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DELIVERING MORE HOMES

Radical action to unblock the system

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Summary

- The planning system has become too complex and the revisions to the National Planning Policy Framework risk exacerbating the situation. The principle of a clear general presumption in favour of sustainable development that has equal weight to other considerations, including the Development Plan, must be reintroduced.
- The Planning Inspectorate appears to be under extreme pressure. The increased involvement of outside specialists and a sitting mediation service would help to resolve the problems and speed up decisions.
- All Green Belt boundaries should be reviewed, starting with those areas that do not have an adequate land supply for the next ten years to meet known population requirements. An early release of Green Belt would help to meet the urgent need for housing in and around Birmingham, Manchester and London. The most sustainable areas will be within walking distance of railway or underground stations.
- There is enough Green Belt land within the confines of Greater London – 32,500 hectares – to build 1.6 million houses at average densities. If only a tenth of this land were used for new housing that would represent 160,000 new homes – a significant response to the urgent housing crisis in the capital.
- The government should introduce legislation to enable the setting up of Special Purpose Vehicles (SPVs) as an appropriate delivery mechanism for new integrated and sustainable communities with a mix of housing types and tenures, for example, homes for sale, private

rental, housing association accommodation and more specialised types such as sheltered accommodation for the elderly.

- As recommended in a House of Lords select committee report into the housing market, a senior Cabinet Minister should be given overall responsibility for identifying and coordinating the release of public land for housing.
- The Government Property Unit in the Cabinet Office needs to up its game and accelerate progress with its Government Estate Strategy, notably in respect of the One Public Estate programme which appears to have made lamentable progress as far as land sales are concerned.
- Given the slow progress so far made on public land disposals, consideration should be given to allowing a private sector body permission to apply to acquire public sector land under the Compensation Code and serve a Disposal Order to achieve such a transfer. This might prove particularly relevant where this relates to land where a local authority has already granted planning permission.
- There is a strong case to use land promotion partners where additional expertise and funding is judged necessary to unlock sites for development. Promoters can supply 'shovel-ready' sites into the land market, speeding up the delivery of new homes.
- Small housebuilders have a particularly important role to play in constructing homes on small sites owned by the public sector. Recently announced loan guarantees by the government may prove pivotal in delivering new homes. Small sites should be exempt from CIL and Section 106 payments except in relation to issues of safety. Small housebuilders should be enabled to use the Disposal Order system to bring forward sites. These entrepreneurs must be enabled to contribute fully to resolving the housing crisis.

Glossary

Brownfield Land or Previously Developed Land: Land which is or was occupied by a permanent structure and its associated cartilage, i.e. the area considered legally part of a house or dwelling.

CIL: Community Infrastructure Levy – a charge that local authorities can set on new development to help fund infrastructure such as schools or transport to support new homes in the area.

Compensation Code: A system by which landowners are paid when land is acquired for public purposes.

Development Plan Policy document: prepared by local government authorities (under the Planning & Compulsory Purchase Act 2004) relating to their areas, covering topics such as use of land.

DCO: Development Consent Order.

Heritage Assets: A building, site, place or area having a degree of significance meriting consideration in planning decisions due to heritage interest. An example would be a Listed Building.

Material Consideration in assessing planning applications: A wide concept that includes issues impacting the use of land and property.

NPPF: National Planning Policy Framework. Explains the government's planning policies for England and how these should be applied. The NPPF was revised in July 2018.

NSIP: Nationally Significant Infrastructure Project.

Pink Planning: Zones which are incorporated in a Development Plan but where the broad parameters allow development exempt from planning controls.

Planning Inspectorate: An executive agency of the Ministry of Housing with headquarters in Bristol. Inspectors are responsible for a range of decisions and recommendations on land use matters including planning appeals.

Positive Presumption to grant consent: A general presumption that planning permission should be granted unless there are clear objections such as damage to a Listed Building or serious highway hazard.

Special Purpose Vehicle: Designed for a private sector development whether it is a town or village, involving the local community, landowners, entrepreneurs and home builders.

Sustainable Development: Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Background

How the planning system works

Since the 1947 Town and Country Planning Act, development rights have effectively been nationalised in England and Wales. Land can be privately owned, but land ownership rights do not include an automatic right to build on that land.

Development Plans are prepared by the local authority to cover their areas. Once prepared the Plan is considered by an independent Planning Inspector appointed by the Secretary of State: generally the Inspectors are on the regular staff of the Planning Inspectorate based in Bristol. Planning Inspectors normally hold one or more qualifications in Town Planning, Architecture, Surveying or Engineering.

The Inspector may suggest alterations to the Plan and this will eventually result in its adoption by the relevant council. There are separate plans for minerals and waste; these plans are prepared at the County level.

The Development Plan will contain policies on the provision of land for new homes, employment and open space: it will set out areas to be protected from development such as Green Belts and Areas of Outstanding Natural Beauty.

At the same time as the Development Plan is proceeding central government produces overall planning policy guidelines. The most important of these is the National Planning Policy Framework (NPPF). This was reviewed in July 2018 and seeks to resolve major current problems. The new NPPF makes detailed recommendations on the provision of more housing, and together with the supporting guidance notes, it explains detailed town planning procedures. It covers national policies relating to areas to be

protected from more development, such as Green Belt and Areas of Outstanding Natural Beauty, but also more detailed policies relating to Heritage Assets such as listed buildings and Historic Parks and Gardens.

At the core of the NPPF is the support for sustainable development. It defines 'sustainable' development as development 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'. The framework identifies three overarching objectives: an economic objective to build a strong economy, a social objective to support vibrant local communities, and an environmental objective to protect and enhance the natural and built environment.

There are some 430,000 planning applications in England each year. When considering making an application there is a two-stage process. The first test to consider is whether it comes under the definition of development. This will involve considering the proposal against the legal definition of development, which is defined as building, engineering, mining or other operations in, on, over or under land, or the making of any material change in the use of any buildings or other land. The second test relates to whether the proposal has a general consent under 'Permitted Development'. This is defined in statutory instruments prepared by central government.

Up until here, this process does not sound particularly onerous, and it is not that different from how planning works in comparable countries. And yet, as we will see, the British system curtails housebuilding to a much greater extent than other systems. This paper makes a series of practical suggestions to improve the present situation.

The price of land reflects expected future housing demand and house prices. There is little evidence to show there is speculation in purchasing land or houses and holding them. This would not be an attractive business due to the heavy costs of carrying the asset.¹ Thus, the assumption that land speculation causes house prices to rise is incorrect. High levels of house prices are primarily due to the interaction of rising demand (caused by rising income levels, population growth, and a drop in average household size) and inflexible supply. There are certain housing markets, for example, in parts of central London, that are influenced by idiosyncratic factors such as high levels of foreign demand, but this is atypical and limited to specific pockets.

