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Learning Lessons

A History of Bad Planning Policy

Sam Watling

ABOUT THE AUTHORS

Sam Watling is a Researcher and Staff Writer at Works in Progress, where he specialises in housebuilding and planning policy. Sam previously worked as a Research Assistant at the Centre for Cities, and before that worked at London YIMBY. He received an MA in Political Science and Political Economy at the London School of Economics & Political Science, following a BA in History and Politics at the University of Cambridge.

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23 Great Smith Street, London, SW1P 3DJ, 02072224995, info@adamsmith.org

FOREWORD

For the entirety of my 20 years as a planning barrister, successive Governments have promised reforms that would streamline the planning process and increase delivery of new homes.

With a new administration entering Downing Street with the same promise, Sam Watling's analysis of why those previous attempts at planning reform have proved ineffective is both timely and essential reading.

As Watling notes, at the heart of this issue lies the unpopularity of new house-building with local residents in the areas where it is proposed. Recent experience demonstrates that the carrot of localism, without the stick of central government leadership, is an ineffective response which will never deliver anything like the 300,000 homes per year to which recent Governments have aspired.

Fresh thought on this issue is required, particularly on the centre-right, and this intelligent paper is a welcome early contribution.

The Lord Charles Banner KC
July 2024



EXECUTIVE SUMMARY

- The English planning system, established by the 1947 Town and Country Planning Act (TCPA), has significantly constrained housebuilding, resulting in a backlog of 4.3 million homes and substantial economic penalties.
- Various governments have attempted to reform the restrictive planning system since the late 1950s, but these efforts have largely failed due to strong local opposition, a failure to win over the electorate, and the rapid growth of suffocating building regulations.
- The TCPA centralised development control within the state to address housebuilding complaints, but this system proved unpopular and ineffective.
- Key historical phases include:
 - **1947-1963:** State-directed development failed economically and politically.
 - **1963-1972:** Strategic plans and the Land Commission faced severe opposition and did not deliver significant housing.
 - **1972-1981:** Local planning control tightened further, exacerbating housing shortages.
 - **1981-1990:** Thatcher's reforms attempted to stimulate private housebuilding but were blocked by political resistance.
 - **1990-2004:** The system became more restrictive, favouring brownfield development over greenfield.
 - **2004-2010:** The Barker review led to less stringent brownfield policies, but regional planning bodies faced opposition.
 - **2010-today:** Various rationalisation and liberalisation attempts were hindered by political and local opposition.
- Successful reform must address local opposition to housebuilding. Historical attempts at assertive planning and centralization have consistently failed. Effective reform requires immediate implementation by the central government and must provide tangible benefits to local authorities and communities.
- *We recommend:*
 - **Central Government Action:** Implement reforms directly through the central government for faster and more sustainable changes, which override local opposition.
 - **Incentivising Local Authorities:** Provide benefits to local governments and residents from new developments, leveraging increased land value from planning permissions.
 - **Focused Development Projects:** Use development corporations to override local restrictions in select high-wage urban areas.

- **Proposed Policies:** Community Land Auctions, Homes for All, and balloted estate regenerations to ensure all stakeholders benefit from housing developments.

INTRODUCTION

The English planning system, under the framework of the 1947 Town and Country Planning Act (TCPA), has been a block on housebuilding almost from its creation. Recent estimates have indicated a backlog of 4.3 million homes which began at the latest in the mid-1950s.¹ Recent research by the Adam Smith Institute suggests a severe penalty to GDP from this housing shortage, from a lack of densification, of up to 7.4%.² It has been well understood that the planning system is restrictive since the late 1950s, and successive governments have taken steps to reform it. The major periods of reform have been under the governments of Wilson, from 1964 to 1970, and Thatcher, from 1981 to 1989, and all contemporary governments from 2004 onwards. Each of these attempts has so far failed without making significant changes in the planning system.

By cataloguing these attempts, this paper outlines both the structural problems in the planning system, and its evolution. The central thesis is straightforward. The 1947 TCPA is fundamentally flawed. It attempted to solve the political backlash caused by externalities from housebuilding by centralising development control within the state. However, in practice, the state-directed development of the 1940s and early 1950s was no more popular with residents than the private development of the 1930s had been. Instead, control of development was increasingly delegated to local councils with no clear incentive for them to permit housing. Any attempt to enforce nationwide change to this system by both major political parties has been defeated by a powerful backlash.

Reforms to the planning system to enable more housing to be built must therefore learn the central lessons of past failed reforms. The main lesson is that for nationwide planning reform to work it must provide tangible benefits for local government and communities, which the current system of planning does not.

¹ Watling S., Breach A. The housebuilding crisis: The UK's 4 million missing homes, Centre for Cities (2023)

² McClements Duncan, Hausenloy Jason, Cooped Up: Quantifying the Cost of Housing Restrictions (Adam Smith Institute 2024)

1947: PLANNING PRINCIPLES

The principles of British planning that had developed during the 1930s and 1940s were based upon the notion of spatial displacement. The planning system would be used to prohibit large-scale new developments in areas where such developments would be considered socially undesirable. It was then hoped that these developments would be displaced to socially preferable areas where it would be permitted by the state.

With regards to housing, the post-war Labour government had accepted the recommendations of the 1940 Barlow Report and believed the further expansion of urban areas to be socially undesirable. Instead, as the Barlow report had suggested and the 1945 Reith report had confirmed, development should be moved to separate state-directed new towns near the contained urban areas.

The British planning system therefore relied on two measures to function adequately. It relied upon the ability to both prohibit development and earmark sufficient substitute areas for house building. The immediate powers to control development were given to local authorities in the 1947 Town and Country Planning Act.

