



**BARRATT**  
DEVELOPMENTS PLC

# **PLACES FOR ALL AGES: DELIVERING THE FUTURE GARDEN VILLAGE**

October 2015

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# EXECUTIVE SUMMARY

This report introduces some thoughts on how Barratt, as a volume house builder, might go about delivering new settlements in the form of Garden Villages – places for all ages. To date, most major new settlements have been promoted by house builders or land promoters.

Central to this think piece is the recognition that new settlement forms of development are likely to play an increasing role in the mix of solutions that will meet UK housing need. At the same time, Garden Villages (as opposed to Garden Cities) occupy an important role because their size (500-5,000 dwellings) means that they are most likely to be capable of delivery under the UK's current system of planning and implementation, and without recourse to public money or state-backed vehicles or intervention.

To illustrate the principles within this think piece, a notional Garden Village concept has been generated - a development of 5,000 new, mixed tenure homes, in a district in the south of England, situated beyond the Metropolitan Green Belt, linked to an A-Road, on a railway line, and within ten miles of a larger town that has a full range of employment and services. It is an actual site, although for obvious reasons the location has not been revealed.

There is no fundamental reason why private sector-led Garden Villages cannot be successfully delivered. Garden Cities started at Letchworth as a private-sector initiative, and there is a recent (albeit limited) track record of delivering new settlements without the public sector being involved in implementation. There is considerable commercial appetite to promote medium-to-large scale development, and there are many locations - often close to existing towns and cities - where infrastructure capacity exists to deliver such developments cost effectively, without the hurdles that make such projects difficult to fund.

The approach in this think piece - generated through round table discussions between Barratt and organisations including Joseph Rowntree Foundation and a number of leading UK practitioners and advisory firms - focuses on overcoming the barriers to delivering new Garden Villages.



**The vision for a Garden Village:  
A place for all ages**

- 1 The vision is for a Garden Village that is shared: co-created with the people who live and work there, who grow up and grow old there, who have a stake – a share – in its past, present and future. Its citizens, young and old alike, are its co-creators
- 2 Five objectives should provide the framework for securing this vision:
  - A resilient community that fosters community cohesion and adapts/ evolves to local and global challenges;
  - An ambitious economic and skills strategy;
  - Attractive, mixed tenure, high-quality homes and public spaces that are accessible across the generations;
  - Reduce the drivers of high costs of living for everyone; and
  - Efficient use of physical infrastructure and an effective rate of delivery to deliver critical mass;
- 3 Garden Villages present a solution for meeting housing needs because they are of sufficient scale to deliver infrastructure and benefits for residents, but not so large as to necessitate costs and intervention that erect major barriers to delivery. To test this proposition, the think piece articulates a notional Garden Village development of 5,000 new homes, with commercial and employment space, community facilities and services, and transport and green infrastructure. This scheme has been subject to a financial appraisal to test its viability.
- 4 The Garden Village would have an economic strategy because there will be 5,300 economically active residents who will need jobs. An economic strategy would:
  - Use the construction phase (including an on-site manufacturing facility for system build technologies) to generate c. 350 direct jobs and 500 indirect and induced jobs, and a proactive approach to targeting training and other initiatives to bring people into work;
  - Create a local employment base, in shops, services, and local business employment capable of accommodating c. 2,000 jobs (around 43% of its labour force). These opportunities can be targeted to support those on low-and middle incomes;
  - Use the public transport and good highway connections to help residents access employment in the wider functional economic area, including nearby towns and in London.

**Viability and Effective Delivery**

- 5 The future Garden Village can be entirely privately financed, requiring no public money, and uses a model of delivery that, as far as possible, runs with the grain of existing planning and delivery arrangements. However, recognising that planning has been a key barrier to delivery, some amendments will be necessary.
  - 6 It is recommend that the Government amend the National Planning Policy Framework to further increase the requirement for consideration of Garden Cities and planning strategically for long term housing needs beyond the plan period.
  - 7 The economic appraisal identifies total costs for the development of £0.8bn and revenues that generate surpluses of £300m and an Internal Rate of Return well in excess of 20%, reflecting the degree of risk. If the right location is selected for the development, the ability to deliver early and phasing means peak debt in early years is considered to be fundable by the private sector. There are also a range of measures for delivering revenue streams for the Garden Village, principally focused around retaining some of the housing and commercial assets within the Garden Village: this would provide a secure basis for ongoing stewardship
  - 8 Delivery could involve a Garden Village Creation Company – in effect, an Asset Backed Vehicle with developer(s), participating land owners, and financial institution(s), plus a Promotion Vehicle delivering development and a Stewardship Vehicle managing the legacy. The precise structure, control, ownership and financing of this Creation Company would evolve over time as the Garden Village moved from promotion to stewardship.
- Engagement and local support**
- 9 A five stage matrix process of engagement and consultation offers the ideal framework for promoting a Garden Village - and is the essential starting point - to create a place that people want to live in, stay in and be part of as they grow up and grow old together. This needs to be driven by a commitment to innovative techniques in design, planning, implementation, compensation, management and long term governance of the Garden Village's development that will delight and inspire existing and new residents
  - 10 Barratt believes that a Garden Village of c.5000 dwellings has stronger prospects of securing the local political support to achieve planning permission and delivery, especially when compared to schemes of say 10-20,000 units for which there is very limited success precedent in the last 50 years.

# INTRODUCTION

- 1.1 This think piece paper explores possible future approaches for Barratt Developments PLC (“Barratt”) and other volume housebuilders to adopt in delivering large scale developments in the form of Garden Villages. It does this through the concept of places for all ages - a model of Garden Village development that:
- Learns from the history of Garden Cities and New Towns to create a new places that are economically ambitious, offer ways of driving down the high cost of living, and deliver housing for a mixed income, resilient community;
  - Is entirely privately financed, requiring no public money, and using a model of delivery that, as far as possible, runs with the grain of existing planning and delivery arrangements; and
  - recognises the to maximise popularity with existing and future residents through a mixture of engagement, good development governance, compensation and other mechanisms.
- 1.2 Underlying this paper is a premise: that the UK needs to deliver many more homes, and that, whilst all forms of development (urban redevelopments, large-scale Garden Cities of 10,000+ dwellings, single homes, and small-medium-scale residential projects) undoubtedly have a role to play, it is the medium to large scale developments of 500-5,000 dwellings - either as extensions to existing settlements or as whole new communities - that will be particularly important.
- 1.3 This paper explains why medium-to-large scale developments in the form of Garden Villages are an effective proposition for meeting the UK’s housing challenge, and are an approach that Barratt is keen to promote through its engagement with landowners, residents, and local government.
- 1.4 The ideas set out in this document are presented as a think piece. They emerged from round table discussions involving representatives of Barratt, the Joseph Rowntree Foundation (housing and engagement), Nathaniel Lichfield & Partners (planning and economics), Capita (transport and technical), IDPartnership (design principles and housing futures), King & Wood Mallesons (legal), and Design for Homes (design and placemaking).
- 1.5 The outputs of these discussions presented in this report have been prepared by Barratt to inform the Garden Village debate, but do not constitute the formal policy of Barratt Developments or its subsidiaries. The precise approach adopted by Barratt to its developments will vary and depend on local circumstances.
- Thinking big – the role of Garden Villages**
- 1.6 The increased focus on largest-scale developments - in the form of Housing Zones, Garden Cities and the like - is timely and welcome. The UK desperately needs more housing (240,000 to 300,000 new homes per annum in England alone) and undersupply has been a chronic problem for successive governments, despite repeated rounds of planning reforms and periods where significant public resources were injected into affordable housing delivery.
- 1.7 But developments of the largest scale present problems, particularly under current planning and implementation arrangements, and whilst large Garden Cities can and should be part of the solution, they are likely to require the engagement of central Government machinery - as is occurring at Ebbsfleet in the form of Development Corporations - and will take time to bring forward. The Government’s decision not to include large-scale residential developments within the Nationally Significant Infrastructure Project (NSIP) regime also makes it less likely that such schemes will be promoted.
- 1.8 The small-medium scale forms of development - schemes ranging from a single dwelling up to 500 dwellings - will prove to be a vital source of housing output, but their ability to fund significant new capital infrastructure - in the form of new schools, public transport, and roads can be more limited. Whilst their impacts on existing residents - in terms of traffic, school places, and the like - might be marginal, at the same time their scale means they have limited scope to deliver the more transformational improvements from which both existing and future residents of the community would benefit.
- 1.9 What medium-large scale developments offer - in the form of Garden Villages or other types of community - is the critical mass of development (in terms of both resident demand, and development value) - that can better secure the investment in, for example, new primary schools, neighbourhood centres with a good range of local services, facilities and commercial business space, as well as the more financially-demanding capital projects - new roads, railway stations and secondary schools.
- 1.10 And Garden Villages can be brought forward in locations that will need significant housing development if needs are to be met, particularly in districts surrounding our thriving towns and cities - where there are inevitably limits on the ability of brownfield land to meet the needs of growing and more prosperous populations.

