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Built Environment Committee

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New Towns: Commit and Build

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Built Environment Committee

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See Appendix 1.

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Evidence is published online at https://committees.parliament.uk/work/9845/new-towns-bricks-and-mortar/.

Q in footnotes refers to a question in oral evidence.

SUMMARY

This report concludes the Committee's three-part inquiry into the Government's new towns programme. Our first report, *New Towns: Laying the Foundations*, looked at the legal, governance, and funding frameworks required to get the programme started.[1] The second report, *New Towns: Creating Communities*, investigated how new towns could become thriving places, exhibiting best practice in placemaking and design.[2] This report, *Commit and Build*, identifies the key limiting factors that are preventing new town construction. It recommends steps the Government can take to remove these barriers, so that construction can be completed as quickly as possible.

In this report, the Committee has identified five main limiting factors which are slowing or preventing the completion of the new towns programme:

- The UK's capacity to produce and manufacture building materials and construction products has declined, exposing UK supply chains to global volatility.
- Providers of key utilities lack extra capacity to serve new towns.
- Building the new towns will require significant and unprecedented growth in the construction workforce.
- New and innovative technologies need to be better integrated into new town design.
- **The built environment sector requires clarity from the Government, backed up with strong action which shows that the new towns programme will come to fruition. Key delivery partners were clear that without firm financial commitments and delivery timetables, they would not be able to justify committing their resources to building new towns.**

To deliver its programme of new towns the Government must solve these problems with the following steps:

(1) Instil confidence to drive the supply of building materials

The building material and construction products sectors are in a 'doom-loop'. Britain's depressed construction rates mean that demand for building materials has contracted. The sector has therefore reduced supply and mothballed production capacity. This will make it difficult to meet the massive increase in demand that an ambitious new towns programme would create. If the sector is confident in the Government's commitment to the new towns programme, then the programme can act as a stimulus to the sector, reassuring suppliers that demand for building materials will remain high for decades to come.

(2) Require resilient infrastructure

Like for all major infrastructure projects, new towns will need access to an abundant and resilient supply of key utilities and infrastructure: for example, water, electricity and digital connectivity. The new towns programme faces three challenges: first, sequencing the installation of these utilities, so that

1 Built Environment Committee, *New Towns: Laying the Foundations* (2nd Report, Session 2024–26, HL Paper 183)

2 Built Environment Committee, *New Towns: Creating Communities* (3rd Report, Session 2024–26, HL Paper 278)

construction is quicker and not held up. Secondly, overcoming the pressures on supply for water and electricity nationally by making best use of demand-reducing technologies. Thirdly, ensuring that utilities can be supplied in a sustainable and resilient way, and remain unaffected by climate change and sources of volatility. To do this, the Government must introduce a national resilience framework plan as soon as possible, to safeguard the future of energy and water for megaprojects, which should include new towns. High standards for water and energy consumption and supply must be embedded throughout the new towns programme.

(3) Ensure an adequate supply of skilled workers

The built environment sector faces a "permacrisis", with a shortage of skilled workers, due to an ageing workforce and fewer young people entering the industry. This will require a new generation of skilled workers in a multiplicity of professions: otherwise there will not be enough people to construct the new settlements. As part of their forthcoming jobs plan, the Government should undertake a national review of non-degree construction training and apprenticeships to assess their effectiveness and relevance to modern construction and to the needs of employers. This should also examine the reasons for high drop-out rates from construction training courses. The new town delivery bodies must establish strong and effective working arrangements with employers and training providers to establish accredited training and apprenticeships tailored to the particular requirements of new town development.

(4) Make it easier to employ innovative technologies

The new towns programme presents an outstanding opportunity to showcase the best use of new technologies that will make housing quicker to build and more sustainable to live in. Economies of scale and Government support should mean that novel building materials and techniques are more likely to receive regulatory approval and are more appealing to insurers, when their use is demonstrated on a large-scale. The Government has a role to play in removing any barriers to their use. Standardisation and modern methods of construction could also mean that houses are built faster than ever before.

(5) Commit and build

We welcome the most recent assurances from the Minister of State for Housing and Planning that he and the Government remain committed to the new towns programme.[3] We look forward to hearing further details on the funding and governance strategies for each individual new town and urge the Government to establish the delivery vehicles within three months of the sites being announced.

More broadly, we believe that the built environment sector will benefit from further commitment and action from the government. Problems identified in this report include a lack of construction skills, weakened domestic materials supply, and insufficient opportunities for technical innovation in building design. We urge the Government to take decisive action and inspire confidence in the key interested parties that the programme will be delivered. Developers, the construction sector, training providers, utility firms and others are both willing and able to deliver but they require the confidence to invest and expand production. New towns can be a powerful stimulant for this, but only if the key players involved can trust the Government's commitment to the project.

3 Q 58 (Minister of State for Housing and Planning)

The Government have told us that they remain absolutely committed to the new towns programme. It is now time to act and work collaboratively with the sector to earn their confidence.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Introduction

1. Our inquiry has shown there are many challenges which make the completion of the new towns programme difficult. However, the Committee believes that it is both possible and indeed necessary to overcome these. (Paragraph 11)

2. *The Government must establish new town delivery vehicles with clear powers and terms of reference. Delivery vehicles should have the power and autonomy to carry out their work without interference from the Government, but any terms of reference should stipulate any minimum standards and accountability structures required to ensure timely and effective delivery.* (Paragraph 12)

Building materials and construction products

3. Supply chains for new towns can be made more resilient to a changing climate and global economic shocks by using a diverse range of building materials, ideally sourced from the UK. (Paragraph 28)

4. *National infrastructure projects, including new towns, will benefit more from overall confidence that the Government is fully committed to seeing rapid completion, given that the materials sector is demand-led. Therefore, the Government should add information on new towns to NISTA's pipeline, so that the sector has access to accurate demand forecasting and can make capital investment in the natural extraction and manufacturing of materials accordingly.* (Paragraph 31)

5. *By providing greater leadership and clarity, the Government can provide confidence to the sector that the new towns will be delivered. This confidence in the programme will unlock investment in the domestic building materials sector. Increasing domestic capacity will in turn make national supply chains more resilient, and safeguard the delivery of major projects, including new towns.* (Paragraph 34)

6. *The Government must provide the essential commitments to the building materials and construction products sector that the new towns will be delivered.* (Paragraph 35)

Utilities and infrastructure

7. Successive governments have failed to effectively anticipate future demand for water, meaning that major developments, such as new towns, cannot rely on an adequate future supply. The new towns programme is threatened by static supply of energy and water, coupled with increasing and unpredictable demand. (Paragraph 53)

8. *The Government must ensure that utility providers are involved in the production of a holistic national resilience framework plan as early and fully as possible to safeguard the future of energy and water for megaprojects.* (Paragraph 54)

9. *High standards for water and energy consumption and supply must be embedded in the terms of reference for new town delivery vehicles. This provides a unique opportunity for innovative solutions such as grey water systems, and rainwater harvesting.* (Paragraph 55)

Construction skills

10. The under supply and incorrect mix of onsite and professional construction skills are a risk to the successful delivery of new towns and expanded settlements. (Paragraph 60)

11. *As part of the Government's construction jobs plan, there should be a national review of non-degree construction training and apprenticeships. It should assess their effectiveness and relevance to modern day construction and to the needs of employers. It should also review the standards of qualifications awarded. The plan should examine the reasons for the high drop-out rates for construction qualifications and should be published later this year, as promised to the Committee.* (Paragraph 68)

12. *The terms of reference for each new town delivery body must include a requirement to establish strong and effective working arrangements with employers and training providers. This should lead to the establishment of accredited training and apprenticeships tailored to the requirements of new town development.* (Paragraph 72)

Technology, innovation and best practice

13. The Government has a key role to play in legitimising and endorsing innovative, low-carbon materials and technologies to reassure insurers. (Paragraph 81)

14. Embracing innovative construction methods, including modern methods of construction and standardisation, can reduce pressures on other parts of the sector, including onsite skill demands. (Paragraph 89)

15. *The Government should review the potential uses of standardisation in house building and how current practice and the building regulations may need to change to facilitate this.* (Paragraph 90)

16. *The Government should make it easier to procure innovative or novel building materials and methodologies by both encouraging demand and reducing barriers to supply. It should look to remove barriers and where appropriate, incentivise their use in the new towns programme, which should be exemplars of their use.* (Paragraph 91)

