



Built Environment Committee

Corrected oral evidence: New Towns: creating communities

Wednesday 21 January 2026

3 pm

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Members present: Lord Gascoigne (The Chair); Baroness Andrews; Lord Bailey of Paddington; Lord Cameron of Dillington; Lord Faulkner of Worcester;; Baroness Janke; Lord Mawson; Baroness Miller of Chilthorne Domer; Lord Porter of Spalding; Baroness Warwick of Undercliffe; Viscount Younger of Leckie.

Evidence Session No. 7

Heard in Public

Questions 83 - 100

Witnesses

I: Rt Hon Steve Reed OBE MP, Secretary of State for Housing, Communities and Local Government, Ministry of Housing, Communities and Local Government; Lise-Anne Boissiere, Co-Director for New Towns, Infrastructure and Housing Delivery, Ministry of Housing, Communities and Local Government.

USE OF THE TRANSCRIPT

1. This is a corrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.

Examination of witnesses

Steve Reed and Lise-Anne Boissiere.

Q83 The Chair: Good afternoon and welcome to a special meeting of the Built Environment Select Committee here in the House of Lords. We are delighted to have with us the Secretary of State, the man who will deliver it all, who will "Build, baby, build", or so he says. I am also delighted to welcome Lise-Anne back to this committee.

As everyone knows, over the past nine or 12 months we have been looking into the Government's plans on new towns and expanded settlements. We have finished our first report—and we are still waiting a Government response to that. We are now on the second part of our deliberations, which is in effect the contents of these new towns. Thanks a lot to the Secretary of State for coming before us. I know you are busy. Secretary of State, I do not know if you want to say a few brief remarks before we shoot into it. We are happy to throw questions at you. It is entirely your choice.

Steve Reed: It might be nice to preface it a little bit with some of my wider thoughts on it.

The Chair: Sure.

Steve Reed: It is the first time I have been to your committee in my current role, in fact any role. It is nice to see some people I have worked with before in former lives of mine. Thank you very much for the invitation to come here today.

I am delighted that you are looking into new towns. It is an emerging agenda. The Government are out for consultation on aspects of it as well. Because of that, what I can say will be somewhat constrained, but I am more than happy to come back when we are further down the line and when we will be able to answer some of those points in more detail.

This is a genuinely exciting agenda. It is an opportunity for this our generation to start rethinking what living together in future will look like, in the same way that between the wars we had the garden cities movement, getting people out of the tenements in urban areas and moving them out into new conurbations or suburbs outside of the great cities. After the Second World War, the new towns movement, as in well-established places like Basildon and Milton Keynes, became a template for how we could start to live differently in a different age. We can learn from both of those examples, but this is our opportunity to establish some new towns and to design them and build them in ways that we think will fit better for the future. It is an interesting project for us all to be part of.

The only time the UK's economy has consistently grown at above 3% per annum was during the period of postwar reconstruction. We know development and housebuilding provide levers that you can use to drive the whole economy. We want to do that with economic growth being the

Government's number one priority, but also we have to do it because we have not, over recent decades, built enough housing. That has led to a housing crisis, with unacceptable numbers of people homeless and unacceptable numbers of young people and others unable to get that first foot on the housing ladder and meet their own aspirations to have somewhere decent, safe, and affordable to live.

The Government have already acted towards that objective. The new Planning and Infrastructure Act received royal assent on 18 December. We will have changes to the National Planning Policy Framework, which are still out for consultation, with some exciting developments to encourage development. Of course, the Government established the new towns taskforce before I was in this post. It reported as I came into post, and we are looking at that now.

I was able to welcome the taskforce's recommendations when Sir Michael Lyons made them, particularly on placemaking and delivery. Those have important links to public transport, nature and infrastructure like schools and hospitals, and to support for business growth and job creation, and there is the aim to achieve 40% affordable housing, with half of that at social rent. Also, some interesting ideas were pitched out there for how we might look at these towns differently. What would an AI-enabled new town look like? What would a new town designed for ageing well look like? We hope many people, including members of your committee, Chair, will want to contribute to some of the interesting pieces out there.

As I said right up front, I cannot discuss details of the Government's full response to the recommendations, as we are undertaking necessary assessments as part of a wider consultation. Some of that will be commercially sensitive, so I cannot go into detail, but we will have a full government response in the spring. As I said earlier, if I am constrained now in what I can say in any area, I would be more than happy to accept a future invitation to come to your committee.

Q84 The Chair: We will snap your hand off at that one, Secretary of State. Thank you again for being here, both of you. I appreciate that you may not be able to say some things because of the sensitivities, as you say. As I was referring to earlier, many of us watched Minister Pennycook before the Commons, so we know a lot of this has been discussed at length recently.

I wonder if I could push a little further on the process and where you are at the minute with the assessments. As you say, 12 sites have been put forward, the Government have said that three are—in their language—"preferred locations", and you are looking at them now. You are doing the SEAs, the environmental assessments. Are you able to say what sets those three apart from the other nine? Are the total of 12 facing the same test and the same assessments that the three are facing, or are the three facing something different to the other nine? Furthermore, Secretary of State, when you mentioned spring, is there any indication of what "spring" means? Will we expect it soon, or will it be very soon?

Steve Reed: First, the language that we have used for the three that were separated for particular identification is “most promising”. Of course, all of it is subject to the strategic environmental assessment work that has to be carried out. We are carrying out that work on all 12 sites, not just the three that are the most promising. We will not be able to take any decision until we have that information back and the further public consultation has been completed.

The term “spring” is a bit vague because, to be honest, I do not know the precise dates. We want to have it done as soon as possible, because we want to move ahead with some of the other decisions that will be necessary to make sure that we can go ahead with three, hopefully, of those 12 during this Parliament. We can certainly keep you updated and write to you with more detail about those dates, as I understand it, and my colleagues will correct me or add further information if I need that.

We are looking to go out with the public consultation in February, next month. That will include an environmental assessment as well as more detail or proposals around placemaking and delivery. Within a month, you will have more of that information available. It will at that stage be out for consultation, and we will aim to get that back and completed within the spring so we can move forward.

Lise-Anne Boissiere: To explain, the timelines are a little bit fluid because we are doing all these environmental assessments, and it depends on what gets brought up through that assessment process. Sometimes we will need to do more work or ask more questions. We will, I hope, consult shortly on the draft SEA and our proposals for which sites could be adopted.

The Chair: You have mentioned three as the most promising. They are the words you are using. There may be a world in which it becomes three plus one of the other nine. I do not want to pre-empt them, but may others on that list emerge as well?

Steve Reed: It may be a different three. We have not ruled out sites that were not in the original 12. Until we have had the strategic environmental assessment work completed, it is impossible to say. We should not say, indeed, because I could risk being judicially reviewed and losing if I were to do that. We will conduct that work properly and then come back.

You asked why those three had been identified as the most promising—it was because they met the criteria for having the most promising prospects for fitting in with the economic growth agenda and viability for being delivered within a reasonable timescale. That is why we picked those three, but it is still subject to consultation. We accepted the taskforce report, but we have not decided about the sites.