### Public consent without public money

- 1.11 Much of the debate about increasing larger scale development has focused on the role of the public sector and need for public investment, citing the New Towns that were widely seen as a public sector-led endeavour. However, it is important to recognise that Letchworth - the world's first Garden City - began in 1903 as a private-sector enterprise. Some of the more recent new and expanded town initiatives<sup>1</sup> have similarly begun life or been implemented as private-developer initiatives. This gives confidence that, in principle, the concept of a Garden Village - delivered without recourse to public funding - is a viable one. Of course, this is not unconditional: garden villages need to be situated in locations without the requirement for public works that are disproportionate to the development involved, and the land has to be assembled at a value that is consistent with viable development.
- 1.12 It is important that new developments benefit from having public consent - that is, to secure a measure of support from existing residents, to be popular with future residents, and secure the necessary statutory approvals from the relevant tier of Government (preferably at a local level).

1.13 The remainder of this paper sets out some principles of a possible approach for Barratt and why Garden Villages can be a successful model for development:

- The vision for a Garden Village:  
A place for all ages;
- Viability and effective delivery; and
- Engagement and local support.



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# THE VISION FOR A GARDEN VILLAGE: A PLACE FOR ALL AGES

The vision is of a Garden Village for all ages, it's a shared vision: co-created with the people who live and work there, who grow up and grow old there, who have a stake - a share - in its past, present and future. Its citizens, young and old alike, are its co-creators.

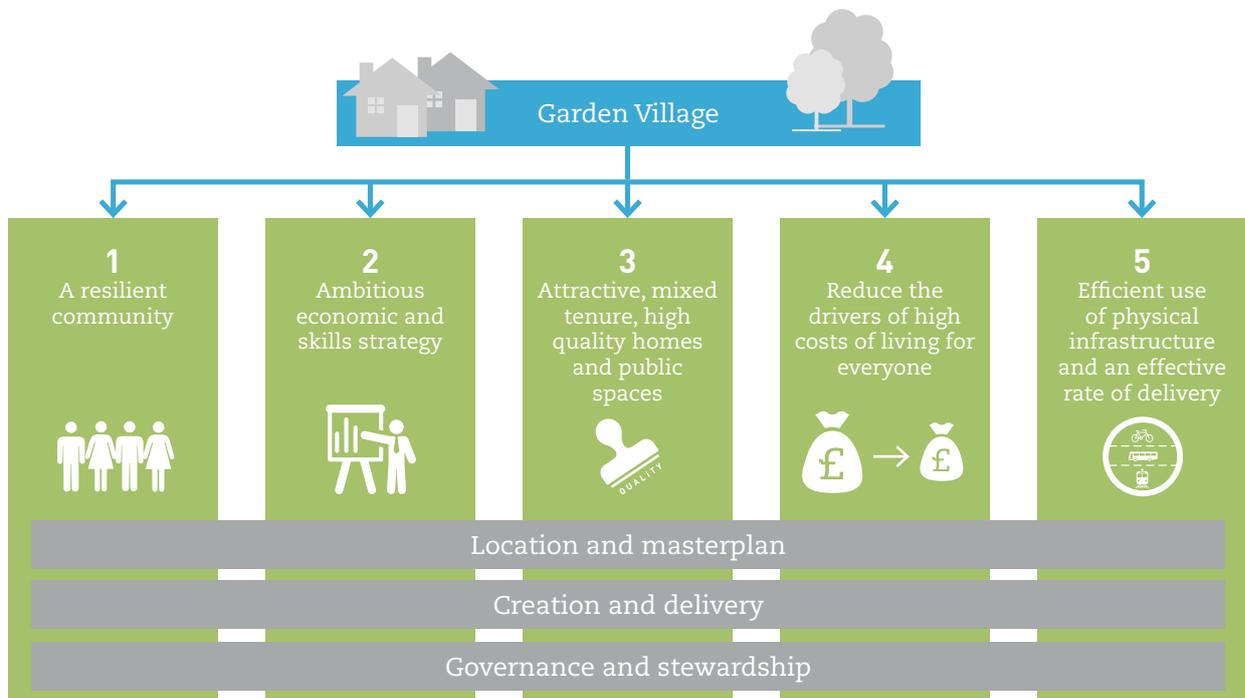


Figure 2.1 Our Vision Framework

## Garden Village objectives



- 1 **A resilient community.** The Garden Village fosters strong communities, good neighbourliness and abundant social capital and can cope with longevity, adapting to the future changes in the economy, society and environment, as do the world's most successful towns and cities.
- 2 A village with an **ambitious economic and skills strategy** which actively promotes economic opportunity for all (including those on low incomes), whilst recognising its position within a wider, functional economic area.
- 3 A design framework that builds **attractive, mixed tenure, high quality homes and public spaces** for all ages to meet and exceed current standards, mitigate fuel use, enable affordable connections to jobs and services and adapt to changing social needs.
- 4 A city that offers ways to **reduce the drivers of high costs of living for everyone** and maximise income through high quality design and services where the communities' needs are met. This should be through fostering the right balance of private, public and civic responses, potentially including local energy generation, local food production; and transport by non-car modes.
- 5 A location and masterplan that is geared towards **efficient use of physical infrastructure and an effective rate of delivery**, so that the Garden Village is a viable, accessible and successful location as quickly as practicable. It will also have multiple opportunities for residential and commercial developers (large and small) to create the new market destination, thereby increasing the rate of development and speed at which a critical mass of activity is secured.

