered by the new eco-development at North West Bicester;
- attract inward investment to provide sustainable jobs and commerce, especially in green technologies;
- offer transport, health and leisure choices, while emphasising zero-carbon options and energy efficiency; and
- ensure that green infrastructure and historic landscapes, biodiversity, water, flood and waste issues are managed in an environmentally sustainable way.

28 M. de Soissons: *Welwyn Garden City: A Town Designed for Healthy Living*. Cambridge University Press, 1988

Box 6

The approach to layout used in the original Garden Cities and Suburbs

The urban design characteristics of Letchworth and Welwyn, and of the early Garden Suburbs, are fundamental to their success. In the final section of *Everything to be Gained*,ⁱ the TCPA's publication featuring a reprint of Unwin's pamphlet *Nothing Gained By Overcrowding!* (originally published in 1912), these characteristics are set out as:

- a well planned town structure with efficient definition of blocks for development and routes for movement;
- larger development blocks with substantial enclosed areas of green space for gardens, allotments or recreation;
- green, tree-lined streets, often characterised by a section comprising road, parking, tree-lined verge, footway, soft boundary treatment, front garden, and home; and
- well designed groups of homes within the street (including excellent three-dimensional development of the masterplan into quality first-class domestic architecture and landscape design).

i *Nothing Gained By Overcrowding! A Centenary Celebration and Re-exploration of Raymond Unwin's Pamphlet – 'How the Garden City Type of Development May Benefit both Owner and Occupier'*. TCPA, 2001. http://www.tcpa.org.uk/data/files/Nothing_Gained_By_Overcrowding.pdf

taken a much more varied approach to developing a vision and masterplan.

study examples). Self-build rates in the UK currently lag behind those in Europe, where the model is flourishing (see, for example, Box 9).

5.1.2 Garden City design and layout characteristics

The original Garden Cities and Suburbs were visionary and progressive, and were practical and considered in their approach to design and layout (see Box 6).²⁹

5.1.3 Meeting the full range of housing needs

New planned communities must meet the full range of housing needs through a varied housing offer which includes high-quality social, affordable and market homes.

Letchworth and Welwyn included co-partnership housing models which provided a unique form of tenure, combining features of a tenant co-operative with a limited dividend company. A section of the masterplan for Welwyn Garden City was given over to self-build plots, which provided some variation in design compared with the predominant designs of architect Louis de Soissons. Self-build plans were passed across de Soissons' desk and consequently the final designs were not as varied as might have been expected, although the Garden City did achieve a consistency in the narrative of housing design.

Self-build (or custom build housing) has been identified as a major tool in the Government's strategy to solve the UK's housing crisis (see Boxes 7 and 8 for UK case

5.1.4 Innovative and high-quality design

Large scale does not have to mean that the quality of design is compromised. High-quality design is both more desirable and durable. The Arts and Crafts inspired architecture of the Garden Cities is highly desirable over a century on – owing to the quality of materials as much as the design aesthetic. Applying Garden City principles to new communities does not necessarily mean imitating Arts and Crafts architecture – the right architectural style must be chosen for the particular site. Quality is key, along with the provision of the highest sustainable building standards.

5.1.5 Local employment

Central to the original Garden Cities, and later to the New Towns, was the idea of self-containment, linking jobs and housing. They were not envisaged as commuter towns, and the focus was therefore on attracting companies through the prospect of cheaper running costs, better transport connections, modern office buildings, and happier workers.

Previous goals of 'self-containment' need to be tempered with an understanding of the benefits of a cluster of linked new settlements. It hardly needs stating that excellent public transport is essential to the operation of a cluster.

²⁹ *Nothing Gained By Overcrowding! A Centenary Celebration and Re-exploration of Raymond Unwin's Pamphlet – 'How the Garden City Type of Development May Benefit both Owner and Occupier'*. TCPA, 2001. http://www.tcpa.org.uk/data/files/Nothing_Gained_By_Overcrowding.pdf

Box 7

Self-build at Ashley Vale, Bristol



Located on a former scaffolding yard near central Bristol, the award-winning, community-led Ashley Vale self-build project comprises 20 self-build plots, six self-finish bungalows, six self-finish flats, three work units, a community room, a communal garden, and a communal recycling facility. A total of 41 homes had been created by 2011. In 2001 the Ashley Vale site was purchased by a group of local residents who came together to form the Ashley Vale Action Group (AVAG), a non-profit making company limited by guarantee. The formation of the company was beneficial to the landowners as they were able to deal with a single body rather than a collection of self-builders. Affordability was an important factor in the success of the project, with plots costing between £30,000 and £45,000 (secured by a 10% deposit) and with typical build costs of between £35,000 and £100,000 – resulting in an average build cost of £500 per square metre.

AVAG experienced some challenges at the early stages of the planning process, and found it useful to establish mechanisms to deal with differing viewpoints and opinions among the group. However, the benefits of this community-led approach (such as sharing skills, teamwork, economies of scale, and legal support) have resulted in a strong bond and a sense of community and ownership of the project. The AVAG site won the Building for Life Award in 2010.

Source: The Self Build Portal website, at <http://www.selfbuildportal.org.uk/ashley-vale>, and information provided by the National Self Build Association (NaSBA)

5.1.6 The right supporting infrastructure

The housing and jobs offer must be supported by a good range of necessary infrastructure. Of particular importance is the local transport network, although the need for and inevitability of wider commuting and movement must also be acknowledged.

The original Garden Cities are famous for integrating the built environment into the landscape. The extensive green space in Garden Cities and New Towns, which was intended to improve their attractiveness and the quality of life they offered, now has the added benefit of serving as a valuable tool in climate change adaptation and mitigation.

5.1.7 Healthy living, better lifestyles

The Garden City movement sought to provide a better quality of life for residents and workers. Research

confirms the importance to health of environment and lifestyles. Walking and cycling instead of always using the car, supportive neighbourhoods, planned educational facilities and a strong sense of community spirit can all improve health outcomes. Garden Cities are attractive propositions for families seeking somewhere green, healthy and pleasant to live, and if well planned and supported they should prove beneficial in reducing lifestyle-related illness and increasing health and wellbeing.

5.2 Understanding the barriers

5.2.1 Strategic planning and the duty to co-operate

The abolition of regional plans and the move to a localist approach to planning has implications for both the size and location of large-scale new communities. The challenges we face in infrastructure investment, housing, climate change and social inclusion are played

Box 8 Self-build in Stroud

Identified as the first new-build co-housing project in the UK, the Springhill Co-Housing development close to the centre of Stroud comprises 34 self-contained units (ranging from one-bedroom flats to five-bedroom houses) and a three-storey 'common house' with a kitchen, where shared meals are prepared and regular community activities take place. As recognised by the Deputy Prime Minister's Award for Sustainable Communities in 2005, recycling, community composting, high-intensity insulation, PV panels, a sustainable urban drainage system, and a car-sharing scheme all contribute to an environmentally sensitive scheme. Springhill Co-Housing also won the 2006 Eurosolar UK award for inspiring new renewable energy projects.

The project highlights the role of strong vision and leadership. Cohousing Community Company Ltd was formed by David Michael in 2001, with ownership of the site being transferred to the company. As Managing Director of the company and co-ordinator of the project, David Michael managed the finances and legal agreements and invited new householders to become directors of the company. The group worked with the architect and contractors with finance from a co-operative bank.

The success of the project led David Michael to explore other opportunities in the area. In 2006 CoFlats Stroud was developed, following the co-housing model but this time for 14 private self-contained flats, a small common house on two floors, and a shared laundry. There is a shared courtyard and a south-facing garden accessible via a bridge from the common house and from the courtyard. The CoFlats project is now complete and most of the flats are sold.

Sources: Springhill Co-Housing: The Springhill Co-Housing website, at <http://www.therightplace.net/coco/public/>, and information provided by the National Self Build Association (NaSBA); CoFlats Stroud: The CoFlats Stroud website, at <http://www.users.waitrose.com/~artwork/index.htm>

out at differing spatial scales, and to comprehensively plan for a large-scale new community a degree of strategic planning will be essential. A recent report from the Joseph Rowntree Foundation's Sustainable Urban Neighbourhoods Network states that *'agreed... sub-regional spatial and transport investment plans are essential to give confidence to markets to bring forward plans for sustainable communities which take years and even decades to come to fruition'*.³⁰

Without formal regional structures it will be down to local authorities to plan together, through the duty to co-operate. Strategic planning, carried out through, for example, joint planning committees, can reduce costs, promote efficiency and reduce conflict, while protecting the environment and promoting development in the right places, by:

- providing clarity, certainty and confidence for private sector investment and sharp priorities for public investment;
- providing clear directions for public and private investment, ensuring that they are aligned – and bringing national and local spending plans together;
- giving clear directions for local decision-making and avoiding unnecessary disputes;
- reining in unrealistic aspirations – and reducing the potential for massive over-bidding for land or resources;

- providing a context within which local government can agree on issues such as housing;
- providing capabilities and capacity only available to a small number of larger authorities (i.e. promoting economies of scale); and
- providing planning frameworks which can relate to functional areas such as travel-to-work areas and housing market areas.