Q85 **Lord Mawson:** It is a brief point. I was involved in the Olympic project from day one for 19 years. A group of us wrote the structure for the legacy company for Hazel Blears. I chaired the whole regeneration piece

out there. I am aware that the processes and the machinery we came across were not fit for purpose. If we had not had a date and a deadline, which was clear in that case, we would still be talking about that now. Where have you got to with putting in real dates and real deadlines? I worry that if you do not, we will be talking about this in 20 years and we will have built nothing. A date is helpful when you are in a room with lawyers who have 1,000 complicated reasons why you cannot do X, Y and Z.

Steve Reed: Yes, I completely appreciate your point. We were talking about it outside. For a time, I cochaired the Vauxhall Nine Elms regeneration project with Eddie Lister. We cochaired that as the leaders of the two neighbouring boroughs that had that scheme in the area. Of course you need hard deadlines, but you have to go through a process first to make sure you are scoping things out properly.

It would be difficult to give deadlines without even having to determine the sites, for instance. It is reasonably ambitious to have said we will go ahead with work and will have started work on three sites within this Parliament when we have not yet identified what those three sites will be. However, as we continue through the work to nail down exactly where they will be, the public consultations that are required, then start to do the master planning work and allocate resources to deliver them, then of course we will have deadlines.

Lord Mawson: My only thought for you from our experience was that unless someone—and that ultimately needs to be the Secretary of State—starts to put in dates and deadlines, these systems and processes can wind around you forever, and one will talk forever. I am trying to understand whether you understand that point.

Steve Reed: Having cochaired the delivery of a programme that was even bigger than the Olympics, I can answer that yes, I do understand it. We will ensure that those deadlines are put in at the appropriate time because I know that otherwise they will not be delivered, as you are saying.

Q86 **Baroness Andrews:** It is a point of clarification, Chair. You were talking about going through the process now of looking at some of the detailed information that you will need from each site to make some judgments about fitness for purpose and ambition and so on. You talked about a consultation going out in February. Will this consultation involve all 12 nominated sites, and will it be the same consultation process or will it be tailored and targeted to the nature of those different sites because they are so different, have different requirements and so on?

Steve Reed: It is a strategic environmental assessment, and it is for all 12 sites. We have identified three sites as the most promising. Those are not necessarily the sites that we will go ahead with. We are carrying out a SEA on every site so we have that information available. Going through the consultation will give more information that we can get back on those placemaking factors, the deliverability and viability factors of the sites.

Armed with all of that, in the spring we can decide where we want to go ahead, and we can start putting down deadlines so people will see more clearly where we will go ahead and how.

Baroness Andrews: Coming out of that, will you be able to generate a clear set of placemaking principles that you will also expect each site to subscribe to and evidence when they go forward with what they want to do?

Steve Reed: Yes, the report of the taskforce was clear on placemaking principles, and we have accepted those. That is right, because we are not just trying to build a load of houses in a desert. We are trying to build communities with all the infrastructure that communities want around them and access to green and blue space.

One principle I thought was interesting was the intimate involvement of local people in helping to design these communities. They have to be liveable; they have to be places that people will want to go and spend their own lives in and bring up their families, with access to public services and amenities and decent public transport. We need an awful lot to get these communities right. They are different from each other. Some of them, like Victoria North in Manchester, are in urban areas already, different from somewhere like Tempsford, a small village in Bedfordshire, conveniently positioned at the intersection of two railway lines. They are so different and it is quite hard to generalise entirely—but, as principles, they made a lot of sense to me when I was reading them.

Lise-Anne Boissiere: I will clarify that as part of that SEA work we are giving consideration to the full evidence base that the taskforce looked at, very much building on what it found, to take forward the further investigations and conversations, as the Secretary of State says, about the opportunities. Each site has different opportunities and challenges. We are trying to understand better what tailored support each location might need to be brought forward.

Baroness Andrews: Absolutely, thank you.

Q87 **Baroness Warwick of Undercliffe:** In a way that reinforces the query in my mind, do you have any red lines that will determine whether the sites are acceptable? There will be all sorts of reasons. One of them is likely to be the reaction locally. Every development is always opposed. Is there a chance that the fact that somebody else might be the victim, in their minds, because of the lack of decision-making or any clear indication of the basis for the decision, might reinforce the protests and make it even more difficult to take a development forward?

Steve Reed: We will take the decision, as my colleague the Housing Minister said—and I agree with him—in the national interest, but we are having a consultation. We want to hear what people have to say. If objections make sense and undermine the opportunity to move forward, we would be very foolish indeed not to listen to those. It is a genuine consultation. We want to hear what people have to say. We need to

understand the strategic environmental assessment impact then weigh what that tells us about the environmental impact with the benefits that could be derived from moving ahead with that particular location, but it will be a genuine consultation. We will listen to what people have to say before we take our decisions. I will reinforce this point because it is important. No decisions have been taken yet.

The Chair: I suggest we move on, but we will come back to that in a bit, if we may, Secretary of State.

Q88 Lord Cameron of Dillington: Good afternoon. No doubt developing a new town requires real commitment, drive and a sense of purpose. To develop 10 of them or even three of them requires that in spades. Yet the sense out there is that the Government's commitment to this agenda is faltering. Delays seem to be an inherent part of the programme. The doubts about the way forward seem to be too many for a programme that, after all, you have had a good 18 months since your manifesto commitment to think about.

From our committee's point of view, we submitted your department a report last September, and it seems odd that there has been no reply to that in the conventional three months. It makes me wonder whether too many soft-peddling nuances have to be decided on—maybe even higher up the chain, in Downing Street—for you to be able to give us a response. If you had thought about the programme, the answer to our report would have been, to my mind, simple, robust and strong. However, clearly, there are difficulties, which makes one think. Is your commitment to this agenda still a firm priority for this Government, or has it gone off the boil? Will it still be simmering away at the next election? After all, this is a long-term programme.

Steve Reed: First, I understand the response to your report is ready now and so you will get it imminently. I hope you will find that all the adjectives you have described will be able to apply to it.

Let me allay your concerns completely. I am fully and absolutely committed to this, and so is the Prime Minister. I was moved into this job in September, and I was delighted to be moved here. It is an exciting department to be in. The Prime Minister was clear that right up there in my objectives was the delivery of the new towns programme. He spoke about it a few weeks later at the Labour Party conference as well. We all see it as one of the big projects and big programmes that this Government can deliver and leave a legacy for the future.

Only once in every generation or two do we get opportunities like this to rethink how we live together. Technology is changing, people's expectations are changing, the way we live our lives is changing. We are different to how we were when the new towns were established after the Second World War. We are much more aware of sustainability. We have much more expectation about choice as consumers. What would an AI-enabled new town look like? How can we incorporate AI into how we live, how we work, how we shop, how we learn? How can that be represented

in the fabric of the buildings that we live in and how those buildings are collected together in streets or in blocks?

Here are some interesting questions and, rather than answer them theoretically, we could do something exciting with a particular new town, which would then see the UK leading the world. I am not aware of any other conurbation or new town anywhere else that is being designed quite like that. We could learn a lot, and we could attract talent from all over the world to help us shape that.