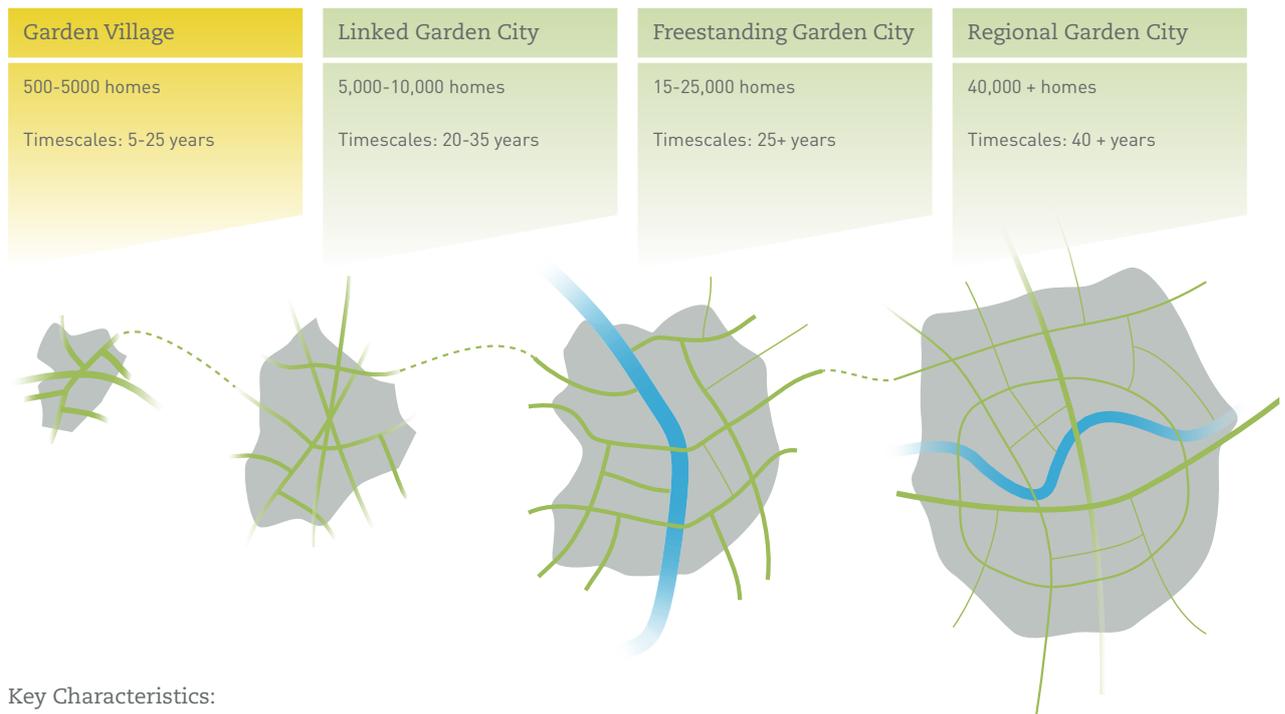
### Lessons from Garden Cities and the New Towns

- 2.1 Our Garden Village proposition draws on learning from Barratt on the realities of decades of development role creating some of the most innovative and popular new places being built in Britain today, including New Osbaldswick in York; The Rise, Scotswood, in Newcastle; and Trumpington Meadows in Cambridge.
- 2.2 This proposal also builds on the lessons enshrined in the 10 Garden City principles behind places such as Letchworth, and from the TCPA's work on the post-war New Towns programme and Garden Cities work.
- 2.3 By 1990, Britain's 28 New Towns housed over 2 million people and more than 700,000 new homes had been built. Many of them are still growing. They have attracted hundreds of new companies from both home and abroad and created hundreds of thousands of new jobs.
- 2.4 The positive effects of Garden City planning on urban development can still be seen in many new settlements today. However, some of the key original concepts have been lost or distorted. The crucial need for any community to be relatively self-sustaining financially - one of the key principles set out by Ebenezer Howard - has been undermined. This demonstrates the importance of getting the legacy vehicle right.
- 2.5 Whilst there have been many achievements, there have also been errors. In the immediate post-WWII period, in particular, there was a need to build quickly and in quantity. Often that entailed the use of new and unfamiliar materials and construction techniques, and quality suffered. Flat roofs, built too cheaply, did not stand the test of time in the British climate. Attempts at 'avant garde' architecture and layouts did not always work well in practice and, at worst, become 'problem estates', abandoned by those who were able to move, leaving concentrations of the disadvantaged. These problems were well explored by the House of Commons Select Committee investigation of New Towns in 2001/2<sup>2</sup>. A number of the New Towns are actively looking to grow again to re-balance their economies and housing stock.
- 2.6 Even Letchworth itself, which in many respects had a successful original masterplan, has found itself with infrastructure and housing stock that is not geared towards meeting the future needs of its population<sup>3</sup>, and an urban form (within its built up area) insufficiently adaptable to accommodate it<sup>4</sup>.
- 2.7 Any new Garden Village must build on these lessons from the outset.
- 2.8 As the eminent planner Sir Peter Hall said on a number of occasions, "there is no 'one-size-fits-all' solution, for the geography of the country is too rich for that. Instead, there needs to be a 'palette' of solutions that will meet the needs of individual places."

**With new settlements, size matters**

- 2.9 New settlements of different scales will be part of the mix in helping to deliver the much-needed, durable and resilient new communities of tomorrow. There are opportunities and challenges common to all types of new settlement (be it Garden Villages or the largest new Garden Cities), so many of the solutions are scale-able.
- 2.10 However, new settlements are not homogenous. The 21 New Towns designated in the post-war period had a wide range of objectives (overspill, regeneration etc) and many different characteristics (expanded towns, wholly new settlements). In terms of size and broad form for new Garden Cities, it is possible to identify four broad types of new settlement.

**New and Expanded Settlements**



**Key Characteristics:**

Garden Village	Linked Garden City	Freestanding Garden City	Regional Garden City
Expansion of existing small settlement(s)	Connected to larger town by excellent public transport	More functionally self-contained	Drives the local economy and may play a regional economic role.
Within catchment of town or city	Directly supports growth of larger town or city	Connected to other centres by rail	Self-sufficient for retail, services and social infrastructure and serves a wider catchment
Located on an existing transport corridor	Self-sufficient in terms of local social infrastructure (e.g. schools)	Provision of most services and social infrastructure (including further education)	Has its own sub-regional housing market.
Partly or mostly self-sufficient in terms of local social infrastructure	Medium-scale employment, but many jobs in larger town	Has its own local housing market	
Small-scale employment, but most jobs in nearby towns and cities	Housing market linked to larger neighbour		
Housing market linked to larger neighbour			

**Degree of infrastructure and funding challenge**



Figure 2.2 Types of New Settlement

2.11 For Garden Villages (and arguably 'linked Garden Cities) there does not appear to be in principle any reason why they cannot be private-sector-led and funded, provided that:

- They are situated in locations where up-front infrastructure costs can be managed to reasonable levels. There are no shortage of such locations; and
- the land can be assembled before promotion in a way that minimises up-front land costs whilst incentivising the land owner (i.e. above existing use value, but at a discount from open market value for residential land).

2.12 In our view, 'linked', 'freestanding' and 'regional' types of Garden City (of the scale of Stevenage and Milton Keynes) will, to varying degrees, need more innovative financial solutions. Experience throughout Europe and the US (and, of course, of schemes like London's 2012 Olympics) suggests strong state-backing is needed to de-risk delivery of the largest-scale projects. Furthermore, the UK planning system (post 1980) simply does not appear to have either the capacity or ability to allocate or consent large-scale Garden Cities. Sites of up to around 5,000 dwellings appears to be the maximum realistic potential, except in very rare and unusual circumstances.

2.13 For these reasons, if new settlements are to be a means of making an immediate, tangible and replicable dent on acute housing need, the focus must inevitably be on Garden Village schemes of up to 5,000 dwellings that can secure the relevant development consent and be reasonably capable of assembly and promotion by the private sector. That has been a key driver of our Garden Village concept. It is also considered critical that the planning process does not use the Garden Village concept as a reason to hold back the release of smaller housing sites elsewhere as a result of applying unrealistically ambitious estimates of lead in times and build rates for the village.