1 Marshall, A. (1920) *Principles of Economics*, 8th Edition, Macmillan, p. 441.

This paper suggests liberalising land use controls to allow the market mechanism to meet need, particularly for housing. The adverse impacts of alternative policies such as rent controls and total land nationalisation have been tried and failed. The control of rents - whether in the 1920s or in the period after World War II - deterred private investors entering the housing market. These policy options are explored in, for example, the Onslow Committee (1923) and Penance (1967).²

The urgent need to build more homes and stimulate economic activity

Rarely a day goes by without press comment on the housing crisis.³

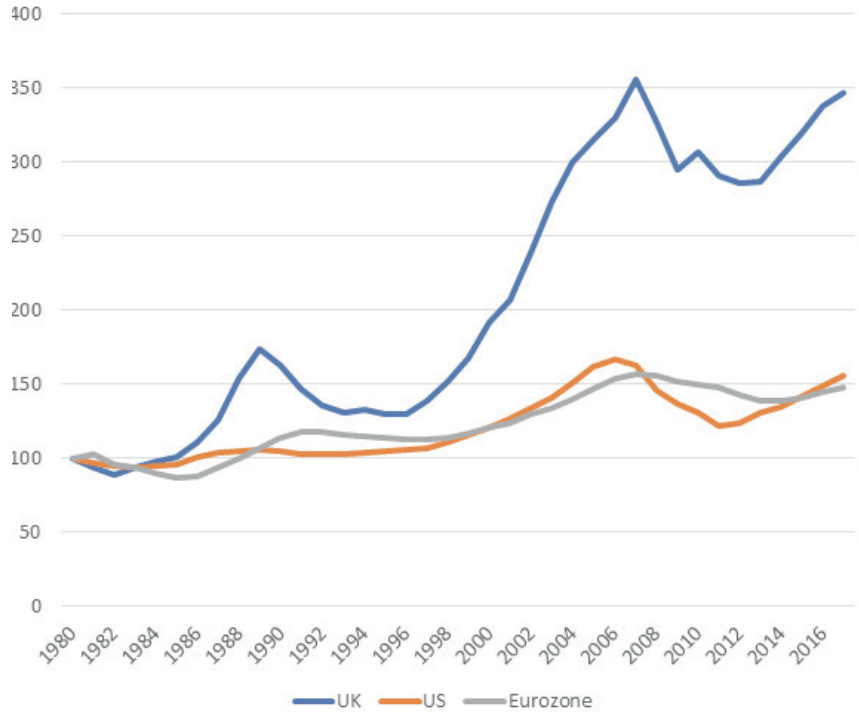
House prices - whether they are for flats, semis or villas – have soared in Britain over the last forty years, and particularly the last twenty-odd years. This is in striking contrast to most other European countries, particularly when one looks at the increases in real terms.

House prices in the UK have increased three-and-a-half fold in real terms since 1980, according to OECD data. In (what is now) the eurozone and in the US, they have only increased about one-and-a-half fold over the same period (Figure 1).

2 Penance, F. G. (1967) *Housing, Town Planning and the Land Commission*, Hobart Paper 40, Institute of Economic Affairs.

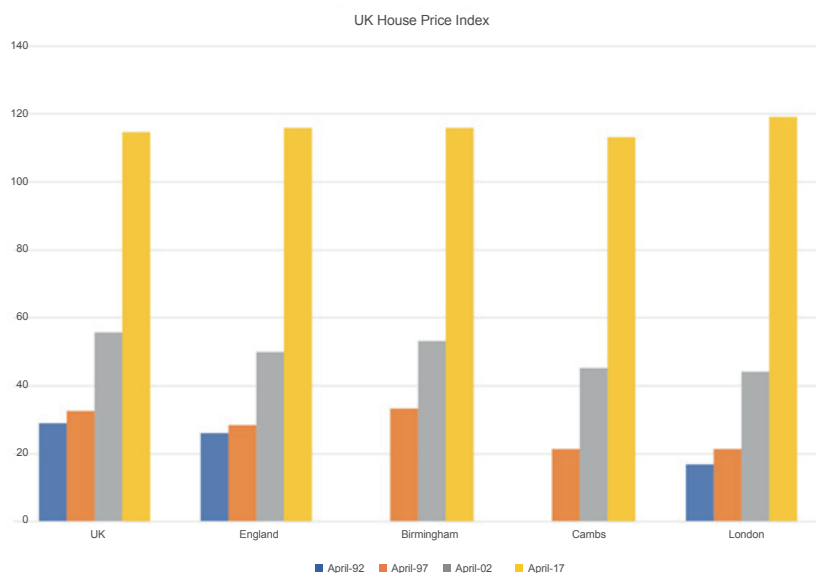
3 Ridley, M. (2018) 'Housing Crisis has been building for decades', *The Times*, 5 March.

Figure 1: Increase in UK housing prices in real terms compared with the eurozone and USA since 1980⁴



Prices have jumped particularly in London and the South East, but high house price inflation has been by no means limited to these regions (Figure 2).

⁴ Source: OECD Analytical house prices indicators (2018), available at https://stats.oecd.org/Index.aspx?DataSetCode=HOUSE_PRICES#

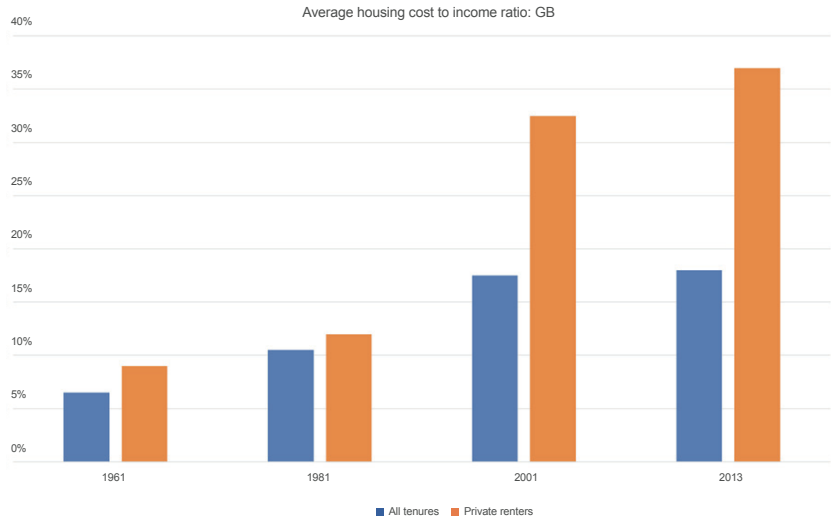
Figure 2: Regional variations in house price increases⁵

Rents have increased even faster than house prices, although this reflects the fact that Britain suffered for many years after World War II from a heavily regulated private rental sector. Government intervention in price-setting and security of tenure was meant to help tenants, but in practice, it constrained supply and deterred professional large scale investors, such as pension funds, from entering the market – in sharp contrast to countries such as Germany and Switzerland.

Figure 3 shows the housing cost to income ratio in Great Britain, comparing all tenures with private renters.

⁵ Derived from UKHPI (Land Registry), available from: <http://landregistry.data.gov.uk/> (retrieved May 2018).

Figure 3: Housing cost to income ratios for Great Britain⁶



Social housing was largely provided by local authorities in the first few decades after World War II. House building for this sector of the market reached its peak in the 1970s. Furthermore, an important change took place in 1977 when legislation was introduced making it a local authority's responsibility to house people who were homeless. This is commonly referred to as the 'main homelessness duty'.⁷

In the 1980s, a dramatic fall in council house construction took place. What is more, the Thatcher administration introduced the Right to Buy scheme for local authority tenants. This legislation gave people the opportunity to buy their own home, usually at a significant discount from the market price. It proved to be a very popular policy and many council tenants took advantage of it. The Right to Buy scheme is often blamed for the housing crisis, but this overlooks two factors. Firstly, Right to Buy reduced the demand for social housing by as much as it reduced its supply.

⁶ Adapted from Resolution Foundation (2017), *Home Affront: Housing across the generations*, p. 30: Fig 19.

⁷ The Housing (Homeless Persons) Act (1977) made local authorities responsible for the long-term re-housing of some groups of homeless people for the first time. The Act defined which groups of homeless people were considered to have a 'priority need'. See: Crisis UK (2015) 'The homelessness legislation: an independent review of the legal duties owed to homeless people'.

Those housing units did not disappear after they were sold: they continued to house the people who lived in them, the only immediate change being that those people were now owner-occupiers rather than tenants. Secondly, Britain still has one of the highest proportions of social housing in Europe.

Different tenures experience the housing crisis in different ways. For buyers and private renters, it manifests itself primarily in high and rising prices. In the social housing sector, it exhibits itself primarily in the form of long waiting lists. In 2017 there were 1.16 million households on local authority waiting lists. Since the Localism Act came into force local authorities have been able to change their waiting list criteria. This is partially responsible for the recent decrease in the number of households on the waiting list. While total numbers have slightly reduced, the new categorisation shows that in 2016-17 there were 479,000 households in the preference categories. These included people with medical and welfare issues, those occupying unsanitary or overcrowded accommodation (250,000), and the homeless.