Accordingly, England's 141 local county authorities were given five years to put a development plan into place which earmarked the land where all housing in the next fifteen years would be built, and conversely, which land was prohibited from being developed for the duration of the plan. This would then be reviewed every five years. Any proposed development would then go before a "planning committee" of local councillors who would then vote on whether this development would be compatible with the local plan. There were certain exceptions to this requirement under the third schedule of the Act. The most important exemption was a permitted development right to expand a building by a maximum of 10% of its previous volume without obtaining planning permission.

The central government primarily held powers to accelerate development through the 1946 New Towns Act which gave it the ability to overrule local planning restrictions and found new towns. In addition, the central government maintained two additional measures to limit the planning restrictions imposed by local authorities. Firstly, all development plans had to be accepted as consistent with central government guidelines by the minister responsible for housing and planning before they became enforceable. Secondly, if their application was refused by a planning committee, developers could appeal this decision to the Department if they felt that the council had acted unreasonably and the proposed development was lawful under local planning criteria.

1947-1963: TCPA ACT AND FAILURE

In the absence of local plans, much of the development around Britain's major conurbations in the immediate period of post-war reconstruction was guided by large-scale master plans which were primarily drawn up and enforced by the central government. These post-war plans attempted to realise the planning system's goals of urban containment and dispersal into new towns. The most important and ambitious scheme was Abercrombie's Greater London Plan in 1944.

This plan envisaged the creation of a "green belt" around London of a five to nine mile radius. Land designated in this area would be required to maintain an "open character" which meant that no expansion of large-scale housing or industrial development would be permitted. The outward growth of London was therefore frozen and its annual levels of housebuilding cut from over 70,000 in the late 1930s to between 20,000 to 30,000 in the post-war period.³ Instead its projected housing requirements would be met through "overspill" development on centrally designated sites beyond the greenbelt. For this purpose, Abercrombie suggested ten new towns outside London, of which eight were founded between 1945 and 1949.

These plans were enforced by the requirement for "building licences", of which a limited number were distributed to planning authorities by the central government and could be issued to builders by these authorities. In the period of immediate post-war austerity, these licences did not just constitute a right to build but also enabled access to the limited supply of building materials. The shortage of building capacity and materials meant that the government prioritised the issuing of licences to either local authority construction or state-sponsored housing in new town projects. This can be seen in the relative numbers of housing built by the public and private sectors. The small supply of building licences issued for private construction meant that private sector house building was restricted to between 20,000 to 40,000 homes a year during the last half of the 1940s,⁴ Whilst public sector house building increased to over 170,000 by 1947.

Yet the 1947 system of state-directed development quickly collapsed for both economic and political reasons. The newly centralised system of housing production was unable to produce sufficient housing. However, the increase in housebuilding by public authorities meant to replace this was also curtailed by financial constraints, plateauing at roughly 180,000 between 1948 and 1951.⁵

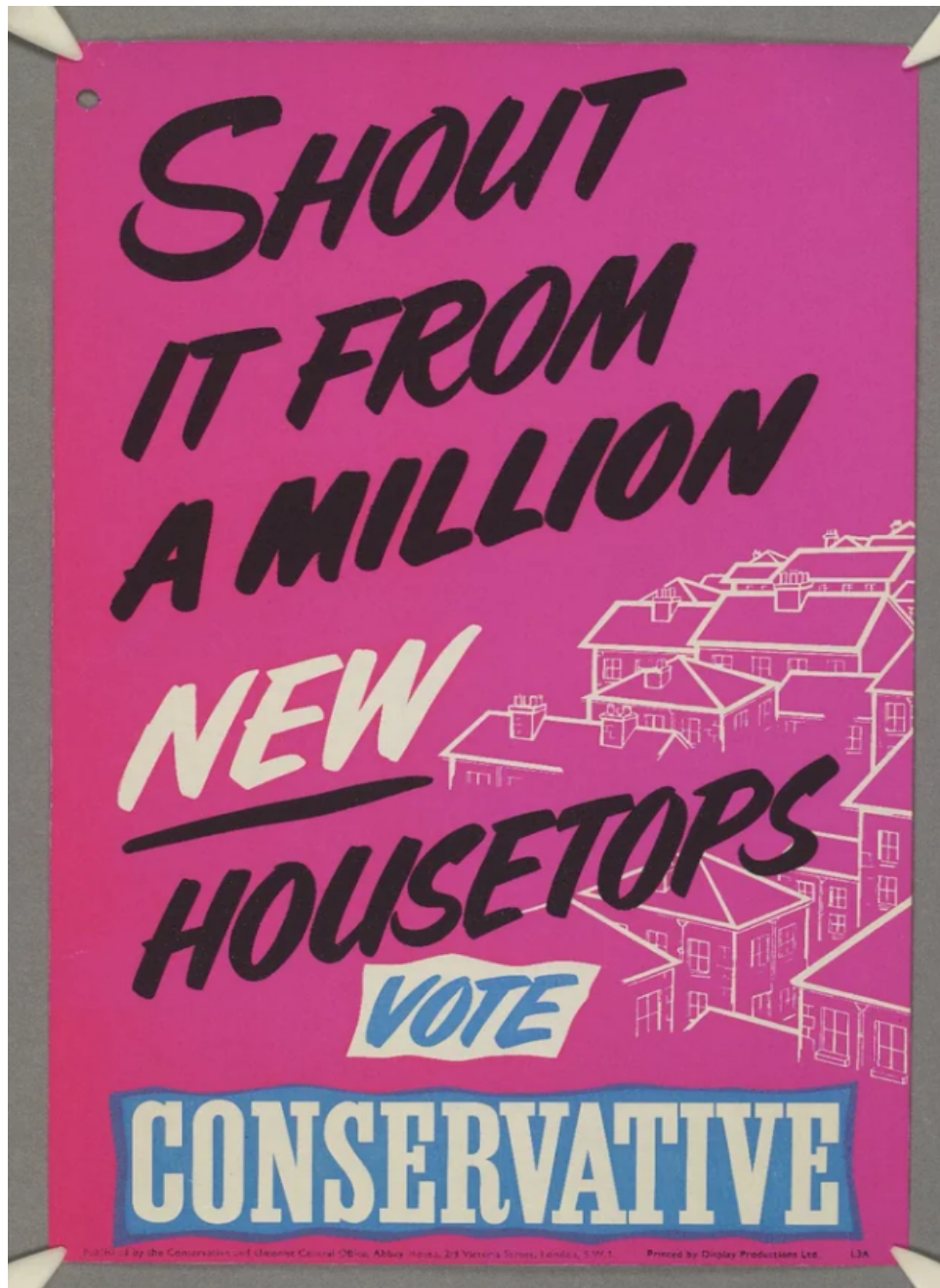
This was not enough to alleviate the immediate post-war housing shortage. The continuing shortage contributed to the election of a Conservative government in