17. *At the master planning stage for new towns, specific small plots should be designated for SME developers, as outlined in our earlier report.*[4] *Delivery vehicles must consider how to involve SME developers at the earliest possible stage.* (Paragraph 94)

18. By focusing the 'new towns' programme on urban extensions and urban regeneration schemes the Government has missed an opportunity to create a truly novel generation of distinct new towns. (Paragraph 96)

Conclusion

19. If the Government provides commitments that the sector trusted (such as a long-term timetable, build-out targets, funding and sector support) stakeholders could rapidly scale-up production for materials, utilities and skills. (Paragraph 104)

20. The new towns programme will fail unless the built environment sector is given a clear message that the Government will deliver as promised, and as necessary. (Paragraph 105)

21. The Government must fully commit to taking ownership of the success of the new towns programme, or risk further weakening the confidence of built

4 Built Environment Committee, *New Towns: Laying the Foundations* (2nd Report, Session 2024–26, HL Paper 183)

environment stakeholders that the Government is willing and able to deliver megaprojects. (Paragraph 115)

22. *The Government must establish all development corporations or equivalent delivery bodies for the new towns programme within three months of the final selection of the sites.* (Paragraph 116)

23. *We will soon by approaching two and a half years since this Government came to power. There has been a consultation and the launch of a taskforce, but construction —or even the final selection of new towns locations—are yet to take place. Therefore, alongside commitments to the urban extensions and urban regeneration projects, construction work must begin on at least one standalone new town within the lifetime of this parliament.* (Paragraph 117)

New Towns: Commit and Build

CHAPTER 1: INTRODUCTION

A modular approach

1. *New Towns: Commit and Build* is this Committee's final report from an 18–month long modular inquiry into the Government's programme for new towns and expanded settlements. We launched this inquiry in March 2025, intending to support the Government as a critical friend in the delivery of the next generation of new towns. Each report is intended to build on the one before it, creating a cohesive body of conclusions and recommendations to act as a guide to create flourishing new towns and communities.

Module 3 - New Towns: Commit and Build

2. This final report considers the physical barriers to construction: the practical limitations on 'getting the spades in the ground'. While the previous two reports considered the frameworks to deliver new towns and steps necessary to support an emerging community, all these will be for nothing if the physical buildings and infrastructure are never developed.

3. Over the course of our three-part inquiry, we heard of the ambition and drive from the sector to get things done and received evidence from organisations who were excited by the prospect of getting involved. Yet, we also heard that the sector lacked confidence that the programme would ever be delivered.[5] They described barriers to physical construction which we explore in this final report, including high insurance costs for materials,[6] problems with utilities supply[7], and a lack of skilled workers.[8] The Government must address the concerns of the sector and work to remove these barriers to development if it wishes to see the new towns programme delivered successfully.

4. For this module we appointed a Specialist Adviser: Kelvin MacDonald, Senior Departmental Fellow at the Department of Land Economy, Cambridge. We are grateful to him for his advice and expertise.

A critical friend

5. Over the last 18 months, we have enjoyed working proactively with the Government. For the most part, our goals are aligned: the Committee supports the Government's vision for a new generation of well planned, resilient, exemplary new towns.

6. We urge the new Prime Minister and returning Secretary of State for Housing, Communities and Local Government to be proactive in taking up the mantle and challenges of the new towns programme and to provide ongoing support to the vision of exemplary new settlements which the Committee shares.

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5 Q 3 (Rebecca Larkin)
6 Q 6 (Katherine Adams)
7 Q 35 (Stuart Colville)
8 Q 15 (Jonathan Mitchell)

National ownership, local delivery

7. Alongside this ongoing support must come ownership and strategic vision. Whilst we repeatedly heard that individual new towns must have their own distinct character,[9] we also heard that the Government must provide oversight to "ensure consistency and standardisation".[10] Professor Juliano Denicol, Director of the Megaproject Delivery Centre at UCL, argued that without the "strong guiding mind of government unblocking the issues … you will get nowhere", adding, "Governance needs to be sorted first".[11]

8. *New Towns: Laying the Foundations* recommended that individual new towns should be managed by dedicated delivery vehicles, autonomous and locally distinct and awarded certain powers over planning and funding to enable more effective delivery.[12]

9. Over the course of our three modules, it has become clear that, in order to succeed, the new town programme demands ownership and accountability both at a national and local level. Dr Alexander Budzier, Director of Oxford Global Projects, told us that the Government must create a system and framework for delivery which will ensure the new towns programme will succeed even when political interest wanes.[13]

10. In its response to the New Towns Taskforce in September 2025, the Government stated that its preference for the new towns programme was to have a dedicated delivery vehicle for each new town, ideally a development corporation.[14] Autonomous delivery vehicles like development corporations would have the necessary powers to coordinate development and enable faster build outs. Delivery vehicles would provide the structure necessary for the framework Dr Budzier described, which could be guided by central government using terms of reference on their establishment. A term of reference document for each new town would enable central government to issue a blueprint on how the development should meet its priorities and minimum standards, with the development corporation otherwise having flexibility to carry out the building project as they see fit. This document could provide general oversight, bringing the consistency that Professor Denicol described, whilst still allowing strong local autonomy. By issuing new town delivery vehicles with terms of reference, the Government will be able to achieve the recommendations we lay out in this report.

11. **Our inquiry has shown there are many challenges which make the completion of the new towns programme difficult. However, the Committee believes that it is both possible and indeed necessary to overcome these.**

12. ***The Government must establish new town delivery vehicles with clear powers and terms of reference. Delivery vehicles should have the power and autonomy to carry out their work without interference from the Government, but any terms of reference should stipulate***

9 See for example written evidence from the Royal Town Planning Institute (NTB0023) Dr Adeyemi Akintola and Dr Basirat Oyalowo (NTB0030) and the Stone Federation of Great Britain (NTB0033).
10 Q 44 (Professor Juliano Denicol)
11 Q 50 (Professor Juliano Denicol)
12 Built Environment Committee, *New Towns: Laying the Foundations* (2nd Report, Session 2024–26, HL Paper 183)
13 Q 54 (Dr Alexander Budzier)
14 Ministry of Housing, Communities and Local Government, Initial government response -September 2025, 28 September 2025

any minimum standards and accountability structures required to ensure timely and effective delivery.

CHAPTER 2: BUILDING MATERIALS AND CONSTRUCTION PRODUCTS

Supply and demand

13. The construction of new towns will require a robust supply of diverse building materials and construction products over many decades. Although the evidence the Committee received stressed that the supply of materials and products was unlikely to impact delivery in the short-term term,[15] concerns were raised about the long-term national supply. Witnesses urged the Government to take action to avoid future shortages of building materials to mitigate the risk that this will prevent or slow the construction of new towns.[16]

Box 1: Definitions

While often used synonymously in the sector, in this report **building materials** refer to the core elements used in the construction of buildings, for example, aggregates, timber and stone. **Construction products** refer to any manufactured element, component or system, such as windows, doors or joists.

14. Despite the supply of building materials and construction products being largely robust in the short-term, Rebecca Larkin, Head of Construction Research at the Construction Products Association, and Katherine Adams, Technical Director for the Alliance for Sustainable Building Products, acknowledged that there are risks to the supply of certain resources.[17] Reserves of sand and gravel are low,[18] and Ms Larkin warned that the implementation of steel tariffs were likely to contribute to shortages of construction products.[19]

15. We were told that the UK imports around one quarter of the building materials it consumes.[20] Ms Adams explained that this is partially due to lower energy costs for manufacturing overseas.[21] Many building materials are energy-intensive to extract and fabricate, meaning that the UK's higher energy costs could cause production and manufacturing to leak abroad.

16. Ms Adams said that it is important that the UK maintains a robust domestic supply in order to build resilience into its supply chains.[22] This will become increasingly important in a time of global instability, with certain costs for materials and products rising after the start of the war in Ukraine and, more recently, the war in Iran.[23]

17. Any discussion surrounding building materials and construction products must demonstrate an understanding of the economic factors facing the sector. Inflation has significantly impacted the built environment sector, risking project viability and causing delays.[24] The use of novel, innovative,

15 See for example Q 2 (Katherine Adams, Rebecca Larkin, David Hopkins).
16 See for example QQ 2–3 (Katherine Adams).
17 Q 2 (Rebecca Larkin, Katherine Adams)
18 Q 13 (Katherine Adams)
19 Q 2 (Rebecca Larkin)
20 Q 6 (Rebecca Larkin)
21 Q 2 (Katherin Adams)
22 Q 3 (Katherine Adams)
23 Q 4 (Rebecca Larkin)
24 Written evidence from the Construction Products Association (NTB0018)

or diverse building materials must not come at the cost of the project going ahead.

