INTRODUCTION

1. The Government welcomes the Committee’s investigation and report into the New Towns which raises a number of serious issues about how these communities should develop in the future.

2. The Committee will be aware that on 18 July the Deputy Prime Minister outlined his sustainable communities agenda – a radical plan to rejuvenate our communities. This marks a step change in our policies for building successful, thriving communities. The aim is to tackle housing shortages where they occur, low housing demand and abandonment and to encourage a more sustainable use of land. The Deputy Prime Minister promised to return to the House of Commons to set out his comprehensive long-term programme of action for delivering sustainable communities.

3. The observations made in the Select Committee’s report about the problems experienced in the New Towns illustrate the need for a sustainable communities agenda. The design and physical layout of many of the New Towns, although desirable at the time, now militate against the sustainable living communities which are required to meet current and future needs. Making the New Towns sustainable requires an integrated approach to achieving the Government’s overarching objectives on sustainable development, namely social progress which recognises the needs of everyone, effective protection of the environment, prudent use of natural resources and maintenance of high and stable levels of economic growth and employment.

4. The Committee will also be aware that the Government completed its Quinquennial Review of English Partnerships on 24 July, just days before the Select Committee Report was published. English Partnerships will be a key player in delivering the Government’s new sustainable communities agenda. They will use their new role to search out and deliver more land for housing and a substantial increase in sustainable urban development. They will also help in regenerating those places most badly affected by abandonment and decay. We have announced an initial list of 42 sites and projects on which English Partnerships are to concentrate. There will be consultation with the relevant local authorities and other interested parties about the way forward for these sites and over the remaining portfolio. We are not now proposing to divest English Partnerships of its non-strategic assets to local authorities, but rather for English Partnerships to ensure that their value in achieving the Government’s objectives is realised to the full.

5. Many of English Partnerships’ future priority sites and projects will be in the New Towns. Their activities in these towns will not only help to meet the demand for affordable and key worker housing, they will also provide benefits to the long term sustainability of these towns and the relationship between the New Towns and adjoining rural areas.

6. The Select Committee suggested that the New Towns should be singled out from other local authorities by special measures to address their needs. In both its written and oral evidence, the Office for the Deputy Prime Minister has sought to address the desire of the New Towns to be ‘normalised’ and to ensure parity of treatment with other local authorities in national programmes on housing, regeneration and social inclusion.

7. The Select Committee have set out in their report a number of recommendations and observations about the future of the New Towns. The Government’s response to each of these recommendations is set out below.
8. The Government is committed to tackling the problems that bad landlords in the private rented sector can create for the wider community – particularly in areas of low housing demand. The responses to the recent consultation on our proposals showed there is widespread support for introducing licensing of landlords in such areas. We aim to issue a formal response detailing the outcome of the consultation in the Autumn.

9. The aim of the regime is to prevent bad landlords and their tenants acting as a catalyst for decline in vulnerable areas. Where the scheme was introduced landlords would have to prove they were fit and proper persons to manage a property. While the actual level of Housing Benefit is not something that the scheme would address, an unlicensed landlord would be committing a criminal offence by letting their property. In such circumstances, and subject to suitable transitional arrangements for tenants, no housing benefit would be payable to the landlord.

10. We plan to legislate for the selective licensing of landlords in low demand areas as soon as possible. However, our proposals would not be within the scope of the Local Government Bill.

11. The New Towns were developed over a fifty year period and each phase of development brought with it contemporary ideas. The New Towns very much reflected best practice at that time. Density levels in the New Towns, like many other towns, are too low. They compare poorly with parts of London with 50 dwellings per hectare, Greenwich Millennium Village with over 80 dwellings, Edinburgh with 250 and Barcelona with 400. But the New Towns gave the people of the time clean air, open space, good quality housing and secure employment. The New Towns are, on the whole, good places to live and work and by and large they have been successful.

12. All communities need to renew themselves from time to time and the New Towns are fortunate in that many are capable of sustaining future growth, now with the benefit of contemporary planning and development policy. Planning Policy Guidance Note 3 expects land for new housing to be used more efficiently through higher densities and better design and to have good access to public transport.

