Guide 2:
Finance and Delivery Vehicles

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Garden City Principles for the 21st Century:

Practical Guidance for Delivery

tcpa

Practical Guides for Creating Successful New Communities

Finance and Delivery Vehicles – Executive Summary October 2026

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Front cover image
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About the TCPA
The TCPA (Town and Country Planning Association) works to challenge, inspire and support people to create healthy, sustainable and resilient places that are fair for everyone. We do this by shaping policy and practice internationally, nationally, locally and through working with communities. Informed by the Garden City Principles, the TCPA's strategic priorities are to:

- Work to secure a good home for everyone in inclusive, resilient and prosperous communities, which support people to live healthier lives.
- Empower people to have real influence over decisions about their environments and to secure social justice within and between communities.
- Support new and transform existing places to be adaptable to current and future challenges including the climate crisis.

Practical Guides for Creating Successful New Communities

A range of solutions are needed to deal with the UK's shortage of housing. Alongside the renewal of our towns and cities, there is now wide recognition of the need to design and build new large-scale developments. New Towns, urban extensions and regeneration areas provide an opportuity to create ambitious, high-quality developments, that enable people to have healhty lifestyles and which facilitate economic growth, and will be attractive places for generations to come. But there is also a risk that these developments become soulless, car-domniated dormitory suburbs, how can we prevent this? The answer lies in the Garden City development model – a proven way of funding, creating and maintaining sucessful high-quality places. There is lots of terminology around the idea of large-scale dveelopments – from New Towns to New Settlements. Terms come and go but the TCPA is clear that the Garden City principles remain a useufl foundation for thinking about how we can do things differently.

The TCPA has produced a suite of guidance on how to deliver the Garden City Principles. These guides are being made available as an online resource, which enables them to be updated periodically as policy and legislation changes, and as learning evolves. They will be usuful if you are considering a New Town, urban extension, large scale regeneration. Many of the ideas will also apply to the creation of sites, of 1,500 to 10,000 homes, to New Towns of over 10,000. The Guides will help anyone attempting to create great places, regardless of whther they are trying to achive a 'Garden City.

The Garden City Principles

A Garden City is a holistically planned new settlement which enhances the natural environment and offers high-quality affordable housing and locally accessible work in beautiful, healthy and sociable communities. The Garden City Principles are an indivisible and interlocking framework for their delivery, and include:

- Land value capture for the benefit of the community.
- Strong vision, leadership and community engagement.
- Community ownership of land and long-term stewardship of assets.
- Mixed-tenure homes and housing types that are genuinely affordable.
- A wide range of local jobs in the Garden City within easy commuting distance of homes.
- Beautifully and imaginatively designed homes with gardens, combining the best of town and country to create healthy communities, and including opportunities to grow food.
- Development that enhances the natural environment, providing a comprehensive green infrastructure network and net biodiversity gains, and that uses zero-carbon and energy-positive technology to ensure climate resilience.
- Strong cultural, recreational and shopping facilities in walkable, vibrant, sociable neighbourhoods.
- Integrated and accessible transport systems, with walking, cycling and public transport designed to be the most attractive forms of local transport.

The TCPA has produced an extensive set of policy and practical resources on Garden Cities, which can be found here.

1 Executive summary

Finance and Delivery Vehicles

This practical guide is designed to help local authority officers and elected members who are considering whether a new town, large scale urban extension or other new community is right for their area, and want to learn more about how the project can be delivered and financed. It considers the role of development corporations and other local delivery vehicles, scope for private investment, joint ventures and public funding sources, case studies and principles for success. It sets out how different funding and delivery arrangements can draw on place-based investment to enable and derisk the development process. Getting the sequencing of delivery right is critical to delivering high quality places – including setting high expectations as early as possible so that these can be factored into land prices.

The government's renewed interest in the development of new towns, both through its own formal programme of support and more generally, presents a golden opportunity to meet housing need across England while also delivering against ambitious placemaking principles. Government have been clear that “Boosting housing supply requires not only reform of the planning system, but also a renewed focus on building large-scale new communities and New Towns across England.”[1]

However, the majority of homes delivered over the next 20 years will not be in places that form part of the government’s formal New Towns programme. Government’s ambition is for New Towns to "act as exemplars for integrated planning and funding, setting a model for future large-scale development that will change the way that housing is delivered in this country, beyond the programme itself.” In advance of progress being made, this guide is designed to provide support and case studies for those local authorities bringing forward major new communities with and without Ministerial support, and in many cases without the prospect of a development corporation being designated for their scheme.