³ Data from GLA Housing in London 2018

⁴ A. Holmans historical statistics of housing (Cambridge 2005) Table B.8 p.49

⁵ *ibid*

1951 on an explicit pledge to increase housebuilding rates to 300,000 a year, from 210,000 in 1950. To do this, the new housing minister Harold Macmillan, increased short-term funding for social housing and attempted to stimulate private construction by scrapping building licences in 1953. From now on, the only legal requirement for a house to be built was its compatibility with planning criteria. This allowed recovery of private sector construction which increased from 20,000 in 1951 to 88,000 in 1954.⁶



1955 Conservative poster extolling their previous housebuilding success

The more significant problem in the long term was that both new towns and the prospect of overspill development were extremely unpopular with affected residents. Initially, the new Conservative government attempted to ameliorate opposition by halting the designation of new towns by the central government. Instead, this was

replaced by the 1952 Town Development Act which attempted to replace unpopular state-directed regional planning with voluntary agreements between cities and their bordering counties to found new settlements or expand existing towns. These include Aylesbury in Buckinghamshire and Basingstoke in Hampshire.

However, the attempted compromise was ultimately unsuccessful for two reasons. First, neighbouring councils had no incentive to accept centrally planned development from nearby areas. As a result, the 1952 act yielded limited projects on a far smaller scale than the new towns founded by the central government. Second, it did nothing to attenuate the concerns of areas beyond the greenbelts that would receive further development which would now be displaced from the urban fringe.

During the election of 1955, the Conservative Party bowed to these concerns and promised the expansion of planning controls in their manifesto. The result was the 3rd August circular in 1955 which permitted an expansion of greenbelts beyond their initial designations.⁷ This policy change was extremely significant.

Before the circular, most land in locations beyond the initial vicinity of urban areas was known as “white land”. This land had not been designated for housebuilding in local plans. However, there were no strong planning criteria that allowed local planning authorities to refuse development on this category of land.

This meant that if demand for housing was displaced from within the immediate vicinity of urban areas it would lead to additional development applications in areas further afield. These would be difficult to refuse as they could be accepted if they were appealed to the housing minister. Therefore, allowing the extension of greenbelts local councils could turn this “white” land into “greenbelt” land. This provided an effective guarantee that the government would not support the development of any additional land beyond that explicitly designated for building land in the local plan.

The result was an immediate and rapid expansion of greenbelts, primarily in the south-east of England where the prospect of overspill development from London was the most acute. Between 1955 and 1962 the radius of London’s greenbelt more than quadrupled from 7 to approximately 35 miles, encasing potential development land around the city and prohibiting any additional expansion of housebuilding without declassification.

The policy shift towards extensive urban containment was cemented by two additional developments. The 1956 Housing Act directed local authorities engaged in slum clearance to house those displaced by demolition in high-density inner-city apartments rather than suburban estates and provided extensive subsidies for this purpose.

⁷ Valentine, A.B., Circular 42/55, Ministry of Housing and Local Government, 3rd August 1955



Park Hill Sheffield, built between 1957-1961, Source: Wikipedia

In 1957, the government went as far as to announce that no further new towns would be founded by the central government. This effectively meant that the government currently intended not to use its power to override local planning criteria to build additional housing.

Therefore by the early 1960s the notion of a “planning system” had become a misnomer. The principles behind the 1947 Act had envisioned a delicate balance of containment and dispersal. Housing would be restricted in locations where it was considered undesirable and redirected to more socially optimal areas. However, the system of redirection had proven to be politically unsustainable. Therefore all that remained was the extensive and rigid system of containment. The result was not a positive system of planning and building in the public interest but rather an extensive machine of development control directed primarily at restricting development.

THE BEGINNINGS OF A CRISIS

By the late 1950s, it had become increasingly clear that the system of development control had become too tight, and insufficient development land had been allocated by local councils to meet the anticipated demand for housing.

Land shortages immediately occurred in and around cities in the north and midlands. This was because no new towns at all had been founded by the central government despite a greenbelt being established by neighbouring councils. As urban councils such as Birmingham and Manchester had limited greenfield land within their own boundaries, they had to apply for permission from neighbouring authorities. These authorities were reluctant to accept large-scale social housebuilding programmes and were able to use greenbelt classification as a justification for refusal.

As a result, the real price of building land more than trebled (at 1975 prices) from £700 per house in 1955 quadrupled £1800 between 1955 and in 1960. It continued to increase at a rate of higher than inflation throughout the 1960s with its real price increasing to £3300 by 1970. Before 1955 the land used was approximately 5% of the cost of a new home, by 1970 it was at least one quarter, rising to one third in parts of the southeast of England. nearly doubling throughout the decade.⁸

During the 1950s, Manchester Council applied to develop a new town near Lymm on agricultural land in Cheshire. Repeated applications were refused by the Ministry of Housing in 1954 on the grounds the land was going to be designated greenbelt. Desperate for building land, Manchester applied again in 1957 and was formally rejected by a central government inquiry in 1958. Likewise, Birmingham City Council applied to develop two square miles of land outside its own jurisdiction at Wythall in Warwickshire to accommodate 46,000 people primarily from slum clearance programmes. Warwickshire objected to the loss of greenbelt land and the matter went to public inquiry in 1959 in which their objection was supported. The central government did not give planning permission to Birmingham City Council and so the proposed homes were not built.