13. Because the New Towns were built within flexible frameworks the opportunity exists for them to benefit from the new sustainable communities agenda. In particular, the New Towns in the Regional Planning Guidance 9 areas are all capable of further growth and development in an holistic way within current policy guidelines. This new growth, creating more compact urban development focused on good transport routes, can lead to greater sustainability, including regeneration.
14. The New Town local authorities, like all other local authorities, produced their first Local
Transport Plans in July 2000. Amongst other things, these plans set out integrated
transport solutions, bus strategies and cycling and walking strategies. These strategies will
identify how local authorities can achieve a shift to more sustainable modes of transport
which help cut traffic congestion and levels of pollution.

(c) The New Towns’ town centres are often very unattractive and, as a result, they are
losing shoppers to nearby centres. Masterplans are needed to create high quality public
spaces and a mix of uses on traditional high streets, including evening leisure activity
(paragraph 30).

15. The Government accepts that the town centres of some of the New Towns need
regeneration, including substantial redevelopment. To ensure that the schemes proposed
are appropriate in size and are well integrated into the urban fabric, masterplans need to
guide potential developers, to improve the quality of development and better engage with
local residents. There is also the expectation that under the proposed local development
frameworks, which will replace local development plans, action plans will be drawn up for
any major development site.

16. For example, in Central Milton Keynes, English Partnerships, the Council, South East
England Development Agency and other local stakeholders are working towards a long
term (20 year plus) redesign of the central area. This will include residential, business and
leisure developments with a conscious reduction in the use of private transport through a
wider mix of uses, increased density and long term transport strategy funded from both new
development and the application of existing funding streams. This will include all the
undeveloped areas of Central Milton Keynes.

17. Other towns, such as Harlow, Stevenage, Peterborough, Hatfield and Crawley are also
working with English Partnerships to use the regeneration of the town centre as a catalyst
for a wider ranging strategy of town improvement including key worker housing and
improved facilities.

(d) A substantial amount of the housing developed by the New Town Development
Corporations has passed its useful life and will require phased redevelopment over the
next decade. There are particular problems with ‘innovative’ design and materials
(paragraph 41).

18. The Government is committed to ensuring that everyone has access to a decent home.
We have set a target to deliver decent homes to all social sector tenants by 2010, and
to reduce the number of social tenants living in non-decent homes by one third by
April 2004.

19. On 15 July 2002 the Chancellor of the Exchequer announced that spending on housing
and planning will rise to £4.7 billion by 2005/6 – up £1.5 billion on this year’s figures.
People living in the New Towns will be amongst those who will benefit from these extra
resources.

20. The Housing Corporation is already working with local authorities, English Partnerships,
housing associations and other stakeholders on projects to address this problem for public
sector housing. For example, in Telford English Partnerships, the Council, the Housing
Corporation and Advantage West Midlands are working closely together on the future of Woodside estate. The Woodside estate is perhaps one of the most problematic in the New Towns. It suffers from extensive problems. The social difficulties and the extent of abandonment are such that the agreed solution is now partial demolition and redevelopment.

21. The Castlefields estate in Runcorn suffers from many of the same problems as Woodside. In Runcorn, English Partnerships, Halton Borough Council, the Housing Corporation, the North West Development Agency, and two Registered Social Landlords have been working in partnership to develop a broad regeneration strategy for the Castlefields area.

22. The Government accepts that some parts of the New Towns suffer from problems similar to those experienced in some inner city areas, as a result of a variety of pressures often specific to particular times and places. Such problems can and are being tackled by a variety of measures.

23. Throughout the 1980s and early 1990s, the New Town Development Corporations and local authorities were expected to divest, to the private sector, town centre assets through a process of competitive bidding. It was assumed that maintenance of the shopping centres would be undertaken by the private sector investor through self-interest. With hindsight, this was perhaps an unrealistic expectation. This situation is not unique to the New Towns and has occurred in other towns throughout the country.

24. The Government’s urban renaissance agenda advocates a strategic approach to town centre regeneration. Improving the retail centre must go hand in hand with the wider area economic and social improvements required. Effective town centre strategies can draw in property owners, businesses and residents because it is in their best interest to work in partnership. Local authorities’ use of their existing and planned powers can set the necessary framework which will regenerate run down centres.