In terms of the government commitment, I hope the fact that I got a letter from the Prime Minister including new towns as one of my personal priorities will reassure you; he holds me to account on that, and I hold my ministerial team to account on delivering this as well. We are working cross-government; we regularly have a meeting with a Cabinet committee called the Home and Economic Affairs Committee. We have another meeting coming up next week. We meet regularly on that, and new towns is part of the agenda for that. Of course, delivering new towns is not just for MHCLG. They will need hospitals and health services, and so the Department of Health and Social Care has a role. They will need schools and education opportunities, so the Department for Education has a role. We need good public transport, so the Department for Transport has a role. This has to be a whole-of-government agenda, or it would not be delivered.

We had the Treasury announcement last week of Northern Powerhouse Rail. We have had the announcement about the extension of the DLR, which will enable Thamesmead to go ahead. The Government have started to commit real hard resource to ensure that this programme can go ahead. I hope very much that that reassures your concerns.

Q89 Viscount Younger of Leckie: Thank you very much indeed. You gave an enthusiastic and upbeat introductory statement. You spoke about an emerging agenda and an exciting agenda. That is all absolutely fine.

I have some follow-up questions from Lord Cameron. To press you further on the priorities, I understand what you have said, but could you give an idea as to how big this is as a priority for the Government, including all priorities for the Government? Also, linked to that, to what extent is there discussion at Cabinet level about this project? I totally accept what you said about the Prime Minister making sure that this is one of your big priorities.

Secondly, to press you further on the timescales, I realise that it is subject to consultations and the rest, but can you give us more detail about the timelines for developing these new towns, particularly linking into the timescales reaching beyond the current electoral cycle? Thirdly, finally, could you give us an idea of the potential risks that you see of the timeline not being met? These are the three crucial questions.

Steve Reed: In terms of Cabinet-level discussions, the sub-committee I will be at next week, the HEA, is at Cabinet level. Members of the Cabinet

meet together to discuss it. New towns is one of the priorities for that sub-committee, and we report directly to the Cabinet. It has the highest-level focus of Cabinet within it, and it is one priority that the Prime Minister gave me when I was appointed to this job. We have what I used to call meetings but civil servants call “bilats”, regular meetings with the Prime Minister, when we will talk these things through and say how we are progressing the agenda and moving it forward. I hope that reassures you on that point that it is an absolute priority for the Government.

My top priority is to build 1.5 million homes over the course of this Government, albeit towards the end of the Parliament. This is part of that, and I am doing everything I can to make sure that we are moving towards achieving that objective. Many of the changes we are making, including the Planning and Infrastructure Act and changes to the National Planning Policy Framework, will enable new towns to go ahead more quickly. We are looking at the delivery mechanisms. The preferred mechanism is development corporations, because they allow the grip and the flexibility to drive them forward. Whether those would be central development corporations or mayoral development corporations will depend on the circumstances of the new town sites that are identified, but the model has much to recommend it.

In terms of the timelines, we are still scoping these projects out. We are still undergoing the environmental assessments. We need all that in before we can identify the sites, then we can scope out the rest of the programme. The deadlines will come after that. The one deadline that we have committed to so far is that work will begin on three of the new towns within this Parliament—on that I can be held to account for now. As we move forward with the scoping and the consultations ending and we start to take decisions, there will be harder deadlines that will be a bit more detailed and a bit more granular relating to the individual new town projects as we start to flesh them out.

Viscount Younger of Leckie: What are the potential risks?

Steve Reed: I am sorry, Chair.

The Chair: Do you have to vote?

Steve Reed: Yes.

The Chair: Okay, yes. Shall we adjourn the meeting? Let us adjourn the meeting. Thank you.

Sitting suspended.

The Chair: Welcome back, everybody. We are delighted to still have the Secretary of State with us. Before the Secretary of State left, we were with Viscount Younger.

Viscount Younger of Leckie: I wanted to follow up on the third question I asked, to do with the potential risks to the timeline. I realise you are not able to give us the timeline, but perhaps you could lay out

the key risks as you see it that might stop the timeline from happening. Secondly, you mentioned the 1.5 million homes. I am slightly confused because I thought that the 1.5 million homes were due to be completed by the end of this particular Parliament, in 2029. I doubt that any of the new towns will be built by then. In fact, it goes much beyond that. Perhaps you could clarify the position on that.

Steve Reed: Yes, sure. It is difficult to tell you the risks. It is a good question, but it is difficult to tell you the risks to the deadlines when we have not completed the scoping and established the deadlines for them. It would be easier to answer this if I were to come back slightly later in the year when we have completed the consultations and scoping exercises, at least on the initial sites, where the objective is work going ahead on at least three of them within this Parliament.

I guess that if we start on the 1.5 million homes early enough, if it is possible to get some homes built within this Parliament, those homes will count towards the target, but some of the changes I was referring to earlier on—the Planning and Infrastructure Act, the changes to the NPPF, the changes we are making to biodiversity net gain—all of that is intended to get housebuilding moving faster, both for the new towns but also for the 1.5 million target. It comes together. If we have a process that will speed up housebuilding, it will also speed up the development of the new towns.

Viscount Younger of Leckie: Could I press you further on whether you are looking to build a percentage of the 1.5 million as part of the new towns?

Steve Reed: It is impossible to tell you at the moment, I am afraid, because until I know what the scoping looks like and where we will be with the new towns, it is difficult to say.

Baroness Warwick of Undercliffe: I have a quick addition to that, Secretary of State. I am slightly confused because I thought we were told that any houses built under the 1.5 million target may count against the Government's target but not against the local authorities that are building them. Is there a difference between the two?

Steve Reed: We are considering that. That will be part of the scoping exercise.

Q90 **Lord Mawson:** Secretary of State, I like that phrase you used, "What it is like to live together". I will pinch it because it is quite good.

You are right. This programme is an exciting opportunity for innovation and new ways of working. I have, as a social entrepreneur, spent my life in that space, innovating and placemaking, for 40 years and have been involved in building a lot of stuff, exploring how housing and health and all that stuff links together. That is an exciting proposition.

I also know from practice—because I operate nowadays with colleagues and businesses across the country—that a lot of the machinery below the

Government is not fit for purpose, certainly not fit for delivering, and is not joined up. It would be good to have you say a few things about the fitness for purpose of the machinery of the state and how aware you are of what is going on with the delivery and the mechanisms—top, middle and front line. How joined up is this stuff? From my experience working on some sites around the country, it is in a lot of difficulty.

Secondly, no funding has been allocated to the new towns programme in the budget and several of our witnesses whom we have been listening to have argued that this programme will not succeed without central government investment. As a committee, we want something specific here. What future funding can be expected?

The third point is on the context we are in at the moment with all this. I am aware, as a Londoner involved in building stuff, that the housing market is collapsing in London at the moment, and it is serious. I am also aware that around the country lots of government policies around restructuring are going on, which means loads of people in local authorities and county councils are looking for their jobs, not making decisions about getting stuff done. What are the implications of all this? I wonder what thoughts you are having about delivery and how to make any of this work in this present context.