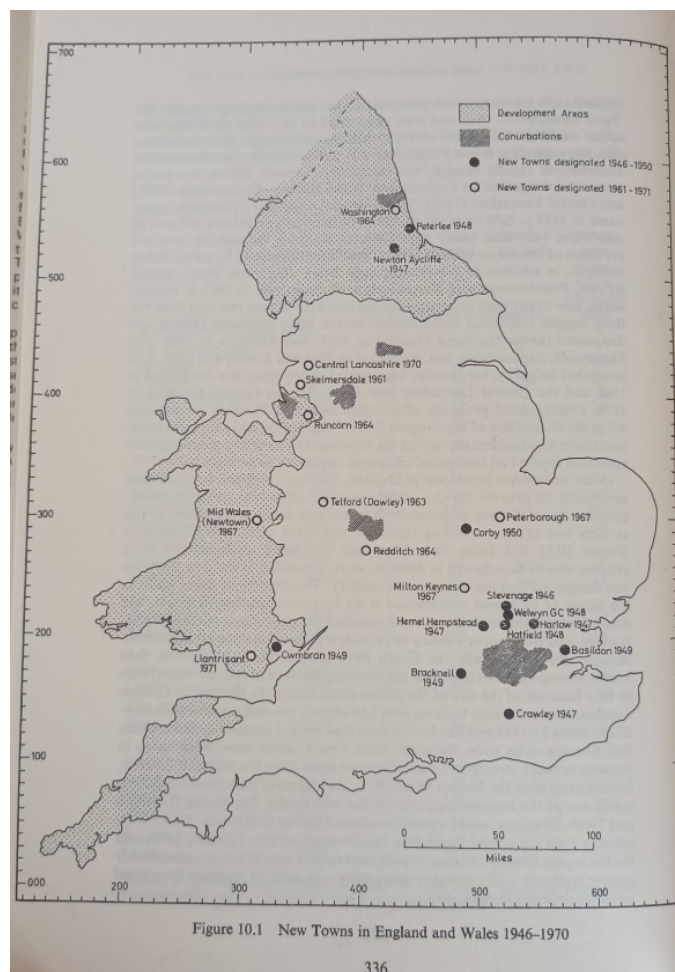
However, the most critical shortage was in the economically prosperous south-east. Throughout the 1950s the outer metropolitan area of South East London was unexpectedly experiencing the highest level of population growth in the country. The result, as noted by the Ministry of Housing in 1960, was the population forecasts used by planners, and therefore the amount of land allocated for housing, was too low.

⁸ Price Data provided by Paul Cheshire. Percentages come from R.Drewett "Land Values and the Suburban Land Market" in P. Hall the containment of Urban England Volume two.

1963-72: ATTEMPTS AT REFORM, LAND COMMISSION, STRATEGIC PLANS, AND THE 1968 ACT.

Therefore by the beginning of the 1960s, the central government became increasingly assertive about allocating land for housing provision. In 1962, the then Minister of Housing Keith Joseph set a national housing target of 400,000 homes per year to be met in 1965. This was not met. That did not dissuade the subsequent Labour government of Harold Wilson, which increased the target to 500,000 by 1970.

To ease the planning deadlock in the North and Midlands, the second wave of new town construction tentatively began with the founding of Skelmersdale in Lancashire in 1961. Further settlements of Runcorn and Warrington were founded nearby during the 1960s. Likewise, Telford and Redditch were demarcated for construction near Birmingham in 1963 and 1964 respectively. In the late 1960s new towns were also designated in the southeast in Milton Keynes, Northampton, and Peterborough.



Yet this piecemeal wave of new towns was inadequate. They were not sufficient to compensate for forecasted housing demand. For example, the 1964 South East study suggested that an additional 1.4 million people would still need to be housed in London's outer-metropolitan area, even accounting for potential overspill schemes.⁹ In the meantime, the building land that had already been allocated in local plans, which was meant to last until the early 1970s, had been used up by the late 1950s. As a result, the 1966 Ministry of Local Government Study Group on Land Supply found that areas of the South East and Midlands were close to running out of areas in which building was lawful within ten years. In areas of Surrey and Kent, there was only available building land demarcated for one year of building.

Equally, many new homes were in suboptimal locations due to political constraints, which meant they were often beyond the now-extended green belts where fewer people and potential detractors lived. This meant that these settlements were far away from existing labour markets. The first generation of new towns were all within an approximately thirty-minute train journey from their parent cities. The generation of new towns founded in the 1960s were within a 90-minute commute from the major cities they were supposed to be satellites of. Consequently, many of the Mark II towns have been far less successful than their Mark I predecessors in providing their populations with job opportunities. As of 2017 Skelmersdale had one of the highest levels of child poverty in the UK, with 27% of children living below the poverty line.¹⁰

Therefore, a longer-term solution to the planning deadlock around Britain's conurbations was needed. From the mid-1960s the government of Harold Wilson attempted to enforce a degree of strategic planning on recalcitrant local governments that were not allocating sufficient land for housing. From 1964, central government planners began to draw up ambitious strategic plans for the south east of Britain. In addition, two significant measures were taken to enable these plans to be implemented and resurrect the "planning" element of the British planning system.

Firstly, to deal with skyrocketing land prices a Central Land Commission was set up with a budget of £75 million (£1.7 billion in current prices) with the power to compulsorily purchase land at a 40% discount from its market price. It also had a strong planning aspect. It aimed to buy land with potential for development, and if the council refused to give such land planning permission, it would use its resources and political authority to successfully appeal this decision to the central government where private housebuilders had failed.