An opportunity for growth

18. We heard that low demand for building materials and construction products was more problematic than any risks to supply. Ms Larkin told us that there has been a lack of growth in the construction sector, and her organisation was forecasting another decline in activity for 2026.[25] Rising inflation and reduced viability has contributed to a reduction in development across the UK, in turn lowering demand for materials and products.[26] The sector is in a 'doom-loop', where low demand leads to lower business confidence, reduced manufacturing capacity, reduced supply of materials and higher prices.

19. By way of example, David Hopkins, Chief Executive of Timber UK, argued that "there is no real shortage of material per se"[27] in the timber sector; rather there has been a downturn in production capabilities due to a prolonged lack of demand.[28] He stressed that manufacturing and processing capability can return, but the sector would need to see "long-term signals of demand and know that there will be a constant demand for their products".[29]

20. We were told that reinvesting in manufacturing capacity requires certainty of future demand.[30] Suppliers "make investment decisions over decades rather than years",[31] and the sector must have confidence in the viability of future construction demand in order to rebuild their capacity. The new towns are the sort of large-scale, long-term project which could stimulate demand for building materials. If the construction sector can be confident that new towns will be built, this will encourage them to invest and increase supply in anticipation of increased demand for building materials and construction products.

21. Mr Hopkins told us that the new towns programme was an "attractive" opportunity for the sector, as it would offer long-term certainty for material and product demands.[32] This was especially true if the new towns embraced innovative construction technologies, such as standardisation and modular design.[33] A clear strategic vision for new towns, that the sector was confident that could be delivered, would in principle allow the sector to rebuild capacity and increase manufacturing.[34]

22. However, Ms Larkin was sceptical that the new towns would ever come to fruition, commenting that "the industry has been so disappointed, over decades, by major projects or major schemes not coming through", adding "it is easy to lose confidence in large government announcements of things like new towns".[35] She urged the Government to take steps to demonstrate

25 Q 3 (Rebecca Larkin)
26 *Ibid.*
27 Q 2 (David Hopkins)
28 *Ibid.*
29 *Ibid.*
30 Written evidence from the Construction Products Association (NTB0018)
31 Written evidence from Albion Stone PLC (NTB0003)
32 Q 6 (David Hopkins)
33 *Ibid.*
34 Written evidence from the Construction Products Association (NTB0018)
35 Q 3 (Rebecca Larkin)

its intentions, including land purchases and establishing delivery vehicles in the early stages.[36]

23. Supply of materials and manufacturing capabilities will be unlocked only if there is confidence that the new towns programme will proceed at scale.

Diverse, domestically sourced materials

24. We were told that the UK construction sector relies on a relatively narrow range of materials and products.[37] Ms Adams cautioned that such a reliance introduces risks to the UK's domestic supply chains, and that this risk could be reduced with a diversified range of materials and products, and an emphasis on recycling and reuse.[38]

25. Through the organisation of supply chains to prioritise domestic materials and products, locally sourced where possible, the environmental impact of transport could be lowered, as many core materials are currently imported from overseas.[39] Furthermore, by using locally sourced materials, the design of the town can be rooted in the local vernacular architectural style, increasing the acceptability of new towns with local populations.[40]

26. An international supply chain is more affected by global shocks, potentially risking the successful delivery of domestic programmes such as new towns.[41] Prioritising the use of domestic materials and products could, therefore, safeguard national supply chains and expose them to less volatility.

27. We heard that around 15–20% of construction materials are wasted on sites in the UK, due to structural inefficiencies, and procurement and ordering processes.[42] Ms Adams noted a growing demand for reused materials,[43] and Mr Hopkins added that recycled materials can find new life in other areas of the built environment, such as roads, which will also be required by new towns.[44]

28. **Supply chains for new towns can be made more resilient to a changing climate and global economic shocks by using a diverse range of building materials, ideally sourced from the UK.**

National leadership

29. The Committee heard concerns about a lack of national strategic oversight for long-term materials planning.[45] We were told that the UK lacks a national understanding of the vulnerabilities in its supply chains, despite robust understanding at a project level.[46] Ms Adams called for a national construction materials strategy to trace capacity and shortages issues, and to identify what materials are needed for large projects.[47]

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36 *Ibid.*
37 Written evidence from Albion Stone PLC (NTB0003)
38 Q 4 (Katherine Adams)
39 Written evidence from Albion Stone PLC (NTB0003)
40 Written evidence from the Stone Federation of Great Britain (NTB0033)
41 Q 3 (Katherine Adams)
42 Q 9 (Katherine Adams)
43 *Ibid.*
44 Q 9 (David Hopkins)
45 Q 3 (Katherine Adams, Rebecca Larkin)
46 Q 3 (Katherine Adams)
47 *Ibid.*

30. Beyond tracking supply and demand, we heard that a national strategy could create greater resilience in supply chains, by giving confidence to domestic suppliers that infrastructure will be consented and constructed.[48] The Government should communicate the large national infrastructure projects that they will be committing to, so that the building materials sector can estimate demand and invest in extraction and manufacturing capital accordingly. The National Infrastructure and Service Transformation Authority (NISTA) Infrastructure Pipeline is easily accessible online and is an appropriate vehicle for sharing this information.[49]

31. ***National infrastructure projects, including new towns, will benefit more from overall confidence that the Government is fully committed to seeing rapid completion, given that the materials sector is demand-led. Therefore, the Government should add information on new towns to NISTA's pipeline, so that the sector has access to accurate demand forecasting and can make capital investment in the natural extraction and manufacturing of materials accordingly.***

Local strategy and coordination

32. We were told that the new town delivery vehicles have a critical role in ensuring that supply chains are robust, by working with the materials sector.[50] Mr Hopkins urged the new town delivery vehicles to engage with the sector at an early stage to inform them how a masterplan will be delivered, to enable manufacturers to anticipate future demand in the short, medium and long-term.[51]

33. One way to enact positive change in the materials and products used in new towns is through procurement. Richard Cook, Group Director of Development at Clarion Housing, told us that "procurement is where innovation can come".[52] Ms Adams argued that proactive procurement strategies, overseen by central government, can provide "exemplars and assurances"[53] to the wider sector, "removing barriers to innovation and market entry".[54]

34. ***By providing greater leadership and clarity, the Government can provide confidence to the sector that the new towns will be delivered. This confidence in the programme will unlock investment in the domestic building materials sector. Increasing domestic capacity will in turn make national supply chains more resilient, and safeguard the delivery of major projects, including new towns.***

35. ***The Government must provide the essential commitments to the building materials and construction products sector that the new towns will be delivered.***

48 *Ibid.*
49 NISTA, *Infrastructure Pipeline*, March 2026
50 See for example Q 4 (David Hopkins, Rebecca Larkin).
51 Q 4 (David Hopkins)
52 Q 30 (Richard Cook)
53 Q 13 (Katherine Adams)
54 *Ibid.*

Box 2: Case Study - Queen Elizabeth Olympic Park

We heard that the procurement strategy for the Queen Elizabeth Olympic Park, Stratford, demonstrated the value of supply-chain intervention, early engagement with suppliers, and robust contingency and legacy planning. Ms Larkin explained that the delivery team engaged at a very early stage with suppliers and embedded a materials and products strategy to give certainty to the sector. Through this engagement, the sector could mobilise and work proactively with the clients, contractors and designers to ensure that the supply chain could best support the project.

The Queen Elizabeth Olympic Park is also a case study for the procurement of innovative building materials. The scale of the project, alongside its backing from central government and coordination from its development vehicle, allowed the use of novel building materials in its construction, giving confidence to the wider sector and proving their effectiveness. Dr Adams explained that if a novel material has been used somewhere successfully at scale, it is much easier to use elsewhere, adding "having that testbed is really important".[55]

55 *Ibid.*

CHAPTER 3: UTILITIES AND INFRASTRUCTURE

Connections, demand and sequencing

36. New towns will require a constant supply of water, energy and digital connectivity for their new inhabitants. Unfortunately (and deeply regrettably) this presents a challenge for the Government, because of decades of poor planning and a lack of effective preparation for the future. A changing climate, an increase in extreme weather events, greater demands for digital technologies and a move towards an electrified economy have all been predicted for decades, and yet vulnerabilities in the UK utilities sector—sometimes caused by these changes—continue to be exposed. As such, any construction of new towns will coincide with times of scarcity and fragility for our national system of utilities, driven by the entirely predictable interplay of increasing demand and static supply.