These various indicators show there is a real and serious crisis across the housing spectrum. Action is required urgently to resolve this problem.

Home ownership and choice

A strong preference for home ownership has been a constant over many years with some 86 per cent of survey respondents indicating this preference for their accommodation.⁸

Academic research by Hilber and Vermeulen shows that 35 per cent of the average house price in England is attributable to planning constraints. They calculate that a reduction in the severity of current planning restrictions as they apply in the South East to bring them in line with those applicable in the North East would lower prices by some 25 per cent.⁹

There has been a continued failure to produce the 250,000 to 300,000 new homes needed every year under governments of all political colours.

8 British Social Attitude Surveys, 28th edition, Chapter 8 – Housing. This confirms a steady preference of between 84 per cent and 87 per cent indicating home ownership as their choice.

9 Hilber, C. A. L. and Vermeulan, W. (2014) 'The Impact of Supply Constraints on House Prices in England', available from: http://personal.lse.ac.uk/hilber/hilber_wp/hilber_vermeulen_ej_forthcoming.pdf

Disappointingly, rates of home ownership have fallen from about 70 per cent in 2005 to a current figure of about 63 per cent. This trend is undesirable for a variety of reasons:

- Renters end up with less capital saving than home owners; home ownership encourages saving.
- A natural wish on the part of British households to own their own homes is frustrated. Some 86 per cent of households share this aim of ownership. Personal ownership of assets tends to increase the level of care and property maintenance.
- Labour mobility is reduced with likely serious shortages in areas of high house prices. The multiple of house prices to earnings in London is about 7.5: this imposes a very heavy burden on younger households and clearly impacts on the London economy since business competitiveness is impaired and talented people struggle to afford the high costs that come with living and working in the capital. The same is true of other prosperous parts of the country, such as Oxford and Cambridge.
- Inter-generational inequalities are increasing to compound the inter-regional disparities: both can fuel populism and resentment.
- The power of the state will increase without individual investment in private property. Home owners have a serious personal stake in society. The spread of assets reduces the risk of aggrandisement by the state. A property owning democracy is a feature of a free society where the state is subservient to the people.
- The constrained supply of housing and land for development has reduced choice for purchasers. Suppliers, i.e. housebuilders, have not been sufficiently responsive to concerns about quality and variety. Our various suggestions will increase the opportunities for good design to appeal to a variety of tastes in the market.

Can entrepreneurs and town planners work together?

Notwithstanding our belief in free markets there is an acceptance of some land use controls and policies. For example, Areas of Outstanding Natural Beauty, Sites of Special Scientific Interest and ancient woodland must be preserved generally as they are. Indeed, it is important to stress that such areas would have a strong degree of protection under the planning system even if they were not also designated as Green Belt.¹⁰ Careful consideration of change impacting upon Heritage Assets must be welcomed including the care of Listed Buildings and Conservation Areas. Similarly, endangered species and areas of outstanding natural and scientific interest must be acknowledged. However, there must be a balance between conservation and housing affordability. Beautifully conserved areas are of little use to people who cannot afford to live there.

The relationship between the planning system and the entrepreneur has never been an easy one. Our assessment is that the system as currently operating is not fit to serve the needs of a vibrant trading nation. The current planning system is based upon the Town and Country Planning Act 1947. This legislation evolved against the background of wartime Britain when everything was concentrated in a command economy focused on victory. At the time, there was a fashionable belief in the notion that the man in Whitehall knows best.¹¹ Indeed, the ideas contained in the Barlow, Uthwatt and Scott Reports¹² - reflecting this view - formed the backdrop to the 1947 Act. Even at the time, the minority reports by the economists involved queried the static approach inherent in each¹³ and a few other commentators raised concerns.

10 For instance, together these areas make up 13 per cent of London's Green Belt (London First (2015) 'The Green Belt: A Place for Londoners?', www.londonfirst.co.uk)

11 Encapsulated by Douglas Jay, a minister in the Attlee government, who observed that 'the Gentleman in Whitehall is usually right' (see *The Socialist Case*, published in 1939). This contrasts with Margaret Thatcher's view that the Labour party 'gloried in planning, regulation, controls and subsidies' (see *The Downing Street Years*, Harper Collins, 1993, p. 6).

12 Barlow Report of the Royal Commission on the Distribution of Industrial Population; Uthwatt Report on Compensation and Betterment; Scott Report on Rural Land Use.

13 For example, Sir Arnold Plant (Professor of Commerce in London University) in a key address to a gathering of professionals in the surveying world (now the Royal Institution of Chartered Surveyors).

Efforts at deregulation

With the advent of the Thatcher administration, there was a determination to reduce the regulatory burden. The White Paper 'Lifting the Burden', together with Circular 14/85, endeavoured to liberalise the system. The Circular contained two very important policies. The first was a strong general presumption in favour of development unless demonstrable harm would be caused. The precise terms were:¹⁴

There is therefore always a presumption in favour of allowing applications for development, having regard to all material considerations, unless that development would cause demonstrable harm to interests of acknowledged importance.

Secondly, it reduced the Development Plan to the level of a material consideration. Since then the situation has been reversed and the Development Plan is paramount in the decision making process.

The changes were strongly supported by Sir Alan Walters, senior economic adviser to the then Prime Minister. In correspondence with a lead researcher at the Thatcherite think tank, the Centre for Policy Studies, Sir Alan wrote:¹⁵

Let me state quite clearly that I am convinced that both planning restrictions and building regulations are a very serious contributor to inefficiency, not merely in our construction industry but many other residual industries.

Professor Mark Pennington,¹⁶ in his analysis of the post-Thatcher years, points to a growth in regulation. Certainly the reversal of Circular 14/85 can be seen as a significant failure frustrating the early reform efforts. The bureaucratic process was enshrined in the primacy of the Development Plan established by statute (Section 54A of the 1990 Act). The Thatcher years are generally regarded as a period of economic liberalisation, and while this is true for many other sectors, it is not true for housing.

¹⁴ See Circular 14/85, paragraph 3.

¹⁵ Letter of 23 March 1983 from Sir Alan Walters to the Centre for Policy Studies.

¹⁶ Pennington, M. (2000) *Planning and the Political Market*, Athlone Press.

Entrepreneurs, homes and Austrian economists – how do they relate?

We have outlined how the land use planning system developed in the context of wartime Britain. The country had been working as a command economy. In this post-war period there were few voices raised in the academic world against the accepted wisdom of statism.¹⁷

The deregulatory ambitions of the early Thatcher years were stimulated by the intellectual zeal of the market orientated studies produced by the Institute of Economic Affairs and Centre for Policy Studies.¹⁸

At the heart of the theory of entrepreneurial discovery and innovation is the concept of alertness by the entrepreneur to a set of circumstances as yet not even noticed. The action is the grasping of the opportunity; it can prove a pleasant surprise. Human action is discovery. At the moment of grasping the opportunity the actor becomes an entrepreneur. Every act may be an act of creative discovery. Thus, the market is forever churning with change, anticipating and responding to the choices of consumers.

Within this framework of alertness, discovery and uncertainty the entrepreneur will have a close awareness of market signals.¹⁹

This approach to the understanding of markets and entrepreneurship is vital when assessing the current problems of housing production and the new opportunities for a global Britain. Much of our current prosperity depends on these forces of entrepreneurial creativity and discovery, so it seems particularly ironic that in a sector which is as vital to our living standards as housing, we suppress those very forces.