Finding routes to the timely delivery of large scale housing schemes whilst also supporting high quality ambitions remains a significant challenge. The New Towns Taskforce highlighted these, observing that:

- The scale of infrastructure required for a new town (major transport, utilities, and social facilities) is often more costly than expected, frequently rendering large projects unviable without substantial public sector support, and;

- Purely private sector delivery models have failed to deliver schemes over 5,000 homes in their entirety, and rarely deliver more than 150 homes per year, whereas statutory development corporations have achieved build out rates averaging 600 or more homes per year.

On this basis, the TCPA continues to advocate for proactive public sector land assembly and exemplary development standards set out in adopted plan policies. This in turn creates long term certainty and benefits new and existing residents. In particular, a planning authority alone rarely has the necessary delivery focus for land assembly, which is required unless a rare single ownership site exists. It is also necessary for the organisations delivering new communities to exert some level of control of the land necessary, either alone or in partnership. Using the value that results from the development process to fund delivery is a fundamental aspect of both the historic Garden City model and the post-war New Towns, and is closely tied to the type of organisation that owns the land and delivers the development and its sequence and route to delivery.

At the super-strategic scale, local authorities and government agencies will play a central role in the delivery of any new community, particularly where growth is planned over many decades and consists of many thousands of new homes. However, many of the lessons in this guide are also applicable to smaller new communities that aspire to the Garden City principles, even where delivery challenges are not so acute. The experience of members of the TCPA's New Communities Group over the past fifteen plus years shows that local planning authorities have made significant progress in delivering large scale new communities despite many challenges and an ever more complex policy and regulatory environment. But early action, robust policy approaches and ambitious public interventions are critical to capturing land value for public benefit and tempering price expectations from landowners.

To enable land values to pay for the long-term delivery and management of infrastructure, the organisation delivering the development must also establish approaches to long-term stewardship early in the development process. Many of these principles go against the grain of the delivery models typically used in Britain – but the more value that can be captured for public benefit, the more can be used for high quality placemaking. At the other end of the continuum, where value is extracted from sites, public benefit suffers, often resulting in delays and poor quality placemaking. Development corporations remain the only proven approach to providing long-term certainty on these matters.

The aim of this guide therefore is to share best practice and identify key principles for success. The guide sets out case studies for success, as well as areas that need attention. This includes from government as it reviews the current legislative framework to support the successful delivery of large-scale developments as part of its New Towns programme

Five key principles for success

There are diverse approaches to the delivery and financing of new Garden Cities that can lead to success. Professional advice will be necessary to identify the right model in each case, but there remain three headline factors which should drive the selected approach. Early consideration of these factors is essential for better delivery:

1. There is always an opportunity for land value capture, but early action is needed

Funding sources for new Garden Cities will be diverse and draw on private sector investment to build homes, but, when planned for from the offset, places can be self-financing over time through the capturing, sharing and reinvestment of land value uplift.

While a robust, publicly-led delivery process comprehensively carried out by a modernised development corporation provides the greatest opportunity for this on larger sites, there remain other opportunities, albeit more limited, to capture land values on smaller sites and those that are some way through the development process.

2. The right delivery body will de-risk the process for investors and stakeholders and support sequencing

A dedicated organisation, with the right staff and skills is essential to oversee the complex task of delivering a new Garden Cities. Delivery vehicles that commit to high standards and long-term delivery make private and public sector investment an attractive prospect. They can also provide reassurance for local people as there is a demonstration of commitment to deliver what is promised.

3. Successful places require sustainable investment in a long-term stewardship model

It is vital that a proportion of the development values captured through the delivery process are invested in one or more organisations that will look after the development in the long-term and support community interests. The right financial model can ensure that funds are available in perpetuity to maintain community assets and provide additionality to the services provided by the council and paid for through council tax.

4. Strong and evidenced Local Plan policy is important

While established mechanisms such as Section 106 agreements and the Community Infrastructure Levy can help to capture land value uplift, the strongest mechanism available to councils at the moment is the setting of strong, clear and evidenced Local Plan policy. Revisions to national policy have made clear that the price paid for land is not a reason for non-compliance with Local Plan policy. While the position is not perfect, it does mean than local authorities can push back on viability assessments; and where costs for developers may be increased by, for example, building accessible homes, they should be translated into reduced land prices. For this mechanism to work, policy must be expressed early and clearly so that land markets can adjust, as well as being tested for viability at local plan examination.

5. Land values have a limit

It is also important to remember that land values are not a money tree, and there are limits to how much landowners will flex. Likewise, developers that have paid too much for land may simply refuse to develop it. In these cases, the power of local authorities to compulsorily purchase land are key, as is the potential use of locally led delivery vehicles such as Development Corporations. It is not realistic for land value capture to pay for every aspect of all new sites. Some will have major infrastructure costs for transport or flood resilience and public investment will be required to unlock the land.