37. Connecting these utilities to national networks during construction presents additional challenges. New towns are megaproject-scale endeavours, requiring complex logistical planning, especially for "sequencing" (the scheduling and execution of different stages of the building process.) Sequencing is time-critical, because each milestone in a construction process relies on other stages having been completed. For example, if new utilities are installed on differing timescales, rather than in a co-ordinated way, before a road surface is laid, this is not cost effective and can lead to delays.[56] Rather, effective sequencing will mean that new homes are being built in step with the installation of new utility connections.[57] As Dr Tariq Umar told the Committee: "a new town is not simply a large housing site; it comprises land assembly, remediation, transport, energy, water, digital networks, schools, health facilities, public realm and several housing markets. Delay in one critical system can prevent occupation even when homes are physically complete."[58]

38. Sequencing is inherently complex and relies on the coordination of multiple interested parties, including housebuilders, local authorities, regulators, specialist engineers and utility companies.[59] The Committee heard of less successful developments, where sequencing was poor and over-optimistic announcements about timescales failed to take constraints on progress into account.[60] Witnesses emphasised the essential requirement for a single delivery vehicle which could take responsibility for infrastructure and ensure that it is installed in advance with housing,[61] taking an "infrastructure first" approach.[62]

39. The Committee primarily received evidence on water and electricity, but gas supplies, community heating systems, drainage and road connections are other important types of infrastructure. Digital connectivity enables other technologies which will make infrastructure and utilities more efficient and resilient: for example, smart meters for electricity demand. All these other

56 Q 35 (John Marsh)
57 Written evidence from the Royal Institute of British Architects (NTB0024), Dr Tariq Umar (NTB0017) and Mr Rami Saadi (NTB0027)
58 Written evidence from Dr Tariq Umar (NTB0017)
59 Written evidence from Mr Rami Saadi (NTB0027)
60 Written evidence from Dr Alexander Budzier (NTB0034)
61 Written evidence from the Landmark Information Group (NTB0012), Dr Tariq Umar (NTB0017), and Places for People (NTB0028)
62 Written evidence from Royal Town Planning Institute (NTB0023), QQ 44 (Professor Juliano Denicol), 49 (Dr Alexander Budzier)

utilities need to be adequately supplied, correctly sequenced and effectively coordinated in the construction process if new towns are going to be successfully delivered.

Challenges for water

40. The construction of new towns will cause two challenges for the water industry: first, new homes and amenities will need to be connected to the mains water supply. Secondly, the wider national supply of water will need to meet the increased demand that these new homes will create.

41. There is minimal spare capacity in the UK's water supply, making it vulnerable to droughts and increases in demand.[63] Stuart Colville, Deputy Chief Executive of WaterUK, told the Committee that "in some parts of the country, headroom—spare water—is down to 2%. Clearly, if any shock comes along—if you have a new town or whatever it is—there is far too much fragility within the system."[64]

42. For decades, successive governments, water companies and regulators have failed to work together to anticipate effectively future demand for water.[65] Meanwhile, the water industry has not factored major future demands (such as new towns or data centres) into its planning.[66] An example of this failure in resource planning is that the UK has not built a new reservoir for over 30 years. As they take around 10–15 years to build, long-term and sustainable increases in water storage capacity appear to be an unacceptably distant prospect.[67] New towns should not be competing with other developments (such as data centres or industry) for connection to the water supply. Rather, the Government and the water industry should be working closely together to ensure that infrastructure is in place to provide a resilient and abundant supply of water for the long-term.

Challenges for energy

43. New towns will need to be connected to the National Grid before houses can be occupied. The Grid will need to meet the increase in demand which new towns will require. In addition to these challenges, the construction of new towns will occur at a time when the UK is transitioning away from fossil fuels towards an electrified economy, while demands for energy, such as for electric car charging and data centres, are increasing.[68]

44. New towns will therefore compete with new and increased demand for electricity connectivity and supply. While they are critical for economic growth, the rapid development of data centres presents a challenge to the utilities industries, as they have significant water and energy uses.[69] New towns are being strategically located in areas with potential for economic growth and regeneration, links to transport and ready supply of utilities. Yet these are also the areas that may be prioritised for any new industry and data centres. Competing demand for energy may create a challenge for

63 Q 35 (Stuart Colville) and written evidence from the Royal Town Planning Institute (NTB0023)
64 Q 37 (Stuart Colville)
65 Q 34 (Stuart Colville) and written evidence from Peabody (NTB0037)
66 Q 34 (Stuart Colville) and written evidence from Dr Tariq Umar (NTB0017)
67 Q 34 (Stuart Colville) and written evidence from the Royal Town Planning Institute (NTB0023)
68 Q 34 (Lawrence Slade)
69 Q 39 (Stuart Colville)

such areas, potentially requiring better local energy planning, so that new infrastructure can be seamlessly connected to the Grid.[70]

45. There should not be competition between data centres and new towns. This reflects decades of underinvestment in critical utilities infrastructure, which has left us unable to effectively advance projects which would support economic growth and job creation.

Utilities and resilience

46. Building new towns, connecting them to utilities and then populating them—but without ensuring that they have a sustainable supply of water and energy—would constitute a risk to national resilience. This would be irresponsible. Mr Colville alerted the Committee to the lack of minimum standards for water utilities in relation to resilience. He said that "there are no rules about single sources of supply"[71] for water connections to new towns, meaning that a settlement could have only one connection to the water mains, making it more vulnerable to damage or sabotage. Mr Colville warned the Committee "do not have a massive town with a single water connection going into it."[72]

47. We heard how new towns could benefit from new technologies that will make the electricity supply more resilient.[73] Lawrence Slade, Chief Executive of the Energy Networks Association, mentioned the use of batteries at a community level as a way of making electricity supply more resilient.[74] New towns present an opportunity to design communities that exhibit resilience in multiple domains, from climate change to civil defence.[75] They should act as exemplars that will demonstrate best practice in resilient design, future-proofing developments for a century where essential supplies may become more vulnerable to shocks and shortages than at present.

Opportunities for best practice and innovation

48. Distinct new towns on greenfield sites are a blank slate for developers, making it more straightforward to integrate best practice for managing water and energy demand into their design.[76] Urban extensions have a different advantage: as much of the infrastructure is already in place, the volume of new utility connections needed is reduced.[77]

49. New towns provide an opportunity to plan more deliberately how buildings can be designed to reduce demand for utilities.[78] Likewise, there is a need (and an opportunity) for more innovative thinking on how to overcome perceived barriers to supply. These may include off-peak electricity use, combined heat and power, and community energy generation.[79] New towns should be an example of excellent, purpose-driven design, where these demand-reducing features can be incorporated as standard. John Marsh, Chief Innovation

70 Q 39 (Lawrence Slade)
71 Q 42 (Stuart Colville)
72 *Ibid.*
73 Written evidence from Peabody (NTB0037), BUUK Infrastructure (NTB0039), Q 40 (John Marsh)
74 Q 42 (Lawrence Slade)
75 See, for example, Q 42 (Stuart Colville) and written evidence the Landmark Information Group (NTB0012) and the Royal Town Planning Institute (NTB0023).
76 Q 36 (Lawrence Slade) and Q 38 (Lawrence Slade, Stuart Coville)
77 Q 6 (David Hopkins)
78 Q 36 (Lawrence Slade)
79 Written evidence from Peabody (NTB0037); Q 40 (John Marsh)

Officer of BUUK Infrastructure, told the Committee that ideally new towns would have homes which already have "the right insulation levels, with PV [solar photovoltaic panels], a heat pump and smart appliances ready to be linked up".[80]

50. Got right, effective utility connections could make new towns even more attractive places to live. If micro-renewables (like solar panels) are combined with community power schemes and adequate connections to the National Grid, the possibility of negative energy bills arises. This will mean that householders are paid for the energy generated at their homes.[81] This could mean reduced bills, offset by these payments, or even net-negative bills. However, this needs to be balanced against the capital cost of these schemes and the implications for home affordability.