National needs in terms of housing and growth in general are subject to local perceptions of what is acceptable, which can be a barrier to development. Significant policy changes have been implemented at a time of economic recession, leaving a level of uncertainty among local authorities and the development community. This uncertainty has in turn led some local authorities to avoid risk-taking.

The new voluntary system of co-operation between local authorities will make planning in England less strategic and more varied in approach. It is expected that strong voluntary partnerships will emerge in some areas, particularly around northern city-regions and in areas such as Cambridgeshire where there is an established track record of delivering growth. However, in other areas arguments about housing will define local relationships, potentially creating uncertainty about delivery. For example, the Core Strategy and other

30 N. Falk and M. Carley: *How Can Local Government Build Sustainable Urban Neighbourhoods?* Sustainable Urban Neighbourhoods Network. Joseph Rowntree Foundation, Feb. 2012. http://www.jrf.org.uk/sites/files/jrf/sustainable-urban-neighbourhoods-summary_0.pdf

Box 9**Self-build in the Homeruskwartier district of Almere, the Netherlands**

Located to the south west of Almere city centre, the Homeruskwartier district is an innovative experiment of large-scale self-build (occupying 100 hectares). It demonstrates what is achievable by planning at scale. Since 2006 around 1,000 self-build homes have been built, and 3,000 more are planned.

The local authority has masterplanned the area into a number of districts, each with around 720 self-build plots, with different grades of building permit. All the infrastructure is installed by the local authority, including roads and utilities. The local authority sells the plots at around £290 per square metre. There is a mix of building types and costs, but on average three-bedroom homes cost around £150,000 (including the cost of land).¹

i For further information, see the Almere page of the Self Build Portal website, at <http://www.selfbuildportal.org.uk/homeruskwartier-district-almere>, and the National Self Build Association (NaSBA) website, at <http://www.nasba.org.uk/>

Development Plan Documents put forward by Stevenage Borough Council in May 2010 would have seen almost half of the new homes proposed built on land in the neighbouring North Hertfordshire District Council (NHDC) area. However, NHDC opposed Stevenage's housing plans and in early 2011 submitted evidence to a Public Examination stating that Stevenage could not meet the statutory test for a Core Strategy. In May 2011 the Planning Inspector ruled that Stevenage's Core Strategy, which was designed to conform with the East of England Regional Plan, was unsound and could not be delivered because the cross-border issues remained unresolved.³¹

5.2.2 The NPPF – challenges and opportunities

The impact of the National Planning Policy Framework (NPPF) will also be pivotal, particularly in relation to how local authorities seek to define a spatial strategy for their areas and how existing and emerging plans are considered to conform to the new framework.

The NPPF places great emphasis on establishing a proportionate evidence base for plan-making. It sets out the importance of Strategic Housing Market Assessments (SHMAs) which include a wide range of demographic and market information.³² Local planning authorities should address *'the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes)'*. The NPPF states that to

assess their full housing needs local planning authorities should work *'with neighbouring authorities where housing market areas cross administrative boundaries'* in order to plan for functional housing market areas. The *'availability, suitability and the likely economic viability of land'* is also a key consideration.

Section 6 of the NPPF, 'Delivering a wide choice of high quality homes', deals with housing in more detail and includes a key metric for local housing provision, whereby local planning authorities should *'identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land'*.³³

Crucially for the subject of this report, the NPPF then sets out how local authorities can plan to meet housing needs in a strategic manner, and clearly identifies Garden City principles as a potential way of achieving this objective – the first time that Garden Cities have been directly referenced in national planning policy for over 40 years: Para. 52 states: *'The supply of new homes can sometimes be best achieved through planning for larger scale development, such as new settlements or extensions to existing villages and towns that follow the principles of Garden Cities.'* However, the NPPF does not articulate the Garden City

31 P. Hault: 'Council fails in bid to overturn finding that its Core Strategy was unsound'. *Local Government Lawyer*, 5 Dec. 2011. http://localgovernmentlawyer.co.uk/index.php?option=com_content&view=article&id=8754%3Acouncil-fails-in-bid-to-overturn-finding-that-its-core-strategy-was-unsound&catid=63%3Aplanning-articles&q=&Itemid=31

32 *National Planning Policy Framework*. Department for Communities and Local Government, Mar. 2012, para. 159. <http://www.communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf>

33 *National Planning Policy Framework*. Department for Communities and Local Government, Mar. 2012, para. 47, bullet 2. <http://www.communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf>

principles, nor does it provide guidance on the delivery of large-scale development.

5.3 The way forward

As noted above, the challenges we face in infrastructure investment, housing, climate change and social inclusion are played out at differing spatial scales, and to comprehensively plan for a large-scale new community a degree of strategic planning will be essential.

5.3.1 Government policy and implementation

Strategic planning is essential if large-scale development is to come forward in a holistic and sustainable way. The NPPF states that to assess their full housing needs local planning authorities should work ‘*with neighbouring authorities where housing market areas cross administrative boundaries*’ in order to plan for functional housing market areas. **The Expert Group urges the Government to issue guidance on how strategic planning and the duty to co-operate will work in practice.**

The Expert Group welcomed the recognition of Garden City principles in the NPPF. However, these principles must be articulated by the Government, and guidance is needed on the delivery of large-scale development to ensure quality and a holistic approach. This recommendation builds upon recommendations made in the Taylor Review of Rural Economy and Affordable Housing, which called for best practice guidance in masterplanning new neighbourhoods and community extensions to support the necessary partnerships between local authorities, the private sector and the Homes and Communities Agency.³⁴

In addition, the Government should continue to support the use of Garden City principles, and should advocate the benefits of well planned large-scale developments and forge wider consensus.

5.3.2 Locally planned and delivered

The identification of Garden City principles in the NPPF and the transition to a localist approach to planning provide an opportunity for new Garden Cities and Suburbs to be considered by local planning authorities among options for future housing and economic growth. Local authorities will require sufficient support to enable them to establish strong visions, engender support and make things happen.

To ensure a commitment to Garden City design principles, local authorities could issue a checklist for design briefs or produce Supplementary Planning Guidance based on the principles set out in this report.

Local authorities need to align planning with economic development. Large-scale new communities need to provide the right employment offer from the outset, as well as providing for local employment and new ways of working, including more home-based working facilitated through super-fast broadband. Construction itself will also provide some level of employment – and perhaps, in pursuing quality design, adopting a 21st century Arts and Crafts approach could encourage employment for local skilled labourers and craftspeople.

A compelling vision for sustainability must be integral to Garden Cities. The Garden City concept and vision can be brought fully up to date through the application of new technology, design concepts, and materials to create leading-edge sustainable developments. Those involved in the design of new Garden Cities and Suburbs should be encouraged to think innovatively, ensuring that quality and sustainability are at the heart of the design process.

At least 40% of a new community’s total area should be allocated to green space, of which at least half should be public and should consist of a network of well managed, high-quality green/open spaces linked to the wider countryside.³⁵ The local authority should require that the planning application for the site demonstrates a range of types of green space, such as community forests, wetland areas, and public parks. The space should be multifunctional – it could, for example, be used for play and recreation, for walking and cycling, to support wildlife, and as part of an urban cooling and flood management system.

5.3.3 Community planners and builders

Masterplanning for a new community should be as inclusive, participative and representative as possible, to ensure that plans are informed by local people’s knowledge, concerns and aspirations. If engagement is to be meaningful, it must begin before the first masterplan is created, to ensure that local views are taken into account. Neighbourhood planning may provide an opportunity for greater community involvement in planning a new community in some locations.

Sections of the masterplan could be identified for both individual self-build plots and (community)

34 *Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing*. Department for Communities and Local Government, Jul. 2008, Recommendation 8. <http://www.communities.gov.uk/documents/planningandbuilding/pdf/livingworkingcountryside.pdf>
35 This standard was set out in *The Essential Role of Green Infrastructure: Eco-towns Green Infrastructure Worksheet*. TCPA, Sept. 2008. http://www.tcpa.org.uk/data/files/etws_green_infrastructure.pdf



Planning applications for a new Garden City or Suburb should demonstrate a range of types of green space

group self-build or self-commissioned sites. Homes on these sites could comprise a mixture of market and more affordable models of custom build homes which meet a local need. The serviced plots model could also be explored.

In addition to self-built plots, the full portfolio of community-led housing models (for example co-ownership, co-housing, Community Land Trusts, and co-operatives) could also be considered for incorporation in new Garden Cities and Suburbs. As with self-build, this is an area in which the UK lags behind the rest of Europe, where community-led housing is well established. These models have the added benefit of the potential to share skills, to co-invest, and to secure jobs and housing for local people.

