



Delivering New Towns

APRIL 2025

Foreword

It is right for the Taskforce to focus its current efforts on establishing the best locations for New Towns, but failing to address exactly *how* New Towns are delivered risks good intentions ending up being just talk.



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CEO for Consult

Growth is firmly on the agenda for the UK Labour government. Fresh commitments to a nationwide housebuilding programme are central for this ambition. The government looks to deliver at least 370,000 new homes per year over the course of this parliament.ⁱ Alongside the recently introduced Planning and Infrastructure Billⁱⁱ, Labour has set clear ambitions to deliver new homes and key infrastructure at significant pace.

This includes the creation of the New Towns Taskforce, a dedicated team of independent experts focused on delivering major housing and community projects of over 10,000 homes, including associated infrastructure and other significant developments. Through delivering New Towns, the Government aims to boost economic growth and opportunity alongside increasing the supply of new homes and building strong communities.

This initiative follows a rich history of major community building programmes beginning after the second World War. Looking back to the New Towns Act 1946, the then Labour government committed to, and delivered on, a series of major housing developments across the UK. This included

Stevenage, Harlow, Basildon, Bracknell, Corby and Hemel Hempstead, followed by Runcorn, Dawley, Warrington and Telford among a string of others.

The Government's ambition in continuing this story should be celebrated, especially given the stark backdrop of the significant housing shortage across the country.

According to the Centre for Cities, the UK has a backlog of around 4.3 million homes that are missing from the national housing market.ⁱⁱⁱ This is exacerbated by over 4.2 million people needing social housing, as the National Housing Federation notes.^{iv} With only 221,070 net additional dwellings built in 2023-24, the UK remains a long way from easing this pressure.^v

This is why delivering on the New Towns vision must remain a critical part of the conversation. It is right for the Taskforce to focus its current efforts on establishing the best locations for New Towns, but failing to address exactly *how* New Towns are delivered risks good intentions ending up being just talk.

This paper intends to set out how local governments and delivery authorities can follow

through on their housing and New Towns obligations. We know from our work with authorities nationwide that major housing developments face significant challenges to delivery, ranging from securing long term funding or failing to anticipate economic or societal changes.

In addition, we know that changing government priorities can play havoc with major programme delivery, including major housing plans. Local authorities need confidence that the Government will follow through on its commitments and policy announcements to better invest their resources and plan for future success. Leadership from across the built environment and local governments need to continue engaging with central government including the Ministry for Communities, Housing and Local Government (MHCLG) and Homes England to keep the New Towns vision in sharp focus at all levels.

However, we also know that with the right planning, delivery strategy, investment and hard-earned knowledge shared at the right time, together we can overcome these problems to deliver with confidence. We have experienced this

The government looks to deliver at least...

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new homes per year over the course of this parliament.

The UK has a backlog of around...

4.3m

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Over...

4.2m

people are in need of social housing in the UK.

supporting the London Legacy Development Corporation's transformation and regeneration of the Queen Elizabeth Olympic Park.

First, authorities must underpin their New Towns programmes with a future-proof physical infrastructure delivery strategy. Everything from water to energy to transport, contribute towards resilient communities and require early and detailed collaboration with infrastructure ownership bodies to agree best routes forward as part of delivery. Such initiatives also create sustainable, well-paid jobs and boost productivity across a region.

Next, placeshaping and social infrastructure must be central to New Town delivery, including services and amenities, public connectivity, open green spaces and employment opportunities. Getting this right turns a collection of homes into a socially cohesive community that inspires belonging across its residents, generating interest in living in the development once constructed. This in turn creates a far more investable proposition at a programme's early stages.

Of course, none of this can be delivered without strong,

long-term financial viability. Authorities need to have a strong grasp on sources of institutional investment, public-private financing options, as well as ensuring clear cash flow management throughout the programme lifecycle. This is critical to success, and from our experience, a very common stumbling block for local authorities delivering major housing initiatives.

Local governments must also address skills shortages currently impacting the construction sector, affecting trades, planning and management staff. This requires a holistic and local approach, with authorities investing in their regions to upskill and diversify their local supply chains to build a strong delivery environment for their New Towns agenda.