51. The Committee heard how greywater recycling presents an exciting opportunity to make new towns more resilient to water shortages (whether caused by climate change or faults with mains infrastructure) and cheaper to live in. Drinking water does not necessarily need to be used for gardens or flushing lavatories: new towns can be designed with rainwater harvesting as standard, so that these systems can be included in construction, rather than expensively retrofitted.[82]

52. New towns are a once-in-a-generation opportunity: purpose-built communities which will be built in one cohesive effort. These are the perfect blank canvases to demonstrate best practice for infrastructure and utilities and act as proving grounds for innovative technologies. As Mr Colville told the Committee in relation to water reclamation technologies: "if we cannot do it with these new towns, we will never do it."[83]

53. **Successive governments have failed to effectively anticipate future demand for water, meaning that major developments, such as new towns, cannot rely on an adequate future supply. The new towns programme is threatened by static supply of energy and water, coupled with increasing and unpredictable demand.**

54. ***The Government must ensure that utility providers are involved in the production of a holistic national resilience framework plan as early and fully as possible to safeguard the future of energy and water for megaprojects.***

55. ***High standards for water and energy consumption and supply must be embedded in the terms of reference for new town delivery vehicles. This provides a unique opportunity for innovative solutions such as grey water systems, and rainwater harvesting.***

80 Q 42 (John Marsh)
81 Q 43 (John Marsh)
82 Written evidence from Peabody (NTB0037); Q 36 (Stuart Colville)
83 Q 36 (Stuart Colville)

CHAPTER 4: CONSTRUCTION SKILLS

A permacrisis?

56. A 2026 report by the Built Environment Futures Assembly argued that the built environment faces a "permacrisis" in skills, as "demand outpaces the workforce's ability to adapt."[84] A lack of construction skills is a stubborn issue for the sector, worsening in recent years due to an ageing workforce and fewer young people entering the industry.[85] Skills England research indicates that there is demand for just over one million workers needed by 2035, with Jonathan Mitchell, Deputy Director at Skills England, describing it as a "significant challenge".[86]

57. The Government intends the next generation of new towns and expanded settlements to be exemplars in their design and construction.[87] Creating true exemplars will demand a robust, highly skilled workforce both at an onsite and professional level, which David Hopkins, Chief Executive of Timber UK, warned does not necessarily exist.[88]

58. Mr Mitchell told us that "there is no question that skills shortages are a real delivery risk for new towns".[89] He added that the issue is not just the number of people entering the construction sector, but also achieving the right mix of trades, technical specialities and professional roles, all over the country.[90] We heard that skills shortages are more acute for certain roles, particularly for innovative and environmental sustainability specialities, which are expected to become more in demand.[91]

59. The challenges of construction skills shortages are compounded by the fragmented nature of the sector, which is heavily reliant on small and medium enterprises (SMEs), including micro-businesses.[92] Mr Mitchell said that as the sector is highly project-based there is a fragmented demand for skills, making long-term workplace planning even more challenging.[93]

60. **The under supply and incorrect mix of onsite and professional construction skills are a risk to the successful delivery of new towns and expanded settlements.**

Training and education

61. While much of the historical discussion on construction skills focused on the quantity of workers, the Committee also heard that the quality of skills education is also a challenge.[94] Sam Egan, Group Director of Construction at the Bedford College Group, said that some construction employers have complained that some students are not 'site ready' after their education.[95]

84 Construction Industry Council, *New report calls for data-led workforce planning to confront Built Environment skills permacrisis*, 4 June 2026
85 *Ibid.*
86 Q 15 (Jonathan Mitchell)
87 Ministry of Housing, Communities and Local Government, *Building new towns for the future*, 12 February 2025
88 Q 5 (David Hopkins)
89 Q 15 (Jonathan Mitchell)
90 *Ibid.*
91 Written evidence from City & Guilds (NTB0014)
92 Q 18 (Jonathan Mitchell), and written evidence from the Bedford College Group (NTB0009)
93 Q 18 (Jonathan Mitchell)
94 See for example Q 15 (Sam Egan), and written evidence from the Bedford College Group (NTB0009).
95 Q 15 (Sam Egan)

We were told that construction education does not provide a good picture of what a career in the sector is like in practice, frustrating learners and employers.[96] For example, we heard that bricklaying is primarily taught indoors, but Ms Egan said that "in real life it is cold outside".[97] She told us that this is partially due to a lack of funding leading to poorer facilities and fewer hands-on experiences.[98]

62. While student places are often oversubscribed at training colleges, Ms Egan told us that there is difficulty filling construction teaching roles due to low pay compared with similar roles in the sector, compounding the perception of a poorer quality of education.[99]

63. We heard that the fragmented nature of the construction sector presents a barrier to improving employer engagement with training opportunities, with employers and subcontractors moving frequently between sites and projects, making it difficult to provide continuity of supervision and mentoring.[100] City & Guilds suggested that this discourages some employers from taking on apprenticeships, and creates uncertainty for learners seeking a stable route into the industry.[101]

64. We heard that construction training programmes are often highly fragmented themselves and rely on multiple different routes, which can be challenging to navigate for learners.[102] Ms Egan suggested that streamlining qualification routes could provide greater clarity.[103] We were told that greater alignment between qualifications and employer needs could strengthen recruitment and outcomes in the sector.[104]

Drop-out rates

65. Rebecca Larkin, Head of Construction Research at the Construction Products Association, said that there is a 50% drop-out rate for male construction trainees and a 70% female drop-out rate.[105] Once in employment, we were told that the sector experiences workplace attrition from early career entrants leaving relatively quickly.[106]

66. We heard that the reasons for high drop-out rates are complex with many contributing factors, including poor access to mentoring, especially for women,[107] differences in expectations and reality onsite,[108] and a perceived poor quality of education.[109]

67. We welcome the commitment made by Matthew Pennycook (Minister for Housing and Planning), during our evidence session, to publish a construction jobs plan later this year.[110]

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96 Written evidence from the Bedford College Group (NTB0009)
97 Q 18 (Sam Egan)
98 Q 15 (Sam Egan)
99 *Ibid.*
100 Written evidence from the Bedford College Group (NTB0009)
101 Written evidence from City & Guild (NTB0014)
102 Written evidence from City & Guild (NTB0014)
103 Q 23 (Sam Egan)
104 Written evidence from the Bedford College Group (NTB0009)
105 Q 10 (Rebecca Larkin)
106 Written evidence from the Bedford College Group (NTB0009)
107 Q 18 (Sam Egan)
108 Written evidence from the Bedford College Group (NTB0009)
109 Written evidence from City & Guilds (NTB0014)
110 Q 61 (Minister of State for Housing and Planning)

68. ***As part of the Government's construction jobs plan, there should be a national review of non-degree construction training and apprenticeships. It should assess their effectiveness and relevance to modern day construction and to the needs of employers. It should also review the standards of qualifications awarded. The plan should examine the reasons for the high drop-out rates for construction qualifications and should be published later this year, as promised to the Committee.***

An opportunity for success

69. Despite the many challenges related to construction skills, Simon Rawlinson, Deputy Chair of the Construction Industry Council, remained optimistic that the new towns programme could provide a "particularly interesting opportunity to apply the new skill sets that the industry needs".[111] Mr Mitchell said that it will demand a mix of all types of construction skills, including new skills associated with innovative methods.[112] We heard from Mr Rawlinson that new towns are an opportunity to develop a new multidisciplinary workforce which is well equipped to engage with the latest construction and manufacturing skills.[113]

70. The long-term outlook of the new towns programme allows a clear pipeline of demand for skilled workers, providing confidence for investors in construction skills.[114] City & Guilds stressed that long-term workforce planning for new towns will be critical, identifying the number of workers needed and the mix of skills.[115]

71. In order to effectively capitalise on the opportunity that new towns can provide, Mr Hopkins urged delivery vehicles to ensure that there are sufficient training facilities available in the early stages of development.[116] Ms Egan argued that delivery bodies should look to engage with further education providers in order to integrate teaching into development.[117] Through the integration of early development with training opportunities, the delivery vehicles can ensure the incoming workforce is well equipped to deliver the needs of the emerging settlements.