Local authorities such as Cambridge City Council and South Cambridgeshire District Council are already investigating and piloting how such projects could be used to pioneer and seed the growth of neighbourhood communities in new settlements and expansion areas in the Cambridge Growth Area.³⁶

5.3.4 Flexible framework for development

While the masterplanner need not necessarily be the architect, a holistic, comprehensive masterplan is a fundamental requirement for a successful new community. **A partnership approach to the masterplan is essential, and the masterplan itself should act as a framework for development, rather than a rigid blueprint, with the flexibility to adapt to change while maintaining a strong vision.**

Adaptability is essential to the long-term resilience of places, as it is impossible to foresee every social, economic and environmental change.

Flexibility is needed to ensure that the masterplan acts as a touchstone for local people as they take forward their community. But while flexibility is key, it needs to be balanced with a proportionate level of certainty that the overall integrity of the vision and the principles of good place-making will be maintained over time. This is needed to assure local people and interested bodies that ambition and principles will flow through into delivery.

³⁶ For example, Cambridge City Council (as the landowner) is working with a number of partners on the K1 co-housing development – see <http://www.cambridge-k1.co.uk/>

6

Skills, co-ordination and delivery

6.1 Lessons from the original Garden Cities

6.1.1 Dedicated project management and delivery structures

Both the original Garden Cities, with their private development companies, and the post-war New Towns, with their Development Corporations, had dedicated and specialist delivery vehicles. Owing to their complexity they required a long-term, dedicated means of delivery, with a multi-disciplinary delivery team.

As with the Garden Cities and the New Towns, the team for any large-scale new community developed today will have to share the common goal of bringing forward the new community in the most sustainable way. There also needs to be a clear transition plan to local authority control and a strategy for long-term asset management, either by the local authority or a Trust.

6.1.2 Provision for the long-term management of assets

The experience of the original Garden Cities and New Towns has shown that serious thought must be given to the ongoing management of the community's assets and the public realm. Communities can take on the long-term management of local assets, as with the Milton Keynes Parks Trust, for example – but such arrangements need to be planned and financed at the start of the development, making sure that communities are reassured that they will not lead to a fragmentation of service delivery.

6.2 Understanding the barriers

6.2.1 Skills and capacity

Planning and delivering a large-scale new community is a serious and distinctive task requiring a highly focused and motivated team. It cannot be undertaken in the margins of another task or occupation. Such large-scale development projects will also require a wide range of specialist and technical expertise, and the local authority will not necessarily possess all the background knowledge or experience needed.

Following significant job cuts, many local authorities are unable to deal adequately with the demands of major development proposals. Cutbacks during the recession have exacerbated a problem which has been recognised for over a decade.³⁷ Reduced staff numbers leave remaining staff under pressure to deal with an increasing workload (see Box 10), and there will inevitably be a reduction in the range of skills available within the team. Local authorities are faced with making difficult choices, and there is also a danger that non-statutory services – such as pre-application engagement, which is when most effort is needed to get projects right – will suffer as resources are aligned to discharge core statutory activities.

6.2.2 Co-ordination of agencies

Creating new places inevitably involves the wide range of stakeholders, statutory agencies, and partners across the public and private sectors who are responsible for the wide variety of necessary infrastructure, utilities and services needed to make places function. A key requirement is to ensure that the funding and delivery

³⁷ *Planning Matters – Labour Shortages and Skills*. HC517-I. House of Commons Communities and Local Government Committee, 11th Report, Session 2007-08. The Stationery Office, Jul. 2008. <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmcomloc/517/517i.pdf>

Box 10

Causes of delay in the planning system

In a report published in 2010, *The Future of Planning Report*,ⁱ the TCPA identified the following causes of delay in the planning system:

- **Leadership instability:** High staff turnover at all levels, from civil servants to a skills drain in planning authorities.
- **Local politics:** Changing and competing local political priorities and commitment.
- **Local authority resources:** Local authority cuts to the planning department, due to a loss of revenue as a result of a decline in development.
- **Capacity:** Problems with recruitment and retention of staff and qualified planners, despite town planning being one of the fastest growing occupations; and a lack of dedicated local authority forward planning teams.
- **Skills base:** Lack of skills (particularly project management related skills), effectiveness and access to professional development and support activities.

These causes of delay are all directly relevant to the delivery of large-scale new communities, which will take several electoral cycles to deliver and will require dedicated and specialist skills.

ⁱ *The Future of Planning Report: Distilling the TCPA Roundtable Debates*. TCPA, Jun. 2010.
http://www.tcpa.org.uk/data/files/tcpa_futureplanning_report.pdf

Box 11

Management of community assets and the public realm

The following questions will need to be addressed if a community is to take on the stewardship of a local asset in a new Garden City or Suburb:

- Will the landowner/‘master developer’ provide an endowment in the form of money or income-producing assets?
- Will a service charge be levied on all residents and businesses and be ring-fenced for local facilities and services?
- Could revenue from a MUSCO (Multi-Utility Services Company) or ESCO (Energy Services Company) be pledged to support maintenance?
- Will a local Trust own and manage local facilities?
- If so, who will form it, and when?

of infrastructure is carefully co-ordinated. However, the roles of the various agencies involved are not always clearly defined.

6.2.3 Planning for long-term management

New facilities will not be sustainable without viable long-term management, backed up by effective sources of revenue (see Box 11).

6.3 The way forward

6.3.1 One-stop Government shop

The funding and delivery of infrastructure must be carefully co-ordinated. To assist with capacity, skills and knowledge issues, the Government **should provide a ‘one-stop shop’ offering local authorities and**

developers direct access to statutory and support bodies that will influence the evolution and content of emerging proposals – including statutory agencies such as the Highways Agency, the Environment Agency, Natural England, and English Heritage. The Advisory Team for Large Applications (ATLAS), which plays a key role in the enabling services of the Homes and Communities Agency, should continue to provide ‘critical friend’ support and access to knowledge.

6.3.2 Upskilling the local authority

If a local authority decides to take the large-scale, new Garden City or Suburb option, it will need a dedicated team with the right skills and expertise. As noted above, the planning and delivery of a large-scale new community is a serious and distinctive task requiring a highly focused and motivated team. It cannot be undertaken in the margins of another task or occupation.

Positive tools such as Planning Performance Agreements could help to give structure and formality to working arrangements between the local authority and the developer, and could help in assessing the scope of the work required and the approach needed to undertake it.

A comprehensive programme of training and education is needed to address the lack of skills (particularly project management and finance related skills). Bespoke training is needed on Garden City principles, masterplanning, development economics, sustainability, and best practice in community governance for large-scale developments. Training needs to be practical and hands on, including study visits to see both successes and failures at first hand.

6.3.3 Community capacity-building

Communities, too, need skills training, and a good place to start would be with a 'community manual to creating great places', drawing together in a single booklet, written in plain English, details of the Garden City principles and explanations of all the new legislative tools, fiscal incentives and community empowerment measures (including the package of community rights). Alongside this manual, workshops and study visits would also be useful, and would offer the opportunity for community groups to share best practice and learning.

Communities should benefit from the long-term management of local assets, using models such as the Milton Keynes Parks Trust. However, such arrangements need to be planned for and financed at the start of the development, making sure that communities are reassured that they will not lead to a fragmentation of service delivery. It is important not to undervalue the importance of well managed beautiful green spaces, as they can provide an opportunity for residents to meet and can help to create a sense of pride in place, ownership and shared identity. This in turn builds a sense of protectiveness and community togetherness.

The Community Infrastructure Levy could provide a useful mechanism for securing the long-term maintenance of assets. Proposed changes to the

Community Infrastructure Levy aim to ensure that neighbourhoods share the advantages of development by receiving a proportion of the funds that local authorities raise from developers. Funds thus raised would be passed directly to the local neighbourhood so that community groups can spend the money locally on the facilities they want, either by contributing to larger projects funded by the local authority, or by funding smaller local projects such as park improvements, playgrounds and cycle paths.

6.3.4 Private sector partnership

Any comprehensively planned new community needs a long-term, dedicated means of delivery, with a multi-disciplinary delivery team. Resourcing the process could be made a positive shared endeavour. Resource commitment from both the local authority and the developer is often the most constructive approach, aligned to working towards a shared vision, while respecting and protecting the formal democratic decision-making process. **The team must share the common goal of bringing forward the new community in the most sustainable way, with a clear transition plan to local authority (or other means of) control (such as a Trust or an Industrial and Provident Society) and a strategy for long-term asset management.**

Large-scale new communities, which will be developed progressively over a 20- to 30-year timescale, must have the flexibility to adapt to market conditions. Both the private companies that developed the original Garden Cities and the post-war Development Corporations had the advantage of being able to buy, hold and sell land, and they were single-minded in the project management of development. A modern example is the Olympic Delivery Authority, established by Act of Parliament to deliver the buildings and development platform for the games, subsequent to land acquisition undertaken through compulsory purchase powers and led by the London Development Agency. Later in 2012 the Olympic site and assets will transfer to a Development Corporation under the auspices of the London Mayor. Other models such as public-private partnerships with local authorities have the advantage of potentially reducing the democratic deficit, but this can come at the price of slowing delivery.