Secondly, the Wilson government also began to countenance significant planning reform through centralisation of local government. In 1966, the government appointed the Ratcliffe Maud Commission to make recommendations on the structure of local

⁹ P. Hall London's Western Fringes - in P. Hall The containment of Urban England p.474. Quoting South-East Economic Planning Council, A strategy for the South-East.HMSO, London (1967), Chap 3 passim.

¹⁰ Lancashire County Council Children & Young People's Public Health Commissioning—Child Health Profiles 2017

government.¹¹ The report, published in 1969, proposed that the existing system of local government should be streamlined, with the number of counties being reduced to 61 from 141. In addition, the 1968 Planning Act gave extensive planning powers over housing and transport to these enlarged counties. It would enable more effective strategic planning at a local level as it could be done at a larger scale over a greater area.

However, it also had another implication for local planning. It recommended a large expansion of the metropolitan areas around Birmingham, Liverpool and Manchester to include much of their surrounding green belt and commuter towns. This was not necessary for London as its metropolitan area had already been expanded in 1963. The combination of the enlargement of metropolitan counties in the Radcliffe Maud report with the 1968 Planning Act meant that planning for the whole region would be dominated by the more populous metropolitan area. Consequently, cities willing to expand could finally overrule the influence and opposition of neighbouring areas which had so strongly restricted their housebuilding in the post-war period.

All these reforms failed as they could not overcome the significant political opposition of the rural and suburban authorities and voters who were opposed to housebuilding. The Land Commission was immediately hamstrung by the refusal of local councils to cooperate and by 1969 was demanding the intervention of central government to force local authorities to reclassify land designated as green belt and allow housing development.

The Conservative opposition capitalised on this large number of angry voters by immediately opposing the Radcliffe Maud report and Land Commission due to their resulting implications for planning policy. Upon their election in 1970, they immediately scrapped the Land Commission and began heavily revising the plans for local government and planning reform.

In the five years of its operation, the Land Commission purchased 286 acres of land in the South East, theoretically enough for around 7,000 houses. At contemporary densities, that was only about one percent of the estimated housing need in the region for the next 15 years. However, it was unable to obtain planning permission to cover most of this land – so much of it was instead used for gravel extraction, not housing. In the Midlands, it managed to purchase a grand total of four acres for housing development. Unsurprisingly, this minimal supply of additional building land meant that the proposed strategic plans did not materialise.

The Land Commission had achieved nothing. But the result of Labour's attempted planning and local government reforms was that the planning situation became even more biased in favour of councils who opposed development. The Conservatives

¹¹ Report [of the] Royal Commission on Local Government in England, 1966-1969. Chairman: Lord Redcliffe-Maud. Presented to Parliament by Command of Her Majesty, June 1969 HMSO.

sharply reduced the proposed expansion of metropolitan areas. Equally, they took advantage of the wholesale reform of local government to redraw the proposed boundaries of local councils on the urban fringe to keep them fundamentally rural in character.

However, most importantly they introduced a new planning act in 1971 which gave the responsibility of making the structure plan for a local area to the new local district authority rather than the county authority. Under the eventual local government reorganisation of 1972, there were 332 district councils, some of which were as small as 40,000 inhabitants. In addition, the recommendations of the 1969 Skeffington Report on public participation in planning were included into the new act. This gave a duty for planning authorities to consult the public during the plan-making process and gave members of the public the right to object to the policies laid out in plans.¹² Before 1971, planning had been the responsibility of 141 counties. This meant that Labour's attempt to centralise planning had failed and the resulting backlash meant that the new Conservative government had made planning even more decentralised. Planning control had now been dispersed to smaller authorities and interest groups.

The increase in planning restrictions during the 1960s and early 1970s did not just occur on the urban fringe and rural areas. Strong resistance to urban development and in particular slum clearance programmes also led to the growth of planning restrictions in urban areas themselves.

Firstly the development right provided in the 1947 act to expand a building's volume by ten percent without needing planning permission was abolished in 1963. This was because it had been primarily used for the extensive and unpopular conversion of large Victorian buildings into modern offices. The backlash against office building was so intense that it contributed to the introduction of a near ban on office construction in London between 1965 and 1979.

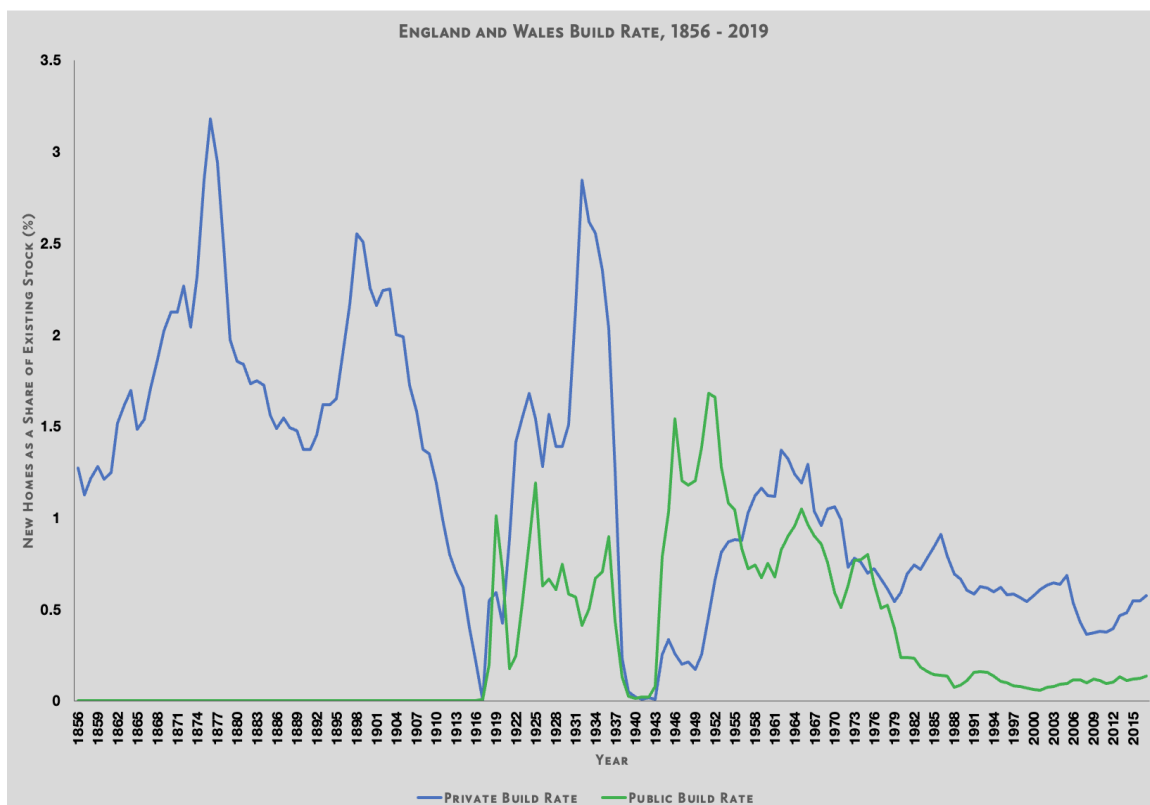
Likewise, the increasing inability of urban authorities to build social housing on greenfield land meant that these councils were forced to increase the density of building sites. The only sites where this was politically and financially possible were the inner city sites inhabited by working-class communities where the slum clearance had originally taken place. However, the unpopularity of these highly visible high-density residential structures led to further political pressure to increase planning restrictions. The government relented to this pressure in 1967, cut high-rise subsidies, and allowed the 1967 Civic Amenities Act to pass. The act allowed conservation areas to be established in historic urban neighbourhoods under threat from redevelopment. Demarcation as part of a Conservation Area imposed strict restrictions on the height and design of any new construction. This severely restricted the potential of any future urban high-rise.