Our representations²⁰ to the changes to the National Planning Policy Framework (NPPF) have been founded in this detailed understanding of market processes and changes. The result is that we must warn against detailed prescriptive policies. For example, the revisions propose planning authorities should detail the number of small sites in their land supply. We

17 Notable exceptions were of course: Hayek, F. A. (1944) *The Road to Serfdom*; Mises, L. v. (1949) *Human Action*.

18 For example: Mather, G. (1988) *Pricing for Planning*, Institute of Economic Affairs; Evans, A. (1988) *No Room, No Room*, Institute of Economic Affairs.

19 For a full analysis of Discovery Theory see: Kirzner, I. M. (1997) *How Markets Work: Disequilibrium, Entrepreneurship and Discovery*, Institute of Economic Affairs; Kirzner, I. M. (1985) *Discovery and The Capitalist Process*, University of Chicago Press.

20 The authors submitted comments on the revised draft NPPF on behalf of the IEA in May 2018.

agree such sites are vital to the economy and home production, yet it would be much better to operate a general positive presumption in favour of development except in areas of accepted restraint such as Areas of Outstanding Natural Beauty or Conservation Areas. We therefore welcome simpler criteria such as checking that at least a minimum number of homes in each area are produced every year. However, the application of Discovery Theory is a serious warning about the damage done to entrepreneurship by blanket bans. The nirvana of perfect knowledge on the part of the planning authority is delusional and seriously threatening to the solution of the current national housing crisis. It would be preferable to harness the skills of the entrepreneur, the knowledge of local communities and landowners to evolve masterplans for larger developments. These would be private sector initiatives incorporating the theory outlined above, inherent in the discovery process and entrepreneurship. Alongside these larger developments there must be a strong general presumption in favour of sustainable development. We now turn to explore this all important concept of the positive presumption in favour of change and sustainable development.

The positive presumption in favour of development

The concept of the positive presumption has a surprisingly long history in planning thought. Yet despite the political rhetoric, it is currently weak.

The 1932 Town and Country Planning Act was described in the accompanying circular²¹ as an opportunity ‘within which initiative and enterprise whether private or public may be exercised to the best advantage’. The stress was on flexibility; indeed a section of the circular described flexibility within zoning.

Planning authorities were encouraged to enter into schemes with landowners. The Circular terminated with a flourish:

Authorities should not be content with an attitude of negation aimed at preventing what is injurious to the community and other owns, but should be constructive, ready to help developers with suggestions how land may be put to better use.

Following the passage of the Town and Country Planning Act 1947 the then Ministry of Town and Country Planning²² warned against the dangers of too rigid an approach. A very clear statement in favour of a positive approach followed six years later with Circular 61/53.²³ The applicant for permissions should be given ‘the benefit of the doubt’. This was followed by the clear policy statement: ‘Development should always be encouraged unless it will cause demonstrable harm to an interest of acknowledged importance’.

21 Circular 1305 1933, Ministry of Health.

22 Circular 69 1949, Ministry of Town and Country Planning.

23 Circular 61/53, Ministry of Town and Country Planning.

The concern of successive administrations to ensure that appropriate development is not frustrated can be seen in the number of Circulars released. The positive approach is clearly evident in most of these:

- Circular 9/76, 'the basic principle is that planning permission should be granted unless there is a sound and clear-cut planning reason for refusal'.²⁴
- Circular 22/80 released at the start of the Thatcher years again referred to the positive presumption and the need to 'facilitate development and always to grant planning permission unless there were sound and clear cut reasons for refusal'.²⁵

The fundamental problem

The National Planning Policy Framework (NPPF) originally published in 2012, and now revised, was apparently supportive of sustainable development. Indeed there was an encouragement to this end:

At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development which should be seen as a golden thread running through both plan making and decision taking.²⁶

No doubt when it was published the Secretary of State had high hopes for a positive approach. Indeed, the Prime Minister specifically referred to the enterprise culture; planning delays were singled out in his speech as one of the 'enemies of enterprise'.²⁷

Why and what has gone wrong with this approach? The practical situation is well illustrated by examining a typical housing case. East Staffordshire Borough Council has a thriving economy and active housing market. The Borough Plan was examined by the appointed Inspector who reduced the housing requirement during the early years of the plan period in the anticipation of later development. Barwood Strategic Land planned to

24 Circular 9/76, Department of Environment – following the Dobry Report on Development.

25 Circular 22/80, Department of the Environment.

26 Department of Communities and Local Government (2012), National Planning Policy Framework.

27 Speech to Conservative Spring Conference, 6 March 2011.

build up to 150 homes near Burton-on-Trent. Its application was refused on the grounds it conflicted with the Council Plan. Barwood made an appeal to the Secretary of State and the Inspector granted consent. However, this consent was overturned in two court decisions.²⁸

The Appeal Court judgement distinguished between the concept of 'sustainable development' and the operation of 'the presumption in favour of sustainable development'. The 'golden thread' in favour of development was not to be treated as a material consideration.

Whether the Secretary of State intended that his NPPF should be so dissected in legal debate is for conjecture. The practical result is that despite a Planning Inspector considering the need for housing was acute and the development would do no harm to interests of acknowledged importance such as Heritage Assets (e.g. listed buildings) or an Area of Great Landscape Value, no permission was to be given.

In practice the revised National Planning Policy Framework will only complicate the situation. What is needed is a general positive presumption in favour of sustainable development to encourage the mechanism of discovery of opportunities within the development sphere as outlined in the earlier part of this paper.

We conclude that the system has become too complex; furthermore, the revisions to the NPPF risk exacerbating the situation. The principle of a clear general presumption in favour of sustainable development that has equal weight to other considerations, including the development plan, must be reintroduced.

28 Barwood Strategic Land LLP v East Staffs BC and Secretary of State (2017), EWCA Circ. 893.

An appeal system in crisis²⁹

Planning appeals are a vital element in the system. When an application is refused the applicant can proceed to appeal in writing or, depending upon the complexity of the case, by Hearing or Inquiry.

The Planning Inspectorate has established a reputation for impartiality. In a typical year about 50 per cent of appeals for major housing schemes are allowed. In 2016/17, 28,424 homes were allowed on major housing schemes. In the same year, an additional 3,124 were allowed on smaller schemes. This is a significant contribution to supply. It is therefore vital that the Inspectorate can function efficiently.

The number of appeals has risen. Appeal by Hearings are up by 118 per cent in the year 2017/18 compared with the previous year. The average time taken for a major appeal including a Public Inquiry is 49 weeks, slightly less for an appeal by Hearing.³⁰ The surge in the numbers of appeals is a sure reflection of a lack of clarity in the planning system.

Our recommendations in favour of a general positive presumption to grant consent unless proposals compromise obvious planning objectives should reduce the number of schemes that have to go to appeal. In addition, we suggest increased involvement by outside specialists to determine decisions on appeal. Consultant Inspectors have played a role for some years and this should be expanded. We also suggest a mediation service to expedite the settlement of disputed cases.

29 'PINS faces a workload crisis', *The Planner*, May 2018.

30 Planning Inspectorate Appeals Data (2018). Available at: <https://www.gov.uk/government/statistics/planning-inspectorate-appeals-database>

Green Belt – an archaic brand that misleads

We have mentioned the negative impact of undifferentiating blanket bans on development. The most obvious example of such a blanket ban has to be the Green Belt. The time has come to take a careful look at the logic for the current Green Belts. Several coherent arguments have been put forward questioning the status quo.

We have considered the question in the light of the history of Green Belt thinking. There have been many different ideas on Green Belts. For example, Ebenezer Howard, a godfather of modern town planning, had a vision of small towns scattered over southern England interspersed with open land. It was a holistic approach. The Green Belt circular of 1955 was essentially a call to authorities to create a 'stopper'. The circular produced by the then Minister of Housing, Duncan Sandys, asked planning authorities outside London to establish Green Belts for three specific purposes:

- To check the further growth of a large built up area.
- To prevent neighbouring towns from merging into one another.
- To preserve the special character of a town.