### **What does the future Garden Village deliver?**

2.14 If one were to take a hypothetical Garden Village proposal of the future, what would it look like and provide?

2.15 To answer this question, Barratt has generated a notional Garden Village proposal, on an actual area of land that Barratt currently intends to promote for development through the next local plan. The location of this site is not revealed in this think piece for obvious reasons. It is situated in a District in the south of England that lies beyond the Metropolitan Green Belt (the nature of Green Belt policy and the hurdle this policy imposes makes the planning justification for proposals of this scale closer to London much more difficult to achieve). It lies within ten miles of an existing large town. The site comprises c.350 hectares (865 acres) of what is currently agricultural land, with some wooded areas. The site is accessed from an A Road that links it to the larger town, and sits on a railway line with the scope to open a new rail station agreed in principle. In conceptual terms, the Garden Village would be a 5,000 dwelling new settlement with its own local identity, but clearly linked in functional economic and market terms with the larger town in whose catchment it lies.

2.16 The Garden Village will not be ready-made: but with basic infrastructure available from the start, the settlement's residential, commercial and public areas can grow organically, built on active participation from Day One, and throughout.

2.17 By 2050, one in four of the UK's population will be aged over 65. For the Garden Village, being in a non-urban district, this is likely to be one in three. For this reason, it needs to be a place in which the older generation are an integral part of the community, and are happy, active and contributing. Barratt has bespoke home types for active downsizer households and these would be deployed in the Garden Village. It also needs to be a place where children can easily play, grow up, and stay, with high-achieving schools provided virtually from the outset.

2.18 The Garden Village takes an existing site but thinks differently about how to create a new place. Rather than apply a set, pattern-book approach to the design of the residential accommodation, we want to take a leaf out of the Georgians' housing book and go for maximum flexibility to correspond with changing demographics and people's changing life circumstances.

- 2.19 The village space will offer everyone a high quality of life whilst minimising its demands on the environment. Its design will aim to reduce the drivers of high costs of living: housing, care, transport and energy. The housing design and its surroundings will have low energy demands, giving fuel certainty and security. It will be a village designed to be future-proofed, resilient as far as practicable to the everyday and global challenges of climate and population change. Its ability to flex to cope with fluctuating numbers and demands as families grow, shrink and age will see its value enhanced over time. Fibre-optic and smart technology installations at the outset will give durability to the vision over the decades, to respond to changing lifestyles, expectations and needs, including telecare and telehealth. And in an age of flux concerning global energy provision, the future Garden Village will also be able to help generate its own power through harnessing a combination of heat, light and other sources, at a dwelling and community-wide level.
- 2.20 Housing will be designed to be attractive, mixed income high quality homes, matching the best that Barratt has already created and drawing on national and international exemplars. There will be the widest possible choice of affordable housing, supporting different income, tenure types and price points, as well as plots available for self-build and co-housing. Combined with a masterplan and phasing that has multiple development 'outlets', this will enhance market competition among developers, support delivery rates, and achieve a mixed income and mixed tenure housing offer thereby addressing problems of affordability<sup>5</sup>, and help increase the disposable incomes of median- and low-income households looking to work.
- 2.21 Homes will be designed to embrace accessibility for all - be that spaces for the buggy, the wheelchair, the bicycle or the shopping trolley. There will also be some flexible facilities for respite and acute care available in the heart of the community so people can "age in place".
- 2.22 At the heart of the success of the new Garden Village will be the attraction of the opportunities opened up through the links to the growing economy of the adjacent large town and by the employment and skills development on offer through the development itself. The creation of temporary manufacturing facilities on site to service the construction demands of the Garden Village could create jobs and opportunities and reduce pressure on surrounding infrastructure and transport links.
- 2.23 Places with high social value create higher economic value and resilience. The future Garden Village will transform the status of citizens from passive consumers to active co-owners, engendering a new sense of individual and shared ownership as a means of developing economic and social sustainability. Its governance will grow from its citizens, and all ages will be part of the decision-making process. To achieve this, the Garden Village will need to be built on a solid bedrock of inclusive engagement and consultation throughout the development process. New incoming residents and businesses as well as existing and nearby communities will have a genuine stake in making a successful new place, and shaping its future together.
- 2.24 Successful, liveable places have communities at their core. Spaces will lend themselves to building relationships across communities and instilling neighbourliness, to build social cohesion and cut the sense of loneliness and dislocation that costs society at a local and national level. The future Garden Village will have facilities and places where people can meet, such as small covered markets, sports facilities, play spaces and other social hubs. It will ensure navigability, so that those with dementia - which by 2050 will affect some 1.7 million people - can travel safely.
- 2.25 Ultimately, it is the high level of community ownership in the place that is created - in land, facilities, and governance - that will mean that the residents of the Garden Village are its co-creators. The success of the new Village rests not on the realisation of a single vision, but on the evolution of the Village growing and maturing in line with the economic and social needs and desires of its citizens. The challenge, therefore, is to create the space that allows that to flourish.

### Masterplanning the Garden Village

- 2.26 In broad terms, around 170 hectares of land will be needed to accommodate 5,000 homes, with c.11 hectares for commercial space (including the village and neighbourhood centres) and the balance accommodating open space and infrastructure.
- 2.27 It would be focused around a neighbourhood with the majority of housing with walking distances of less than five minutes to their own local centre (with local-level services and amenities), and a single 'village centre' with settlement-wide amenities including retail, leisure, community and other uses. It would also provide the location for a new railway station on the rail line.
- 2.28 An important feature, drawing on the experience of Letchworth (which has such a feature) and other New Towns (which are often under-bounded and do not), is the concept of an outer green ring of c. 125 hectares. This will lie outside the perimeter of the built-up area but be drawn into the Village area from the outset; remaining largely in agricultural use, but providing future opportunities for expansion should this become necessary in the long term. This will help to future-proof the Garden Village.



#### Instant Garden Village charm

The visual charm of many places comes from trees in the street. But a good-sized semi-mature tree costs £2000-plus and often fails to take. We would plant 5,000 saplings in an on-site nursery for transplanting when needed, creating a business asset for the Garden Village.



### **A well-connected community with low carbon travel choices**

- 2.29 The future Garden Village has a strong suite of transportation measures designed to provide opportunities for different modes of travel:
- A new railway station on a railway line, providing rapid transport links to nearby large towns, and to London. In situations where a new station is not included within current rail investment plans, a Garden Village with c. 11-12,000 people would provide a clear rationale for its inclusion;
  - Public transport subsidy for the initial years of development to support integration with the nearby town before such services become viable;
  - Generous cycling and walking infrastructure - including connections to adjacent communities and the surrounding countryside;
  - Primary schools, and daily local services within 400m of every home;
  - High-speed broadband in every home and local office hubs so people can either work from home or locally. The Garden Village would be a place where working from home is encouraged, thus reducing the need to commute; and
  - Provision of investment for improvements to existing highway works and delivery of a new or upgraded highway connecting it to the nearby town where shown by a transport assessment to be necessary in highway terms, even with relevant modal shift targets.
- 2.30 The Garden Village gives walking, cycling, and public transport parity with the car, and the masterplan has neighbourhood services (GP surgeries, convenience stores, etc) and primary schools within a few minutes' walk of the majority of homes. Smart design of car parking provision is crucial to a successful public realm, so the design of this new community is not dominated by the needs of private cars.