72. ***The terms of reference for each new town delivery body must include a requirement to establish strong and effective working arrangements with employers and training providers. This should lead to the establishment of accredited training and apprenticeships tailored to the requirements of new town development.***

The Role of Government

73. While we were grateful for the oral evidence from of Skills England, the Committee are concerned that they lack the necessary oversight to tackle the construction skills crisis. Skills England were indeed able to provide much of the necessary data on construction skills, but we were disappointed to learn

111 Q 15 (Simon Rawlinson)
112 Q 15 (Jonathan Mitchell)
113 Q 15 (Simon Rawlinson)
114 Q 19 (Jonathan Mitchell)
115 Written evidence from City & Guilds (NTB0014)
116 Q 10 (David Hopkins)
117 Q 23 (Sam Egan)

of the extremely limited nature of their remit, which seems to limit their ability to take responsibility for and develop solutions.[118]

74. Furthermore, we were concerned to learn that Mr Pennycook and Mr Mitchell hold different opinions on the degree to which the skills crisis will impact the delivery of new towns the former suggesting it is "no specific … challenge"[119] with the latter telling us there was no question it was a "delivery risk".[120]

118 Q 16 (Jonathan Mitchell)
119 Q 61 (Minister of State for Housing and Planning)
120 Q 15 (Jonathan Mitchell)

CHAPTER 5: TECHNOLOGY, INNOVATION AND BEST PRACTICE

An opportunity for excellence

75. The Government has consistently reiterated its intentions for the next generation of new towns and expanded settlements to be exemplars, demonstrating the best of planning, design and construction.[121] In its 2025 interim report to the Government, the New Towns Taskforce identified an additional aim for the programme: to "contribute to transforming the way that large settlements are delivered",[122] seeking to improve and innovate methods of settlement delivery.

76. During our inquiry we heard that the new towns programme presents an opportunity to embed innovative methods of construction and project delivery into development.[123] As large Government-backed projects, the new towns could prove the effectiveness of new products or materials, as well as innovative methods of construction and delivery. This could confer legitimacy on them as safe and sustainable materials and products which could be used throughout the wider built environment sector in future.

Construction materials

77. Evidence highlighted many different types of building materials that are successfully used in the construction sector in the UK, although not necessarily at a large scale. These included hemp,[124] wool-fibre insulation[125] and stone.[126] We were told such materials often have a lower carbon footprint than mainstream alternatives, as well as being rooted in heritage traditions and local historical vernaculars.[127]

78. The lower environmental impact of certain building materials (including low-carbon cement and straw) could help meet the Government's ambitions for the new towns to be environmentally sustainable and climate resilient.[128] David Hopkins, Chief Executive of Timber UK, argued that the new towns programme presents a "good opportunity to reimagine" construction supply chains and consider more opportunities for recycling building materials.[129]

79. Despite the potential for novel materials, Katherine Adams, Technical Director at the Alliance for Sustainable Building Products, warned that the use of certain products can make it difficult to insure buildings.[130] She explained that any perceived risk, including the utilisation of novel building materials, adds cost to a project.[131] Mr Hopkins thought that the construction sector is "very conservative and does not change very quickly",[132] relying

121 Ministry of Housing, Communities & Local Government, *Policy statement on new towns*, 31 July 2024,
122 Ministry of Housing, Communities & Local Government, *Building new towns for the future*, 13 February 2025
123 Q 6 (David Hopkins, Katherine Adams)
124 Q 6 (Katherine Adams)
125 *Ibid.*
126 Written evidence from Mr Pierre Bidaud (NTB0008) and the Stone Federation of Great Britain (NTB0033)
127 Q 6 (Katherine Adams)
128 Q 13 (Katherine Adams)
129 Q 9 (David Hopkins)
130 Q 6 (Katherine Adams)
131 *Ibid.*
132 Q 6 (David Hopkins

instead on long-standing methods and products, increasing the perception of risk.

80. Evidence emphasised that the scale of the new towns programme could demonstrate the applicability of different novel materials and provide confidence to insurers and developers when considering the use of innovative products.[133] Dr Adams urged the Government to "[remove] barriers to innovation" and act as "an exemplar in how they build and procure".[134]

81. **The Government has a key role to play in legitimising and endorsing innovative, low-carbon materials and technologies to reassure insurers.**

Construction methods

82. Richard Cook, Chief Development Officer at Clarion Housing Group, commented that "the sector has really struggled" with innovation in construction methods.[135] As with construction materials, innovative methods create additional perceived risk to the project, incurring higher costs over time.[136] We heard this is particularly true with modern methods of construction (MMC), where the warranty market is fragmented due to historical challenges.[137]

Box 3: Modern methods of construction

Modern methods of construction (MMC) is a collective term for building methods that are designed to be more efficient and effective than traditional construction methods. Methods covered by the term range from factory-produced structures that are built entirely offsite to modular components that enable structures to be assembled more quickly or easily onsite. The Built Environment Committee conducted an inquiry on the MMC industry and published a letter to the Government on the topic in 2024.[138]

83. However, much evidence argued that innovative construction methods, including MMC, digital design and standardisation, has potential to improve delivery and productivity onsite.[139] Simon Rawlinson, Vice Chair of the Construction Industry Council, told us that MMC has been broadly successful in the UK in certain sectors including education, healthcare and defence.[140] We were told that MMC can make sites more productive by assembling construction products off-site, especially where MMC exists within a cohesive system of production, transport and installation.[141]

84. Jonathan Mitchell, Deputy Director at Skills England, told us that innovative construction methods could reduce pressure on in-demand construction

133 See for example QQ 6 (Rebecca Larkin), 30 (Richard Cook)
134 Q 13 (Katherine Adams)
135 Q 29 (Richard Cook)
136 *Ibid.*
137 See for example QQ 21 (Simon Rawlinson), 29 (Richard Cook) and 30 (Alison Crofton)
138 Built Environment Committee, *MMC sector may continue to struggle without a fresh approach from the Government*, 26 January 2024
139 See for example written evidence from Mr Pierre Bidaud (NTB0008), Dr Tariq Umar (NTB0017), the Royal Institute of British Architects (NTB0024), the National House Building Council (NTB0026), Dr Vijay Pawar and Dr Colin Rose (NTB0029)
140 Q 21 (Simon Rawlinson)
141 Written evidence from Dr Vijay Pawar and Dr Colin Rose (NTB0029)

skills by increasing factory-based manufacturing.[142] Sam Egan, Group Director at the Bedford College Group, added that technical training colleges are moving towards more innovative construction methods in their teaching, although she cautioned that it is very expensive to invest in.[143] She suggested that the technical training colleges would need stronger signals from the sector and employers to increase training.[144]

85. In Chapter 3, we highlighted the pressures facing the construction skills workforce, the challenges of attracting and retaining talent, poor educational outcomes, and differences between expectations and the reality of working on a construction site. Mr Hopkins said that factory skills are "easier to ramp up than on site skills", adding that "Putting people into factories and training them up to use machinery is a quicker process to get a high-quality product at the other end than trying to train people on building sites".[145] While individuals would still be needed onsite, he indicated that a move towards more innovative construction methods could help with the skills shortage.[146]

86. Mr Rawlinson did not believe the UK housing sector was large enough to support use of MMC at significant scale.[147] Mr Hopkins was supportive of greater use of innovative construction methodologies but felt that "demand is too low" and "the financial situation is just not strong enough".[148] He explained that construction manufacturing facilities are often expensive to run and need to be in constant use.[149]

Standardisation

87. Standardisation is the use of modules, assemblies, components, methods or processes that are repeated throughout a project and from project to project. It was frequently highlighted in evidence as a method to improve the delivery of new towns.[150] We heard that certain elements of all new towns could be standardised, including energy performance requirements,[151] building code standards[152] and the basic design for affordable housing.[153] Mr Hopkins explained that through standardising components across multiple projects, such as the individual new towns, manufacturers and contractors would be able to scale up production, and have increased certainty over their pipeline.[154]

88. Mr Hopkins thought that standardisation would not necessarily lead to conformity in aesthetic design for the new towns.[155] Standardising core parts of construction like energy performance expectations and building codes would have no effect on the visual identity of new towns and be imperceptible

142 Q 21 (Jonathan Mitchell)
143 Q 21 (Sam Egan)
144 Q 21 (Sam Egan)
145 Q 4 (David Hopkins)
146 *Ibid.*
147 Q 21 (Simon Rawlinson)
148 Q 10 (David Hopkins)
149 *Ibid.*
150 See for example QQ 4 (Katherine Adams), 5 (David Hopkins), 44 (Professor Juliano Denicol), and written evidence from the National House Building Council (NTB0026) and Mr Rami Saadi (NTB0027).
151 Q 5 (David Hopkins)
152 Written evidence from Mr Pierre Bidaud (NTB0008)
153 Q 4 (Katherin Adams)
154 Q 5 (David Hopkins)
155 *Ibid.*

to most individuals. Dr Tariq Umar, an academic at the University of the West of England, argued that the new towns should have strong design guidelines to ensure visual diversity, whilst standardising certain core elements to support effective delivery.[156]