Steve Reed: Thank you. They are big questions there. I could probably fill up all the rest of the time, which the Chair would not like, and so I will try to keep it as tight as I can on that.

In terms of the machinery, the delivery mechanism that we select will be critical for getting this right. We could look at various iterations of development corporation, either central ones or mayoral ones, and it will depend on the infrastructure that is already available in a particular locality. Of course, a development corporation will want to make sure that we are able to tie up the various parts of the Government, the rest of the public sector and private sector partners to ensure that they have all the machinery in place to deliver the outcomes. Again, that is generic but, without the scoping done on the individual programmes, it is difficult to be more granular. That is the approach that I would take.

I am thinking back to my time at Vauxhall Nine Elms, where a lot of the infrastructure worked. We used TIF, for instance, to help get together the funding for the Northern Line extension, a critical piece of infrastructure that unlocked a lot of the development further along the river from Vauxhall towards Battersea Power Station. Different mechanisms will fit different circumstances, and we will need to adapt it to each of those. However, I understand the point you are making, and the development corporation model is the best we have available to ensure that happens. In government we have the new towns unit bringing together Homes England closely with the department to make sure that there is co-ordination, but we will be looking at how we can bring all the various parts of government together in that way.

In terms of funding, it would seem odd right now to have allocated funding when we have not scoped out the new towns or even identified the locations for them. We would be funding thin air. As we work through this spending review and into the next one—we have already started thinking even at this early stage about the next spending review—you will see more of the funding coming through. It is not true to say that no funding has been allocated yet. Elements of the social and affordable homes programme of £39 billion will be available to support this. The DLR extension was agreed and has been funded to support the development of Thamesmead, one of the locations identified. The Northern Powerhouse Rail announcement was last week with the initial £1 billion going in. Further allocations will be made by Treasury as the plans for that progress. That will be pretty critical to some of the sites in the north as well. Funding is being allocated, but it is only right and proper that we allocate funding when we know exactly what we want to build and where we want to build it. That is how we will deal with that one.

Your third point was about the housing sector flatlining. You are quite right. It has flatlined more or less since the crash in 2002-03, and that is particularly acute in London. You may have noticed that shortly after being asked to take up this role by the Prime Minister I made an announcement on speeding up housebuilding in London, together with the Mayor of London. We took out a lot of the costs that were holding back developers and eased some of the standards to allow housebuilding to go ahead more quickly. We are starting to see a change in that. Last week we got the figures for housebuilding, and housebuilding starts are up 18% over a year before. That is a low base, but it is at least moving in the right direction. London had a significant increase within those figures.

Mortgage providers now have more mortgage products on the market for 18 years. Those providers are attuned to the demand for mortgages from potential buyers coming to speak to them, and that is why they are offering those additional products to market. We are starting to see that bottoming-out start to shift as the market starts to move, in response to some of the changes that we have been making to planning rules and regulations through the Planning Infrastructure Act and the NPPF stimulus package that we announced for London and some of the stimulus elements in the NPPF that will apply nationally as well. Another contributing factor is the fact that now we have had six reductions in interest rates since the general election, making a mortgage more affordable to many people and to many families.

Lord Mawson: Steve Jobs said that when it comes to believing in data or believing in real experience, he always goes for experience. As an east Londoner watching and experiencing what is going on out there, I suggest to you that the market is collapsing, and it is not going back that distance. Some of these budget decisions are having a profound effect. I was with the CEO of one the top estate agents in London, last week, who gave me the detail on this.

Often what we did in the Olympic Park is lauded as an example of the

development corporation. We achieved some things, but we did not get everything right. I am sure that is true. Also, if you look at a lot of the development corporations around the country, you can see that it is a pretty mixed bag. Sometimes they think this magic bullet is a development corporation. It is a good vehicle, but on the Olympic Park we did a lot of work on the granular detail of how to join that up with local communities, how to create an innovative culture that builds that £1.1 billion thing that Sadiq calls East Bank, and how to make all that work. There is lots of detail. I took a major developer a few weeks ago across that, who is working on another development corporation. He said, "We know nothing about any of this. It is extraordinary that we are involved in one that is not learning any lessons from this". So I wonder what you are doing about the whole question of the machinery of learning from best practice. I call it learning by doing. How do you create a culture that learns like that? If the machinery is not fit for purpose—and I fear a lot of it is not—can we make it fit so that it can deliver? What does it look like to live together?

Steve Reed: On the first point, I was at dinner on Monday night with loads of developers who, genuinely, were coming up to shake my hand and asking for pictures with "Build, baby, build" hats on their heads, telling me how much the market is moving. I took that, since they are active in the market right now and their livelihoods are around building, as a fairly good straw in the wind, I have to say, and it fits the data I have been receiving. I am confident we are turning the corner on getting the housing market moving.

On the points you are making, of course you need to understand the granular detail of what you are offering, but you do not know it before you have done the work. Again, I will refer to the point that I cochaired the Vauxhall Nine Elms regeneration project with Eddie Lister, which was a bigger programme than the Olympics, and delivered. We got the infrastructure in place. If you look at the place now, it is transformed. It was a massive empty brownfield site in the middle of London. Now it is absolutely incredible, including the upgrading of Battersea Power Station, which had been the subject of speculation for decades before we finally got something going there. We can learn from all of that, from the Olympics and from other major development sites up and down the country, and we will certainly pull those people in. However, it is quite right to go through the scoping exercise before we do the granular work. Otherwise, the granular work is just sands in the wind.

Q91 **Lord Cameron of Dillington:** Thank you very much. From the evidence we have heard on the funding and financing of new towns, the view is that once you have sown the seed corn of placemaking, and all the visions that you outlined earlier in your previous answer to me, and once you have determined that people will want to live in this place and the public are aware of that, your financial worries fall away because you will have an initiative going that will encourage and attract investment. You have to sow the seed corn to make it a success in the first place, and you cannot rely totally on value uplift to do that. That is from all the evidence

we have had. Too much needs to be done to rely on that value uplift. Therefore, you do need outside investment. You need investors.

We, as a committee, earlier this year went to Copenhagen. You were talking about trying to make us an example to the world. We were impressed by the new town that is being developed at Copenhagen. It is well worth a visit. They tackled this problem by getting long-term loan from the Government for 50 or 60 years at quite a good rate, I suspect. Because the Government were backing the development corporation and the business, other investors jumped aboard because it was unlikely to go belly-up in that case. I am wondering whether the Government could see their way to adopting this approach and whether that has come into your thinking.

