

Annex 1: Lessons learned for a new generation of new towns

In 2014, the Town and Country Planning Association conducted a comprehensive study of the UK's post-World War 2 new towns programme. As Shelter were part of the steering group for this work, we can present key lessons learnt for a new generation of new towns.

The need for strong strategic oversight and evidence base

The conception, planning, development, delivery, management and growth of new towns needs to be rooted in evidence-based strategic planning. For example, the post-war new towns in the UK were determined through a national study; the 1940 Barlow Report. Regional or sub-regional studies, undertaken by central and local government agencies, gathered and analysed evidence to identify the location, role, purpose and scale of the proposed development.

Successful developments were planned within wider regional economic and industrial strategies, such as creating employment opportunities out of overcrowded cities. Connectivity is also an important factor of successful new towns, such as Warrington and Milton Keynes. Both have benefited significantly from their locations and both have good transport connections to major cities.

Ensuring this depth of strategic understanding will be central to the success of the current programme of new towns.

Development should be locally led

There is a common misconception that all the locations for the new towns were determined by the central government, and imposed on places that didn't want them. While it was often the Minister who suggested the use of the new towns legislation and ultimately designated the new town, the identification of sites for many of the new towns was led by local authorities and county councils.

An oft-cited example is Stevenage, the first government designated new town. A 1946 visit of Lewis Silkin, Minister of Town and Country Planning, was famously met with residents changing the railway station sign to 'Silkingrad' and a 3,000-strong protest outside the Town Hall.

However, Stevenage Urban District Council had already recognised the benefits of growth, planning in the late 1930s for the town to expand to over 30,000 inhabitants, and establishing a special Stevenage Development Committee in 1944.

Central government needs to play a crucial role as funder and enabler

A key feature of the 20th century new towns programme was the strong role of national government. As discussed, initially DevCos could borrow only from HM Treasury. However, this financing must be seen in the context of initially low interest rates. For Mark One new towns a relatively low interest of 2% above Libor was paid on the loans. However, from the 1960s, interest rates began to rise. By the 1970s and 1980s, high interest rates of up to 16% significantly affected the financial performance of Mark Two and Mark Three new towns.

The role of Ministers was also important. They provided the legislative mechanism for delivery, and a voice independent of local politics. For example, in the case of Stevenage, Warrington and Milton Keynes, the need for new development had been recognised at the local level for some time. It was Ministers' decisions to designate them as new towns which ultimately kick-started development.

Ministers also used the New Towns Act to help create balanced development, including the social and economic investment made possible under the 1946 Act. Ministers had oversight of the progress of developments, and appointed Boards to run DevCos, which in turn appointed the General Manager and key officers. The Board was required to annually report to the Minister. These formal reports were published and laid before Parliament. DevCo annual budgets were agreed with the sponsoring central government department and HM Treasury.

DevCos are a strong delivery vehicle

Creating a new settlement is a long-term endeavour, often taking 30 years or more. The organisation responsible for delivery is crucial to maintaining confidence among investors, residents, local authorities, and other stakeholders. Once designated, DevCos acted as the development engine, with land ownership and responsibility for delivery held by a single public body accountable to Ministers. Their success in post-war Britain stemmed from core powers; accessing government borrowing, planning and building social housing, delivering utilities, marketing the town, and supporting community development.

Lack of strategy leads to wasted potential for long-term surpluses and stewardship

One of the biggest failures of the new towns programme is the failure of successive governments to have a consistent strategy for their long-term stewardship. This has resulted in missed opportunities for public finances and a lack of funding for their upkeep.

The 1945 Reith Committee had suggested DevCos should carry on in perpetuity.¹ However, the government rejected this idea, and the 1946 Act required assets of mature towns to be handed over to local authorities. But even by the 1950s, this success meant HM Treasury was less keen to pass the assets on to local authorities. The 1959 New Towns Act established the government-controlled Commission for the New Towns (CNT), to receive and manage the residual assets from English and Welsh DevCos.² In 1999, the CNT combined with the Urban Regeneration Agency and became English Partnerships. In 2008, English Partnerships was subsumed into the Homes and Communities Agency (HCA). In 2018, this became Homes England.