Sandys was candid about his motivation. As Professor Sir Peter Hall pointed out, 'The Minister indicated that even if ... neither green nor particularly attractive scenically, the major function of the Green Belt was ... to stop further urban expansion'.³¹

31 Hall, P. (1974) *Urban and Regional Planning*, Penguin.

The Green Belt was originally designed to be several miles wide to ensure an appreciable rural zone all around the built-up area. This very much reflected the recommendations of the Scott Report (Cm 6378) on land utilisation in rural areas. As previously recorded, it was subject to a seriously critical minority report by the economist, Professor Dennison. The minority report stressed the opportunities for commercial activities within the countryside to bring about change in agricultural methods and production. Significantly, at this stage, there was no mention of using the Green Belts for recreational purposes or any other positive uses for the land protected. Indeed, there was considerable concern at the time surrounding this planning restriction, notably on the part of senior civil servants, and in particular by Dame Evelyn Sharp, the then Permanent Secretary at the Ministry, who raised the issue of where any development was to be located?³² The implication of a Green Belt was 'leapfrogging', that is, development in the areas beyond.

The government had created a conundrum. While one element of the original vision by planning pioneers had been accepted, this was merely the negative pillar. Limitations were strictly imposed, yet no positive element was proposed with respect to accommodating a growing population and offering them attractive housing which met their needs. What is more, as Professor Paul Cheshire and his colleagues at the LSE observe, 'What has really increased the demand for houses is rising incomes: as people get richer they try to buy more space and bigger gardens – the supply of which is exactly what British planning polices restrict'.³³ Not only have houses shrunk (newly built homes are, on average, smaller than older ones), housing affordability has seriously worsened. In short, Duncan Sandys succeeded in applying the stopper but omitted to identify a release valve. Subsequent ministers of housing over the last sixty years have fared no better.

This theme of focusing on negative regulation without the positive vision has been a recurrent theme in the history of the Green Belt over the last sixty years. In 1956 the then Chief Planner suggested that there was no accepted definition of what a Green Belt was really for.³⁴ He saw it as simply a method to limit the growth of a town. In our view, this is what it

32 Heap, D. (1955) 'Presidential Address', *Journal of the Town Planning Institute*, Vol. 42 (see discussion after the speech).

33 Cheshire, P., Nathan, M. and Overman, H. (2014) *Urban Economics and Urban Policy: Challenging Conventional Policy Wisdom*, Edward Elgar, p. 80.

34 Burns, W. (1956) 'What is a Green Belt', *The Surveyor*, Vol. 115, p. 1033.

has become but the negative has been compounded, year on year, to the disadvantage not only to those who want a home to live in but also to the detriment of sustainable development coupled with a massive hike in commuting distances.

Significantly, in a second circular, Circular 50/57, the Ministry advised that the inner boundary of the Green Belt should mark a long-term boundary for development, but it added a further stipulation, namely, there could be land between the existing urban area and the Green Belt which would not be developed within the present plan period. This was dubbed 'White Land'. In the subsequent work of approval of Green Belts the then Ministry was careful to try and leave room for population increases and this applied to towns such as Amersham, High Wycombe and Marlow.

In 1963 a White Paper³⁵ entitled 'London: Employment, Housing, Land' took on board the thinking of Sir Keith Joseph, who was then Minister for Housing. He quickly concluded that land releases were vital, and that some of that land had to be found within the Green Belt. Accordingly, Sir Keith proposed that although London's Green Belt should be generally maintained in the immediate term, land in Hertfordshire and Essex must be released along arterial rail routes to provide much needed housing. The Lea Valley was identified as a potential residential area and permission was granted for development there by Harold Wilson's Labour government in 1966. But this represented only a modest step in meeting demand.

As time went on, the shortage of land became ever more critical. Geoffrey Rippon,³⁶ a successful QC who was appointed Secretary of State for Environment³⁷ in 1972, was the next minister to wrestle with the problem. After lengthy deliberations within his new mega Department Rippon proceeded to publish a White Paper 'Widening the choice; the next steps in housing'. It called for the release of 800 hectares of undistinguished land in the London Green Belt to meet the growing demand for housing in and around the capital.

But this policy of opening up land along transport corridors was speedily curtailed. In the last quarter of the twentieth century England's total Green Belt substantially increased. Areas of interim Green Belt which had been submitted to the Ministry were approved as part of the permanent Green

35 Cmmd 1952, London: Employment; Housing Land.

36 Later Lord Ripon of Hexham, PC QC.

37 A newly merged super-sized Whitehall department created by Edward Heath.

Belt girdle surrounding England's major conurbations. Local authorities were increasingly keen to designate land as Green Belt in order to deter unwanted development, particularly in the shires. For example, in Surrey, the Green Belt had been increased in area by some 20 per cent and a similar figure applies to Buckinghamshire and Kent.

As a result, commuting distances increased and the vitality and the economy in the South East were seriously damaged.

In truth, the rapid rise in the size of the country's total Green Belt is not generally appreciated. Yet the statistics are startling. In 1979, according to a House of Commons Briefing Paper on the Green Belt,³⁸ its total size amounted to 721,500 hectares. By 2016/17, this figure had more than doubled to 1,634,700 hectares, around 13 per cent of the land area of England. That represents an increase of 127 per cent over the 1979 figure and a 136 per cent increase over the 1974 approved Green Belt figure.

Green Belts in fact cover one and a half times as much land as all our towns and cities put together. Yet it is worth emphasising that Green Belt designation has nothing to do with its environmental quality; far too much Green Belt might be classed 'amber' at best. Figure 4 shows the boundaries of England's Green Belts surrounding our main urban conurbations. It can be argued that from an economic standpoint Green Belts are in practice a massive subsidy to 'horsey culture' and the declining pastime of golf.³⁹ Since the planning system prevents housebuilders from competing for land devoted to golf courses, the land remains relatively cheap. No surprise then that more of Surrey is now under golf courses than is allocated to housing. And no wonder that Surrey is one of England's most expensive counties to buy a property.⁴⁰

One of the principal reasons explaining these high residential prices is, of course, the extent of the Green Belt. Guildford, for example, boasts

38 Green Belt, compiled by Louise Smith, House of Commons Library, Number 00934, 5 January 2016.

39 In 2006, more than four million Britons played golf; in 2016 the total had declined to 2,785,000. Membership of clubs in England has fallen from 850,000 to 652,000 over the same period, according to England Golf, the governing body for the sport (see: 'Drive to get people back playing golf after decade of decline', *The Guardian*, 7 April 2017).

40 Cheshire, P. (2014) 'Turning houses into gold: the failure of British planning', LSE Centre Piece, Spring. Zoopla surveys regularly rate Surrey as the most expensive county for homebuyers.