7

Conclusions

This report clearly identifies the multiple benefits of Garden Cities, not simply in meeting housing needs but in achieving the kind of high-quality and inclusive development which the nation deserves. It is also clear that seizing this opportunity requires not simply sustained political leadership, but also a range of actions to realise the Garden City vision. The Garden Cities and Suburbs Expert Group identified the need for urgent action in five principal areas to unlock the potential for a new generation of world-class communities – vision, leadership and governance; unlocking land; investing in infrastructure; planning ahead; and skills, co-ordination and delivery.

7.1 Vision, leadership and governance

7.1.1 Government action

If the nation is serious about delivering high-quality, sustainable new Garden Cities and Suburbs, we will need Government commitment to the Garden City principles. Recognition of the Garden City principles by the Prime Minister and in the National Planning Policy Framework (NPPF) is a welcome step forward. **The Government's forthcoming prospectus on locally supported 'planned large scale development', announced in the Housing Strategy, should prioritise proposals that are founded on the Garden City principles set out in this report. The Government must also ensure that new Garden Cities and Suburbs are in the right place and meet the highest sustainability and design standards.**

In addition to providing a sustained commitment to the Garden City principles, the Government should also recognise that large-scale comprehensively planned new developments require consistent policy and a reliable package of support to provide certainty to communities, local authorities and investors. **Where a local authority has identified a need for large-scale new**

development in its area, the Government should support the local authority (or, where local authorities are working together, authorities) through a long-term partnership approach. This partnership between central and local government should recognise the need for long-term certainty in order to secure the financial support and expertise of developers.

7.1.2 Local leadership

Local authority leadership on, and advocacy for, Garden Cities and Suburbs is vital. If new communities are to be successful, they need strong political support and leadership, with a clear vision and strong commitment. **Local authority leaders need encouragement and support to think boldly and in the long term.**

Local authorities should urgently consider the role of Garden Cities in offering a better quality of life for local people, through beautiful, affordable homes in well designed neighbourhoods, with access to jobs and truly sustainable lifestyles. **Having identified the need and location for a large-scale new community through the Local Plan, a vital role for councillors will be to communicate to local residents and businesses the long-term vision and the multiple benefits of attracting investment in large-scale development.** They will need to be sensitive to the complex psychology of public responses to change in and around their neighbourhood.

7.1.3 Community involvement

Creating and maintaining momentum on the development of a new community will require local authorities and their communities to be at the heart of delivering new places, and they must be clear that they are in it for the long haul. It is vital that communities are at the heart of debates about a locality's future. **A radical culture change in the governance of new communities is needed, so as to rebuild trust in and**

change public perceptions of new communities and large-scale development – brought about through stronger community engagement and ownership of community assets, long-term private sector commitment, and visionary design.

The governance structure of the new community, whether a local authority strategic board or a separate delivery vehicle, must include community representation. It takes time for communities to develop, socially as well as physically. Community development workers, ideally people drawn from the local community, can welcome new arrivals and act as catalysts for drawing people together.

7.1.4 A partnership approach

The private sector must also take a leadership role and make a long-term commitment to the vision for the Garden City or Suburb. New schemes must aim to show what high-quality, sustainable development can achieve. The private sector has a vital role in creating confidence and the positive image central to the long-term success of a community.

7.2 Unlocking land

7.2.1 Government

The Garden City vision cannot be realised without access to the right land in the right place at the right price. The Government can play a key role in the assembly and co-ordinated release of public sector land, working in partnership with local authorities and the private sector. The Government should also consider how the rules surrounding 'best value' might be modified to deal with specific deliverability and viability issues. There may be a case for releasing suitable public sector land at less than market value where this is demonstrably in the public interest. This would open up the prospect of delivering high-quality communities, with, for example, a meaningful proportion of decent social and affordable housing and custom/self-build plots. It is still possible to achieve good value for the taxpayer using this mechanism; it is simply that some of the returns to the public purse are generated through the growth of a new community and the wider economic benefits of housing delivery for the nation.

The Homes and Communities Agency could play an enhanced role in the co-ordination of the development of public sector land to maximise public benefit and the quality of new places.

It will be for local authorities and communities to identify the locations for new development. However, **the Government should learn from the past and ensure that the locations for sustainable new Garden Cities and Suburbs are identified using the**

necessary evidence base and assessment tools such as Strategic Environmental Assessment.

7.2.2 Public-private partnership

The Expert Group recommended that the best approach for aligning the vision for a new Garden City or Suburb is for local authorities, landowners and developers to forge positive partnerships over the long term. There are a number of partnership options, including a Garden City Joint Venture or Local Development Agreement. Capacity-building within public bodies is needed in this area to ensure that they become more adept at taking a strategic role and are empowered to take a lead in enabling development. Local authorities and Local Enterprise Partnerships could play a much more dynamic role in building partnerships and demonstrating how strategic co-operation can benefit housing, jobs and the environment.

Local authorities have the option of using powers such as Compulsory Purchase Orders (CPOs), which in certain circumstances can be appropriate for assembling land in Strategic Development Areas (SDAs) identified in Local Plans. However, the Expert Group had mixed views about whether it was appropriate for local authorities to CPOs, and some members felt it was not a useful option. The TCPA has a more nuanced view about the use of CPOs. For example, once a community has decided that it wants a large-scale new community, and the location has been identified through the Local Plan, CPOs could be used as a last resort where negotiations have failed over land without which the development could not proceed. However, this will only work where the local authority is not just enthusiastic, but also has proper funding and expertise, and the approach must be taken on with enthusiasm – without adequate skills and resources, CPOs will not be successful. Again, **capacity-building within public bodies is needed in this area to ensure that they become more adept at taking a strategic role and are empowered to take a lead in enabling development.**

7.2.3 Community Land Trusts

Neighbourhood or town Community Land Trusts could be set up to facilitate the development of community facilities or affordable housing for members of the community. The use of a Community Land Trust would ensure that land gifted by the landowner (whether public land or land in private ownership) is used for the benefit of the local community. Some of the initial investment in the Garden City or Suburb should be held back in a Community Trust and earmarked for later investment in affordable housing or community facilities. For affordable housing, this funding reserve could be released after a certain period of time or once the population has

reached a certain size, and an area of land could be set aside for this purpose. Members of the Expert Group highlighted the success of the Community Land Trust programme in Cornwall and elsewhere.³⁸

7.3 Investing in infrastructure – balancing risk and reward

7.3.1 Government certainty on funding mechanisms

Garden Cities will not be delivered without long-term, patient investment to meet upfront infrastructure costs. De-risking development for investors is the only way to unlock the potential of high-quality new communities. Capturing the increased land values arising from the grant of planning permissions was the crucial and highly successful funding model used in the development of the original Garden Cities and New Towns.

The Government can play a key role in laying the foundation for local action:

- It could consider how **land values can best be used** for the long-term benefit of the community.
- It could **provide certainty about policy and fiscal measures** in order to de-risk investment, including providing clarity on how the range of measures and incentives currently available or recently announced might fit together – for example the operating duration of, and amount of financial support offered by, measures such as the New Homes Bonus and TIF (Tax Increment Financing) could be clarified, so as to de-risk prudential borrowing by local authorities.
- It could **explore the possibility of local authorities being allowed to borrow against expected income from the Community Infrastructure Levy (CIL).**
- It could **consider European models of public sector infrastructure investment banks alongside creating a vehicle for investment.** Institutional investors are looking for a transparent vehicle in which to invest, recognising the need for guaranteed returns. If the Government and local authorities sufficiently de-risk large-scale developments, international investment may be attracted from sovereign wealth funds and other sources, such as major insurers. This vehicle could be the Green Investment Bank, providing low-cost, long-term loans for truly sustainable (criteria-specified), large-scale, high-quality sustainable developments.
- It could **explore leasehold arrangements.** The original Garden City companies intended to keep the freehold of the land, selling only the leasehold rights for housing and industrial development. The

Leasehold Reform Act 1967 prevents this model being used today. Members of the Expert Group recommended a Government re-examination of the opportunities that leasehold arrangements might offer in securing economic, social and environmental benefits for the community, and in the creation of successful places.

- It could **prioritise and amend the eligibility criteria associated with funding opportunities such as Get Britain Building and the Growing Places Fund**, so as to recognise the longer-term delivery nature of large-scale projects. This in turn could give greater certainty and confidence that public sector support would be in place to help overcome key infrastructure and cash flow challenges.