¹² Skeffington, A. M., & Knight, David. (1969). *People and planning : report of the Committee on Public Participation in planning*.

1972-1981: INERTIA, CRISIS, AND DECLINE

Having exploited the political outcry over proposed planning reform and scrapped any serious attempts to reform the planning system, the Heath government was either unable or unwilling to countenance large-scale attempts to reverse the increasing trend towards local planning restrictiveness. A further wave of green belt expansion occurred in this period as new local authorities, particularly in the North and Midlands, took advantage of their new planning powers to thwart any future attempts by cities or housebuilders to demarcate their land for development. Consequently, the amount of land designated greenbelt increased from 693,000 hectares in 1968 to almost 1,600,000 hectares in 1984, roughly 12% of England's land surface.

This was despite real house price inflation of 70% from September 1971 to July 1973, which still holds the record for the highest level of real house price inflation in British history. Unsurprisingly, given the shortage of building land, housing production could not respond to this surge in demand and remained stagnant. This growing political apathy towards housebuilding was assisted by a sharp deterioration in the economic situation following the oil crisis in 1973. A temporary capital shortage and the short-term collapse in housing demand led to drops in private production, which enabled local authorities to reduce development land further during these troughs on the excuse that it was no longer required. This can be seen below.



The resulting strain on government finances following the oil shock also enabled the reduction in state support for the remnants of state-directed development. Although no New Towns had been founded since 1970, funding was officially pulled for any further new town projects in 1977. Likewise, a reduction in funding for increasingly unpopular slum clearance projects led to a sharp decline in public sector housebuilding rates which more than halved between 1968 and 1979, from 1.05 percent to 0.5 percent respectively. Therefore, following the failure of the late 1960s and the resultant decline in housebuilding by 1980 meant that the “planning” system had fully lapsed into a system of stringent development control designed to impede housing production.

THATCHERITE REFORMS FROM 1981-1990

Housebuilding reached its nadir during the recession of the early 1980s. The Thatcher government attempted to stimulate private production in housebuilding to compensate for the severe decline in overall production that occurred during the 1970s. Although housing was not a priority for the Thatcher administration, there were some attempts to reform the planning system and enable more private housing to be built.

The Thatcher government limited many of its policies to the publication of advisory circulars in 1980, 1984, and 1985 which advised local planning authorities to put greater consideration on the interests of housebuilders. In particular, they suggested assuming a presumption in favour of development proposals unless there were serious planning considerations preventing development. However, more robust measures that would result in the actual enforcement of a more liberal planning regime were defeated. A revised draft attempt to adjust greenbelt boundaries in 1983 was quickly withdrawn following opposition from over 100 Conservative MPs in rural and suburban constituencies with greenbelt land.

Having failed to reform the extent of development control in local plans, the government changed course and limited attempts were made to dilute the legal enforceability of planning restrictions themselves. In 1985, the white paper, "Lifting the Burden" proposed making development plans only one consideration in development along with other material considerations, most important being employment creation.¹³ This would enable developers to successfully appeal unfavourable decisions by local authorities to the housing minister even if those decisions were consistent with local planning criteria.

The attempts at planning reform in the 1980s received further impetus under the tenure of Nicholas Ridley at the Department of the Environment from 1986 to 1989. Ridley both administered the enhanced appeal process and published his intent for further reforms. Attempts to relax restrictions on house building on non-developed land were suggested in the Alternative Land Use and the Rural Economy (ALURE) proposals of 1987.¹⁴ This proposed giving leisure and housing developments greater weight in planning criteria compared to agricultural use which had previously been prioritised. In response to the prospect of less stringent planning restrictions, private house building corporations proposed the development of a total of 200 'new settlements' in green belts.

¹³ White Paper: "Lifting the Burden". HMSO. Cmnd. 9571, 1985.

¹⁴ Department of the environment - Development Involving Agricultural Land (1987)

Ridley also attempted to re-establish more assertive strategic planning with proposals similar to those of the late 1960s which implied higher housing targets for recalcitrant local authorities. In the Department of Environment's green paper of 1986, he proposed abolishing the ineffective structure plans that had been diluted by Heath in 1971 and replacing them with more powerful county planning statements and district-wide unitary development plans. This proposal was further developed in an official government White Paper in 1989.

