



Spatial Economics Research Centre

Monday, 3 September 2012

(More) Planning Rule Reform

So, reports suggest that the government is going to come back and have another go at [planning rule reform](#), possibly to make it easier to 'build on the greenbelt'.

This is clearly risky territory for the coalition. It's widely recognised that the politics are bad, but the economics aren't that great either. Sorting out the supply side of the market is fundamentally important long term, but it won't do much short term unless the government can come up with an effective way to boost demand. Underwriting £10bn of construction might help, although this is only a 25% increase on the £40bn already announced earlier this year. Clearly we are not yet feeling big positive effects from that much larger announcement.

In addition, it's a little depressing, although not necessarily surprising, that the government needs a second take on this so soon after its previous reforms. There were a number of us who welcomed the direction of the reforms (particularly in providing incentives for local communities to say yes to development) but worried that the supply effects were more likely to be negative than positive - particularly given the decision to maintain so many constraints on development. Indeed, from my [post on the NPPF](#) in March this year:

"So much for the positives, what about the things it gets wrong? I think a fundamental problem is that the planning framework is backward not forward looking. We have a growing population and changing industrial structure and yet the draft framework works to limit us to living and working within an urban footprint that we inherited from the 1940s (if not before). This is particularly evident in terms of [policy towards the Greenbelt](#). Towns expand in to cities by building on countryside and merging with outlying towns and villages. We are told that the Greenbelt policy is specifically intended to prevent this. In other words, the urban system we have now is what we have to work with. This severely hampers the ability of our set of cities to adjust to fundamental structural changes. It assumes that growing cities can expand by recycling old land, but many of the places that have strong growth potential are *not* existing cities, but larger towns. In short it makes the planning system about *redevelopment* more than *new* development. I understand the politics behind this (c.f. the natural trust) but the restrictions come at a cost in terms of economic growth."

If reports are true, it will be interesting to see if 'planning reform part II' does any better.

Posted by [Prof Henry G. Overman](#) on [Monday, September 03, 2012](#)

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1 comment:



[Lee Crawford](#) said...

Would it be possible/worthwhile to do a ballpark estimate for the size of that cost per head?

3 September 2012 at 13:56

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