Finally, delivery bodies, such as development corporations, must consider their overall team and partner structure as part of their route to success. Delivery models must support flexible and adaptable decision making, able to respond to differing needs across the programme lifecycle as well as changes in legislation, especially with New Towns likely to take between 10 and 20 years to complete.

Recommendations

DEVELOP DELIVERY STRATEGIES FOR FUTURE-PROOF INFRASTRUCTURE

MAKE PLACESHAPING CENTRAL TO SUCCESS

LOOK AHEAD TO ACHIEVE LONG-TERM FINANCIAL VIABILITY

UPSKILL REGIONAL SUPPLY CHAINS TO DRIVE LOCAL EMPLOYMENT

CHOOSE THE RIGHT DELIVERY MODELS FOR MORE CERTAIN OUTCOMES

Physical infrastructure

Long term, the success of New Towns must be grounded in a cohesive and future-facing infrastructure delivery strategy.

Resilient and sustainable physical infrastructure is a fundamental component of any major housing development programme. Without capable and sustainable power, appropriate utilities, or sufficient transport capacity, developments risk becoming mere collections of houses that are unattractive to investors and uninhabitable for local people.

Homebuyers are increasingly prioritising transport links, for instance, reflecting a post-pandemic behavioural shift. According to research conducted by Market Financial Solutions in 2024, 74% of homebuyers in the UK now consider transport as one of the most important factors influencing their decision.^{vi}

The construction of infrastructure assets also brings multiple societal benefits. Such programmes generate numerous well-paid jobs and bring sustainable employment to a region, bringing increased productivity both during and after infrastructure is constructed.

It's clear that strong infrastructure networks contribute to the saleability and overall resilience of New Town communities. Achieving this will require strategic partnerships

with regional infrastructure owners to ensure all elements work together seamlessly, minimising disruption during installation and maintenance, while avoiding costly delays through aligning different partners and stakeholders.

As such, an early step in supporting the long-term success of a New Town vision must be building a cohesive and future-facing infrastructure delivery strategy.

Anticipate demand through strong collaboration

It has become well documented that the UK's infrastructure network faces severe pressures due to rising national demand measured against historic underfunding.

This is especially prevalent in the water sector. Ofwat reports that from 2015 to 2020, water companies underspent by approximately 5% of their allowances for wastewater facilities, reflecting stagnant investment growth amid rising demands.^{vii} For New Towns, this lack of growth increases the risk of new developments failing to secure the water access they need.

Authorities, therefore, must be clear and upfront about the capacity they need to support

their estates once built, backed by robust project and cost management analysis. This means both collaborating with infrastructure owners, as well as planning on-site investments to amplify local supply.

For instance, the energy sector is undergoing significant changes nationwide to meet increasing demands and reduce carbon emissions, driven by the Great British Energy Bill.^{viii}

Local authorities must adapt to this evolving landscape by working in tandem with the energy sector and exploring 'investment-ahead-of-need' mechanisms to best support housing developments in their respective regions.

Octopus Energy is pursuing this already through its 'Zero Bill Homes' initiative, working with authorities and house builders to deliver homes fully powered by green technology such as PV panels, heat pumps and batteries.^{ix}

Spot opportunities for innovation

Collaboration and working with an eye for the future is one thing, but capitalising on fresh ideas and approaches to expedite delivery is another.

74%

of homebuyers in the UK now prioritise transport links.

Each person in the UK consumes approximately...

150 litres

of water daily.

Households account for...

30%

of the UK's total energy use.

Modern technology offers opportunities to improve delivery speed, cost efficiency, and quality for New Towns. Digital tools such as Geographic Information System mapping and artificial intelligence in urban planning can streamline decision-making and identify optimal locations for housing and infrastructure.

However, beyond technological advancements alone, local authorities need to work within a challenging time for development in both property and infrastructure. Against public sector underfunding, affordability challenges, workforce and supply chain pressures, built environment leaders need to do more with less. This means spotting opportunities to not only deliver but to set precedents for future excellence.

Data centre partners have adopted innovative methods to bolster local housing energy networks through turning wasted heat into power. With an increase in home working following the pandemic, New Town programme leads should take notice of such innovation and capitalise on opportunities presented through partnerships with surrounding infrastructure owners.