### **Access to employment**

- 2.31 The population of the Garden Village can expect to reach 11-12,000. Taking account of demographic trends and assumed rates of economic activity, the number of resident-based workers can expect to be c.5,300 at its full extent. These people will need employment. It is worth noting that without further development beyond its initial 5,000 dwellings, long-term demographic trends (towards an ageing society) will imply that the labour force will decline to 4,400 over a 60-year period.
- 2.32 Many new settlement concepts have failed to fulfil their original economic ambitions, which often draw upon unrealistic assumptions about 'self-containment'. They also assumed that the offer of plentiful land for industry would support relocations and that the future of work lay in out-of-centre, low-density business parks. Currently, agglomeration effects within established urban areas are proving more powerful forces for many sectors. This impacts on the way Garden Cities should plan for their economies.
- 2.33 In this regard, the Garden Village location is critical. If it is close to a town with an existing economic base and clear economic rationale to grow its stock of businesses (which many locations will choose to do given the ability to retain local business rates), it would thus not be economically coherent for the Garden Village to plan for extensive new employment areas. Rather, it should be expected that many economically active residents will be commuting outwards to work - the Garden Village therefore has a crucial role in supporting growth in the nearby large towns and across the wider functional economic and market area.
- 2.34 That said, it is entirely realistic to expect that any Garden Village will have an employment base consistent with the local 'consumption-led' economy of its residents - jobs in schools, local services, retail, leisure - as well as an assumption that it will accommodate other businesses seeking a relevant location, and home-working.

2.35 The economic strategy for the future Garden Village should therefore be three-pronged:

1. Using construction to provide opportunities for jobs and training for those who will most benefit from the sector's role providing a gateway to employment. The development of the Garden Village (with a capital construction cost of £0.8bn) will sustain direct construction employment of c350 per annum over the c.25-year period and a further 500 per annum in indirect and induced jobs. Concentrating this opportunity within a Garden Village entity, allows for a proactive approach to targeting relevant training and other initiatives to help tackle worklessness.



2. Creating a local employment base, in shops, services, and local business employment (within new office space) capable of accommodating c. 2,000 jobs (around 43% of its labour force). Of these, around 750 will be in the city village and town centres (in local shops and services and leisure), approximately 325 will be in public services (schools, health and other facilities), with around 1,000 in employment (other businesses in industrial and service sectors situated in employment locations). In total, employment here can expect to generate £213m of GVA every year. These opportunities can be targeted to support those on low and middle incomes by:



- A procurement approach that specifically targets households on low incomes and with low skills for available employment and training opportunities associated with the building out of the site; and
- An ongoing economic strategy that works with local employers in the Garden Village to create appropriate demand for skills and better quality jobs within the commercial offer for the settlement.



3. Providing good access to the local town and its employment opportunities through public transport and good highway access.



## VIABILITY AND EFFECTIVE DELIVERY

If we select the right sites and form of development, future Garden Villages can be self-funding and do not require access to TIF and other funding mechanisms. Critical to this is need for land to come forward at prices which both incentivises the landowner but also supports the provision of the highest quality infrastructure.

### Delivering New Settlements

- 3.1 The Garden City movement's genesis is well-known and will not be rehearsed here. However, it is important to recognise that it began as a private sector endeavour (only subsequently was Letchworth enshrined by the state) and some more recent examples have also been privately initiated.
- 3.2 It was through the post-war settlement that New Towns/Garden Cities became public sector-led, with the first, second and third wave of New Towns progressed, supported by public money, local authority housing, and full-blooded commitment of state delivery apparatus in the form of New Town Development Corporations. It is no coincidence that during the period 1950 to 1980, England was regularly delivering over 250,000 homes per annum<sup>6</sup>. Harlow New Town - one of the first to be designated - was building at a rate of 1,400 dwellings per annum during its first 10 years. Of course, the legacy of these New Towns has been mixed, but it is a mark of the effectiveness of the concept as a means of housing delivery that they have stayed on the radar. If they did not exist, our housing crisis would be far worse.
- 3.3 Since the New Town period, housing delivery has been on a downward trajectory. New and expanded towns have been a largely (but not wholly) missing ingredient. Cramlington in Northumberland was a housebuilder-led New Town, supported by the county council and underpinned by state planning powers. South Woodham Ferrers in Essex was similarly supported by the use of Comprehensive Development Area (CDA) powers. The expansion of Reading at Lower Earley was regional-planning led<sup>7</sup> but driven by the private-sector. A 1992 review of New Settlements by the then Department of Environment<sup>8</sup> identified 120 proposed schemes in various stages of progression, most of them speculative and all privately-promoted.
- 3.4 However, the recent experience has not been positive. The Consortium Developments Ltd proposals for 'New Country Towns' in the 1980s were met with rejection (Foxley Wood being the most notable example). The Eco Towns initiative of the last Labour Government met a largely similar fate. Both lacked public support and failed to have sufficient regard to legal and policy requirements of planning and environmental legislation. Similarly, the NPPF's reference to Garden Cities has seen only two such proposals be formally identified - Bicester and Ebbsfleet - and both were existing schemes with long gestations, with Garden City status emerging late on in the process.
- 3.5 The DoE 1992 research confirmed that whether a proposal was publicly or privately-led was a matter of political preference, although it noted that private-led schemes were relatively untested at the largest scale (of >30,000 population). It also identified that the cost of delivering schemes increased the further they were from existing urban areas. Generally, it concluded that joint public-private development partnerships offered no advantage over a well-funded and motivated company from either sector, subject to the entity having control over the land it promoted.



### Securing planning permission

- 3.6 A key factor undermining delivery of new settlements has been the problem of securing the relevant development approvals and land at a value that makes the scheme viable. Quite simply, the UK has not been able to effectively deliver multiple large-scale developments outside existing urban areas under either Regional, Structure, or Local Planning systems for over 40 years. In summary, the consent problems experienced to date as they relate to new settlement delivery are:
- The traditional planning system generally releases only enough land necessary to meet a given local housing requirement, and is now exercised at a local plan level. Progress on such plans is slow (only 26% of local authorities currently have an up-to-date Local Plan that has a housing target prepared in line with the NPPF) and they often focus disproportionately on the short term with early review mechanisms. This often militates against either promotion or consideration of larger-scale developments that extend beyond the plan period. It also creates a 'winner takes-all' approach to land value, increasing competition for allocated land from house builders and drives up value;
  - The absence of both Regional Planning and Structure Plans has removed the tier of plan-making that had been more successful in bringing forward larger proposals of 3,500 dwellings or more;
  - Approaches to bringing forward new settlements outside the plan-making process (such as Eco Towns) have fallen foul of the Strategic Environmental Assessment process, which requires consideration of alternatives;
  - The Government has excluded large scale housing developments from the NSIP regime, meaning this approval process is unlikely to be available; and
  - There is a need to establish a clear national planning policy<sup>9</sup>, which increases the prospect of new settlements - with delivery timescales extending beyond the typical fifteen year Local Plan period - being actively considered in Plans.
- 3.7 To increase the supply of Garden Village proposals we anticipate needing to rely on current and emerging legislative procedures, with only policy interventions. We do envisage that the government will need to make some amendments to the NPPF to increase the prospect of Garden Villages and Cities being brought forward (but not be site-specific, thereby avoiding the problems of the SEA Directive that plagued the Eco Towns prospectus process). The focus would be on ensuring that Local Plans are required to allocate more land than is required to meet OAN within over the next fifteen years, in order to promote flexibility and respond to any failure of housing land trajectories to deliver, and to strengthen the encouragement in policy for new settlements (Garden Villages and Cities) to be actively considered within Plans. This would encourage local authorities to think about the role of larger developments that would deliver housing beyond the end of the Plan period.
- 3.8 Proposals would then respond to this policy either via the Local Plan route (local authorities are required to produce new Local Plans by Spring 2017) or through a planning application that responded directly to the NPPF. Depending on the circumstances, an 'off-plan' route may well lead to a 'call-in' planning inquiry.
- 3.9 There is obvious potential to create Development Corporations for the purpose of creating Garden Villages and Cities, but whilst these might have advantages, we do not see them as essential for Garden Villages which are capable of coming forward under existing private arrangements.