7.3.2 A proactive local authority approach

There needs to be a positive approach to sharing risk and reward between landowners, developers and local authorities, with changed attitudes towards direct investment and/or borrowing to support delivery. **To de-risk developments local authorities should:**

- **Consider actions such as prudential borrowing against future New Homes Bonus receipts.**
- **Create new Garden City Development Agreements.** New Garden City Development Agreements or Partnerships could be established to focus on de-risking. These could involve the local authority playing a central role in de-risking investment through a long-term commitment, using its planning powers to bring forward the site, potentially through existing mechanisms such as a Planning Performance Agreement or a Local Development Order, while the landowner/developer would take a long-term approach to a return on value realisation.³⁹
- **Produce Infrastructure Investment Plans** to identify the costs of delivering all infrastructure associated with a large-scale new Garden City or Suburb, such as transport, water, waste, energy and green space (including the costs of long-term management). With an Infrastructure Investment Plan, local authorities would be in a stronger position to pool funding and would be better prepared – with a series of ‘shovel ready’ proposals – to tap into Government funding streams such as the Growing Places Fund.

7.3.3 Balancing risk and reward

In return for greater direct financial commitment and planning certainty from the public sector, landowners could be expected to take a longer-

³⁸ See the National CLT Network website, at <http://www.communitylandtrusts.org.uk/home>, and B. Paterson and K. Dayson: *Proof of Concept: Community Land Trusts*. Community Finance Solutions, University of Salford, Nov. 2011. <http://www.communityfinance.salford.ac.uk/pdf/Proof%20of%20Concept%20Final.pdf>

³⁹ J. Calcutt: *The Calcutt Review of Housebuilding Delivery*. Department for Communities and Local Government, 2007. <http://www.communities.gov.uk/documents/housing/pdf/callcuttreview.pdf>

term, patient and reasonable approach to assessing the value of their land assets. This combined approach to sharing risk and reward could considerably ease cash flow and finance concerns, and could make it easier for projects to come forward.

The TCPA has long supported the principle of capturing a proportion of the uplift in land value created by the grant of planning permission (betterment), which should then be released for the benefit of the wider community. Re-invested land value gains can be used to deliver a better quality of development, for example by investing in green infrastructure which provides multiple benefits (such as increased resilience to climate change and a better quality of life for residents, alongside other sustainability gains).

The original Garden Cities and Milton Keynes provide good examples of where capturing value through land acquisition has been both an economic success and a benefit to the community. Members of the Expert Group proposed that where land for a new Garden City or Suburb is identified in the Local Plan, its value should be frozen at existing use plus a 'reasonable profit', as long as the local authority provided a reasonable level of certainty (for example through Development Agreements or Partnerships). The determination of what is 'reasonable' in terms of landowner's return is outside the scope of this report.

7.3.4 Community investment

Future residents, employees and businesses in the Garden City or Suburb could be offered the opportunity to invest through co-operative share capital schemes.

7.4 Planning ahead

Delivery of the Garden City vision requires long-term masterplanning which sets out with boldness and flexibility local aspirations for high-quality communities which facilitate low-carbon lifestyles.

An effective strategic approach can maximise certainty for business and reap the benefits of economies of scale. It can also ensure that effective public transport and health, cultural and social facilities, as well as employment infrastructure, are delivered in the right place and at the right time. This requires the involvement of wide range of investors, planners, designers and, crucially, the public.

A compelling vision for sustainability must be integral to new Garden Cities developed today. The Garden City concept and vision can be brought fully up to date through the application of new technology, design concepts and materials to create leading-edge sustainable developments. As the global economy moves towards a sustainable future – driven by

resource efficiency, climate change and competitive advantage – the Garden City model, premised on leading-edge sustainability principles, is becoming one which will attract investment and new jobs, as well as wider emulation. Recent work on eco-town projects has moved the debate forward and increased our levels of expertise in applying advanced sustainability principles to large-scale development. British designers are working on large-scale projects with high sustainability standards across the world, and there is much expertise that could be repatriated back into the development of Garden Cities in the UK.

7.4.1 Government policy and implementation

The challenges we face in infrastructure investment, housing, climate change and social inclusion are played out at differing spatial scales, and to comprehensively plan for a large-scale new community a degree of strategic planning will be essential.

The NPPF states that to assess their full housing needs local planning authorities should work '*with neighbouring authorities where housing market areas cross administrative boundaries*' in order to plan for functional housing market areas. The Expert Group urges the Government to issue guidance on how strategic planning and the duty to co-operate will work in practice.

The Expert Group welcomed the recognition of Garden City principles in the NPPF. However, **these principles must be articulated by the Government, and guidance is needed on the delivery of large-scale development to ensure quality and a holistic approach.**

7.4.2 Locally planned and delivered

The identification of Garden City principles in the NPPF and the transition to a localist approach to planning provide an opportunity for new Garden Cities and Suburbs to be considered by local planning authorities among options for future housing and economic growth. Local authorities will require sufficient support to enable them to establish strong visions, engender support and make things happen. **To ensure a commitment to Garden City design principles and high-quality new communities, local authorities could:**

- issue a **checklist for design briefs or produce Supplementary Planning Guidance** based on the principles set out in this report;
- **align planning with economic development**, providing for local employment and new ways of working, including more home-based working facilitated through super-fast broadband; and



- **ensure that at least 40% of a new community's total area is allocated to green space**,⁴⁰ of which at least half should be public and should consist of a network of well managed, high-quality green/open spaces linked to the wider countryside – plans for the site should demonstrate a range of types of green space (for example community forests, wetland areas and public parks) and ensure that it is multifunctional (for example used for play and recreation, for walking and cycling, to support wildlife, and as part of an urban cooling and flood management system).

7.4.3 Community planners and builders

Masterplanning should be inclusive, participative and representative, to ensure that plans are informed by local people's knowledge, concerns and aspirations. If engagement is to be meaningful, it must begin before the first masterplan is created, to ensure that local views are taken into account. There are a number of ways to ensure that communities have a real stake in the new Garden City or Suburb, including the following:

- **Neighbourhood planning** may provide an opportunity for greater community involvement in planning a new community in some locations.
- Sections of the masterplan could be identified for both **individual self-build plots and (community) group self-build or self-commissioned sites**. Homes on these sites could comprise a mixture of market and more affordable models of custom build homes which meet a local need. The serviced plots model could also be explored.
- **A full portfolio of community-led housing models** could also be incorporated in new Garden Cities and Suburbs – providing the added benefit of the

potential to share skills, to co-invest, and to secure jobs and housing for local people.

7.4.4 Flexible framework for development

A holistic, comprehensive masterplan is a fundamental requirement for a successful new community. A partnership approach to the masterplan is essential, and the masterplan itself should act as a framework for development, rather than a rigid blueprint, with the flexibility to adapt to change while maintaining a strong vision. Adaptability is essential to the long-term resilience of places, as it is impossible to foresee every social, economic and environmental change. Flexibility is needed to ensure that the masterplan acts as a touchstone for local people as they take forward their community. But while flexibility is key, it needs to be balanced with a proportionate level of certainty that the overall integrity of the vision and the principles of good place-making will be maintained over time. This is needed to assure local people and interested bodies that the ambition and principles will flow through into delivery.

7.5 Skills, co-ordination and delivery

7.5.1 One-stop Government shop

The funding and delivery of infrastructure must be carefully co-ordinated. To assist with capacity, skills and knowledge issues, **the Government should provide a 'one-stop shop' offering local authorities and developers direct access to statutory and support**

⁴⁰ The 40% green space target was set out in *The Essential Role of Green Infrastructure: Eco-towns Green Infrastructure Worksheet*. TCPA, Sept. 2008. For comparison, over 60% of Hampstead Garden Suburb is green space

bodies that will influence the evolution and content of emerging proposals. The Advisory Team for Large Applications (ATLAS), which plays a key role in the enabling services of the Homes and Communities Agency, should continue to provide ‘critical friend’ support and access to knowledge.

7.5.2 Upskilling the local authority

Past experience clearly shows that a wide range of skills are required to deliver high-quality Garden Cities and Suburbs, in areas ranging from finance and architecture to health and community development. **Creating the right balance of skills and expertise requires investment in a dedicated team who can support delivery over the long term.**

7.5.3 Community capacity-building

Local communities will need access to the highest-quality support from both the public and private sectors to enable them to play a full role in the design and governance of a new Garden City or Suburb. A good place to start would be with a ‘community manual to creating great places’, drawing together in a single booklet, written in plain English, details of the Garden City principles and explanations of all the new **legislative tools, fiscal incentives and community empowerment measures** (including the package of community rights). Alongside this manual, workshops and study visits would be useful, and would offer the opportunity for community groups to share best practice and learning.

Communities should benefit from the long-term management of local assets, using models such as the Milton Keynes Parks Trust. However, such arrangements need to be planned for and financed at the start of the development, making sure that communities are reassured that they will not lead to a fragmentation of service delivery. It is important not to undervalue the importance of well managed beautiful green spaces, as they can provide an opportunity for residents to meet and can help to create a sense of pride in place, ownership and shared identity. This in turn builds a sense of protectiveness and community togetherness. The Community Infrastructure Levy could provide a useful mechanism for securing the long-term maintenance of assets.