Steve Reed: We need to keep an open mind. You are quite right about capturing land value uplifts. The different locations are incredibly varied and incredibly diverse. Some of them we can capture more and for some it will be more difficult. Some will need more public investment, and some will need less. I hope all of them will be exciting commercial opportunities, and we certainly want the private sector to be a significant partner in delivering what we need to deliver here. However, the circumstances will change, and we will need to look at the financing models, including the borrowing models and government investment models, dependent on the particular programme we are looking at. Over the river there, at Vauxhall Nine Elms, the Treasury underwrote rather than funded the major infrastructure project that was going ahead. The government funding was never called on because the scheme worked well, but that certainly gave private investors the confidence they needed to come in and put their money behind it. That was a specific scheme in a specific location, and we will need to take a similar approach to the different locations once they are identified and confirmed where we want the new towns to go ahead. The models you outlined, and the opportunities are exactly right, but we will need to apply them to specific sites when we have identified what they are. Does that help?

The Chair: Thank you. Next is Baroness Andrews and Baroness Janke.

Q92 **Baroness Andrews:** I will follow up briefly on that, Secretary of State, because you talked at the beginning about what we could learn from 1945 and that model of funding and of underwriting the new towns. They of course paid back within a matter of years the investment that had been made in them.

However, one thing that is different about 1945 is we were much more dirigiste and so the Government could tell you, basically, "This is where we will build and these are the people who will live there". Now, you have emphasised clearly the positive benefits that would come from cocreation, for example, and codesign. I am pleased about the phrase you used specifically, "a place for ageing well", because that is such a demographic signal and we are building for the whole community.

The risk is, of course, that we have now an articulate and a challenging

population in response to the Government's decisions as a whole. When it comes to development, the automatic cultural response is, "I would rather not have it here." In the examples so far, we have the case of Adlington, the greenfield site, which is causing quite a lot of political reactions locally. We also have the developers here, who are incredibly committed to engaging with the community, but have a slightly different take on how they are engaging from the public response, as it were.

Given the risks involved in ensuring that you have buy-in, especially to new communities as opposed to extended communities where there is a population, do the Government have a specific role in increasing conditions for public engagement and involvement—not consultation but genuine involvement? How do you see that as part of your consultation processes going forward? How do you see that as being able to get ahead of the curve so that the people who are liable to move into these communities know that a willing coalition will help them make that community themselves?

The Chair: I will adjourn the meeting to let you vote, Secretary of State.

Steve Reed: I probably have a few minutes, if I could, while it is still in my head, otherwise, I will forget.

The Chair: Fine, yes. Saved by the bell.

Baroness Andrews: It was a long question.

Steve Reed: Our planning system in this country became incredibly complex. It was one of the most complex in the world and impenetrable. It existed almost to prevent development rather than to enable development. I had the opportunity to meet the architect who was working for the State Department on the US embassy before it was built, who told me there was more red tape here than in any country in the world where he had been helping to build embassies—other, he said, than Rome and Baghdad. Those are not the comparators that we want if we are to attract the investment we need into development.

We have the Planning and Infrastructure Act, and we have the new National Planning Policy Framework in place now, the latter subject to consultation. All of that is intended to simplify and speed up the planning process so that we can get outcomes faster. I do not wish to describe it as dirigiste, but I hope it is much easier to navigate for people who want to come and invest their money and their futures in developments in our country, in the new towns in particular. We are making changes that will make that happen.

The taskforce produced that "place to age well" concept. I love it. We have an ageing population, and we need to be thinking about how the way that we live can better accommodate people with different accessibility needs, different leisure needs, and different ways of wanting to contribute to society instead of being locked up and isolated in a flat on their own somewhere. We can think about that in many different ways

and far cleverer people than me can come up with that, but how wonderful if we could incorporate that into some of these new towns as new exemplars of how that could be.

For me, good consultation is public engagement, but I know that there is bad consultation. I want to make sure that the placemaking principle that the taskforce identified about being community-led comes to life in how we do this.

We are developing an agenda alongside the new towns agenda called pride in place. We have allocated £5 billion to just under 250 of the poorest communities in the country. They will get about £20 million each over 10 years. Local people will take the decisions about how that money is spent through community-led boards. That is the start of a much wider agenda about how we can give more power and decision-making to communities. I would love to see some of that energy coming through decision-making about placemaking for these new towns so that it is not visited upon communities by the Governments but, as they see these towns start to develop, communities feel that they have owned how they look, how they operate and how they work, so that they feel real pride in these places. That will help to attract more investment in. It will attract more people to want to come and live there as well.

For all those reasons, that for me is an important principle. I hope that answers your question. Now I will rush off before—

The Chair: Yes, I will adjourn the meeting. Thank you very much.

Sitting suspended.

The Chair: Welcome back. The Secretary of State is back with us. Baroness Andrews?

Baroness Andrews: To follow up what you said, I take the point about the planning Act. The changes to the consultation processes will not necessarily affect how people feel about what will be happening on those sites. The Government have a real duty to make sure of the highest standards of engagement by the developers, and everybody involved.

Do you agree with me that the places, however they meet the economic criteria and the growth criteria, will still be highly politicised because of the responses, and you will have to deal with that in political terms?

Steve Reed: It is inevitable that in a consultation you will get a range of different views, some more in favour, some opposed. Some will be hostile. You cannot build a consensus that covers everybody. We have the national interest to consider here as well as the interests of people in their own localities, and they will express that clearly through the consultation, so we will need to come to a view.

As far as we can do it, if we can understand, recognise and incorporate people's own aspirations for where they live, the new towns will do better because they will be, in a way, born with loving parents around them. It

is better for any child—if you can call a new town a child—who will start to emerge in those areas.

Q93 Baroness Janke: I hear what you say about this but, given the statements that have been coming out of the Government that you are changing the planning system—lots of local people see that as detrimental to their own interests, particularly some local councils—and your determination to put the national interest first and remove obstacles, how will you ensure that this level of consultation that will give confidence to local communities takes place and that people's voices are listened to? The strong feeling at the moment is that nobody's voices are being listened to.

Steve Reed: It is an important challenge, and I have heard it as well. I started out as a local councillor. I was chair of a council, and I chaired our strategic planning authority. Making sure residents have a voice is important to me. However, you can do that in a way that does not stall development as our system does.

I will give you an example. When I was chairing the strategic planning authority in Lambeth, we had an application to develop the Shell site. You will know it. It is where the London Eye is across the river, which has huge benefits there for business and for investment. Some extra care housing for older people was desperately needed in the borough at that time. One objector delayed it for three years, at the cost of tens of millions of pounds to the developer, delaying the provision of those additional public services to people who desperately needed them—older people at the time.

There is a way to make sure that we hear the views of local people and include that in the final decisions without stalling something for years and years at massive cost, which, at a time when margins in development are tight, can be enough to stop the development going ahead at all, to the detriment of the whole community.

We are proposing through the new legislation that local areas will be asked to develop local plans in consultation with local residents. That will set parameters for what can be built where, what it can look like, how big it can be, and the standards that will apply to it. If a development application comes forward in line with that, local people have already given their consent through their engagement with the local plan. If it does not meet those criteria, it will have to go through a different process and can be rejected.

All we are trying to do is streamline a process that is blocking development that is in the interests of local people. Local people will still have a voice.

Baroness Janke: One of the experiences that has been put to me is that the costs to developers have often been reduced and allowed to be reduced by central government through removing the social housing element that developers deem not to be viable. That, again, has

damaged a lot of confidence, particularly in local authorities.