89. **Embracing innovative construction methods, including modern methods of construction and standardisation, can reduce pressures on other parts of the sector, including onsite skill demands.**

90. ***The Government should review the potential uses of standardisation in house building and how current practice and the building regulations may need to change to facilitate this.***

91. ***The Government should make it easier to procure innovative or novel building materials and methodologies by both encouraging demand and reducing barriers to supply. It should look to remove barriers and where appropriate, incentivise their use in the new towns programme, which should be exemplars of their use.***

SME involvement

92. While we heard many examples of innovative or novel materials or methods that could improve the delivery of the new generation of new towns, we were often cautioned that their use could incur higher costs from perceived risk.[157] This would be felt most acutely by SME developers, potentially discouraging their involvement in the wider programme.[158]

93. Dr Adeyemi Akintola and Dr Basirat Oyalowo said "SMEs occupy a paradoxical position" in relation to innovation.[159] SMEs are often actively engaged in innovative schemes, yet face higher risk from innovation failures as they cannot diversify that risk across multiple concurrent projects.[160]

94. ***At the master planning stage for new towns, specific small plots should be designated for SME developers, as outlined in our earlier report.***[161] ***Delivery vehicles must consider how to involve SME developers at the earliest possible stage.***

Standalone sites and innovation

95. Of particular interest in using the current new towns programme to demonstrate examples of effective and innovatory practice, is the need to show how new approaches work on distinct, standalone sites. However, none of the seven locations proposed to be taken forward in the Government's March 2026 consultation[162] is described as "standalone" site—although the Committee recognises that one may be described as being rural.

96. **By focusing the 'new towns' programme on urban extensions and urban regeneration schemes the Government has missed an opportunity to create a truly novel generation of distinct new towns.**

156 Written evidence from Dr Tariq Umar (NTB0017)
157 See for example QQ 6 (Rebecca Larkin), 31 (Richard Cook).
158 Written evidence from Dr Adeyemi Akintola and Dr Basirat Oyalowo (NTB0030)
159 *Ibid.*
160 Written evidence from Dr Adeyemi Akintola and Dr Basirat Oyalowo (NTB0030)
161 Built Environment Committee, *New Towns: Laying the Foundations* (2nd Report, Session 2024–26, HL Paper 183)
162 Ministry of Housing, Communities and Local Government, *New Towns Draft Programme*, 23 March 2026

CHAPTER 6: CONCLUSION

97. A key message emerging from this module of our inquiry also featured in the previous two modules: that central Government must take overall control of this programme and should treat it as a major national project. It should do this through its own actions and through setting up accountable mechanisms for that control.

98. Such actions include establishing a transparent funding stream for new towns;[163] committing to, and requiring, infrastructure-first delivery;[164] requiring delivery vehicles to commit to a phased[165] timescale for building out specific phases of each new town;[166] and, above all, setting a strong framework within which delivery vehicles can operate with minimum bureaucratic barriers.

99. A clear message of commitment and intent would be if the Government established all the mechanisms, bodies and any legislative orders required for the new towns programme during this parliament, meaning that successive governments had the measures in place to commence development of all the new towns. We welcomed the news from Mr Pennycook that each individual new town would have a specific funding package and believe this is a valuable step in fostering confidence in the programme.[167]

100. A clear 'pipeline' (a concept raised frequently[168] in evidence) would address the criticism that shortages of materials and labour arise because demand[169] for them is not explicit and committed. As Peabody stated, "ultimately, the greatest barrier is uncertainty."[170]

101. This will be a long-term endeavour: in addition to political will today, new towns will require patient capital for decades to come. Investors will need to be confident that construction of new towns will begin soon and - crucially - will continue, giving them confidence that they will realise a financial return over the longer-term.

102. We were pleased to hear that Mr Pennycook "remains absolutely committed "to delivering the new town programme, and that they "will have spades in the ground on at least three [new towns] … in this Parliament".[171] More than just commitment, we were impressed at this ambition[172]. The next steps will be critical, and publishing the funding plans for each town will be another vital measure in fostering confidence within the sector.

103. Throughout our inquiry we heard clear signals from the built environment sector that they would be capable of scaling up manufacturing, skills, and capacity if they believed the programme will go ahead.[173] Moreover, many

163 Written evidence from Henley Business School,' University of Reading (NTB0011) and Places for People (NTB0028)
164 Written evidence from Peabody (NTB0037), Q 25 (Alison Crofton)
165 Written evidence from Dr Nigel Moor and Prof Doug Clelland (NTB0015)
166 Written evidence from the National House Building Council (NTB0026)
167 Q 72 (Minister of State for Housing and Planning)
168 Written evidence from Mr Pierre Bidaud (NTB0008) and City & Guilds (NTB0014), Dr Tariq Umar (NTB0017), Royal Institute of British Architects (NTB0024) and Mr Rami Saadi (NTB0027)
169 Q 18 (Simon Rawlinson)
170 Written evidence from Peabody (NTB0037)
171 Q 50 (Minister of State for Housing and Planning)
172 *Ibid.*
173 See for example QQ 4 (David Hopkins), 6 (Katherine Adams), 21 (Sam Egan)

individuals and organisations expressed a fundamental belief in the principle of the programme, actively wanting to be involved.[174]

104. **If the Government provides commitments that the sector trusted (such as a long-term timetable, build-out targets, funding and sector support) stakeholders could rapidly scale-up production for materials, utilities and skills.**

105. **The new towns programme will fail unless the built environment sector is given a clear message that the Government will deliver as promised, and as necessary.**

Commit and build

106. Mr Pennycook has now appeared twice in front of the Committee to discuss the new towns programme. Both times he has reiterated his support of the new towns, and indeed support from wider government, stating during the most recent evidence session that they "have a commitment from every department in government".[175]

107. Despite this, witnesses have repeatedly told us that they believe more can be done.[176] Over the course of this inquiry, we have been impressed at the capabilities, ambition, and drive of the built environment sector, and we believe that if given the correct signals, they are capable of realising and delivering the Government's vision of exemplary new settlements.

108. Central Government must take overall control of the new towns programme and should treat it as a major national project. All the problems identified in this report could be solved more easily if the key players involved could be sure that current government is committed to seeing the programme through to completion. Developers, the construction sector, training providers, utility firms and others all need the confidence to invest and expand production. New towns could be a powerful stimulant for this, but only if the key players involved can trust the Government's commitment to the programme.

109. The original New Towns of the mid-twentieth century were not ancillary to the then Government's housing policy. Rather, they were a deliberate and central part of national government policy and were key to achieving the housebuilding targets of the day. Those New Towns and the planning and design principles behind them—for better or worse—continue to shape the UK's built environment to this day.[177]

110. Today's Government can only expect the same magnitude of impact and achievement if they are prepared to undertake the work and expend the funding needed to deliver the next generation of new towns. Otherwise, they will be setting the built environment sector and the wider public up for disappointment.

111. Government commitment is needed to give confidence to interested parties at all stages in the building process. For example, suppliers of building materials will need to be sure that the Government is committed to projects of this scale before they make the capital investment necessary to increase

174 See for example QQ 6 (Katherine Adams), 15 (Simon Rawlinson), 29 (Richard Cook)
175 Q 63 (Minister of State for Housing and Planning)
176 See for example QQ 4 (David Hopkins), 6 (Katherine Adams), 25 (Richard Cook)
177 Q 46 (Dr Alex Budzier)

output.[178] Likewise, housebuilding firms will only seek involvement in new towns if they can expect the Government to follow-through and permit the construction of large, cohesive settlements, with links to transport and infrastructure, which will give them an acceptable return on investment.[179]

112. Dr Budzier gave the example of the cancellation of the northern leg of HS2 to show why, by analogy, interested parties required Government commitment to the new towns programme. He said that the cancellation of the northern leg "led to a massive deficit of trust".[180] He added that the effect of low confidence on the new towns programme is that "nobody in the industry wants to invest in capabilities. Saying that this [the new towns programme] will be cancelled now will have exactly the same effect of people saying, "Well, why did I hire all these apprentices then? I believed the Government", and there will be a trust deficit again."[181]

113. It is therefore up the Government to provide basic guarantees that they want these megaprojects to happen. Only then will then will the other key interested parties in this process—skills providers, producers of building materials, local authorities, utilities providers and more—feel able to commit to playing their essential part in the delivery of the new towns.