7.5.4 Private sector partnership

Any comprehensively planned new community needs a long-term dedicated means of delivery, with a multi-disciplinary delivery team. Resourcing the process could be made a positive shared endeavour. Resource commitment from both the local authority and the developer is often the most

constructive approach, aligned to working towards a shared vision, while respecting and protecting the formal democratic decision-making process. The team must share the common goal of bringing forward the new community in the most sustainable way, with a clear transition plan to local authority (or other means of) control (such as a Trust or an Industrial and Provident Society) and a strategy for long-term asset management.

Large-scale new communities, which will be developed progressively over a 20- to 30-year timescale, must have the flexibility to adapt to market conditions. Both the private companies that developed the original Garden Cities and the post-war Development Corporations had the advantage of being able to buy, hold and sell land, and they were single-minded in the project management of development. Other models such as public-private partnerships with local authorities have the advantage of potentially reducing the democratic deficit, but this can come at the price of slowing delivery.

7.6 The way forward

We are currently presented with a unique opportunity to shape the future of the nation. This report has outlined the urgent need for leadership, action and upfront investment in the land, infrastructure and skills required to facilitate the building of new Garden Cities and Suburbs today. This is not just to provide high-quality and affordable homes to address the chronic housing crisis we already face: it is also a matter of upfront investment to address the need to adapt to climate change, provide opportunities for improved access to sustainable transport, and secure healthy lifestyles, social inclusion and wellbeing – and a range of other long-term policy priorities.

The findings of this report reflect the need for holistic action across all the five key themes it identifies, to achieve the kind of outcomes enshrined in the Garden City principles. For example, there are multiple benefits to be gained from upfront investment in public transport infrastructure and behaviour change, and there is a strong relationship between community ownership of assets, effective governance and social attitudes to growth. Further detailed policy analysis is required to ensure the best alignment of economic, social, and environmental policies and instruments to achieve the Garden City vision.

There is no doubt that we will build new homes, but the challenge is whether we have the determination to leave future generations with a legacy of beauty and durability which truly meets the challenges of the 21st century. This report sets out a clear call for action to renew our commitment to building outstanding, inclusive and resilient places that truly merit the accolade of ‘Garden Cities’.

Appendix 1

Government policies and the opportunities they present

As housing pressures continue to intensify, current and emerging Government policy seeks to address the deepening housing crisis while stimulating wider economic growth and employment. The Government aims to provide long-term stability and increased housing supply through incentives and new mechanisms to assist delivery.

Alongside these initiatives the Government has introduced major reforms to the planning system, formalising a move from strategic to localist planning approaches through a restructuring of the Development Plan process and the introduction of neighbourhood planning. A number of community empowerment measures have also been introduced, such as the 'Community Right to Build'.

This Appendix examines Government planning and housing policies, highlighting the opportunities (and the potential challenges) they present for delivering large-scale sustainable new communities.

A1.1 The Localism Act 2011

In the Coalition Agreement published in May 2010, the Prime Minister and the Deputy Prime Minister stated that *'the time has come to disperse power more widely in Britain today'*.^{A1} The key piece of legislation for this devolution of power is the Localism Act, which received Royal Assent in November 2011. Many of the major measures set out in the Act came into effect in early

2012. Measures that have a particular relevance to the delivery of large-scale new communities include:

- the general power of competence for local authorities, clarifying the rules on predetermination and business rate retention;
- new rights and powers for communities; and
- planning reforms, including the introduction of a new 'duty to co-operate' for strategic planning and a new community tier of neighbourhood planning.

A1.1.1 General power of competence

The Localism Act includes a 'general power of competence'. The new general power aims to give *'councils more freedom to work together with others in new ways to drive down costs. It gives them increased confidence to do creative, innovative things to meet local people's needs. Councils have asked for this power because it will help them get on with the job.'*^{A2}

A1.1.2 Strategic planning and the duty to co-operate

The Localism Act gave the Government the power to revoke the eight Regional Strategies outside London. In the areas of England outside London, which keeps the London Plan, local authorities will be required to address strategic planning issues through a new 'duty to co-operate', set out in the Localism Act and described in the National Planning Policy Framework (NPPF).

A1 *The Coalition: Our Programme for Government*. HM Government, May 2010.

http://www.cabinetoffice.gov.uk/sites/default/files/resources/coalition_programme_for_government.pdf

A2 *A Plain English Guide to the Localism Act – Update*. Department for Communities and Local Government Nov. 2011.

<http://www.communities.gov.uk/publications/localgovernment/localismplainenglishupdate>

The duty to co-operate applies to the plan-making function of all local planning authorities in England, as well as to County Councils, National Park Authorities and a number of other public bodies. The new duty:

- relates to the sustainable development or use of land that would have a significant impact on at least two local planning areas or on a planning matter that falls within the remit of a County Council;
- requires that councils set out planning policies to address such issues;
- requires that councils and public bodies '*engage constructively, actively and on an ongoing basis*'^{A3} to develop strategic policies; and
- requires councils to consider joint approaches to plan-making.

The duty to co-operate also covers a number of public bodies in addition to local authorities. As set out in draft changes to the Local Planning Regulations, these bodies include the Homes and Communities Agency, the Environment Agency and the Highways Agency.^{A4}

Local Enterprise Partnerships (LEPs) are not covered by the duty to co-operate because they are not defined by statute. However, local planning authorities must have regard to any policy or strategy which a LEP may produce when drawing up Development Plans.^{A5}

The new voluntary system for co-operation between local authorities will make planning in England less strategic and more varied in approach. It is expected that strong voluntary partnerships will emerge in some areas, particularly around northern city-regions and in areas such as Cambridgeshire where there is an established track record of delivering growth. However, in other areas arguments about housing will define local relationships, potentially creating uncertainty about delivery.

For example, the Core Strategy and other Development Plan Documents put forward by Stevenage Borough Council in May 2010 would have seen almost half of the new homes proposed built on land in the neighbouring North Hertfordshire District Council (NHDC) area. However, NHDC opposed Stevenage's housing plans and in early 2011 submitted evidence to a Public Examination stating that Stevenage could not meet the statutory test for a Core Strategy. In May 2011 the Planning Inspector ruled that Stevenage's Core Strategy, which was designed to conform with the East of England Regional Plan, was unsound and could not be delivered because the cross-border issues remained unresolved.^{A6}

Successful implementation of the duty to co-operate will be essential if large-scale development is to come forward in a holistic and sustainable way.

A1.1.3 Local Plans

While there have been some minor changes to legislation on Local Plans on issues such as the removal of binding Inspector's reports, monitoring and review, the basic structure remains unaltered and is framed by Part 2 of the Planning and Compulsory Purchase Act 2004. The form and content of each Local Plan will be shaped more by the NPPF than by any changes made by the Localism Act.

A1.1.4 Neighbourhood planning

The Government has introduced neighbourhood planning to empower communities to shape the development and growth of their local area. Neighbourhood Plans must be in conformity with the Local Plan, and communities are allowed to plan for the same level of housing as is set out in the Local Plan or more – but not for less.

The Localism Act provides an opportunity for communities to produce a Neighbourhood Development Plan, a Neighbourhood Development Order or a Community Right to Build Order.

Once adopted through an examination and referendum process, Neighbourhood Development Plans will become part of the local statutory Development Plan and will form the basis for determining planning applications in that area. A Neighbourhood Development Order enables the community to grant automatic planning permission for specific developments or types of development without the need for any application to the local authority. There is potential for communities to use these new tools to help plan part of a new community.

A1.1.5 New rights and powers for communities

In addition to neighbourhood planning, the Localism Act introduces a number of measures designed to empower local communities and community groups to control the way that some services and facilities are run in their area. Communities can bid to run local services and develop certain areas without the need for a

A3 The Localism Act 2011. Section 110. <http://www.legislation.gov.uk/ukpga/2011/20/part/6/chapter/1/enacted/data.pdf>

A4 *Local Planning Regulations: Consultation*. Department for Communities and Local Government, Jul, 2011. <http://www.communities.gov.uk/publications/planningandbuilding/localregulationsconsultation>

A5 *Ibid.*

A6 P. Hoult: 'Council fails in bid to overturn finding that its Core Strategy was unsound'. *Local Government Lawyer*, 5 Dec. 2011. http://localgovernmentlawyer.co.uk/index.php?option=com_content&view=article&id=8754%3Acouncil-fails-in-bid-to-overturn-finding-that-its-core-strategy-was-unsound&catid=63%3Aplanning-articles&q=&Itemid=31

traditional planning application. New community powers include the Community Right to Build, the Community Right to Reclaim Land,^{A7} and the Community Right to Bid.^{A8} The Community Right to Build could provide an opportunity for local people to take forward development in the new community – be it homes, shops, businesses or facilities.