Case study

Data centre servers generate significant heat while collecting, processing, storing and distributing data. This heat is often wasted, missing a significant opportunity to repurpose it to benefit surrounding houses and communities.

In Denmark, we have fostered collaboration between a data centre leader and local heat companies to provide an innovative use for this heat that benefits both the client and the local community. When cool water is directed into copper coils in cooling units, it is warmed by the server heat. The heated water is then directed back to heat pump facilities to warm up local homes.

This innovative approach supports Denmark's energy strategy, aiming for a 70% reduction in carbon emissions by 2030. Our data centre provides heat to over 10,000 households and forms a blueprint that can serve communities globally.

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↓70%

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Placeshaping for success

As much as we need to meet national housing needs, we must satisfy local needs as well.



Robust physical infrastructure creates habitable towns and cities, but these alone do not inspire people to live there. They do not create ‘belonging’ or turn a collection of houses into places for community.

Placeshaping, therefore, must be at the heart of a New Towns approach. As much as we need to meet national housing needs, we must satisfy local needs as well. In building strong communities this way, authorities can galvanise investment, while creating the right environment for successful programme delivery while building social capital.

Services, amenities and social value

A place-first approach means designing major developments with a clear view beyond housing alone.

Neighbourhood essentials like hospitals, schools, retail provision and green spaces need to be factored into delivery right from the programme’s inception. These need to be spaced throughout the community and implemented with strong urban design principles in mind to maximise accessibility, drawing upon the principles of 15 Minute Cities where appropriate.^x

These facilities create opportunities for neighbourhoods to thrive, but further initiatives will strengthen community bonds and create places where people feel they belong. Open green spaces incorporating public access paths or shared allotment spaces increase local food production as well as driving inter-generational interactions.

Developers, therefore, need to take a holistic view of each site being built on, examining the factors that make each region unique and working to create cohesive environments with a focus on providing social value. This requires close collaboration between planning bodies and delivery authorities, as well as representatives from across the existing community or target home buyers, to ensure that any new neighbourhood meets the needs of its residents and the wider economy.

Public transport and choice

Alongside delivering outstanding facilities, accessing jobs and employment opportunities must be considered. The Department for Transport estimates that every £1bn invested in public transport infrastructure supports around 21,000 jobs. Delivering resilient bus, tram and train networks is a key part of this.^{xi}

They reduce dependence on car travel while directly reducing carbon emissions from car usage. Active travel options also support sustainable outcomes, so authorities must incorporate networks of public paths for walking and cycling around the local area into New Town design.

Travel hubs like train stations or bus networks act as catalysts for local economies, boosting access to employment opportunities and sparking additional local investment to benefit surrounding communities. The London Borough of Barnet achieved this with its redevelopment of Brent Cross West station in North London.

Places to inspire belonging

Of course, as much as we know that the infrastructure, services, and amenities are most likely to benefit local people, developers need to engage them directly to tap into what they want from a New Town. Local communities need to be empowered to ‘own’ a New Town, invited into partnership with the developers and represented in the decision making process to help shape the future of a new settlement.