25. The Office of the Deputy Prime Minister is working with the Home Office to make crime prevention a key objective for planning, so as to underline the contribution the planning system can make to ‘designing out crime’. This includes a Good Practice Guide on ‘Planning Out Crime’ for those involved in the planning process and reviewing and updating the current policy on planning out crime.

26. The Home Office will continue to feed into the ODPM’s work on developing ‘Millennium Communities’, a programme aimed at influencing the market in the direction of better quality, more sustainable development in the future.

27. The Home Office is also working closely with DEFRA on the implementation of new powers in the Countryside and Rights of Way Act 2000 to close or divert a public right of way for the purposes of crime prevention. The Home Office has also fed into the Cross Cutting Review of Public Spaces.

(e) The Councils have a major neighbourhood management problem in the housing estates and local shopping centres which they inherited from the New Town Corporations. This is caused by the combination of the Radburn design and the fragmented ownership of property and land which was a result of right-to-buy sales and the ‘fire’ sales just before the corporations closed down. This has frequently produced neighbourhoods which are poorly maintained and perceived to be unsafe by residents. The poorly designed estate shopping centres tend to attract antisocial behaviour in areas with few social facilities (paragraph 32).
28. It is also recognised that local authorities should ensure that such issues are given consideration by the local Crime and Disorder Reduction Partnership.

(f) It is important in any new development to ensure the adequate provision of new community facilities and play areas, rather than rely on existing facilities, and to establish management arrangements and funding to ensure long term maintenance (paragraph 33).

29. The Government believes that high quality urban design is a central feature of all new development, and that a holistic approach must be taken to catering for the needs of local communities, including the provision of community and recreation facilities. The Government and the Commission for Architecture and the Built Environment have jointly published two publications entitled ‘By Design’ and ‘Better Places to Live’ which offer sound, practical guidance on how to achieve good design.

30. Planning Policy Guidance Note 17 (PPG17) requires local authorities to undertake robust assessments of existing and future needs of their communities for open space, sports and recreational facilities. It also indicates that local authorities should look to add to, and enhance, the range and quality of existing facilities when considering new provision. We believe that provision of these local resources is a matter which is best decided by local authorities in conjunction with local people.

31. PPG17 and its accompanying good practice guide highlight the contribution that improved maintenance and management arrangements make to meeting the open space needs of local communities.

(g) There are wide variations in the economic and social needs of the New Towns, but they almost all include areas of deprivation with high levels of unemployment and housing need. In those towns around London, there is a major need for affordable housing (paragraph 51).

32. In his statement to the House of Commons on 18 July, the Deputy Prime Minister said that there was a shortage of housing in London and the South East. This shortage is causing record housing costs which are impacting directly on living standards. The Government has identified the Thames Gateway, Ashford, Milton Keynes and the London-Stansted-Cambridge Corridor area as future sustainable growth locations. Over the coming months the Government will work with regional and local partners in each of the four areas to establish where, at what scale, and how quickly growth can be achieved.

33. As a result of the 2002 Spending Review, spending on housing and planning will rise to £4.7 billion by 2005/6 – up by £1.5 billion on this year’s figures. In London and the South East, the focus will be on tackling the lack of affordable houses, providing more homes both for key workers and for those in the most need.

(h) Towns like Runcorn, which are in regions where there are significant levels of deprivation have benefited from major EU funds and other regeneration programmes. However, only five of the 22 towns which have high levels of overall deprivation are eligible for Neighbourhood Renewal Funds. Those towns that are polarised with areas of prosperity alongside pockets of severe needs are not eligible for major regeneration funds (paragraph 52).
34. Many of the New Towns do not suffer from high levels of deprivation. We recognise, however, that some of the New Towns experience some deprivation and that deprivation extends further than the 88 local authority districts in receipt of Neighbourhood Renewal Fund (NRF). Bending mainstream programmes to benefit areas in greatest need will be the means to achieving most neighbourhood renewal. In general, area-based regeneration funds tend to make up a very small proportion of actual public expenditure in any locality.