## Delivering The Garden Village

- 3.10 Achieving effective delivery in terms of viability will require reasonably rapid build rates so that income can be secured rapidly to pay for up-front infrastructure. Build rates are a function of a) the underlying strength of the wider market; b) the basis of the local market created; c) the number of sales outlets in each market (with each housebuilder outlet typically disposing of 30-50 units per annum); and d) creating a mixed market for tenure and other means of delivery.
- 3.11 The future Garden Village responds by being designed around a form that enables 3-4 sales outlets for volume builders, a commitment to a sales outlet for smaller local builders (increasing competition); and self-build. With a commitment to starter homes, affordable and private rented, the Garden Villages maximises its exposure to the market, enhances competition, and drives up delivery rates. This means the Garden Village can expect to be delivering an average of 120-200 homes per annum, giving a development programme of 25-27 years from start on-site.
- 3.12 When it is linked to the relevant commercial and infrastructure development, a 5,000 dwelling Garden Village in the type of location described in Section 2.0 could be associated with a typical capital development cost of c.£0.8bn over the period and income of £1.1bn (from property sales) based on a conventional development appraisal assumptions<sup>10</sup> (and without including cost or value inflation).
- 3.13 A notional phasing of how the future Garden Village might develop is shown below in Figure 3.1.

Infrastructure Years	Phase 1 1-6	Phase 2 7-12	Phase 3 13-18	Phase 4 18-27	Total
Dwellings	1,188	1,188	1,188	1,436	5,000
Commercial Space (m <sup>2</sup> )	6,053	8,070	12,105	14,123	40,350
Primary Schools (No.)	•	•		•	•••
Secondary School / 6th Form	Phase 1		Phase 2 (Expansion)		•
GP Practices(no)	•				•
Dentist Practices (no)	•				•
Community Centres (no)	••	•	•		••••
Libraries (no)	•				•
Sports Hall (no)	•	•			••
Swimming Pool (no)		•			•
Sports Pitches (m <sup>2</sup> )	60,000	30,000	30,000	60,000	180,000
Outdoor Courts (m <sup>2</sup> )	3,600	3,600	1,800	2,400	11,400
Up-front abnormalities (£)	5,000,000	-	-	-	5,000,000
Off-site local highways (£)	12,000,000	10,000,000	-	-	22,000,000
Strategic Highways (£)	2,000,000	6,000,000	5,000,000		13,000,000
Bus subsidy (£)	2,000,000				2,000,000

Figure 3.1 Indicative Phasing of Development

Source – NLP analysis

- 3.14 To test the notional viability of the future Garden Village, our modelling applies (worst case) standard cost assumptions for all new housing<sup>11</sup>. It applies the assumption that land is brought into the Garden Village delivery vehicle on the basis of residential land values that have been secured on comparable schemes in the vicinity of the notional location. Applying a realistic phasing plan (with infrastructure developed early in the programme, but on a phased basis [e.g. phasing the build-out of the secondary school]), the scheme does have a peak debt requirement in early years of £25m, but moves rapidly thereafter into generating a cash surplus<sup>12</sup>, which totals £300m by Year 27. At various points, depending on the approach to retention of assets, there are surpluses available for distribution to equity investors and/or deliver wider community benefits. The Internal Rate of Return is in excess of 20%, but this reflects the high degree of risk involved in promoting and delivering this scale of project and the risks of cost overruns, particularly on infrastructure.
- 3.15 The above assumptions are based on all assets (including affordable and private rented housing, transport infrastructure) being disposed of through sale and that no alternative income is secured for infrastructure. If, however, key commercial and housing assets were retained within the Garden Village development or stewardship vehicle, they would attract capital funding and, when combined with ground rent, income from residual agricultural land income, generate a robust revenue stream of £26m per annum from year 25. This would be sufficient to cover financing and 'stewardship' costs in terms of managing the public realm and other roles that are outside the core services delivered by the local authority, as well as delivering rates of return commensurate to the sectors involved.
- 3.16 Although this model and the scale of capital investment is atypical for volume house builders - with their focus on early and managed return on capital - there is every reason to believe that, once consented, the financial proposition would be capable of attracting partner finance, and in this regard, one or more joint venture partners (probably a financial institution) would debt finance and/or be equity investors in the Garden Village.
- 3.17 The financial appraisal conclusions above are made in advance of even needing to look at capturing future uplifts in tax revenue. Modelling indicates that local business rate revenue from the Garden Village could be in the region of £50m per annum if 100% is retained locally (as is broadly envisaged by Government), with Council Tax revenue of £7.5m pa. New Homes Bonus during the period of construction would peak at £1.7m pa. Although there are mechanisms in place, via the government's TIF scheme (either under current mechanisms or any future system in light of prospective reform of Business Rates) for local government borrowing against future revenue, we do not believe Garden Villages need to access these mechanisms if they are brought forward in the right locations. However, the financial opportunity they create for either the Garden Village or the local authority should not be overlooked.

### Garden Village Stewardship

3.18 There are numerous different ways of structuring the delivery of a Garden Village - and indeed developments of this scale are being brought forward across the UK. It is likely, given the scale of development, that the Garden Village would be a Joint Venture between one or more developers, a financial institution, and potentially participating landowners.

3.19 The future Garden Village - drawing on the principles of Garden Cities - will need to look at the concept of both stewardship as well as promotion/creation. In other words, there is a need to focus on the stewardship of the places that are created to ensure they maintain the quality envisaged at the outset and also adapt to change. This might in essence mean having, within the overall framework of a Garden Village Creation Company (GVCC), a separate Garden Village Promotion Vehicle (GCPV) and a separate Garden Village Stewardship Vehicle (GVSV).