114. Ultimately, therefore, the Government must decide whether they really want to deliver the next generation of new towns. To undertake this programme in a half-hearted and desultory manner would lead to failure, because none of the other interested parties needed to make new towns a success will be able to make the long-term commitment to contribute. This is therefore a policy that the Government must pursue relentlessly—in partnership with housebuilders, colleges, industry and wider society—or one that they should give up on.

115. **The Government must fully commit to taking ownership of the success of the new towns programme, or risk further weakening the confidence of built environment stakeholders that the Government is willing and able to deliver megaprojects.**

116. ***The Government must establish all development corporations or equivalent delivery bodies for the new towns programme within three months of the final selection of the sites.***

117. ***We will soon by approaching two and a half years since this Government came to power. There has been a consultation and the launch of a taskforce, but construction—or even the final selection of new towns locations—are yet to take place. Therefore, alongside commitments to the urban extensions and urban regeneration projects, construction work must begin on at least one standalone new town within the lifetime of this parliament.***

178 Q 6 (David Hopkins)
179 Q 25 (Richard Cook)
180 Q 56 (Dr Alex Budzier)
181 *Ibid.*

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTERESTS

Members

Baroness Andrews
Lord Bailey of Paddington
Baroness Barran
Lord Bassam of Brighton
Lord Cameron of Dillington
Lord Gascoigne (Chair)
Baroness Griffin of Princethorpe
Baroness Janke
Baroness Lawrence of Clarendon
Baroness Miller of Chilthorne Domer
Lord Porter of Spalding
Lord Ravensdale

Declarations of interests

Baroness Andrews
No relevant interests declared

Lord Bailey of Paddington
Chair, Faraday Ventures
Committee member, London Assembly, Greater London Authority

Baroness Barran
No relevant interests declared

Lord Bassam of Brighton
Chair, Brighton and Hove Seafront Development Board

Lord Cameron of Dillington
Farming and landowning interests involving agriculture and domestic and commercial property lets.

Lord Gascoigne (Chair)
No relevant interests declared

Baroness Griffin of Princethorpe
No relevant interests declared

Baroness Janke
No relevant interests declared

Baroness Lawrence of Clarendon
Chair of Trustees, Stephen Lawrence Day Foundation

Baroness Miller of Chilthorne Domer
Shareholder, The Bradfords Group Ltd

Lord Porter of Spalding
Strategic adviser, Kinscape
Non-executive director, Norse Group
Non-executive director, Rentplus Homes
Director and beneficial owner, Porter and Verrells
Non-executive director, Elixr Earth
Strategic adviser, Prodo
Strategic adviser, Officio
Strategic adviser, Inspire Solutions
Strategic advisory board member, Kinscape

Lord Ravensdale

Chief Engineer, AtkinsRéalis

A full list of members' interests is in the Register of Lords' Interests: https://members.parliament.uk/members/lords/interests/register-of-lordsinterests

Specialist Adviser interests

Kelvin MacDonald

Senior Departmental Fellow: Department of Land Economy, Cambridge University

Director of Studies and bye-Fellow: Christ's College, Cambridge

Occasional consultant to The Family Building Society

APPENDIX 2: LIST OF WITNESSES

Evidence is published online at https://committees.parliament.uk/work/9845/new-towns-bricks-and-mortar/

Evidence in alphabetical order

Dr Adeyemi Akintola	NTB0030	
Albion Stone PLC	NTB0003	
Alliance for Sustainable Building Products		QQ 1–14, Katherine Adams, Technical Director
Mr David Barton	NTB0010	
The Bedford College Group	NTB0009	QQ 15–24, Sam Egan, Group Director
Mr Pierre Bidaud	NTB0008	
BioClocks UK	NTB0019	
Dr Alexander Budzier	NTB0034	QQ 44–57, Dr Alexander Budzier, Saïd Business School, University of Oxford.
BUUK Infrastructure	NTB0039	QQ 33–43, John Marsh, Chief Innovation Officer
Dr Cristina Cerulli	NTB0032	
Dr Ronan Champion	NTB0005	
Professor Doug Cleeland	NTB0015	
Professor Derek Clements-Croome	NTB0006	
City & Guilds	NTB0014	
Clarion Housing Group		QQ 25–32, Richard Cook, Chief Development Officer
Community Planning Alliance	NTB0001	
Construction Industry Council		QQ 15–24, Simon Rawlinson, Deputy Chair
Construction Products Association	NTB0018	QQ 1–14, Rebecca Larkin, Head of Construction Research
Professor Juliano Denicol		QQ 44–57, Professor Juliano Denicol, Professor of Megaproject Management, University College London
Energy Networks Association		QQ 33–43,Lawrence Slade, Chief Executive Officer
Mr Audley English	NTB0031	
Henley Business School, University of Reading	NTB0011	

Homes England		QQ 25–32, Alison Crofton, Chief Regional Delivery Officer
Landmark Information Group	NTB0012	
The Land Trust	NTB0022	
Mineral Products Association	NTB0025	
Ministry of Housing, Communities and Local Government		QQ 58–73, Rt Matthew Pennycook MP, Minister of State for Housing and Planning QQ 58–73,Lise-Anne Boissiere, Co-Director for New Towns, Infrastructure and Housing Delivery
Dr Nigel Moor	NTB0015	
National House Building Council	NTB0026	
New Homes Quality Board	NTB0020	
Dr Basirat Oyalowo	NTB0030	
Peabody	NTB0037	
Places for People	NTB0028	
Dr Vijay Pawar	NTB0029	
Dr Florence Phua	NTB0004	
Dr Colin Rose	NTB0029	
Mr Rami Saadi	NTB0027	
Skills England	NTB0035	QQ 15–24, Jonathan Mitchell, Deputy Director
Stone Federation Great Britain	NTB0033	
Dr Adrienn Tomor	NTB0016	
Dr Tariq Umar	NTB0017	
Mr Mike Waller	NTB0013	
Royal Institute of British Architects	NTB0024	
Royal Institution of Chartered Surveyors	NTB0038	
Royal Town Planning Institute	NTB0023 NTB0036	
Timber Development UK		QQ 1–14, David Hopkins, Chief Executive
Water UK		QQ 33–43, Stuart Colville, Deputy Chief Executive
The Woodland Trust	NTB0007	

APPENDIX 3: CALL FOR EVIDENCE

The House of Lords Built Environment Committee has today launched the third and final module of its inquiry into the Government's plans for the next generation of new towns.

The first module looked at the fundamental legal, financial, fiscal, and governance frameworks that need to be in place before any construction of new towns can begin.

The second module focused on how to ensure that each of the new towns and expanded settlements can become thriving, successful communities where families want to live and set down roots.

This time the committee will consider the practical, physical challenges facing the construction and development sector as they seek to deliver new towns for the nation.

Focus of the inquiry

This third module will focus on construction and development and seeks to answer a fundamental question: what are the factors limiting the construction of new towns? Or put another way, what might be stopping us from getting spades in the ground and having new towns built quickly and to a high standard? The committee plans on examining material supply chains, labour shortages, connections to utility providers, and the role of diverse house builders, but it is keen to hear of other potential topics of interest.

Questions

1. Once locations have been agreed, what are the factors limiting the physical construction of new towns? Which are the most important? How can they be addressed?

2. What do you think are the greatest challenges associated with connecting new towns and expanded settlements to utilities? How can these challenges be addressed?

3. Which policy areas or barriers represent the 'low-hanging fruit' for this inquiry? Are there any 'quick fixes' that the Committee and Government could address?

4. What can the Government and new town delivery vehicles do in the short term to ensure that construction of new towns over the coming years and decades is successful?

5. How can the Government give assurance to suppliers, builders and developers that new towns are a viable source of business and a credible investment opportunity?

6. How can we ensure that new towns and expanded settlements are delivered to a high-quality standard that go beyond minimum expectations for construction and demonstrates best practice for sustainability, aesthetics and place-making?

7. Which case studies of large-scale construction projects should the Committee and Government look at to learn from best and worst practice in construction and supply logistics