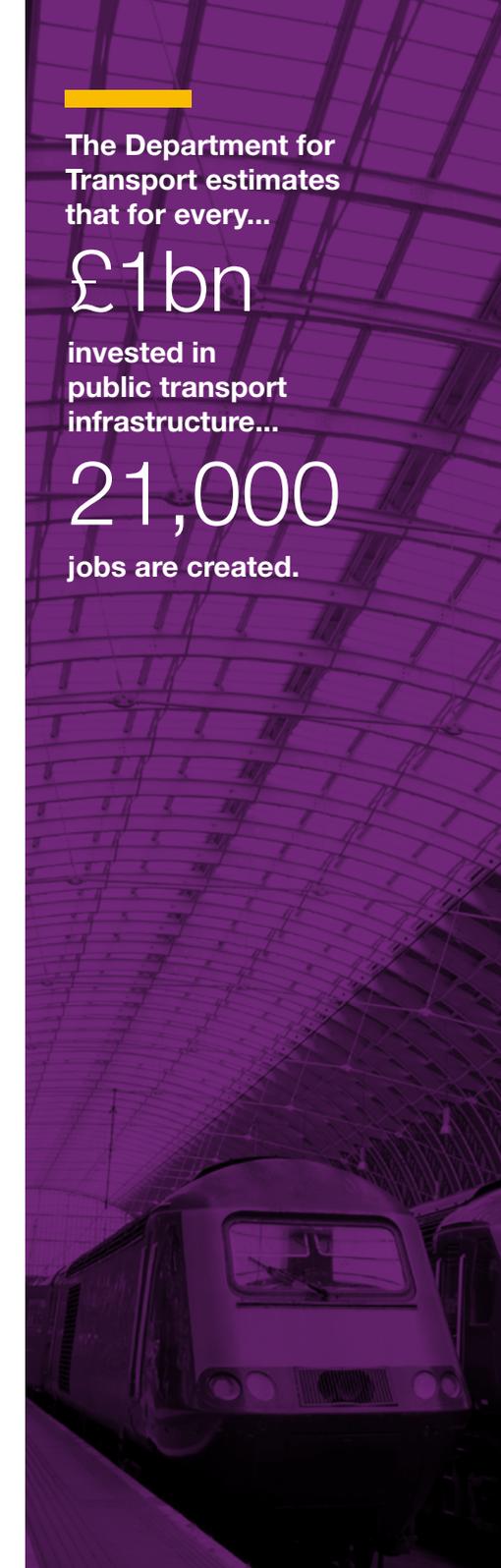
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jobs are created.



Working with the community, developers should look for opportunities to actively co-design, ensuring local people's views are heard and incorporated. Using the right techniques to maximise engagement, particularly with hard-to-reach groups, is essential to ensuring a truly representative and inclusive process. This might involve a mix of face-to-face and digital outreach, creative participatory methods, and partnerships with local organisations.

Beyond engagement, long-term stewardship is key to sustaining vibrant and well-functioning communities. Strong stewardship models — such as community trusts and partnerships — help to maintain social infrastructure, ensuring that local services, green spaces and public facilities continue to meet residents' needs over time.

By embedding stewardship from the outset, authorities can create places that not only attract investment but also foster a deep sense of belonging and long-term resilience.

Case study

Working with Barnet Council, we project managed the creation of London's first new main line train station in over a decade, sitting at the heart of one of the city's most ambitious regeneration programmes.

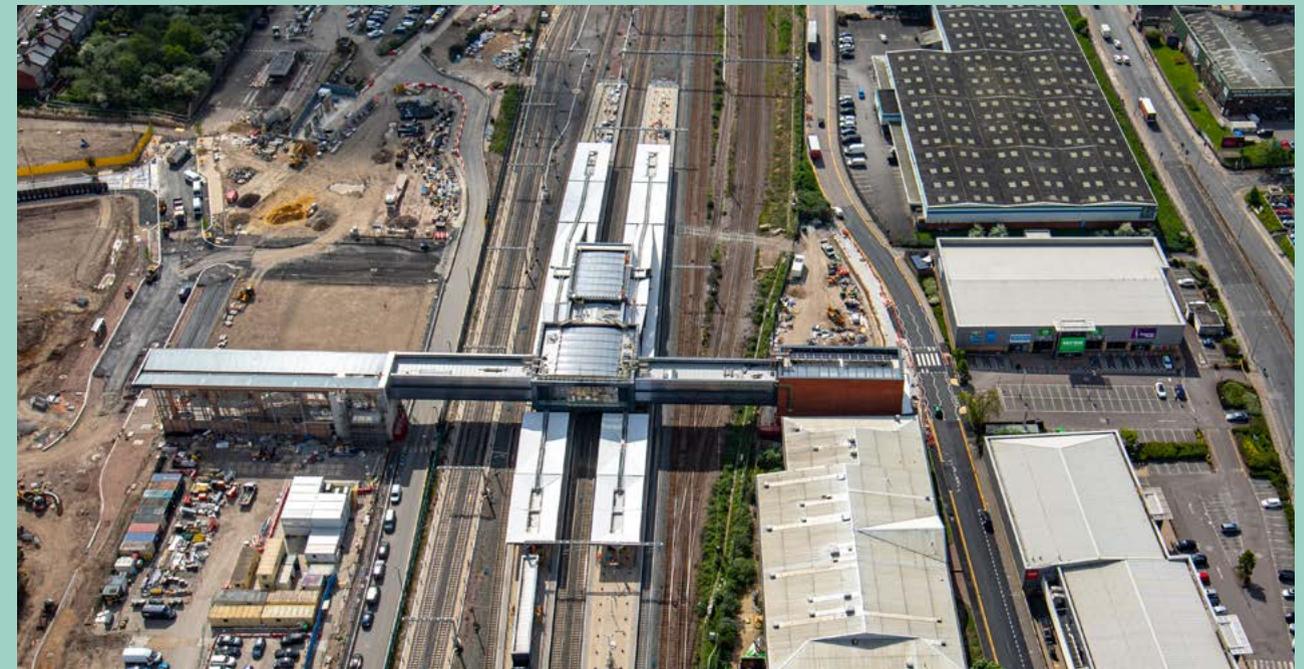
Situated on the Midland Main Line, the 7,000 sq. metre Brent Cross West station is equipped with four platforms and provides services that connect with central London in as little as 12 minutes.