¹ It was proposed governance should be modified to include two elected residents

² It was tasked with maintaining and enhancing the value of the land, and the return obtained from it, and discharging its duties with regard to the purpose for which the town had been created, as well as for the convenience and welfare of persons residing, working or carrying on business there.
[https://discovery.nationalarchives.gov.uk/details/r/C125#:~:text=The%20Commission%20for%20the%20New%20Towns%20\(CNT\)%20was%20set%20up,Action%20Trusts%20transferred%20to%20it.](https://discovery.nationalarchives.gov.uk/details/r/C125#:~:text=The%20Commission%20for%20the%20New%20Towns%20(CNT)%20was%20set%20up,Action%20Trusts%20transferred%20to%20it.)

When the first few DevCos wound up in the 1960s, the CNT became the landlord for the land and property, including homes. The CNT became the landlord for the land and property, including shops, industrial sites and houses, a large proportion of which were social housing. Most of this property produced rent, which the CNT transferred in annual payments to HM Treasury. And responsibilities for planning and roads were devolved to the relevant local authorities.

By the 1980s, the government wanted the remaining DevCos to be wound up and the CNT was instructed to sell its portfolio of land and property. Some industrial properties were sold to their occupiers, but many assets were auctioned to the highest private sector bidder. Some assets were sold at immature values, for example because the surrounding area was not yet developed, to the disadvantage of the taxpayer.

The remaining DevCos were wound up between 1977 and 1992 in England and by 1996 in Scotland. Local authorities received most of the liabilities but with an endowment, i.e., land and buildings that were expensive to run or maintain were classified as 'community-related assets'. In some cases, endowment money was spent instead to depress council tax levels, and any subsequent sales by local authorities were subject to 'claw-back'. This meant the increase in the value from the sale of any of the liabilities for commercial purposes had to be given back to the CNT or its successors. Today, new town assets continue to generate profits for Homes England. The scale of the missed opportunity is illustrated by notable exceptions, such as Milton Keynes, where an endowed Parks Trust and a Community Foundation were among not-for-profit local institutions set up to receive and maintain in perpetuity some key.

Many new towns are now in urgent need of renewal. The failure of governments to set up a sinking-fund set up during the many years in which the new infrastructure and property needed little maintenance has created a legacy of a great wave of necessary investment for which there are no specific resources.

Governments need to understand the impact of transfer of social rent homes

A significant proportion of the assets of DevCos were social rented homes. The government wanted these homes to be sold to their tenants, or transferred to housing associations where sales were not possible. However, when consulted, many of the tenants expressed a preference to transfer to the local authority whom they felt they could trust to be more accountable than housing associations.

Many homes were sold under the Right to Buy from 1981, shrinking Housing Revenue Accounts. While the remaining social rented homes were income-generating, many soon became liabilities as authorities struggled to finance their maintenance. Nationally, the funds to maintain and modernise the social homes were inadequate and the work required was too onerous to be covered under standard local authority funding streams.

Land value capture can work as a profitable financial model for the government

As the new towns developed, DevCos acquired and sold land. Land for schools and hospitals, for example, was sold to the relevant authorities. Open space was typically given with an endowment,

either to the local authority or to some other not-for-profit body in perpetuity. Initially, DevCos were able to provide material support to local authorities, for example, by granting cheap or free land. However, a change of rules in 1962 made it harder for them to pass on the benefits to local authorities.

HM Treasury continues to receive receipts from former new town assets, even today. Between 2010 and 2014, land sale receipts generated a further £70,316,130. Today, Homes England still owns 4,303 hectares of land in the former new towns, although not all of this is former Development Corporation land.

A broad and flexible masterplan supports growth, confidence and innovation

Following the principles of garden cities, development of new towns was guided by a masterplan that provided a broad framework for growth and confidence for investors, but which was flexible enough to allow for innovation and change over time.

A government New Towns Committee, chaired by Sir John Reith, published three detailed and influential reports on how to deliver a programme of new towns. These recommended guiding principles for design as well as delivery. For example, achieving socially and economically balanced communities by relocating employment, and providing a wide range of housing types and tenures. The reports also recommended specifics such as densities, but with the broader objectives of encouraging freedom in ideas and innovation, and avoiding uniformity.