88.48 per cent⁴¹ of its total land area devoted to Green Belt. What is worse, the local council appears to be entirely resistant to any review of its cherished Green Belt in favour of housing supply. Only recently, in its response to a letter from the Planning Inspector (Jonathan Bore) delivered in March 2018 expressing concern at the Council's approach to housing delivery, the local authority claimed it does not 'consider it reasonable or consistent with achieving sustainable development, to require Guildford to release further Green Belt sites'.⁴²

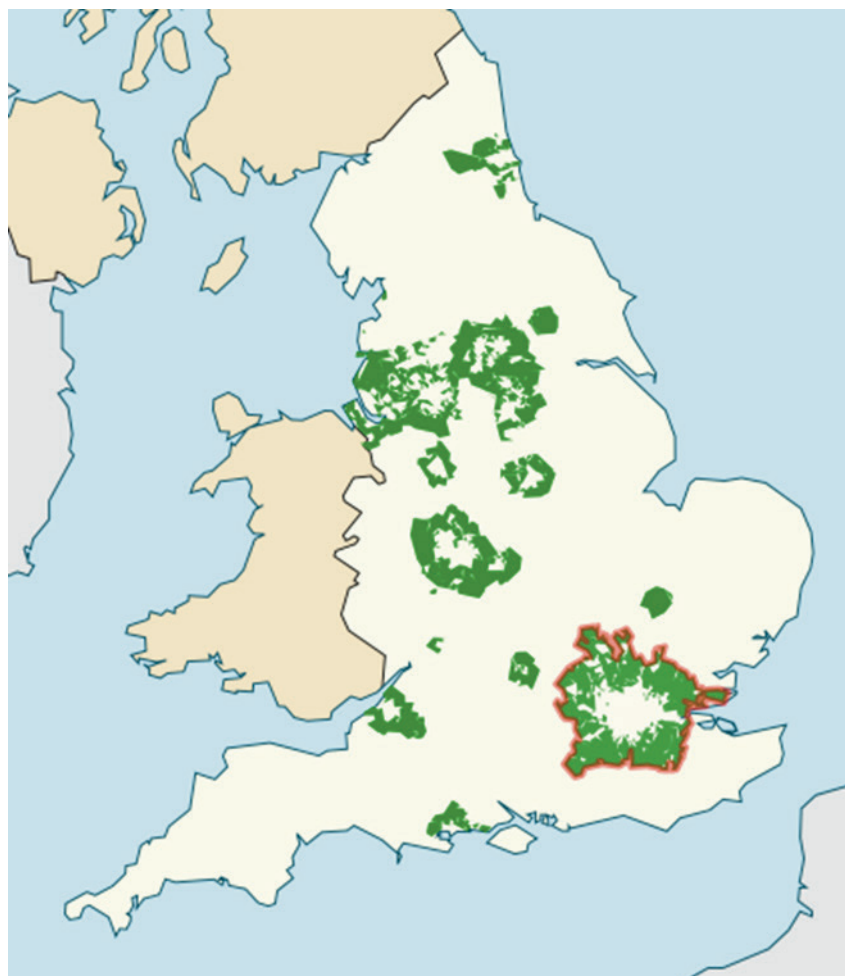
In reality, however, SERC research has demonstrated that Green Belt's only value is for those who own houses within them.⁴³ Hence, Green Belts effectively represent a form of discriminatory zoning, keeping the urban disadvantaged far away from the prosperous Home Counties. For those fortunate to own a home in the Green Belt, they have been transformed into powerful tax free investment vehicles – more so than places to live.

41 University of Sheffield – based upon data from Office of National Statistics and DCLG.

42 'Guildford council rebuts inspector's "unrealistic" local plan criticism', *Planning Journal*, 12 April 2018.

43 Gibbons, S., Mourato, S. and Guilherme, R. (2011) 'The Amenity Value of English Nature: A Hedonic Price Approach', SERC Discussion Paper No. 74, [http://www.spatialeconomics.ac.uk/textonly/ SERC/publications/download/sercdp0074.pdf](http://www.spatialeconomics.ac.uk/textonly/SERC/publications/download/sercdp0074.pdf)

Figure 4: Green Belt in England



The present situation: what is to be done?

The Green Belt totalled 1,636,620 hectares in 2014/5 – 13 per cent of the country (see Figure 4).

The time has come to face the urgent need to look at the Green Belt. We would start with looking at locations convenient to public transport and particularly in the case of Greater London, adjacent to Crossrail.

Many Green Belt sites have little intrinsic worth, for example, the site in South Buckinghamshire photographed in Figure 5 is land occupied by 'horsey culture' and contributing very little to the wider countryside. There are many sites within the Green Belt cut off from the countryside by roads and railways that are inconvenient for agricultural production and much better related to the nearby village or town. We would argue that in reforming our planning system the possible displeasure caused to those already living in Green Belts is worth tolerating when compared with the benefits of making decent housing more accessible and affordable for far more people. Citizens and their families can then make a choice between tenures and many will enjoy the dignity of property ownership and avoid becoming beholden to the wiles of the state.

As part of a radical programme, we suggest that all Green Belt boundaries are reviewed starting with those areas that do not have an adequate land supply for the next ten years to meet known population requirements. Whilst politically this may be unpopular with the shire counties, there is a groundswell of concern to see homes being built in places where people want to live and where the case for development is compelling.

We are suggesting an early release of Green Belt to help meet the urgent need of housing for Birmingham, Manchester and London. We consider the most sustainable areas will be within walking distance of rail or underground stations. As an example, a distance of 800 metres from the transport facility is generally regarded as an appropriate walking distance.

London's urgent need

In the case of the London conurbation, the Crossrail (now christened the Elizabeth Line) route - extending from South Buckinghamshire through to Shenfield in Essex and Abbey Wood in South East London - is unlocking opportunities for reconsideration of Green Belt boundaries in the areas concerned.

The current debate between South Buckinghamshire Council and Slough Borough Council illustrates the impasse.⁴⁴ Yet it is a situation easily resolved. Under the legal duty to cooperate Slough Council has suggested a contribution of ten thousand new homes could be built in neighbouring South Buckinghamshire, to the mutual advantage of all concerned. But apparently this is not welcomed by the host authority which ranks within the top ten Green Belt authorities.

Figure 5: Typical site in the Green Belt that performs no meaningful purpose⁴⁵



44 The South Buckinghamshire Cabinet Meeting of 11 September 2017 resolved to take legal proceedings against Slough Borough Council if a draft consultant report was published on possible Green Belt releases in South Buckinghamshire.

45 This example is 800 metres from a new Crossrail Station at Iver.

How should we view this ongoing debate? For sure it will not go away, nor should it. The residents in denser populated areas such as Slough look with longing at the open spaces over the boundary. Why should their sons and daughters have to move away and commute long distances to leapfrog over the adjoining Green Belt? Journeys of perhaps forty or fifty miles might become necessary instead of much less expensive and shorter trips. Surely it is time to reassess the size of our extensive Green Belt? After all it does cover 13 per cent of England's land mass. What is more, the NPPF recognises that the Green Belt boundaries can, and should, be regularly reviewed to ensure that the boundaries take account of the need for sustainable development. That is why we consider a presumption in favour of development so crucial.

It is worth reflecting on the fact that there is enough Green Belt land within the confines of Greater London – 32,500 hectares – to build 1.6 million houses at average densities. If only a tenth of this land were used for new housing that would represent 160,000 new homes – a significant contribution to solving the urgent housing crisis in the capital. It can be argued there is little value for residents of Hackney in protecting farmland of little environmental value a few miles away in Havering, particularly if it is inaccessible to the former – which is indeed the case.

From village growth to garden cities – a private sector opportunity

A forgotten legacy

Although the Town and Country Planning Act dates back to 1947, and Green Belts to the 1950s, initially, those restrictions were not much of a problem in practice. For a while, the development of New Towns acted as a partial substitute for urban expansion. However, it is striking to note that the last New Town built in Britain was Milton Keynes. That was almost half a century ago. Besides a few modest urban extensions, notably Poundbury in Dorset, and, after several decades of procrastination and slow progress, a new garden town at Ebbsfleet in Kent, little has been achieved. Indeed, Ebbsfleet has so far built only 984 homes.⁴⁶

We appear to have forgotten the lessons to be learnt from our Victorian and Edwardian forebears who built so many fine neighbourhoods in and around our great regional conurbations, notably in suburbs such as Altrincham in Greater Manchester, Edgbaston and Bourneville in Birmingham and outlying towns such as Southport, 17 miles north of Liverpool. As Dr Stephen Davies has pointed out, 'The urban growth of [Victorian Britain] was voluntary and owed nothing to state plans or regulations. It was driven by private initiative and speculation, directed by property rights, shaped and determined by market forces. The outcome was a process of urbanisation that was orderly but unplanned.'⁴⁷

46 See: <https://ebbsfleetdc.org.uk/tracking-our-performance/>

47 Davies, S. (2002) 'Laissez Faire Urban Planning' in *The Voluntary City* (eds. Beito, D. T. et al.), University of Michigan Press.