While the station is transforming travel in this corner of London, its role is much greater. It is at the heart of a major £8bn regeneration opportunity that, when complete, will provide 6,700 new homes for Londoners, generate 25,000 jobs and provide 3 million sq.ft of office space.

The station serves as a major gateway to the new business and innovation district connecting Brent Cross Town to the Knowledge Quarter in King's Cross and the Oxford-Cambridge Arc, with 5.2 million working people within a 60-minute commute. What's more, the connection to the Midlands further boosts the region's economy.

It's an excellent example of how good transport infrastructure is an enabler for regeneration and growth both locally and regionally.

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Financial viability throughout the programme

It cannot be overstated how essential financial viability is in ensuring successful delivery, or how certain failure will be if this falters.

While considering the opportunities for communities in delivering New Towns, we must also examine the barriers that need to be tackled effectively.

New Town sites need to attract and secure investment (both from public and private sources), as well as ensure sustainable cash flow across the programme lifecycle. Given how long major housing programmes take to deliver, requiring up to and over 20 years from inception to completion, securing financial viability means going beyond securing cashflow today to maximising opportunities and mitigating risks down the line.

It cannot be overstated how essential this is in ensuring successful delivery, or how certain failure will be if this falters at any stage.

Delivering affordable housing

The New Towns Taskforce has set out a 'gold standard' for new developments requiring at least 40% affordable housing,^{xii} that is properties for sale or rent below the local market rate.^{xiii}

This is clearly an essential part of delivering strong neighbourhoods to directly tackle the UK's housing crisis

while building foundations for diverse, healthy and safe communities. Nevertheless, we cannot ignore that such housing typically delivers lower returns for investors, particularly those not interested in managing long-term rental portfolios, and therefore presents challenges in attracting private investment.

This mismatch between legislative requirements and investor interest will prove challenging to New Towns delivery unless adequate additional funding streams, or construction innovations, are introduced. The New Towns Taskforce has acknowledged this need directly through committing to understand how best to deliver against this 40% target.^{xiv}

Local governments must begin to tackle this challenge early. For instance, in discussion with the Taskforce, there could be scope to agree a change to the 40% requirement to reflect regional economic challenges, setting the targets on a local level. In addition, authorities need to explore innovative funding mechanisms such as land value capture or government-backed guarantees, alongside advocating for widening tenure offers for New Town homes

such as Build-to-Rent, again in discussion with the Taskforce and the Ministry for Homes, Communities and Local Government.

Also, taking advantage of modern approaches to construction can result in faster and cheaper housing delivery. The use of standardised designs and off-site manufacturing can reduce both the cost and time required to deliver housing, increasing affordability.

Finally, delivering houses with lower returns necessitates finding cost savings elsewhere in the programme. Working with a strong delivery partner to spot opportunities to consolidate the schedule through a 'programme management office' function, underpinned by robust cost management capabilities to minimise costs where possible, will be crucial.^{xv}

Derisking for the long term

The challenge of attracting investment in affordable housing is key today, but financial viability also relies upon the ability to anticipate and plan for future challenges as well.