However, all these reforms were either scrapped or reversed by the late 1980s due to both pressure from conservative backbenchers and the growing political strength of the environmentalist movement.¹⁵ Assertive use of the appeals process to allow for more homes to be given planning permission in restrictive authorities immediately led to protests by their representatives in parliament. In response, in 1987, the government jettisoned the ALURE proposals for house building after only two months. It also partially retreated from the broadened appeals process and announced that where a plan was up to date and relevant to local development needs, it would be given enhanced weight in decision-making. However, the relatively modest increase in successful planning appeals that resulted from the modified policy, from a long-run average of 33% to 43% in 1988, was still sufficient to maintain significant opposition.

Following an unexpectedly strong performance of the Green Party in the 1989 elections, Thatcher completely relented to this opposition and ended any further attempts at planning reform. She replaced Ridley with Chris Patten in the autumn of 1989. Patten then shelved all but 7 of the proposed new settlements and then scrapped the proposed reforms in the White Paper and instead passed a new Town and Country Planning Act in 1990. This confirmed the primacy of the local plan in development and ended the use of the appeals process to circumvent local planning restrictions.

¹⁵ See Mark Pennington, "Property Rights, Public Choice & Urban Containment A Study of the British Planning System" (unpublished PhD Thesis, LSE 1997) pp 43-44 for more detail on the reforms of the Thatcher government and contemporary environmental politics.

RESTRICTION TRIUMPHANT: 1990-2004

The failure of the Conservative planning reforms in the 1980s had entrenched a system of stringent development control in Britain. Throughout the 1990s this was given further sanction and even encouragement by the central government. The 1991 Planning and Compensation Act began this new wave of government-backed development restriction by making an explicit commitment to the protection of the countryside. Over the next few years, a large number of policy guidance notes (known as PPG's) were issued by the Department of the Environment aimed at restricting development on previously unbuilt land.

The policy drive to protect undeveloped (greenfield) land from new buildings was legitimised as a method of environmental protection rather than simply the conservation of 'local character'. Although land was never designated part of a greenbelt on environmental criteria, it was argued that it could still assist environmental objectives through discouraging "non-renewable" greenfield development. Instead, it would concentrate new development on "recycled" land in urban centres that had been previously developed (brownfield sites). This culminated in the issuance of a national target in 1996 for 60% of new housing to be provided within the boundaries of existing urban areas. It was codified into planning policy under the subsequent Labour administration by PPG 3, which became known as the "Brownfield First" policy.¹⁶

To enable a target of 60% brownfield land to be realised, the policy instructed local councils to undertake urban capacity studies to identify brownfield sites. The sites would then take priority in allocations of land with permission to develop regardless of their immediate deliverability. In addition, all greenfield sites which were either above 5 hectares or 150 dwellings had to be referred to the Secretary of State who could then decide whether to hold a public inquiry.

¹⁶ Review of Planning Policy Guidance 7, "The Countryside – Environmental Quality and Economic and Social Development", Wildlife and Countryside Link initial comments, January 2003. <https://webarchive.nationalarchives.gov.uk/ukgwa/20000622054315/http://www.planning.detr.gov.uk:80/ppg3/index.html>

BARKER REVIEW AND REGIONAL SPATIAL STRATEGIES: 2004-2010

Unsurprisingly, this move to a “Brownfield First” policy had intensified the restrictiveness of the planning system with negative effects on housebuilding. Many local authorities took advantage of this by restricting greenfield building regardless of the availability of appropriate brownfield land. The problem was also hampered by a geographic mis-match between the availability of brownfield sites and the demand for housing. Housing targets were increased in ex-industrial areas of the North of Midlands which had plentiful brownfield land relative to low housing demand. In the south of England, an area with comparatively fewer brownfield sites but the most serious housing shortage, many councils interpreted PPG 3 as a blanket ban on greenfield development.

As a result, housing supply decreased from an already low 156,000 homes per year in 1998 to 132,000 in 2001 despite skyrocketing house prices between 1996 and 2001. Half of this fall was in the south of England.¹⁷

This pressure gave impetus for a review of both the planning system and the contemporary state of the housing market. The Barker review in 2004 into housing supply suggested that housebuilding rates were inadequate and needed to be increased to 240,000 a year to reduce, although not eliminate, the growth in real house prices.¹⁸ One consequence of this was that the “brownfield first” policy was made less stringent. Councils were required to demonstrate a five-year land supply of actually deliverable sites and earmark development land for the 10 years after that.

Further, the 2006 Barker Review of Land Use Planning was set up which recommended the foundation of regional planning bodies able to enforce targets on local governments in their respective areas.¹⁹ This was put into practice by the 2008 Planning Act which set up planning bodies that in turn created Regional Spatial Strategies allocating housing targets in their respective regions (the South East, the East Midlands, and so on). Yet these bodies were met with large-scale opposition from local residents and authorities which frustrated their task. The South West plan was delayed after receiving 35,000 local objections.²⁰ If objecting was not enough, then these bodies were then hamstrung by being taken to court, as occurred with the strategy for the South East.

In addition urban intensification was assisted by gardens being redefined as “brownfield

¹⁷ See <https://lichfields.uk/blog/2021/october/15/a-brownfield-based-planning-policy-the-lessons-of-ppg3/> for more detail

¹⁸ HM Treasury, *Delivering stability: securing our future housing needs Barker Review of Housing Supply - Final Report*, 17 March 2004

¹⁹ Ibid.

²⁰ Communities and Local Government Committee, *Abolition of Regional Spatial Strategies: a planning vacuum*. House of Commons, 28 February 2011.

sites” in 2004, making urban infill or the building of accessory dwelling units (“granny flats”) easier.