Steve Reed: Our aspiration is that 40 per cent of the housing in the new towns will be social and affordable and half of that will be for social rent, including council housing. That is an aspiration. We will push for that. We cannot know absolutely for certain we will hit exactly that figure. It may be a bit below or may be a bit above because it will depend on the different applications that come through and, indeed, the viability of different sites.

I know viability changes as the market changes. We are trying to make sure that schemes are more viable by stripping out unnecessary costs for developers at a time when we need to stimulate the market. The accelerator package that we brought forward for London, for instance, has temporarily reduced the requirement for affordability to get the market building because 30 per cent of nothing is nothing, whereas 20 per cent of something is some social homes. I was looking at this in terms of the numbers that I will get in London and, if profitability increases beyond a certain point, we can claw back excess profit and plough that back into social and affordable housing. We can apply flexible mechanisms like that, depending on circumstances in the housing sector and the housing market at the time that the building goes ahead, to ensure that we maximise our chance of getting out of these schemes the level of social and affordable housing we want.

We have, of course, the social and affordable housing programme as well of £39 billion over 10 years. That will deliver the biggest increase in social rent that we have seen in over a generation. I hope new towns will take advantage of some of that funding. As we move into the next Parliament, our intention is that the economy will be growing. Perhaps there will be an opportunity to put more money in behind that, but we have the £39 billion as a starter.

Q94 **Baroness Miller of Chilthorne Domer:** Thank you, Secretary of State. In your introduction, you mentioned that new towns were a chance to do things differently and that that was exciting. I absolutely agree with you.

Thinking about the innovation that would be possible, do you imagine that different new towns would be opportunities to pilot different schemes? How will you attract the people who will produce master plans to live up to your ambition? Would you imagine design competitions? How do you envisage delivering innovation of the sort that excites you and me?

Steve Reed: Yes, it is exciting. My expectation is that we will get different proposals for different new towns in various parts of the country that may want to focus on different things, and that would be the right way to go. It would seem quite odd if they all came up with the same proposals because the needs in various parts of the country will be different from each other.

I do not want to in any way cap or constrain people's creativity. Once we would be scoping out where these new towns will be, and once we put together the development corporations to deliver the first wave of them, I would expect local areas to lead on that work, not the Government. They will draw in talent from their own localities. I hope they will look globally for the best and most creative people that they can pull in to help them to move forward with this. Surely the sky is the limit with this.

Baroness Miller of Chilthorne Domer: What will stop them going, if you like, for safety? It is much easier to go for—and no disrespect to Poundbury—a Poundbury approach that is known and loved and integrates things and has nice Georgian housing but is not the kind of innovation we imagine for the end of the 21st century. How will you encourage people in the localities you are talking about to go for innovation and not safety, and developers as well? Safety sells better than innovation.

Steve Reed: No, not always. Some of this will be to do with leadership. It will be to do with leadership from us here in government making clear that we want these places to be as innovative and creative as they can be. That is for the people who are charged with doing the work on the ground—the development corporations, the local authorities, the communities that will be engaged in all of this. They will all have a view.

One great thing about this country is that it is one of the most creative places in the world. We have a massive, disproportionately big creative sector in this country because that is the kind of place that we are. We can dream differently about the future and how we want to live together compared to how we live today. We talked already about what a city designed around the opportunities that AI brings for how we live and socialise would look like. How different would it be? How different would public transport be in a place like that? How differently would you shop if your fridge could order for itself and the food would be delivered, perhaps by some AI-enabled means of transport? You could think about that in all sorts of different ways. What if we had a fully zero-carbon new town? What would that look like? How different would it be? We talked about ageing well. What if it were the best town you could imagine for a child to be born into and to grow up with access to green space, access to play equipment, different opportunities for learning both in the school and outside the school, and how kids engage with each other and play? That is me winging it off the top of my head.

This country is full of incredibly talented and creative people who can come up with their own ideas for their own places. I am genuinely excited to see what they come up with.

Baroness Miller of Chilthorne Domer: I want to push you on where the role for the Government is to encourage them and to enable them to do that.

Steve Reed: We are the enablers. If the Government try to do it, it will not be creative. We have to open it up to people in their own

communities—the best of the public sector, the best of the private sector—to come together and form their own partnerships.

I will give you a reason I feel so confident about this. It is a small example, but when I was the leader of a single borough in south London, we were piloting a model that we called the co-operative council, which was about trying to give communities a bigger say over the things that they wanted to do. The ideas they came up with were things I never would have thought of. We ended up with a local micro currency in Brixton, the Brixton pound. A group of people living in a housing estate at the top of Brixton Hill fundraised to put solar panels on the top of a council estate to generate their own energy. It grew into a social enterprise called Repowering, which is the country's biggest co-operatively owned, sustainable energy-generating organisation today. They use the profits that they generate to subsidise the energy costs of low-income households to alleviate fuel poverty.

Councils or Governments do not come up with that kind of thing. People come up with that kind of thing. I have confidence in the people of this country, in the places where the new towns will be, to innovate and be creative way beyond anything that I or any of us, I suspect, in this building could think up on our own.

Q95 Baroness Warwick of Undercliffe: I have a quick additional question because it relates to what the Government could do. I wonder if you see new towns as an opportunity for integrating the NHS in that 10-year plan. Several of our witnesses were keen to suggest that the NHS new towns programme could be integrated and could be usefully developed and expanded into our new towns programme, but would that have to be a government choice?

Steve Reed: The principle is already there in the 10-year plan for health. How it happens in different localities will be up to the localities. I hope that the new town programme will seize that opportunity.

I referred earlier on to pride in place and the work we are doing, not just on the Pride in Place Programme as it exists but the wider concept of pride in place, which can embrace a much broader model of public service reform based around place-based delivery, place-based integration, place-based design, and place-based budgets so that you can pull budgets together and reprioritise them based on what people in a particular locality want access to. I believe that will deliver us far better value for money, whatever resource we are putting into a community, by giving that community a bigger say over the outcomes it wants to achieve and how it wants to achieve them.

We should apply those principles to the new towns because that way we are starting from scratch here and we can design them so that the design and fabric of how they are constructed and how people can move around them takes that into account. If it is for ageing well, it will look one way. If it is for kids growing up the best way that we can enable them to grow up, it will look a different way. We certainly want to integrate all the

different parts of the Government and the public sector in new ways in these new towns. Otherwise, what is the point of trying to be innovative?

Q96 Baroness Janke: How do the Government intend to ensure that the new towns are built to the highest design standards and act as exemplars for future developments across the country? Given the experience of some of the new towns of the past, how will we ensure that these are, as you said, places where people want to go and people want to live because of the high-quality design?

Steve Reed: We have learned an awful lot as a country since Grenfell and the disaster that happened there. Many more safeguards and requirements are in place. The Building Safety Regulator is now getting up to speed under its new leadership. It nearly has a run rate, which was its original target, having been way too slow previously. Lord Roe, as he is now, is doing a good job there as the chair.