35. However, because the level of resources available for the NRF is limited, funding has been targeted at the 88 most deprived areas. Lessons learnt from these 88 areas will, in due course, be rolled out across all other areas. The experience gained from these areas will be taken into account when other areas are brought within the framework.

36. An Enumeration District (ED) level index was not feasible when the Index of Deprivation (ID2000) was last reviewed because much of the data in many of the domains was not available at that level. In addition, in certain areas, particularly where there have been extensive boundary changes, EDs that are based on 1991 geographies did not map exactly to 1998 ward and district boundaries.

37. The Neighbourhood Renewal Unit has recently commissioned a team of researchers from the University of Oxford to assess how the ID2000 could be strengthened and updated. As part of this contract, the researchers will explore the possibility of developing the ID2000 to sub-ward level.

39. The Government announced the outcome of the Quinquennial Review of English Partnerships on 24 July. English Partnerships will be a key player in delivering the Government’s commitment to regenerate our towns, cities and rural areas. They will search out and deliver more land for housing and sustainable development. They will also help in regenerating those places most badly affected by abandonment and decay.

(i) We recommend the criteria for targeting Neighbourhood Renewal Funds should be reviewed so that small areas, such as enumeration districts which are among the 10 per cent most deprived in England, should be eligible for support irrespective of the prosperity of the wider areas, in which they are located (paragraph 53).

(j) The population profiles do not reflect national age structures, and the concentrations around particular age groups is placing increased demands on social services, particularly when the population ages (paragraph 54).

(k) The Minister confirmed that sub-soil rights, ransom strips and covenants were being considered as part of stage 2 of the EP review. This is welcome. The review should now identify ways to remove these impediments to local improvements (paragraph 56).

(o) The vast majority of outstanding sites owned by EP, which are not strategic, should be transferred immediately to the local authorities to enable them to implement their local development strategies and avoid a ‘fire’ sale (paragraph 86).

(p) The definition of strategic sites should be very tightly drawn to give local authorities maximum control over their areas. Those sites which are of truly strategic importance should be passed on to the RDAs, leaving EP as a national agency which local authorities could bring in where they consider it appropriate to provide consultancy support (paragraph 77).
40. English Partnerships will work closely with the Housing Corporation, and with other key agencies including the RDAs, to ensure effective co-ordination in the delivery plans for key worker and affordable housing. English Partnerships and the Housing Corporation have established a joint delivery unit and have exchanged secondees. The chief executive of each organisation will sit on the board of the other.

41. The 24 July announcement included an initial list of 42 sites and projects that English Partnerships are to concentrate on. English Partnerships are expected to work in partnership with local authorities and others to bring these projects to fruition. We are not now proposing to divest English Partnerships of its non strategic assets to local authorities, but rather for English Partnerships to ensure that their value in achieving the Government's objectives is realised to the full.

42. There will be consultation with the relevant local authorities and other interested parties on the way forward on the initial list of 42 sites and projects and over the remainder of the portfolio. The timing of this consultation will tie in with the Deputy Prime Minister's announcement to the House on his long term action plan for delivering sustainable communities as well as the announcement of a further tranche of sites in English Partnerships’ ownership suitable for delivering key worker and affordable housing. In the meantime, English Partnerships will be working with each New Town local authority to agree how English Partnerships’ role in their towns should progress and their Chairman is currently arranging meetings with each authority to discuss exactly how this can be achieved.

43. The establishment of the Office for the Deputy Prime Minister creates opportunities for the Neighbourhood Renewal Unit, the Urban Policy Unit, officials in housing and local government, the Social Exclusion Unit and the Regional Co-ordination Unit to work more closely together.

44. One of the key principles of the Neighbourhood Renewal Unit is that local people should be involved in devising and implementing solutions to their problems. We would promote the use of Local Strategic Partnerships to advise local authorities on urban management strategies and to focus on the most problematic housing estates through the formulation of Local Neighbourhood Renewal Strategies and Community Strategies. This is the approach that has been taken in the 88 local authority areas with the majority of the 10% most deprived wards, an approach which can be adopted by any local authority. If local authorities are looking for examples from the Neighbourhood Renewal Unit of evidence and best practice in this area, they could refer to renewal.net a website providing anyone involved in regeneration with case studies and guidance.
45. The Government accepts that some of the New Towns have problems relating to their non-traditional housing design and infrastructure. There are, however, many other urban areas that are not New Towns but were built at the same time and to the same specifications. This is not a problem specific to the New Towns.