A granny flat. Source: BBC

The potential of more intense local development and possibly even apartments infuriated both suburban residents and even many professional planners. The intensity of their opposition can be shown by the statement of Vice President David Lock CBE of the Town and Country Planning Association that these reforms amounted to “garden grabbing” which would be simply for the benefit of “transient childless households” and would undermine the life of existing suburban communities.²¹ The main opposition parties to Labour, the Liberal Democrats and the Conservatives, both made explicit commitments to scrap these reforms, which they duly did upon their election in 2010.

²¹ Watling, Sam, ‘Which four-letter acronym is worse for the housing crisis – the CPRE or the TCPA?’, CityMonitor, July 30, 2019.

CONSERVATIVE REFORMS: 2010 - TODAY

Having scrapped Labour reforms immediately upon their assuming of power in 2010, the desperate state of the post-financial crash housing industry led the coalition government to propose reforms of their own. The planning minister Nick Boles attempted to rationalise and liberalise national planning policy through the construction of the National Planning Policy Framework in 2012. He was successful in condensing over a thousand pages of national planning guidance into a 50-page document. However, any further attempts to enable significant planning liberalisation were stymied by large-scale backbench opposition from both the Conservatives and Liberal Democrats alike. Opposition to planning reforms was even present in the media, most notably the *Daily Telegraph's* "Hands Off Our Land" campaign.²²

Further reforms were attempted. A permitted development right was introduced to enable the conversion of offices and shops into housing in 2013. In 2016, Sajid Javid was able to bring back the housing targets that had been scrapped in 2010 with the adoption of the standard housing method in 2017.²³ A presumption in favour of sustainable development was brought in for councils that failed to provide adequate land for house building over the previous five years. If a council was found to have not set aside adequate land for housing then this presumption was invoked. This presumption meant that if a developer appealed a rejection for planning permission by a council without a five-year land supply the central government would be more likely to overturn the councils refusal and grant permission to the developer. However, this was of questionable effectiveness as in practice it rarely applies to land that had been designated as part of a greenbelt.²⁴

The Boris Johnson administration attempted more ambitious planning reforms with the white paper on Levelling Up in 2020. This proposed an increase in housing targets for wealthy areas in the southeast and London. More controversially, it recommended a more fundamental change in the structure of the British planning system. Instead of plans being administered through the planning committee of local councils, automatic permission would be given to developments that complied with the plan. Opposition by both the Labour Party and Conservative backbenchers led to the axing of these proposed reforms.

²² Bloxham, Andy, 'Hands Off Our Land: timeline of the controversy', *The Telegraph*, September 9th, 2011.

²³ *The Planner*, 'Javid announces methodology to assess local housing need, September 14th, 2017.

²⁴ Litchfield, Nataniel, 'As We Predicted the Housing Delivery Test is Toothless' *Andrew Lainton Blog*, April 27th, 2021

CONCLUSIONS AND RECOMMENDATIONS

At the heart of all debates about planning and housing policy is one simple fact; house building is unpopular as it imposes disadvantages on local residents. Obtaining the votes of these residents by promising to heavily restrict development may be socially and economically catastrophic, but if the experience of the past 70 years is any guide it is a temptation too strong for politicians to resist. Any planning reform that is to succeed must be able to overcome this potentially overwhelming force.

Throughout the history of planning reform attempts to do this can be split into two schools of thought. One is an assertive planning strategy that seeks to use planning to dictate increased numbers of housing while maintaining the overall structure of the planning system. This was attempted via the foundation of third-party organisations such as the Land Commission under Wilson or regional planning bodies under Blair. Equally, the Wilson administration attempted to move planning powers to larger local authorities, an idea that was also briefly floated by Thatcher.

The latter strategies are intrinsically attractive to politicians since they delegate the task and importantly the immediate political backlash to separate organisations. In addition, they are generally supported by the planning establishment who believe it to be a method of effective strategic planning. However, in practice, this strategy has consistently failed to deliver any notable additional housing. These bodies take several years to set up and even when formed their task is consistently hampered by the opposition of residents, politicians, and planners alike. This unpopularity means that these institutions do not survive a change of government.

The second style of planning reform is simply for the central government to directly reduce planning restrictiveness. This is either through a more assertive use of the appeals process, as occurred under Thatcher, or an entire attempt to restructure the planning system, as recently occurred under Johnson. Despite having the theoretical advantage of faster implementation it represents a more direct threat to restrictive areas. Therefore no significant attempt at general planning reform has ever made it into law.

The main recommendation of this report is therefore twofold. Firstly, any successful planning reform must be implemented immediately by the central government rather than third-party bodies. As much as ideas of “strategic planning” are popular amongst planners there is no evidence that such policies are either politically sustainable or can increase housing delivery. Secondly, simply forcing large-scale planning reform through the central government is not politically feasible.

This does not mean that any central government action in the national interest is not

possible. The powers for the central government to set up development corporations still exist. However, in practice, it is only politically possible to use these powers to override local planning restrictions in a small number of areas. The experience of the New Towns project shows that these corporations will only be able to provide their residents with the necessary jobs and opportunities if put in or very near high-wage urban areas.

However, it does mean that any general reform of the planning system with impacts in more than a few districts cannot succeed unless it provides some benefit for local authorities, and the local voters that elect them from any additional development. Luckily there are already several proposed policies that can meet this criteria. The Adam Smith Institute has also endorsed proposals of Community Land Auctions and balloted estate regenerations.²⁵

The restrictiveness of the planning system and the high levels of economic damage that it ironically enables politically sustainable solutions to housing shortages. As planning permissions are so scarce and the land with the right to build on so valuable, it is therefore theoretically possible to use part of the increase in the value that comes with permission to build to compensate residents that are affected. This means everyone involved benefits when more houses are built. The most promising solutions are designed with this principle in mind.

²⁵ Leunig, Tim - Community land auctions working towards implementation (CentreForum 2011); Dimitriu, Sam and Hopkinson, Ben - Get London Building (Britain Remade 2024) pp.4-5