This includes planned government legislation, such as upcoming changes to the Planning and Infrastructure

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Bill, which outline reforms to Compulsory Purchase Orders (CPOs).^{xvi} These legal adjustments will empower local authorities to acquire land more efficiently, minimising delays and excess costs to housing programmes.

However, while this can significantly reduce costs when purchasing land for new developments, it is a tool to be wielded responsibly. Reliance on CPOs should be seen as a last resort, with communities informed and engaged from

the start to achieve better outcomes and mitigate friction between developers and the people they need to cooperate with.

Finally, long-term maintenance needs to be factored into pricing agreements. New developments with green spaces or community amenities incur costs to keep them in good condition. Developers must consider where this revenue will come from, or they risk becoming unsustainable.

Creating the right funding model for delivery

Staying ahead of these challenges can be, in part, delivered through a focus on setting up the right delivery model right from the start of the project.

We know that the scale of New Towns delivery necessitates some form of the public and private sectors funding and partnership model. While the public sector, through local authorities and interest groups, has the ambition to deliver on

these major schemes, they may need to work with the private sector to access the capital to make these dreams a reality.

The opportunities presented by development corporations, as seen in the recent Planning and Infrastructure Bill, should also be considered. While they need a clear vision to set up correctly, often taking years for the right governance and structures to be established, they can act as strong delivery bodies for major housing developments. In particular, they

can more confidently acquire land or make investments to expedite housing delivery, while successfully bringing in a range of private sector expertise throughout the New Town programme.

However, we must be open to learning lessons from previous partnerships, both successful and less so. While the Private Finance Initiative faced criticism for misbalancing risk among partners, the success of the London Development Agency in driving economic development

in London led to significant opportunities for regeneration across the city. As a separate body comprised of expert consultants, it could make fast decisions to delivery projects at pace while ensuring strong returns and sustainable places when projects were handed back to the relevant local authorities.



Case study

Mace is working with Stevenage Borough Council (SBC) to undertake a phased redevelopment of Stevenage Town Centre, comprised of 1,863 homes, commercial and retail space, parkland and a new public services hub.

Mace worked in partnership with SBC as part of the Stevenage Development Board to secure £37.5m of funding through Stevenage Town Investment plan. Together we are also pursuing additional Homes England funding for the public services hub.

Financial viability became a significant concern once planning permission was secured in 2019. Inflation was high, driven by the UK's exit from the European Union, the COVID-19 pandemic and the war in Ukraine. Concurrently, higher interest rates resulted in more expensive borrowing and stalled house prices.

Working closely with our principal contractor, design team and sales agent, Mace developed a series of innovative cost saving revisions to stabilise financial viability without compromising building quality or saleability. This included a detailed programme review, optimisation of design layouts, a sectional completion strategy and review of fit-out specifications.

A combination of these measures, coupled with financial modelling optimisation and a comprehensive review of our sales strategy brought the project back within financial targets. The first plot is on track to complete in 2027.



Plugging the skills gap

If the Government commits to a clear New Towns strategy, then housing authorities and the built environment can confidently invest in local training opportunities.

While ensuring funding and investment viability is essential for realising the Government's New Towns vision, any programme is at a significant risk unless equal attention is paid to upskilling the construction sector to meet the demands of the agenda.

The Construction Industry Training Board estimates that over a quarter of a million construction workers, both skilled trades and professional services, will be needed by 2028 to meet current demands. Then there are the additional major programme commitments of this Labour Government including a third runway at Heathrow Airport, accelerating East-West Rail and delivering Lower Thames Crossing.^{xvii} This is all before the construction of 1.5m new houses and New Towns delivery.

However, the Government has already recognised this problem and is rising to the challenge. The Treasury and Department for Education have introduced major funding packages to train up new construction workers, including £600 million announced in March 2025.^{xviii} This included funding 10 new 'technical excellence' colleges and expanding 'skills bootcamps' across the sector.

Meanwhile, industry leaders are already shaping the future of construction skills growth across the UK. The Construction Skills Mission Board, sponsored by the government and co-chaired by Mark Reynolds, Group Executive Chairman at Mace, will work across the sector to shape a skills action plan while providing strategic leadership on workforce growth. Meanwhile, the House Building Federation's 2025 report 'A Hard Hat to Fill'^{xix} examines the uptake of entry opportunities across the sector and how best to meet the government's housing targets.