3.20 The respective roles of each vehicle through the Garden Village process are illustrated in Figure 3.2.

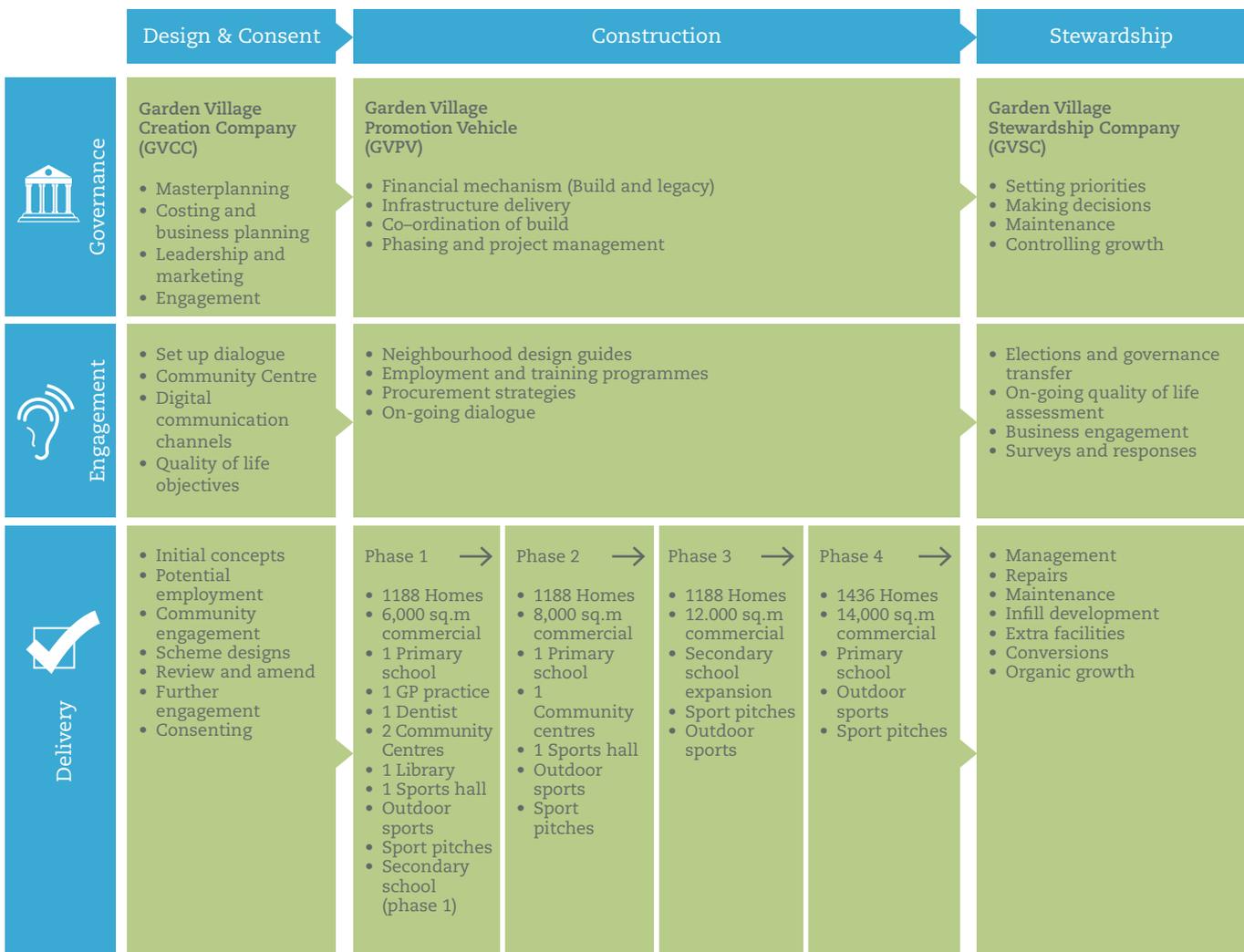


Figure 3.2 Garden Village Stewardship

- 3.21 The initial business plan must guarantee a smooth path from promotion to stewardship (and indeed, recognise that the two activities will run in tandem for a period). A staged approach from GVPV to fully-funded and endowed GVSU is envisaged. The structure of investment and development partners' engagement (and indeed their identity) would probably change over the life of the GVCC, particularly the transition from promotion to stewardship, with investment partners whose interests are in the development phase exiting from GVCC once the GVSU has the dominant activities - which in turn might well attract new investment partners.
- 3.22 The nature of the legal entity of the final-form GVSU will very much be dependent upon the outcome of the staged approach, in part because it will need to have regard to the agreement arrived at with the relevant local authority as to the division of management responsibilities with them for specified aspects and elements of the Garden Village, what local people want from the GVSU and how it can be ensured that this is secured in perpetuity, not least from the financial perspective. How the retained housing stock is held and managed will be critical<sup>13</sup>. From a financial sustainability perspective, consideration will also need to be given as to whether the final stewardship vehicle will need and /or want to engage in trading and commercial activities, be involved in fundraising activities, and how well it is internally resourced and skilled. In order for the final GVSU to be fit for purpose and truly representative, it is important to avoid taking a view on its legal form and structure at an early stage in the Garden Village development process, but to remain flexible and responsive to that process.
- 3.23 Throughout, however, we would look to retain a minimum set of criteria for the GVSU in terms of its principles of operation and in defining what its functions will be. These would clearly include the basic principle that all of its activities and assets are to be carried out and kept for the benefit of residents; that it should aim to provide "additionality" in terms of what it provides to the community and not seek to necessarily duplicate or cut across the functions of the relevant local authority; that it should safeguard and promote the Garden Village in accordance with the fundamental underlying principles of garden cities movement which aims to bring together the benefits of both the countryside and towns and cities. There should also be a commitment to it aiming to foster and develop smaller-scale community initiatives (including through establishing co-operative vehicles for local social enterprise projects such as community shops etc, which may not be appropriately pursued through the legal form and structure of the main GVSU).
- 3.24 Land will be transferred to the GVSU on a phase-by-phase basis once the relevant local authority is satisfied that (a) the phase has reached an appropriate stage of construction/occupation and (b) the vehicle has sufficient funding to fulfil its responsibilities in relation to that phase in accordance with the Stewardship Strategy which will be a central part of the section 106 agreement.

## ENGAGEMENT AND LOCAL SUPPORT

The vision for a future Garden Village should be a shared vision: co-created with the people who live and work there, who grow up and grow old there, who have a stake - a share - in its past, present and future.

- 4.1 Ultimately, it is the high level of community ownership in the Garden Village - in land, facilities, and governance - that will mean that its citizens, young and old alike, are its co-creators. It will therefore need to be developed and delivered in a way which we believe will lead to the creation of a more equitable, sustainable place where everyone benefits from the prosperity it generates.
- Popularity through engagement**
- 4.2 Places with high social value create higher economic value. To achieve this, places need to be built on a solid bedrock of inclusive engagement and consultation, throughout the development process. New incoming residents and businesses as well as existing and nearby communities should feel they can have a genuine stake in making a successful new place, and in shaping its future together.
- 4.3 We will use our experience of community engagement principles with existing residents and businesses around the Garden Village's neighbouring areas - essentially the residents of any existing villages and rural businesses - to identify their needs and issues. What it is like to live and work where they do? What do they value? What do they want from life, now and in the future - for them and for those they care about? What, if anything, is missing? How could a new settlement respond to these needs, and how could they be part of creating that response themselves?



### A Garden Village Expo and Visitor Centre

A Garden Village could include setting aside an area of development where innovative new house products, public realm and other aspects of development are exhibited and trialled for feedback from local residents. This can be a visitor attraction for residents and others.



4.4 House builders, planning authorities and local communities need to work together in a less adversarial way if we are to build new communities that improve quality of life. The process is summarised in 4.1.

### A Timeline of Community Engagement through the Development Process



Figure 4.1 Engagement and stewardship: co-creating the Garden Village

- 4.5 To be real, this consultation will be a long-term process, engaging with those living nearby as well as potential future tenants and residents from further afield who might be drawn to the area by the promise articulated in the Vision (see Section 2.0).
- 4.6 Community engagement means engaging with everyone - across all ages and life-stages from the under-5s to the over-85s. House builders will need to draw on their experience to include those whose voices are often overlooked because of their age or ability to include their visions of what they do and do not like, what makes life good - and what might make it better. They will need to involve these different local communities throughout the planning process for the new developments with real empowerment and collaboration. They can take their lead from how different people want to be involved and will be ready to invest time and energy in community organising and mobilising. The Village will only flourish and grow in energy if it is co-created by the people who will live and work there.
- 4.7 Future stewardship and governance will evolve from the start of the planning process, with the potential roles of community groups and parish councils considered at the outset so that local people are properly supported and incentivised. Planning for social and community infrastructure will go beyond merely considering the physical components of this new place and encompass the ways in which locals can become active participants in how they are delivered and planned for financial sustainability from the start. This will not, then, be the traditional consultation process but one where social infrastructure is as important to long term value as physical infrastructure.



#### **Delivering confidence in the promise**

Resistance to new settlements often comes from scepticism about when key services will be delivered. The development of a future Garden Village will set out a road map with trigger points for when amenity should be delivered with clear road map of delivery.



#### **Turning the sales rate into a community win**

A 3m high glass thermometer with gradations marked on the sides, each representing 10 homes. As each 10 homes are completed, the Creation Company would put a small golden house into the tube, the rising level celebrating progress.