46. The Housing Corporation is working with local authorities, English Partnerships, housing associations and other stakeholders on projects to address this problem for public sector housing, for example by raising private finance for regeneration when properties are transferred to housing associations. And the Government has also announced an extra £1.5 billion pounds for housing and planning by 2005/6, some of which will benefit the New Towns.

47. Standard Spending Assessments (SSA) are based on formulae that include information on the population, social structure and other characteristics of each authority. They are calculated on a consistent basis for all authorities, taking into account the services for which each authority is responsible. The Government does not use SSAs as an absolute measure of how much a council needs to spend. Rather, they are used as a way of allocating revenue grant according to authorities’ relative circumstances. The Government is reviewing the methodology used for distributing Revenue Support Grant and redistributed National Domestic Rates and will be announcing its proposals later this year.

48. English Partnerships will discuss with the individual local authorities the issue of assets and liabilities, including clawback. In some circumstances, and with the agreement of the Treasury, English Partnerships might waive clawback or transfer the right to receive clawback to the respective local authority. This would form part of the assets to be transferred over to the local authority.

(m) The funds provided for the management and maintenance of the New Towns are inadequate, bearing in mind the non-traditional housing design and infrastructure and the extensive landscaping built by the Development Corporations which is more expensive to maintain and much now requires wholesale renewal.

- The Standard Spending Assessment is unlikely to reflect the special conditions in the New Towns.
- The ‘balancing’ packages provided for the New Towns are now not generating sufficient returns and need to be reviewed as some of the ‘assets’ have become liabilities.
- The clawback requirement has meant that a lot of the income from right-to-buy sales is lost to the local authority and acts as a deterrent to the development of sites. The clawback requirement should be abolished so that the New Town local authorities are put on a similar basis to other local authorities (paragraph 84).

(q) A comprehensive audit of the liabilities inherited by the local authorities from the Development Corporations is required so that adequate funds can be allocated for the maintenance of the towns. This audit should look at the social, economic and environmental impact, urban management impact and long term reinvestment needs of the New Towns. We welcome the commitment by the Minister that the second stage of the EP review could include an assessment of the needs of the New Towns (paragraph 78).
49. The New Towns were developed at no cost to each local authority through a series of central Government loans to development corporations. As various amenities were completed, they were transferred to the local authority as community related assets. The majority of these assets were endowed with money or income-producing property at the time of transfer to ensure the effect on the recipient is fiscally neutral.

50. The last of the New Town Development Corporations were wound up over ten years ago. It would not be practical to carry out an audit of liabilities inherited by the local authorities at this late stage. The present needs of the New Town local authorities, as with all local authorities, are assessed through the Standard Spending Assessment (SSA). The Government is currently reviewing the methodology used for distributing the Revenue Support Grant.

51. Land sales in the New Towns are undertaken in furtherance of development in the town – development which supports social and economic growth, the provision of schools and other facilities, a programme of affordable housing provision and town promotion, to name but a few benefits. The Government views the resources generated in the New Towns on the same basis as any other receipt from the activities of English Partnerships, with its overall funding determined as part of the Spending Review process.

52. The Government is not prepared to give up clawback or sales receipts in the New Towns as a general principle. We need to ensure that the investment the Government has made in the New Towns is protected. As we explained in paragraph 48, in some circumstances, and with the agreement of the Treasury, English Partnerships might waive clawback or transfer the right to receive clawback to the relevant local authority. The Government is opposed to the idea of a New Town Reinvestment Fund as the proceeds English Partnerships receives from the sale of New Town assets should be available to support the delivery of the Government's sustainable communities agenda, including but not limited to the New Towns.

(n) Since the Development Corporations were wound up, the sites have been sold off for maximum value rather than reflecting local needs, and the returns have gone directly to the Treasury. English Partnerships has not worked in partnership with many of the New Town local authorities to promote comprehensive regeneration, focusing almost exclusively on maximising its income through land sales (paragraph 75).