Annex 2: The common design characteristics across post-war UK new towns

The new towns were designed and delivered with these principles of innovation, experimentation and social development in mind. With the support of HM Treasury, resources were made available to ensure that the best designers and skilled personnel were employed. The design of new towns varied considerably from place to place, reflecting the specific objectives of each new town designation.

Design also differed between different phases of the new towns programme, due to political, economic and social changes, and accumulated expertise. For example, early masterplanners were architects and engineers, used to designing blueprints and whole plans. By the later designation of new towns, it was clear that a framework around which the town would grow was needed.

Green infrastructure and green belt

New towns continued the garden city principles of combining the best of town and country. The Reith Committee recommended a green belt for agriculture and easy access to the countryside, as well as to prevent urban sprawl.³ Masterplans included numerous parks and 'green wedges'. Neighbourhood densities allowed for grass verges and front gardens

Self-containment

The aim was for new towns to be as 'self-contained' as possible to allow residents to work and live within town, avoiding the creation of commuter towns. Several of the early new towns had industrial strategies, with policies dictating only those employed in the town could move there. Typically, a small proportion of homes were kept empty, so that incoming employers could quickly re-locate their staff

Zoning of industrial and residential areas

Building on garden city principles, zoning was intended to protect homes from the noise, air and traffic pollution of industry. Pedestrian and public transport links allowed people to easily walk or travel to work. Homes were developed in identifiable neighbourhoods, creating a sense of community and allowing people to be within a short walk of essential facilities, such as a primary school

Ease of movement

Transport corridors separated traffic from neighbourhoods. Underpasses and overpasses made it unnecessary for pedestrians and cyclists to navigate or cross busy roads, as well as cars and buses to move more rapidly. The natural layout to achieve this was a grid

³ The concept of green belts was introduced by Patrick Abercrombie's Greater London Plan and later the Clyde Valley Plan. However, the requirement for an agricultural green belt was subsequently lost, so no masterplan had a fixed perimeter of agricultural land. This was a big departure from Howard's idea, and a weakness.

Pedestrian-friendly town centres

Building on the ideas of garden city pioneer, Ebenezer Howard, town centres were pedestrianised with covered shopping malls. These were influenced by designs from Sweden and the United States and created a safe and pleasant environment, encouraging social interaction

Balanced communities

Building on the spirit of the garden city movement, the purpose of new towns was to create socially balanced communities that integrated employment, homes and social life to provide opportunities for all

Emphasis on social rented homes

Housing policy was a key factor in creating balanced communities. The early new towns were dominated by homes built and rented by the DevCos as the landlord, with control over lettings and management, and a focus on meeting housing needs in overcrowded cities

Innovative architecture and design

Design was influenced by both the garden city and modernist movements. Architects were encouraged to be innovative and use the latest materials. DevCos often employed artists to create public art and sometimes to design entire housing estates. For example, sculptor Henry Moore was asked by Hertfordshire County Council to create a sculpture, titled Family Group, for Barclay School in Stevenage, the first purpose-built secondary school constructed in the UK after World War 2⁴

Focus on community development and inclusion

All new towns were built in areas with pre-existing communities. They aimed to create a sense of belonging for newcomers, providing opportunities to integrate with existing residents and participate in the ongoing development of the town. Many DevCos allocated specific resources to community building, providing community offices and employing officers to welcome new residents, publish newsletters, organise events and establish neighbourhood councils and community interest groups

Space for social interaction and community development

DevCos took responsibility for building community facilities and social infrastructure early on in the development. Following the principles of walkable neighbourhoods, they located multi-functional community spaces within a short walking distance of homes. For example, a school that had the potential to double up as a community centre. Culture and the arts was a key feature. Several DevCos employed 'artists in residence' to design parts of the town and commissioned public art to create a sense of place and a varied public realm

Resources for social and community development

Many DevCos funded community meeting places and supported the development of meeting opportunities, such as parent and toddler groups, children's clubs, sports clubs, arts groups,

⁴ https://www.ourstevenage.org.uk/content/topics/stevenage_sculptures/family-group-by-henry-moore

environmental education and allotment societies and even local TV and radio stations. They made a conscious effort to encourage participation in the arts as part of community development