After years of neglect and missed opportunities we need to start building and expanding villages, new towns and urban extensions if we are to make any impact on the considerable unfulfilled demand for housing in many parts of the country, notably the South East, but also other regions such as Greater Manchester, Birmingham and Newcastle.⁴⁸

These private sector initiatives may include a village expansion scheme or a new community. One such example is Watlington in South Oxfordshire. Developers were alert to the opportunity and have worked with the Parish Council to fund an 'edge road' to relieve the town centre of heavy traffic currently spoiling the historic main street. Although not yet built the scheme is incorporated in a Neighbourhood Plan which has legal force. The plan will become part of the overall plan for the area. It has been generated between the local community, landowners and crucially entrepreneurs, alert to the problems faced in the community. The opportunity and the solution have not been public sector determined.

We call this approach 'Pink Planning', but the key concept is that a scheme such as in Watlington can become part of the Development Plan for the area. This can be delivered through a Special Purpose Vehicle (SPV) which seeks to build a consensus from the earliest stages.

Creating communities

In its Housing White Paper and subsequent response⁴⁹ to the consultation exercise the current government has indicated that it will enable local authorities who are so minded to establish New Town Development Corporations. In its published response, the Ministry of Housing confirms that streamlined planning procedures have the potential to be an effective delivery vehicle for 'a new generation of garden towns, where that is the approach the local area wants to take'. It is therefore good news to read that the government is now committed to laying 'the regulations in Parliament as Parliamentary time allows'.

48 In this context, note the recent controversy over the development of plans for the 2,000-home Dissington Garden Village project. See: <https://www.planningresource.co.uk/article/1466203/why-northumberland-garden-village-sparked-dispute>

49 See: 'Government's response to the Housing White Paper consultation: Fixing our broken housing market: a summary of consultation responses and the Government's view on the way forward', Ministry of Housing, Communities and Local Government, March 2018. See Question 9 in the Housing White Paper, 'How could streamlined planning procedures support innovation and high quality development in new garden towns and villages?', p. 22.

However, there is a strong case to suggest that insufficient attention has been focused on the contribution that those outside the local authority sector can make to the creation of attractive new neighbourhoods and communities. This reflects a noticeable trend going back all the way to the 1945 Reith Committee on New Towns.⁵⁰ This dominant school of thought in the English planning tradition has deterred private sector entrepreneurial innovation – the ‘vision thing’ – in favour of the post-war conventional wisdom that asserts only planners within local authorities have the necessary skills and experience to adjudicate on future development. In short, local authority planners set themselves up as all-knowing Platonic Guardians who are uniquely able to comprehend the ‘Form of the Good’.⁵¹

This is an opportunity missed. Only last year a new initiative was launched to bring together like-minded parties from across the spectrum - drawn from landowners, developers and providers of institutional capital together with professional advisers, academics and civil society representatives – to offer specific proposals on how new communities can be designed and delivered in addition to those local planning authorities have already identified. This new initiative has been christened ‘Creating Communities’.⁵² Its aim is to do just that.

The shared knowledge and resources of such groups can reduce the barriers to delivery through an ability to optimise non-fragmented land ownership, long term capital and development expertise, thereby delivering the places the country both needs and deserves.

New Towns

If one looks at the DCLG’s most recent consultation paper on The New Towns Act 1981 Local Authority Oversight Regulations one finds that paragraph 1.7 (Introduction) refers to ‘Section 16 of the Neighbourhood

50 ‘The 1945 Reith Committee was clear that, unlike the publicly led corporations, the private sector could not be expected to behave in the interests of the public’. So say Kate Henderson, Katy Lock and Hugh Ellis of the Town and Country Planning Association in their recent book, *The Art of Building a Garden City: Designing New Communities for the 21st Century* (RIBA Publishing, 2017, p. 57). We fundamentally disagree with this view. What has been lacking over the last half century is the entrepreneurial vision of our forebears who built for the long term and created attractive communities where people were keen to live.

51 As elaborated in Plato’s *The Republic*, Book Five.

52 Creating Communities was established in April 2018 and its Director is Keith Boyfield.

Planning Act 2017 (which) enables the oversight of any area designated as a new town and New Town Development Corporation established under the New Towns Act 1981 to rest with one or more of the local authorities covering the areas designated for the new town rather than the Secretary of State'. In setting up a Development Corporation local authorities consequently hold the crucial levers of power since the government's new draft regulation changes are planned to offer the 'wiring to make the power to create New Town Development Corporations which are accountable to the local authority or local authorities designated for the new town rather than to the Secretary of State' (para. 2.1). The government's consultation paper adds: 'We are clear that a locally led New Town Development Corporation will only be created where this has the express support of and is requested by all the local authorities, including in two tier areas the county council, covering the area to be designated for the new town' (para. 2.2).

A presumption in favour of a private sector solution

The problem in far too many parts of the country is that local authorities have acted as a dead weight on imaginative new development. They are often the first to concede that they lack the resources, skills and incentive to design and develop ambitious new schemes; nor do they generally have a proven track record in attracting significant new employers to the area. Might it not be better, if only on a pilot basis, to encourage stakeholders in the private sector to take the lead in promoting and delivering imaginative well-designed new communities, backed by physical, environmental and social infrastructure and with access to attractive employment opportunities? This would be an opportunity to reconnect with the tradition of our Edwardian forebears – the developers of Letchworth, Port Sunlight and Bournville.

In its housing white paper the government promised to 'explore what opportunities garden cities, towns and villages might offer for bringing large-scale development forward in ways that streamline planning procedures and encourage locally-led, high quality environments to be created'.⁵³

A similar market solution could be used for development in smaller towns and villages. We suggest landowners should come forward with alternative packages of proposals. The options could then be put to a vote in the

53 Ministry of Housing Communities and Local Government (2017) 'Fixing our broken housing market', Cm 9352, para. 1.36, p. 28.

community. Schemes might incorporate differing packages, for example, one might incorporate high quality design and provision of market homes for young families; another might also feature homes which appeal to older people. The choice would be made by the vote in the community and then the successful proposal would be in the neighbourhood plan. This approach could transform the negatives into positives. NIMBYS would emerge as YIMBYS through the power of choice. Underpinning this approach is the triggering and harnessing of entrepreneurial energy to bring sites forward through the market so as to satisfy people's wants.

In short, this can be summed up as a presumption in favour of a private sector solution, and planning by enterprise.

Public land disposals

It is remarkable to learn that six per cent - around 900,000 hectares - of the land of England and Wales remains in public ownership.⁵⁴ Within this extensive portfolio, approximately 170,000 hectares is owned by the Ministry of Defence - equivalent to over one per cent of the national land area. The NHS is another big landholder: individual NHS Trusts along with NHS Property Services own at least 4,500 hectares. Much of this land has significant potential for redevelopment to residential and commercial uses.

What is more, in urban local authorities, where the pressure on housing is so evident, no less than 15 per cent of all land is owned by the public sector. Local authorities are the major landowners: they hold around two thirds of all public sector land. In some parts of the country the public sector owns more than 40 per cent of all land (see Figure 6 showing the concentration of land holdings). Research by Savills⁵⁵ shows that this staggering proportion applies to eight local authorities, namely Brighton and Hove, Barking and Dagenham, Eastbourne, Rushmoor (i.e. Aldershot and Farnborough), Gosport, Leicester, Portsmouth and Stevenage.