Local governments and delivery authorities for New Towns will undoubtedly benefit from these initiatives, but can do more besides. By both investing in local training opportunities while leveraging government and industry commitments, they can take steps today to create robust regional ecosystems for future New Towns and housing delivery.

Invest in training opportunities

Once the Taskforce clarifies its recommendations for New Towns locations, authorities can act with certainty to invest in local training opportunities.

Collaboration with training providers and bodies like Skills England will be crucial to achieve this, particularly with Skills England highlighting that the construction sector faces one of the most severe employment and skills gaps across all industries.^{xx} By working with education bodies to specifically tackle the skill issues within their specific regions, authorities can target their spending appropriately and deliver the best results for their local areas.

Additionally, partnering with bodies such as the Construction Leadership Council (CLC) and other built environment leaders creates opportunities to benefit from newer approaches to delivery.

Construction to Production (C2P) approaches can change how programme leads design, manufacture, assemble and operate within the built environment, standardising approaches, utilising 'modern methods of construction' and enabling low carbon delivery. However, the benefits of the C2P approach can only be accessed with the right training and expertise leading the way.

The Construction Industry Training Board estimates that over...

250,000

construction workers, will be needed by 2028 to meet current demands.

More than...

70%

of surveyed regions highlighted construction as a priority in terms of needing skills development plans.

Leverage scale to mature complex supply chains

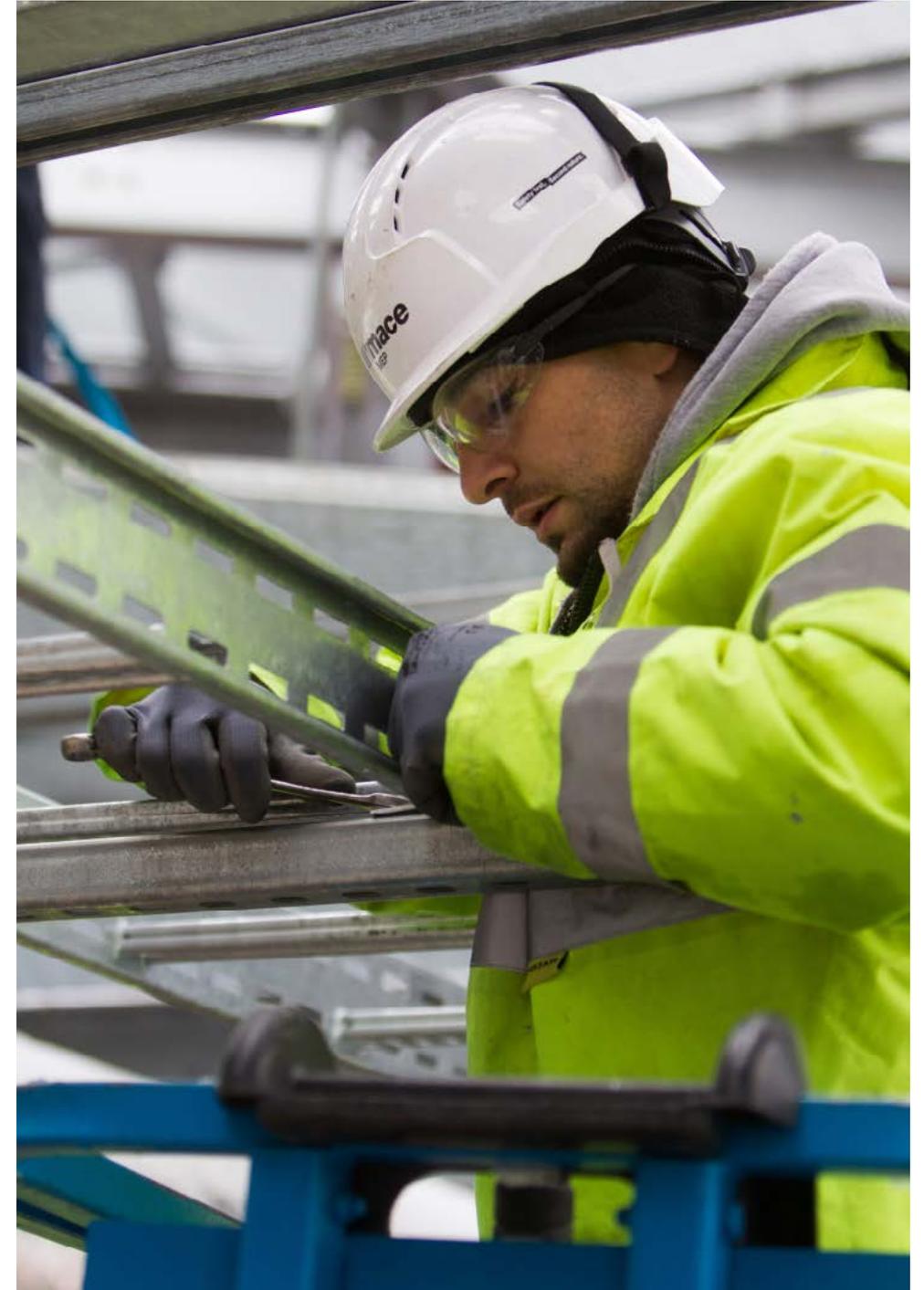
Any New Town campaign will be a major programme, demanding complex supply chains and a wide variety of skilled professionals to complete successfully. Authorities should learn lessons from other major programmes to utilise this scale effectively to leverage additional investment and interest in local training programmes.