The 'Community Right to Bid' (for assets of community value) requires local authorities to keep a list of assets of community value that have been nominated by the local community. If any of those assets come onto the market for sale or change of ownership, the local authority must provide sufficient time to allow community groups to raise funds and bid to buy the asset. Community assets identified within a site for a large-scale new community could provide a powerful way of ensuring that the community has a stake in the new development.

A1.2 The National Planning Policy Framework

The NPPF consolidates and streamlines previous national planning guidance, allowing local authorities to have much greater control of the planning of their area within the parameters of the policy framework.

The NPPF sets out the key national planning priorities for England and replaces, among other policy statements, Planning Policy Statement 3 (PPS3): *Housing*. The NPPF strongly reinforces the plan-led system as the key way to deliver sustainable development over the long term, allowing for proper engagement with communities. The presumption in favour of sustainable development is an operational principle for plan-making and development management. This golden thread reinforces the need for positive evidence-based plans which objectively meet the development needs of their communities, unless to do so would result in demonstrable harm or conflict with the objectives of the NPPF. To be in conformity with the NPPF, both plans and other development proposals which come forward where Development Plans are '*absent, silent or relevant policies are out of date*' must comply with the approach set out in Section 6 of the NPPF, and in particular the need to provide for a five-year supply of housing plus 5% to allow a measure of flexibility.

The NPPF places great emphasis on establishing a proportionate evidence base for plan-making. It sets out

the importance of Strategic Housing Market Assessments (SHMAs) which include a wide range of demographic and market information.^{A9} Local planning authorities should address '*the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes)*'. In order to assess their full housing needs local planning authorities should work '*with neighbouring authorities where housing market areas cross administrative boundaries*' in order to plan for functional housing market areas. The '*availability, suitability and the likely economic viability of land*' is also a key consideration of the NPPF.

Section 6 of the NPPF 'Delivering a wide choice of high quality homes', deals with housing in more detail and includes a key metric for local housing provision, whereby local planning authorities should '*identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land.*'^{A10}

The NPPF then sets out how local authorities can plan to meet housing needs in a strategic manner, and clearly identifies Garden City principles as a potential way of achieving this objective – the first time that Garden Cities have been directly referenced in national planning policy for over 40 years. Para. 52 states: '*The supply of new homes can sometimes be best achieved through planning for larger scale development, such as new settlements or extensions to existing villages and towns that follow the principles of Garden Cities.*'

A1.3 The Housing Strategy

The Government's Housing Strategy, *Laying the Foundations: A Housing Strategy for England*, published in November 2011, has four key aims: to get the housing market moving again; to create a more responsive, effective and stable housing market; to support choice and quality for tenants; and to improve environmental standards and design quality.

A7 'Community Right to Reclaim Land'. Webpage. Department for Communities and Local Government. <http://www.communities.gov.uk/housing/housingsupply/righttoreclaim/>

A8 'Right to Bid'. Webpage. Department for Communities and Local Government. <http://www.communities.gov.uk/communities/communityrights/righttobid/>

A9 *National Planning Policy Framework*. Department for Communities and Local Government, Mar. 2012, para. 159. <http://www.communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf>

A10 *National Planning Policy Framework*. Department for Communities and Local Government, Mar. 2012, para. 47, bullet 2. <http://www.communities.gov.uk/documents/planningandbuilding/pdf/2116950.pdf>

A1.3.1 Measures to improve the housing market

The Housing Strategy sets out measures intended to have an immediate impact on the housing market, including:

- a new-build indemnity scheme led by the Home Builders Federation and the Council of Mortgage Lenders to provide up to 95% loan-to-value mortgages for new-build properties in England;
- the release of public sector land, with the capacity for up to 100,000 new homes;
- a £42 million Get Britain Building investment fund (since increased to £570 million^{A11}), to support firms in need of development finance – this is intended to help unlock stalled housing development sites which have planning permission and are otherwise shovel ready; and
- a consultation on proposals to allow developers to require local authorities to reconsider those Section 106 agreements agreed under more prosperous market conditions prior to April 2010.

Demand for the Get Britain Building Fund has considerably exceeded the amount available. By February 2012, the Government had received a total of 176 expressions of interest with a total value of around £1.3 billion, over three times more than the £420 million originally allocated.^{A12}

A1.3.2 Public sector land release

The release of public sector land provides a unique opportunity for the Government to take a strategic approach to land assembly for sustainable new communities. The Housing Strategy identifies the potential of using previously developed land owned by the public sector to deliver new homes, stating that it could ‘support as many as 200,000 construction and related jobs, 50,000 in every year of the spending review period’.^{A13} Having land in public ownership not only overcomes some of the significant barriers of land assembly and ownership, but also supports delivery models which enable the uplift in the value of land to be reinvested in the community. However, there are constraints on the release of public sector land, as explained in Section 3.2.4.

A1.3.3 Measures to reform the delivery of housing

The Housing Strategy also sets out a series strategic reforms on how housing is planned and funded:

- support for locally planned large-scale development;
- the Community Right to Build;

- support for custom home building, more commonly known as ‘self-build’, including making available up to £30 million of new funding to help provide short-term project finance on a repayable basis; and
- financial incentives delivered through the New Homes Bonus.

Locally planned large-scale development

Critically for the subject of this report, ‘*locally planned large scale development*’ is identified in the Housing Strategy as a tool for securing better-quality development for major new sites, based on real community ownership, a clear local vision, and stronger incentives for investors. The Government hopes that encouraging large-scale projects of this type will also help to increase housing supply over the medium term and demonstrate that we can raise building activity above recent levels. A competition to promote the development of a wave of larger-scale projects ‘*where there is clear local support and private sector appetite*’^{A14} will commence in 2012.

Self-build

The Government is supporting individuals and community groups who want to build their own homes through a £30 million new programme for ‘custom build’, to help provide short-term project finance on a revolving fund basis. The Housing Strategy recognises the potential value of the custom build industry to the national economy, valued at approximately £3.6 billion a year.^{A15} Self-/custom build also creates local jobs and makes a contribution to local economies, as well as bringing many other benefits, including design quality, environmental sustainability, driving innovation in building techniques, and entrepreneurialism.

There is an opportunity for local community self-procurement and for individual self-builders to work in large-scale new developments. A member of the Garden Cities and Suburbs Expert Group suggested that that there should be an obligation on the promoter of a new community to enable at least 10% of any new homes – and indeed any other buildings – to be sourced through this route. The Expert Group also pointed to opportunities through neighbourhood planning initiatives, bringing forward self-build in areas where it has community support. It was also suggested that as self-build is a ‘demand-led’ product, it should be up to Strategic Housing Market Areas and Strategic Housing Land

A11 ‘Grant Shapps: Government on target to smash public land ambition’. Press Notice. Department for Communities and Local Government, 7 May 2012. <http://www.communities.gov.uk/news/corporate/2140487>

A12 ‘Grant Shapps welcomes overwhelming demand to Get Britain Building’. Press Notice. Department for Communities and Local Government, 15 Feb. 2012. <http://www.communities.gov.uk/news/corporate/2089674>

A13 See ‘New strategy to deliver homes and strengthen the economy’. Press Notice. Department for Communities and Local Government, 21 Nov. 2011. <http://www.communities.gov.uk/news/newsroom/2033731>

A14 *Laying the Foundations: A Housing Strategy for England*. HM Government. Department for Communities and Local Government, Nov. 2011. <http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf>

A15 *Self Build Housing Market UK 2009-2013*. AMA Research, 2009

Availability Assessments to define need, demand and opportunities. Cambridge City, Swindon and Cherwell were identified by members of the Expert Group as example areas where landowners had taken a lead role in facilitating self-build and co-housing models.

A1.3.4 The New Homes Bonus

The New Homes Bonus is part of the Government's commitment to provide local authorities with incentives to deliver housing growth. It makes a significant contribution to local authority income in some parts of England. Designed to incentivise local authorities to promote and welcome growth, the New Homes Bonus match-funds the additional Council Tax raised for new homes and empty properties brought back into use, with an additional amount paid for affordable homes, for the following six years.^{A16} The concept of incentives, and in particular funding to ensure that services are maintained and enhanced where growth takes place, is worth while. However, the degree to which the New Homes Bonus will address issues of community resistance is uncertain. This is partly because monies paid to local authorities will not be ring-fenced for direct local spending within the communities affected. If the New Homes Bonus does not provide additional funds – which might incentivise local people through the improvement of local services – it may not overcome local opposition to growth.