(r) Local Authorities should keep the receipts from the sales of the non-strategic sites that are transferred to them. They should not be subject to clawback. The land sale receipts would help to meet the maintenance costs borne by the Local Authorities. However, the receipts would not meet the needs of all the New Towns. To meet the needs of individual towns, a New Towns Reinvestment Fund should be established which would recycle the receipts from the sale of strategic sites (paragraph 79).

(s) The planning powers held by EP and the outstanding planning permissions on the sites are anomalous and do not help to promote mixed use, mixed tenure schemes on brownfield sites or in town centres (paragraph 80).

(t) The outstanding planning permissions issued by the Development Corporations, CNT and EP on land which it still owns should be rescinded immediately where they do not conform with Local Authority plans. (paragraph 81).
53. Development Corporations, which were created to facilitate the growth of the New Towns, were given special planning powers to acquire land, gain planning permissions and carry out development. The Commission for the New Towns, now operating as part of English Partnerships, still has powers to authorise developments approved in principle under section 7(1) of the New Towns Act 1981. The Government recognises that such powers may no longer be appropriate now that the New Towns are well-established. We would, therefore, expect planning arrangements under the Town and Country Planning Act 1990 to increasingly become the norm.

54. There may be cases where, in the interests of securing sustainable communities and other appropriate developments, it will be appropriate for English Partnerships to continue to exercise its planning powers. We would expect English Partnerships to consult the local planning authority and other relevant interested parties and to obtain the planning authority’s agreement in advance.

55. English Partnerships will establish a programme in conjunction with each local authority where authorisation under section 7(1) exists to enable a smooth transfer from New Towns Act powers to Town and Country Planning Act powers. This will be achieved in a manner which does not impact on local markets and which the local authority is able to appropriately resource.

56. The New Towns were originally established to achieve substantial growth within a relatively short period. In many towns, English Partnerships’ land is ideally placed to support further development to the benefit of the town and region.

57. English Partnerships have been given a new role to search out and deliver more land for housing and sustainable urban development. They will working closely together with the Housing Corporation in pursuing this role. They have been asked to identify sites in their ownership that could be used to deliver affordable housing in the South East. It is anticipated that a lot of this new housing provision will be through English Partnerships’ land in the New Towns in the South East. The Government is also providing the Housing Corporation with extra resources for the provision of affordable housing. The Government believes that further expansion in certain New Towns may help to meet their housing targets.

(u) We recommend that the Government promotes further expansion in the existing New Towns to help meet its housing targets, particularly where the New Towns have not achieved their critical mass. However the approach to the management of liabilities and the disposal of assets adopted by the New Town Corporations, EP and CNT is not appropriate for future development (paragraph 83).

58. The different generations of new and expanded towns are now 30 or more years old. The policy context within which they were built is very different from today, although much of the good practice in development which they pioneered has been incorporated into mainstream thinking. ‘New settlements’ may now have different aims. Although a
traditional evaluation may not be appropriate in these circumstances, good practice and the extent to which the New Towns differ from other towns in their area could be examined in other ways. There is also material in the planning field in the past which has assessed the New Towns and what we can learn from them. Subject to ODPM funding, a review of existing material could be undertaken as part of a feasibility study, with a view to undertaking a more thematic evaluation.

59. Issues to consider within a thematic study might include community, economic, land use planning and physical design issues. If the New Towns are different from other towns in their region, the work should explore why and the extent to which existing policy tools are appropriate, reinvestment and transferable lessons.

Conclusion

60. The New Towns have played a crucial role in achieving and establishing new settlements in a very short time. The New Towns have provided houses, jobs and facilities to over two million people who have chosen to make their home there; this can only be viewed as a policy success. The New Towns still have much to offer the regions in which they are located especially with regard to opportunities for sustainable growth.

61. The Government recently announced its new sustainable communities agenda – a radical plan to build balanced, sustainable communities. The focus is on tackling the shortage of affordable housing where it exists, addressing issues of low demand and abandonment and encouraging a more sustainable use of land. English Partnerships and the Housing Corporation will be working closely together in helping to deliver this new agenda. The Government's sustainable communities agenda will be able to build on the lessons learnt from the New Town experience.