#### **Financial re-assurance**

Understandably, many residents living within or close to major development projects are concerned about the impact that the scheme may have on their property<sup>14</sup>. The GVCC could therefore set in place at an early stage in the approval process a long-term discretionary property compensation scheme, applying for the first time to a non-infrastructure project the principles of schemes that have been developed in relation to Heathrow Airport and HS2. This could include a range of discretionary compensation options to be considered, including:

- express purchase - a proposal for a streamlined system of purchasing owner-occupied properties that are within a defined area of influence
- a voluntary purchase scheme
- a property bond scheme guaranteeing that any deliverability losses in value of properties over a defined period due to the scheme will be made good
- a long-term hardship scheme for those blighted by the prospect of the scheme

### Harnessing the energy of new residents

- 4.8 To complement this, the GVCC could create a legal framework whereby ongoing community self-determination is part of the planning and development framework, building governance capacity from that start, long before the spades go into the ground. The GVCC could train up local people as community workers and researchers to engage, reach out, listen and organise. The benefit of this approach is that it will capture existing community capacity, build on what people think and encourage them to create the kind of strong, supportive and resilient communities that enable residents to grow up and grow old together, to support themselves and each other, and to steward local assets and resources.
- 4.9 The aim is to break down traditional, oppositional planning cultures by ensuring that members of the community are incentivised to become beneficiaries of the place they help create. As part of this idea, some of the income-generating assets of the GVSJ could become available to the community to invest the monies drawn from them back into sustaining the wider environment and public realm.
- 4.10 As the new settlement develops and takes shape, the GVCC will need to cut through red tape and foster a 'can-do' culture that builds relationships and resilience, and that harnesses local resources: time, energy, care, fun, talents and skills.

### Governance and Engagement

- 4.11 A 'can-do' culture is vibrant and risky. It allows local people to have ideas and make them happen - from street activities to festivals or pop-up shops. As an allied element, a radical new system of governance will grow from the citizens, with measures such as lowering the voting age aimed at spreading power and influence across all ages to sustain the vision of Garden Village. This is because governance is inseparable from a sense of community engagement and consultation.



### Making sense of mixed use

The GVCC could make use of empty commercial space in initial years as premises for training up the apprentices needed for building the homes, partnering with local suppliers.



### Spaces where relationships can flourish

High social value communities need carefully designed spaces to flourish. The GVCC could include informal meeting places, green spaces to encourage interaction and health, bustling covered markets, places in which to hang out and meet people, and places which promote a return to neighbourliness. This can create a new, different kind of village that is a good place to live for people of all ages, abilities, incomes and backgrounds.

- 4.12 The GVCC will be private sector-led, but it is crucial that there is early support and involvement from the relevant local authority and communities local to the site. To this end, the Company could seek to establish a standing committee at the outset of the project which would meet in order to bring together representatives from the GVCC, local authorities, representatives of the local communities and other relevant stakeholders, including where possible future residents. The standing committee would be the main point of contact between its constituent members, for engagement, consultation, discussion and communication on all matters relating to the new Garden Village, including in particular with regard to development and design, the consent process and delivery. The work and remit of the standing committee (and it is anticipated it will have sub-groups to deal with particular issues including that of development of the GVSJ) could be dealt with through a project management agreement similar to a planning performance agreement, but wider ranging and more over-arching ("PPA plus"). This would be a precursor to the governance structure overseeing the GVSJ.

- 4.13 A staged approach to formulation and transition to the GVSV is seen as being an essential element in generally engaging with and gaining the trust of local communities, including those that will be located in the neighbouring areas as well as those that will ultimately live in the Garden Village. The standing committee (and/or a relevant sub-committee of it) will be the first stage of this staged process and will be the forum with the main initial responsibility for formulating the further stages in the process to the fully-formed GVSV. This will obviously involve changes in structure, role and constitution over time as the Garden Village evolves. This evolution will involve an increasing representation on each body in the staged approach of local and future/new inhabitants, alongside the transfer of assets through the GVCC.
- 4.14 Whilst the private sector may have a shareholding (and voting rights) in the stewardship vehicle, it will have a voting minority as against representatives from the local authorities and local people. It will be transferred with the benefit of a covenant from purchasers and tenants that they will comply with the requirements of a Scheme of Management, which again will be a central part of the Section 106 agreement, and which will build in new Garden City principles into future development proposals. Ideally this would figure alongside a Local Development Order whereby, given the certainty of the Scheme of Management, the local authorities can exercise a “one-stop-shop” planning decision-making service.
- 4.15 Thought needs to be given as to the potential synergies between the stewardship vehicle and either a parish council or one or more neighbourhood forums, to be established under the Localism Act. The promotion vehicle will commit to encourage the use of neighbourhood plan-making alongside delivery of its masterplan and the appropriate proportion of New Homes Bonus (and potentially in due course Community Infrastructure Levy) receipts that might subsequently accrue for the benefit of the stewardship vehicle. The overall rationale of the stewardship vehicle should be that it is there not just as an estate management body but to develop and embed a sense of place.
- 4.16 This process of engagement and consultation offers the ideal framework - and is the essential starting point - to create a village that people want to live in, stay in and be part of as they grow up and grow old together.



## End notes

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- 1 Examples include Cramlington New Town, South Woodham Ferrers and Lower Early. Consortium Developments Ltd proposals of the 1980s were private sector-initiated proposals. The majority of the proposals responding to the Eco Towns Prospectus of 2008/9 were private sector-led.
  - 2 Transport, Local Government and the Regions Committee (2002) *New Towns: their Problems and Future*. HMSO
  - 3 Nathaniel Lichfield & Partners (2013) *Letchworth Garden City: Economic Assessment of Growth Options*. [http://www.leitchworth.com/sites/default/files/attachments/economic\\_assessment\\_nlp.pdf](http://www.leitchworth.com/sites/default/files/attachments/economic_assessment_nlp.pdf)
  - 4 For example, there is a lack of housing suited for elderly residents who no longer wish to look after large gardens and/or who might want slightly smaller accommodation. As a result, Letchworth is now actively looking to expand through a further urban extension.
  - 5 Affordability is a key housing issue across the generations, with both older and younger people highlighting it as a key concern in terms of accessing housing appropriate to their life stage. The English Housing Survey (2014) highlighted the shrinking level of home ownership and social rented options, with demand for housing being pushed into an ever more competitive private rented sector, where those with lower incomes will struggle to compete. Over the five years between 2008 and 2013 the living costs of a typical family of four have risen by 25%.
  - 6 CLG Housing Completions data
  - 7 The Strategic Plan for the South East 1970
  - 8 DoE (1992) *Alternative Development Patterns: New Settlements*, HMSO
  - 9 By which, we mean strengthening of the NPPF in terms of the requirement to test Garden Cities.
  - 10 The appraisal includes the capital costs of all relevant infrastructure, including highways, utilities, and public transport, as well as new primary and secondary schools, without any external capital funding.
  - 11 In reality, a scheme of this sort in future might be able to apply system building – e.g. with a dedicated production plant on site – and deliver build cost savings and quicker build times on site, bringing down house prices or offsetting other costs
  - 12 On top of profits made by contractors/developers on individual plots.
  - 13 It is anticipated that the GCSV may need to be (or be linked to) a Registered Provider (RP) and would have a subsidiary organisation to hold and manage the PRS stock, with the subsidiary gift aiding any profit back into the parent legacy vehicle. This would give the subsidiary more flexibility in terms of asset managing the PRS stock and any disposals of PRS stock. Of course the GCSV will need a strategic approach to asset management of all of its stock as part of its business plan, and to reflect emerging changes in the RP sector arising from Government reforms and the Right to Buy.
  - 14 Such fears, as they relate to concerns about reduction in value, do not appear to be borne out by evidence. A study conducted by LSE London for Barratt earlier in 2015 (“Understanding the Local Impact of New Residential Development: a Pilot Study”) showed that new housebuilding has little discernible and consistent impact on local house price patterns.



Derwenthorpe, York



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