Through the changes we have made in the Planning and Infrastructure Act and through the NPPF changes, we will maintain high requirements for standards in these homes. I do not know if my colleague would like to chip in on that one.

Lise-Anne Boissiere: The other thing is that they will be master planned from the outset. That expectation creates that opportunity to think holistically in the way that you have all been discussing and that principle around community engagement. This has a lot of energy around it, I would say, when you speak to the people involved who are thinking these things up. They are thinking about the join-up with the health service and with local health facilities more generally and thinking about what new things they can do differently.

That combination of the excitement around this, the fact that it will be master planned from the outset, the fact that we have central government coalescing around it, and then the community engagement will make these, ultimately, exemplars.

Steve Reed: Some of the new design standards alongside the NPPF came out today, in fact, and we are due for some more out in the next few days as well. That is available for the committee to look at now and have a view on.

Baroness Janke: When we received evidence, Sir Michael Lyons made the point that there could be a bit of a trade-off between cost and pace of delivery versus design. I do not know how you feel about that. We have also had quite a few suggestions as to how design could be perhaps enforced by central oversight to restore public trust in this area. I do not know if you have other views other than master planning.

Lise-Anne Boissiere: We want to avoid being too prescriptive because, as soon as you become prescriptive, it limits some of the creativity that might come forward. With the master-planning element and then the placemaking principles, when you start to think holistically, you start

thinking about the right environmental mitigations and where that takes you in ensuring you have a resilient community.

Baroness Janke: Do you see any conflict in the pace of delivery and the cost, for example, and standards of design?

Lise-Anne Boissiere: Sometimes it is about laying the right foundations, having that clear vision that everyone has bought into and being clear on the different providers and other people who will come in to then deliver that and all the different specialist providers. Having a number of different types of providers on a site at any given time is partly how you then support buildout, because you have lots of people working on different plots at different elements. It is an investment up front, though, to do that master planning and to do that thinking. I guess at different phases, there may be a tension.

Steve Reed: We will not sacrifice safety in any way for cost or speed.

Baroness Janke: It is about quality of design as well and places where people want to live.

Steve Reed: Absolutely, yes, but there are ways to have quality design that can be built faster. Modular construction is interesting. As a model, it has not quite worked yet, but it has a lot of potential, particularly if you can use new technology like AI to manage the pipeline better. We could do more to incorporate AI into the planning process and then link that straight back to construction and the demand for materials so that we are lowering costs for the developers and, therefore, for the end potential buyer of these homes or the person who will rent these homes, while maintaining or even improving safety standards. We could look differently at this process.

The Chair: We have only a few minutes left and so I will move on, if I may, to Baroness Warwick, please.

Q97 **Baroness Warwick of Undercliffe:** Thank you, Chair. You started off with a positive statement reminding us of the Government's target of 1.5 million homes by the end of this Parliament.

Part of the problem is that all the latest figures suggest we are not getting anywhere near that. The November figure suggested that the number of new additions compared to the previous year was declining. Then the OBR suggested that the figure of 300,000 new additions that we know is required to meet the 1.5 million will not be reached until 2029-30. The figure that we ought to be building every year will not be reached until then. We have only three years left for that target. I wonder if you could respond to those figures. I know you were quite upbeat about numbers being built, but there is a gap.

The other thing was in relation to new homes for new towns. The 40 per cent target you have said is an aspiration and the Minister repeated that last week, but he also went on to say, "No new towns will come forward with low levels of affordable housing".

I wonder if you could address how he will make sure that happens. Some specific things are needed here to renew confidence. The general message we are getting is that developers, builders, local authorities, and housing associations are desperate to be given the confidence to get on and do things.

Steve Reed: Yes, but people know the housing market has been flat since 2022-23. We are only now starting to see that move upwards. If that trend continues and if by 2028-29 the market is at the run rate that I need it to be to meet 1.5 million, it will feel like a different market to the one today. We will be building homes at the fastest rate that we have done as a country for decades. That will attract investment. That will attract people who want to develop skills to work in that sector. That will bring in new mortgage products. We are thinking of what a growing market will feel like at a time when we are only just coming out of the bottom of the market. That is part of the answer. It will feel different if what we are doing works and stimulates the sector as the economy starts to grow.

However, as I was saying to your colleague who is not in the room any more, the figures that we had out last week for housing starts are up 18 per cent over the previous year. That is a good sign. It is not enough yet.

Baroness Warwick of Undercliffe: Is that 18 per cent over the 275,600?

Steve Reed: Yes, the number of starts over the year before. That was the figure we had last week. That is good because it shows things moving in the right direction.

I referred again to how we have more mortgage products on the market now than we have had for 18 years. The lenders are attuned to their own market and people coming forward for products. It implies that a lot more people are coming and asking for products if they are putting out there a new range of them. That again is a good sign.

We have had the OBR saying—I recognise your comments—also that the changes that the Government has brought in already will lead to the biggest rate of housebuilding that we have seen for 40 years. I know 1.5 million is a challenging target, but it is doable if we keep on the trajectory that we are on.

Confidence is an intangible commodity, but I speak to a lot of developers. I have a lot of them coming into the department next week. I was at an event on Monday evening where there were plenty of developers. The enthusiasm there was not there six months ago, and that is good because they are starting to see opportunities, they want to get stalled schemes moving, and they are looking at sites where they can put their money. The changes we made to BNG make smaller sites viable for small and medium developers, and we need to diversify the developer side of the market as well. We have a number of world-class big developers, but we need more diversity in the system on this side, too. We are starting to

see them coming forward. I am confident about what I know is a stretching target, but we can achieve it.

In terms of the 40 per cent social and affordable, as with the 1.5 million, we cannot be absolutely precise about what we will end up with because it depends on the sites that come forward and the different viabilities we will get in different parts of the country or, indeed, at different points in the market. That has some flex within that, but we will push for it to be 40 per cent. Perhaps it will be a little above, perhaps it will be a little below, but we are aiming for 40 per cent affordable and for half of that to be social.

We have the £39 billion social and affordable homes programme available. Bids will open for that next month. We hope to make an announcement on convergence as well, which I hope will stimulate registered providers to want to get building, which gives confidence to the private sector. We can pull levers and we are starting to move them, and we are starting to see a shift.

While I cannot give you a cast-iron categoric guarantee, I can say we will do our damndest to get that target. I will hold to that target, and I will hold developers to that target as well.

Baroness Warwick of Undercliffe: That is reassuring. Of course, building social homes has always been countercyclical so it acts as a stimulus to the market.

Steve Reed: It is a stimulus, absolutely, yes.

Q98 **Lord Faulkner of Worcester:** Thanks so much for coming. It has been a fascinating session, despite the interruptions.

Can I take you back on the question of environmental assessments? The one fly in the ointment, if you can call it that, in your ability to reach these targets, which we are all strongly in favour of, is the fact that environmental assessments may get in the way. Are you concerned about the reports that are coming in from, for example, the Office for Environmental Protection?

