

## Land use planning should be more responsive to demand but how this could be achieved is still up for debate

*Christine Whitehead* discusses a recent event held at the LSE on whether we should allow or continue to restrict development on the greenbelt, highlighting the main thrust of the arguments and outlining how the the debate should move forward.



The debate held at LSE on Wednesday June 27<sup>th</sup> 2012 ([Should we ever build on the greenbelt?](#)) was the latest in a long series of discussions over the years looking at the role of land use planning in supporting increased productivity and economic growth at the same time as ensuring adequate housing for all. These two very positive objectives might presuppose an equally positive view of the value of planning – especially as the core elements of legislation have been in place some 65 years and politicians of all parties agree both on the objectives and the principles by which the system operates.

Yet the role that land use planning plays in achieving the objectives remains an area of enormous and acrimonious debate. This is often typified as economists and developers versus the rest – with economists and developers wanting massive deregulation, while planners, most politicians and the public more generally want to maintain ‘our green and pleasant land’ by restricting development mainly to existing urban areas. In reality of course neither position is so extreme – those looking to reduce regulatory constraints recognise the benefits of well-planned urban and infrastructure systems and the real costs of developments that do not fully take account of wider impacts on neighbourhoods and society.

But they also argue strongly that current constraints are overprotective, result in higher housing costs and the redistribution of income and welfare to the already well off. Those who argue for maintaining restriction also look to develop a more positive planning approach and agree that some of this development should be on well positioned greenfield land. This can support large scale development often at higher densities and ensure the provision of affordable housing in locations where the social benefits can best be realised. They also argue strongly for specific policies to expand the provision of affordable housing because market mechanisms can never provide adequately for poorer households.

The starting point for this particular debate was the extent to which the (ever increasing) greenbelt should be kept in place, especially around London. Not surprisingly, the discussion ranged much more widely, covering the case for and against greenfield as opposed simply to greenbelt development, as well as more specific London based issues as to how it might be possible to accommodate the very large increases in the number of households now projected and the costs to London and particularly to Londoners if much more housing is not made available over the next few years.

The members of the panel included on the one hand, Tony Burton and Anne Power both of whom were members of the Urban Taskforce which placed the strongest emphasis on reusing brownfield sites and, on the other, Henry Overman and Alex Morton both of whom are well known for their concerns that land availability is a major constraint on development.

None of the participants saw the objective of the debate as being simply to air antagonistic views but rather to see whether there were areas of consensus which could help develop ways forward to a better system. Even so there were continuing fundamental tensions between the two ‘sides’ with the first stressing the quantity of land available and the second who saw the price of available land as evidence of heavy constraint. The starting point for Tony and Anne was the findings of the Urban Taskforce which concluded that there was plenty of land available across the country and even in London – notably in the Thames Gateway although also more generally across London’s suburbs.

It was generally agreed that an important outcome of the then government's acceptance of that report was the brownfield first policy which set targets (the only formal targets in the system) for the proportion of land for housing that should come from re-used land. The disagreement lay firmly between those who thought the policy had worked and those who at the extreme saw it as a major factor stopping them being able to afford to live in London. Those who favoured the brownfield first policy argued that what is needed to make the policy work effectively is to reduce other constraints that help to reduce activity (notably the structure of the house building industry) and to penalise those who hold land off the market. They also argue that this land will never be built out if easier greenfield sites are made readily available – and that this in turn will lead to increasing costs particularly from lower densities and the increasingly inefficient use of infrastructure and the loss of benefits arising from compact cities.

The other side of the debate started from the excessively low levels of production during the decade long economic boom which is seen as strong evidence that much of the land that is made available through the planning system is the 'wrong land in the wrong place' – because it is too costly to develop and does not meet the reasonable demands from either industry or households. Moreover the housing that is produced is often of poor quality, smaller and most importantly much more expensive housing than is necessary – and this imposes heavy costs both on poorer households and on the competitiveness of the economy because of its effect on wage levels and other costs to producers. Less was said about commercial and industrial needs but the same arguments apply.

So has the debate moved on? There were undoubtedly areas of agreement and some acceptance that planning must be more responsive to demand. But equally there was relatively little agreement on how this might be achieved.

First, the housing situation has undoubtedly gotten worse since the turn of the century with output not even keeping pace with household formation. Equally, London's capacity to accommodate that growth within its own boundaries was questioned unless there were profound changes in planning and supply mechanisms.

Second, changes in planning alone are not enough – but equally that it was too easy just to shift the debate to tax reform or the restructuring of the housebuilding and housing finance industries. Also, it was accepted that planning is inherently a local issue but the local views that are most likely to be heard will be against development, because the negative impacts of development are mainly borne by neighbours and the local community. Any system of local government finance must take this into account much more effectively than the current regime – even accepting the changes now being implemented by which local areas obtain some of the tax revenues.

Third – and not necessarily fully agreed - there are many areas of the countryside that should be protected from development. But this should be done on the basis of transparent cost benefit analyses – and would probably result in considerable differences in where development was supported. In this context the fear that allowing any development on currently protected areas is a very difficult sell – but the basis of protection should be social welfare not administrative boundaries that were put in place in a very different social and economic environment.

Finally, there was almost no discussion of the current changes in planning being implemented through the National Planning Policy Framework – possibly through lack of time but more likely lack of belief that it will result in fundamental change – but this is a topic for another debate as the evidence comes in.

*Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting.*

## **About the author**

**Christine Whitehead** is a professor of housing economics at the London School of Economics. Her research interests are mainly in the fields of housing and urban economics, housing finance and policy and more general issues of privatisation and regulation. She is an Honorary Associate member of the Royal Institution of Chartered Surveyors. She acted as specialist advisor to the Environment Select Committee in 1995/96. In 1991, she was awarded the OBE for services to housing.

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