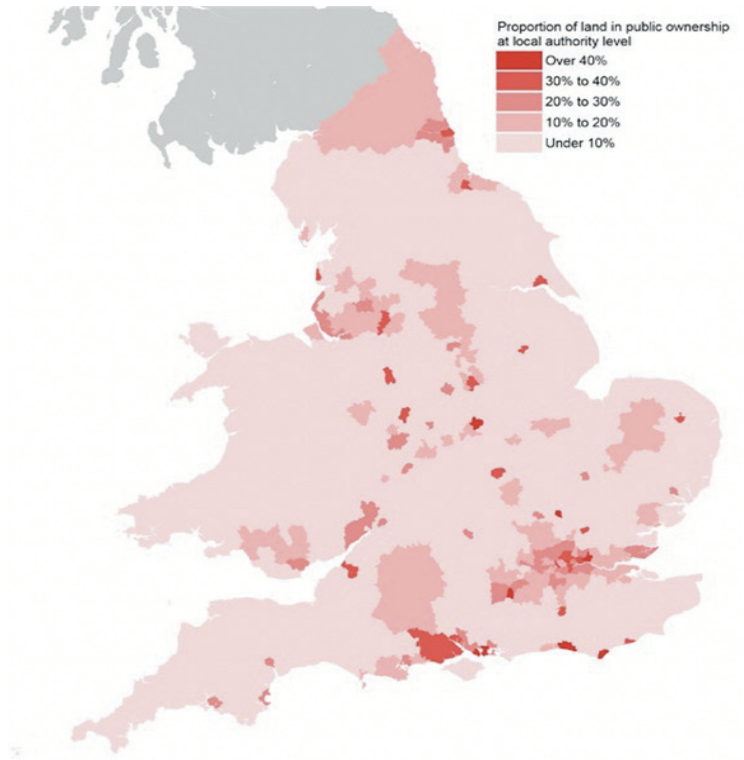
It is disappointing to note the slow progress made with public land disposals, particularly as much of this land has been neglected for decades and could make a real contribution to addressing the housing shortage. A National Audit Office (NAO) report⁵⁶ into the number of new homes built on public land sold between 2011 and 2015 found that a mere 200 homes had been built, although the NAO pointed out as many as 109,500 could have been built on this land.

54 Savills (2016) 'New homes on public sector land: accelerating delivery', a research report commissioned by Telereal Trillium.

55 Ibid.

56 National Audit Office (2016) 'Disposal of public land for new homes: a progress report', HC 510, Session 2016-17, 12 July.

Figure 6: Proportion of land in public ownership by local authority⁵⁷



In the Autumn Statement 2015 the government announced its intention to sell £5 billion worth of public sector land and property. The aim is to dispose of 'surplus land with capacity for 160,000 homes by 2020'. The government is making heavy weather of realising this commitment despite an increased target of 320,000 homes⁵⁸ by 2020 if one includes local authority surplus land.

Smaller builders will be well placed to identify public sector land that can be put to better use. Releasing these small sites will make a significant contribution to housing supply.

⁵⁷ Source: Savills' analysis of Land Registry title data.

⁵⁸ Gavin Barwell, then housing minister highlighted this target in evidence to the House of Lords Economic Affairs Committee, First Report of Session 2016-17, 'Building More Homes', HL Paper 20, published 15 July 2016, para 162.

Compulsory purchase procedures have been used to acquire land for roads and railways. The process could be reversed and instigated by the private sector. The discovery of latent opportunities is an entrepreneurial function and the private sector must be enabled to find these through Disposal Orders of public sector land.

As recommended in a House of Lords select committee report into the housing market, a senior cabinet minister should be given overall responsibility for identifying and coordinating the release of public land for housing.

The Government Property Unit in the Cabinet Office needs to up its game and accelerate progress with its Government Estate Strategy, notably in respect of the One Public Estate programme, which appears to have made lamentable progress as far as land sales are concerned. This should be coupled with a review into whether the £45 million⁵⁹ awarded to the Local Authority Land Release Fund really represents good value for money.

In the light of the slow progress so far made on public land disposals, consideration should be given to allowing a private sector body permission to apply to acquire public sector land under the Compensation Code and serve a Disposal Order to achieve such a transfer. This might prove particularly relevant where it relates to land where a local authority has already granted planning permission.

There is a strong case in favour of using land promotion partners where additional expertise and funding is judged necessary to unlock sites for development. Promoters can supply 'shovel-ready' sites into the land market, speeding up the delivery of new homes.

Small housebuilders⁶⁰ have a particularly important role to play in constructing homes on small sites owned by the public sector. Recently announced loan guarantees⁶¹ by the government may prove pivotal in delivering new homes.

59 See government reply to a written parliamentary question on government action to release public sector land for housing, number 111,227,23, November 2017.

60 Defined as those constructing fewer than 2,000 units a year.

61 According to the Home Builders' Federation small housebuilders could expect to obtain a loan of between 80 to 90 per cent of the cost of a development projected prior to the financial crisis of 2007/8. Today they struggle to get a loan for more than 60 per cent. Hence, combined with all the problems surrounding planning regulations, the number of homes built by small housebuilders has plummeted over the last decade.

Conclusion

The evidence presented in this paper spanning house prices, rents, and social housing waiting lists all point to one conclusion: clearly, the present planning system is not working. There is an urgent need for radical action.

Increased supply will raise quality and extend consumer choice. Our analysis of the development process has placed emphasis on the importance of the entrepreneur. We believe there is a private sector solution to the present problems. The existing land use planning system is a legacy of the statism of the wartime economy and the post-war period. But while other parts of the British economy have since moved away from that legacy, housing and planning is an area in which it has survived. The solutions that evolved in and after 1947 have persisted through subsequent legislation and policy. They have not worked. The experiment has failed and a different direction is needed.

The private sector must be encouraged and liberated to work with communities, investors and entrepreneurs to solve problems and produce the homes and other facilities needed.

The balance must be adjusted and a strong general presumption in favour of sustainable development must become paramount. The myriad decisions in the market responding to price signals can never be anticipated by planners. The layers of complexity in planning documents only hinder the resolution of problems, hence the urgent need for the general positive presumption. This message seems to have been lost among the legal wrangling witnessed in recent cases. We had hoped the revisions to the National Planning Policy Framework (NPPF) would have resolved this issue but the message still seems to be lost in the complexity of planning documentation.

The Green Belt has grown rapidly since first envisaged. In 1974 it extended to 692,800 hectares but by 2016/17 it had almost trebled to 1,634,700 hectares. Our analysis of the history of the Green Belt shows the thinking has been muddled. We have a 'stopper' but no 'release valve'. The original Green Belt was to provide open space for those living in the then densely built-up areas of London, Manchester and other conurbations. A much more varied approach is now needed. Quite obviously Green Belt some 20 miles from a London borough is not going to help the residents of Hillingdon or Havering. Those living in the Green Belt are likely to object to releases but there is an overwhelming moral case to enable these areas to provide homes needed for the many. The first priority should be the release of sites in the Green Belt near transport nodes.

We seek to rediscover the vision of our Victorian/Edwardian forebears to see development providing for the whole spectrum of housing needs. These schemes will harness the enthusiasm and vision of landowners, architects, investors, entrepreneurs and social organisations. We have given an example of a scheme evolving in Watlington, Oxfordshire, where these interests have come together to solve the problems created by traffic and the need for new homes. We need to scale up solutions like this. The private sector has a crucially important role in contributing to the Plan for the area and government should anticipate private plans forming part of the Development Plan. We must not neglect this opportunity.

The constrained supply has impacted on quality and choice for the consumer. More variety of product in the market is likely to improve quality. There are other related issues that require consideration to increase mobility and convenience for consumers. For example, stamp duty could be abolished and certainly reformed.

Throughout our thinking we have put emphasis on small sites and smaller builders: they are the entrepreneurs who will resolve the problems and bring forward opportunities that otherwise may lie dormant. They should be encouraged to identify public sector land that is no longer needed for some vital purpose. They should be able to initiate Disposal Orders. This approach may resolve the bottleneck in public sector land disposals. Crucially, it could engage entrepreneurs and encourage smaller builders.

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