In an analysis conducted by the Department for Education, more than 70% of surveyed regions highlighted construction as a priority in terms of needing skills development plans.^{xxi} When cross-referencing this data with the prime New Towns hotspots across the UK, there are several crossovers, including Cumberland, Worcester and Cornwall. These occurrences highlight the urgent need for strategic skills investment to bolster these local supply chains before the increased demand from major housing developments are placed on them.

Lower Thames Crossing launched a Skills Hub^{xxii} in 2024 to provide work-based training courses to benefit future delivery of the programme.

It intends to support local people to enter the construction sector, including prison leavers, alongside improving access to higher skilled and well-paid jobs by prioritising in-demand skills across modern construction schemes.

New Towns leaders can learn from this. Working with the government to take advantage of its commitments to similar initiatives across the UK, authorities can plan for future skills pressures while smoothing a path for delivery.





The key to delivery

Cresting this mountain is undoubtedly challenging, but with the right model and the right partner in place, housing authorities will be best set up for success.

It's clear that delivering New Towns effectively requires a vast array of abilities, expertise, financial certainty, planning and robust execution. Their potential huge impact on a local area, as well as the wider region, demands a complex mix of stakeholders and suppliers which can seem intimidating to follow through on.

Robust governance frameworks are essential for overseeing the long-term delivery of New Towns. Independent development corporations, steering groups, programme boards or similar entities should be empowered to provide transparency, ensure accountability, and enable consistent decision-making across political and economic cycles. These structures should be flexible to respond to evolving needs and challenges, enabling them to function for the duration of the programme.

They can also set out the core elements of New Towns delivery early, including sustainability alongside the pillars in this paper. Whether net-zero housing, circular economic principles or nature-based solutions, the right delivery structure can ensure that New Towns developments align with the UK's carbon targets,

enhance biodiversity and create resilient, future-proof communities.

The delivery partner model

In our view there is an approach that is proven to tie together these complex strands while driving consistency and collaboration – the delivery partner model.^{xxiii}

This route forward offers a partner organisation the mandate to drive delivery across multiple projects, liaising across sectors and industries with a variety of stakeholders, suppliers and contractors, to ensure a programmatic, whole system approach. Delivery partners work across external organisations, a myriad of suppliers and independent experts to create more certain routes to programme success.

From past projects like Birmingham New Street Station and the 2012 Olympic Games, to live commissions such as Metrolinx in Canada, Chulucanas Hospital in Peru, Qiddiya in Saudi Arabia, Manchester Airport in the UK and our work in supporting regeneration with Stevenage Borough Council, we've seen the positive effects of this approach many times over.

Delivering on the New Towns agenda requires grappling with physical and social infrastructure requirements, creating financially attractive investment opportunities and addressing local skills gaps. Cresting this mountain is undoubtedly challenging, but with the right model and the right partner in place, housing authorities will be best set up for success.



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