There are also questions over the degree to which the New Homes Bonus will be used, directly or indirectly through infrastructure provision, to facilitate social housing. For example, *Inside Housing* found that only 29% of local authorities surveyed were spending New Homes Bonus monies on housing and planning-related projects, and not all of these provided direct benefits to communities who had accepted growth.^{A17} While there will be considerable financial reward for local authorities bringing forward large-scale development from the New Homes Bonus, if local authorities want to win over the hearts and minds of local residents it is vital that they allocate a proportion of the income from the Bonus to the affected communities.

A1.3.5 Community Infrastructure Levy reforms

Proposed reforms to the Community Infrastructure Levy (CIL) are designed to incentivise new communities

to support development in their area by channelling resources close to where development takes place. The reforms allow local authorities to require developers to contribute towards meeting the costs of addressing the demands that new development creates. The money raised must be used to provide infrastructure to support the development of the local authority's area. The Housing Strategy argues that where new communities accept new development *'they will be able to decide for themselves how the demands placed on their area are best addressed'* (para. 65).

A1.3.6 Tax Increment Financing (TIF)

In July 2011, the Government set out proposals to allow local authorities to retain at least a proportion of their business rates revenues and to enable them to carry out Tax Increment Financing (TIF). TIF allows local authorities to raise money for infrastructure by borrowing against the increased business rate revenues that would be generated by development. This is intended to unlock development and incentivise local authorities to 'go for growth'.

A1.4 Enterprise and growth

The Government has introduced a range of initiatives designed to encourage enterprise and growth. In October 2010 the Government published the Local Growth White Paper, and in November 2010 the Chancellor launched a Growth Review. The Plan for Growth was published alongside the March 2011 Budget Statement, and the Chancellor published the National Infrastructure Plan alongside the Autumn Statement in November 2011.

A1.4.1 Local Enterprise Partnerships

Local Enterprise Partnerships (LEPs) were first introduced in the Local Growth White Paper.^{A18} The White Paper focuses on three key themes: shifting power to local communities and businesses; increasing confidence to invest; and focused intervention. There are currently 39 LEPs in England.^{A19} The LEPs are involved in helping to prioritise infrastructure investment, for example through the Growing Places Fund.^{A20} The LEPs could make the case for new and

A16 'New Homes Bonus'. Webpage. Department for Communities and Local Government.

<http://www.communities.gov.uk/housing/housingsupply/newhomesbonus/>

A17 R. Bury: 'Councils bite into new homes bonus'. *Inside Housing*, 27 Jan. 2012. <http://www.insidehousing.co.uk/development/councils-bite-into-new-homes-bonus/6520152.article>

A18 *Local Growth: Realising Every Place's Potential*. Cm 7961. Local Growth White Paper. Department for Business, Innovation and Skills. HM Government. The Stationery Office, Oct. 2010. <http://www.bis.gov.uk/assets/biscore/economic-development/docs/lcm7961-local-growth-white-paper.pdf>

A19 'LEPs: Coverage and statistics'. Webpage. Department for Business, Innovation and Skills. <http://www.bis.gov.uk/policies/economic-development/leps/statistics>

A20 *Growing Places Fund. Prospectus*. Department for Communities and Local Government, Nov. 2011. <http://www.communities.gov.uk/publications/regeneration/growingplacesfund>

expanded villages, towns and cities by linking housing to economic growth and jobs.

A1.4.2 Enterprise Zones

Enterprise Zones, within LEP areas, offer businesses simplified planning and business rate incentives – or enhanced capital allowances for plants and machinery – designed to respond to specific local challenges. The 11 LEPs named in the 2011 Budget to host the first phase of Enterprise Zones were chosen with a focus on city-regions and on *‘those areas that have missed out in the last ten years’*, as well as areas that have *‘potential for growth’*. Following a further round of announcements there are now 24 Enterprise Zones across England.

A member of the Garden Cities and Suburbs Expert Group suggested that large-scale sustainable new communities could be designated as Enterprise Zones, taking advantage of the economic opportunities offered by flexible tax structures. The masterplan would remain the foundation for delivering a holistic, sustainable community and Enterprise Zone status would help enable delivery.

A1.5 Transition to a low-carbon economy

The Coalition Agreement set out proposals for a range of measures to *‘fulfil our joint ambitions for a low carbon and eco-friendly economy’*. These proposals included:

- the establishment of Feed-in Tariffs for electricity generation;
- the creation of a Green Investment Bank, including the creation of ‘green’ financial products to *‘provide individuals with opportunities to invest in the infrastructure needed to support the new green economy’*;
- encouragement for community-owned energy generation schemes, in which the host community benefits from the energy produced and retains any additional business rates created;
- the retention of Energy Performance Certificates while scrapping Home Improvement Packs; and
- through the ‘Green Deal’, encouragement for energy efficiency in businesses and public sector buildings.

A1.5.1 Feed-in Tariffs

Financial mechanisms such as Feed-in Tariffs (FITs) may be valuable instruments in financing the sustainable energy components of large-scale new communities.

However, following significant uptake of eligible schemes since the introduction of FITs for new solar photovoltaic (PV) installations, the Government has undertaken a review and has reduced the tariff amount, resulting in legal challenge through the court. While mechanisms such as FITs are welcome, the Government’s revisions of the initiative at such a crucial stage in the deployment of many smaller-scale renewable technologies has risked undermining the market.

A1.5.2 Definition of zero carbon and the Code for Sustainable Homes

The Government has set a target of making all new homes in England zero carbon by 2016 and non-domestic buildings zero carbon by 2019. To reach zero carbon, the Government has set out a hierarchy approach, based on high energy efficiency, on- or near-site carbon reduction, and allowable solutions for dealing with the remaining emissions.

Alongside the emerging definition of zero carbon is the Code for Sustainable Homes. Initially introduced in 2006, the Code is intended to drive a step-change in sustainable home-building practice. It covers energy/carbon dioxide emissions, water, materials, surface water run-off (flooding and flood prevention), waste, pollution, health and wellbeing, management, and ecology.^{A21}

A major advantage of planning a large-scale development is that low- and zero-carbon solutions can be laid down across a whole town, so that individual buildings can be incorporated in combined solutions, rather than each building being developed in isolation. With a good range of associated facilities – schools, community and commercial buildings, and public and green spaces – large-scale new communities provide the scope and scale to allow developers to convert innovation into cost-effective products and become market-leaders in the zero-carbon housing market.

A1.5.3 Green Infrastructure Bank

The Green Investment Bank (GIB) has been set up to *‘provide financial solutions to accelerate private sector investment in the green economy. Capitalised with £3 billion, the GIB will play a vital role in addressing market failures affecting green infrastructure projects in order to stimulate a step up in private investment.’*^{A22}

The GIB is intended to complement other green policies and help accelerate the flow of capital into green infrastructure. It could be the key to providing

A21 ‘Code for Sustainable Homes’. Webpage. Department for Communities and Local Government, <http://www.communities.gov.uk/planningandbuilding/sustainability/codesustainablehomes/>

A22 ‘UK Green Investment Bank’. Webpage. Department for Business, Innovation and Skills. <http://www.bis.gov.uk/greeninvestmentbank>

long-term, low-interest loans for sustainable infrastructure for new communities, and could potentially provide a transparent vehicle for leveraging institutional investment in large-scale sustainable developments.

The GIB could also be used as a vehicle for match-investment from venture capital or sovereign wealth funds that might wish to invest in Britain. Historically,

development investment has been a highly profitable exercise. The Government could invest in sustainable schemes based on a set of prioritisation criteria, such as existing infrastructure capacity and the availability of resources, including water. Central government willingness to take a longer-term investment attitude, delaying returns, would result in an increase in the quality of development, public space, and the provision of services.

Appendix 2

Members of the Garden Cities and Suburbs Expert Group

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Charlie Hughes, Chairman, Smart Futures

Ruairidh Jackson, Strategy and Development Director, The Co-operative Group

Simon Leask, Head of ATLAS, HCA-ATLAS

John Lewis, Chief Executive, Letchworth Garden City Heritage Foundation

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Steve Melligan (former Head of Planning and Development, Church Commissioners for England)

Tony Mulhall, Associate Director (Planning and Development Group), Royal Institution of Chartered Surveyors (RICS)

Clive Rand, Partner, Barton Willmore

Wendy Shillam, Director, Urbaneye Ltd (previously Project Manager of Whitehill Bordon Eco-town)

Tony Skottowe, Director and Company Secretary, Welwyn Garden Heritage Trust

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about the tcpa

Founded in 1899, the Town and Country Planning Association (TCPA) is the UK's oldest independent charity focused on planning and sustainable development. Through its work over the last century, the Association has improved the art and science of planning both in the UK and abroad. The TCPA puts social justice and the environment at the heart of policy debate, and seeks to inspire government, industry and campaigners to take a fresh perspective on major issues, including planning policy, housing, regeneration and climate change.

The TCPA's objectives are:

- To secure a decent, well designed home for everyone, in a human-scale environment combining the best features of town and country.
- To empower people and communities to influence decisions that affect them.
- To improve the planning system in accordance with the principles of sustainable development.



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