Steve Reed: Yes. I cannot anticipate what the strategic environmental assessments might say about different sites. I have not seen them yet but, when we have them, we will have information that we can use to balance against the benefits that we will be deriving from those sites. I cannot tell you in advance what they will be and nor can the OEP, to be fair. We will need to look at that and take a view in the round.

The new towns do not exist in isolation from the Government's wider agenda for nature, which I would argue is good. We have the nature restoration fund that developers are being required to pay into, which Natural England will be using to restore nature at scale across whole landscapes. That is how to get a big win for nature. It is not by piecemeal investment in smaller sites, attractive and wonderful though those are. You need biodiversity that operates at scale with interconnecting

ecosystems. Doing it across whole landscapes is better than the methodology that we were using before.

We now have the environmental improvement plan coming out of the Environment Act, completely redesigned with delivery plans attached to each of the targets. Before, there were no delivery plans at all, and the previous Government missed around 94 per cent of the targets because they had not worked out how they would deliver them. This environmental improvement plan has those delivery plans attached. They are still challenging, but at least we can see how the Government are intending to ensure that those outcomes happen.

Then we have the land use framework, which is information to give to landowners about how best to take decisions about their land. It envisages over time rewilding the least productive parts of land that are in agricultural production but produce only around 3 per cent of our food. By increasing output in the rest of our land that is in food production, we can maintain output of food but rewild an amount of land that we have not seen happen in this country for decades, if not centuries.

We have a big pro-environment, pro-nature agenda alongside our development agenda, which is why I described it as a win-win. We can do both. It is not either/or.

Lord Faulkner of Worcester: Did I understand you correctly when you said earlier that environmental assessments will apply to all 12 sites that are being examined?

Steve Reed: Yes. It is not just the three that are identified as being the most promising. It is all the sites, because no decisions have yet been taken about which sites will go ahead in the first wave.

The Chair: Next is Lord Bailey, quickly.

Q99 **Lord Bailey of Paddington:** First, Minister, before I launch into my question, I implore you to change the name. You earlier spoke about the garden city movement and then the new towns. Then these will be new towns for us. We should call them Reed towns. How about that?

Steve Reed: No, we should not call them that. I like the point about a new name, but not that one.

Lord Bailey of Paddington: I am pulling your leg. Lise-Anne, I am leaving that with you to remind the Minister that he must change the name. It is important so that we can have different areas and see what we are looking at. That is the first thing.

Look, there are a lot of questions here about planning, and you have made big play—and the Government have made big play—about changing the planning to 12 different principles. Which one of those 12 principles most exemplifies what the Government are trying to achieve in changing planning?

Before you go, on the 40 per cent target for social housing, if London has taught us anything, you need great land values to do that uplift. That will be challenging because other parts of country simply cannot match it. How will you change that? Can planning help you with that particular target?

My big thing about planning is the culture around planning. Many different parts of our planning systems see it as their duty to say no. How will you get around that culture piece? Many parts of our planning—certain communities, certain politicians—see it as their job to say no to any development. How will you change that culture in this country?

Steve Reed: Great. Brilliant questions. Thank you very much. The placemaking principle that attracted me the most when I was looking at them was the one about being community-led. Too much of this country thinks that politics is done to you rather than a tool that you can use. If we want to build back trust in politics, we have to show people that the resources of the state and the resources that politicians have available to us are available to them to take better decisions than politicians have taken over many decades now. If you are a democrat, it should not be a problem. I do want to see local communities and the people who want to live in these places have a much bigger say about how they are designed and created.

My experience of doing that is that communities are incredibly creative and incredibly innovative and will produce things that local government or the national Government simply cannot. I do not know if you know this, but I knew your mother when I was a councillor in Brixton. She was living in my ward, and she was incredibly active in the community and was one of those people who could get out there and create things and make things happen. People like that should be given a bigger role in decisions that affect the places where they live. I want to see that.

You are quite right about land values. They are different in different places but, as soon as we identify a particular location and confirm it for a new town, it will affect land values in that area. We are looking at making sure that land value does not stop the schemes going ahead, so where is compulsory purchase? We can buy the land at the value it was before the announcement was made. Nevertheless, the private sector and investors will be interested and will benefit from coming in and looking at that locality and getting involved, because the value of the whole programme will have increased. We can capture an element of that and use it to help us deliver the outcomes that we want, including the outcomes for social housing.

On the culture of saying no, we are tackling that through the new towns programme. You are right. It is well and good for the programme to be called new towns, but it needs a much better name when it goes out to the public, something much more inspirational than that name. The whole point of the Planning and Infrastructure Act, of the reforms we are making to the NPPF, and of the changes we will be making as we expand the Pride in Place Programme is to stop the “no” culture and move to a

"can-do" culture. I still want people to have a voice, and I still want people to be able to shape their own futures and the places where they live, but we need to get away from the idea that the system exists to block and stop everything.

Lord Bailey of Paddington: My last thought piece is about large providers versus small providers. I have started something to provide on a small community level. The big housebuilders are part of why the market is such a mess. What can you do to encourage smaller providers to be much more fluid, be much quicker, and get things done?

Steve Reed: I have a lot of respect for the big builders, I have to say, as well. They want to do a good job, but we will help them to do a good job.

Lord Bailey of Paddington: You are the Minister. I get that.

Steve Reed: I have known a lot of them for a long time. However, we need a bigger small and medium sector within development in this country. I have spoken while I have been in this job. What is the single biggest thing that we could do to make those smaller sites more viable for you? It is BNG reform. We have done that BNG reform, but I have not done it at the expense of nature. I will not repeat the points I made earlier. We have a great agenda for restoring nature, but they wanted BNG changes. We have delivered that.

A small developer came to my advice surgery in the constituency last week to say he was absolutely delighted and looking forward to going ahead and developing things. It is not often when you are in an advice surgery that someone comes along and thanks you for something, but he did and I was delighted.

The Chair: I have one quick final question from Viscount Younger.

Q100 **Viscount Younger of Leckie:** I have a quick-fire question on planning skills. Delivery of housing depends on having the right people in the right slots to plan. There is a tension between public service cuts for planning and an increase, as I understand it, in professionally qualified planners. Perhaps you could address that and say simply what the Government will do about this.

Steve Reed: Yes. I have mislaid the notes that have the figures to hand and so I do not have them here. Do you have them there?

Lise-Anne Boissiere: Yes. We have announced over £600 million of funding last year to support skills in the construction industry, which is pretty key to achieving the 1.5 million target and will recruit 60,000 additional workers. We are also seeking to build skills for planners and so we have also announced £48 million for that.

Viscount Younger of Leckie: Construction I understand, but I am interested in the latter point.

Steve Reed: That was in the budget last year and so that is there. The sector itself is also investing in skills development because it also sees the opportunities coming forward and cannot take advantage of them if the people are not there to go in and do the building.

The Chair: Thank you, Secretary of State, for your time and that of your team. Also, if I may, I pass on our personal thanks to Baroness Taylor, who has been fantastic in giving time and advice to this team. With that, thank you very much, good luck, power to your elbow, “build, baby, build”, and all that.

Steve Reed: Want a hat?

The Chair: A blue one. The meeting is over now. Thank you very much.