

# Standing in Front of Bulldozers? Explaining Policy Stability in Land Use Planning

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March 2012

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*Policy towards planning presents scholars of politics and public policy with a significant puzzle. Since 1947, there has been a surprising level of stability in the system used to plan the use of land. On the other hand, there has been growing evidence that insufficient land has been released for development. The paper considers the question why, in spite of the planning system demonstrably failing to allocate sufficient land, fundamental reform of the system has not been achieved.*

*In answering the question, the paper considers in particular attempts at reform under the Labour governments from 1997 to 2010. It argues that there is an interplay of interests, ideas and institutions: public attitudes, the interests of certain sections of the population, and institutions which are responsive to these attitudes and interests combined to stymie policy reform. As a consequence, radical reform was not achieved, and the paper concludes that attempt to find a technical “fix” to the planning system are unlikely to succeed. A diagnosis recognising the political and distributive nature of the problem will be required.*

## 1. Introduction

The Labour Party's 1997 election manifesto was highly critical of previous Conservative governments' record on housing. The manifesto highlighted insecurity faced by homeowners, high levels of mortgage arrears, negative equity, repossessions and the growth of homelessness (Labour Party 1997). Reform of the planning system, as a crucial determinant of the level of housebuilding, could therefore have been central to the housing policy programme. Yet thirteen years later, the foundations of the planning system established by the Town and Country Planning Act 1947 remained 'substantially unchanged' (Allmendinger and Tewdwr-Jones 2009, p. 71). From an urban economic perspective, Hilber and Vermeulen have suggested that planning restrictions have caused prices to be significantly higher (and more volatile) than if the regime were more responsive: 'House prices in an average local planning authority in England in 2008 would be 21.5 to 38.1 per cent lower if the planning system were completely relaxed' (Hilber and Vermeulen 2010, p.56). By extension, the housing stock is significantly lower than if the planning regime were more permissive. Macroeconomists have also noted the potential for planning restrictions to cause or exacerbate the macroeconomic instability associated with housing booms and busts (Duca, Muellbauer and Murphy 2010;

Muellbauer and Murphy 2008, 1997) in addition to ‘resource misallocations that can only be described as grotesque’ (Muellbauer 2005, p. C101).

Thus Britain has remained beset by a shortage of housing, with a growing backlog of unmet housing need. Furthermore, high inelasticity of supply in the UK - due to a substantial extent to planning restrictions – increased the amplification of house price boom-busts in the late 1980s/early 1990s and 2000s boom-bust cycles. In addition to the effects of the housing boom-bust cycle on macroeconomic instability, it also involves enormous transfers of wealth with implications for both equity and efficiency.

During the 2000s, growth in household numbers substantially outstripped that of new dwelling completions. The Government Actuary’s Department and Office for National Statistics predicted that household growth would continue at a rate of 252,000 a year over the 2006-2031 period (Department for Communities and Local Government 2009). Dwelling completions during the 2000s, however, rarely reached 200,000 a year, an increasing proportion of which were small flats where planning permission had been granted to satisfy policy aims for both inner city regeneration and satisfaction of targets for brownfield development as well as housing units. In addition, internal economic migration meant that growth in housing demand impacted differently across the country: of all household growth experienced in England from 1981 to 2001, 62 per cent was in the South, and 19 per cent in each of the North and the Midlands, with these trends set to continue and lead to a growing housing shortage (Holmans and Whitehead 2008, p. 9).

In sum, the planning system increasingly failed to see sufficient land developed to meet housing need, with profound social and economic consequences.<sup>1</sup> Yet, despite this problem pressure, during the period 1997-2010 the system was not fundamentally reformed.

The situation outlined above presents the political scientist with a puzzle. England ostensibly has sufficient land to meet housing need, with only 13.5% of land being developed (Barker 2006, 44). Central Government had a stated commitment to meeting housing need. The UK’s house-building industry stood to make substantial profits from the construction of new homes, with (at least until 2007) ample mortgage finance available. Yet, as demonstrated above, house-building did not align with housing need.

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<sup>1</sup> There is a separate discussion on the extent to which ‘land-banking’ occurred, whereby land suitable for development, or even allocated for development and sometimes with planning permission, was not in fact developed; and thus the extent to which this, rather than insufficient allocations of land for development by the planning process, was responsible for the housing shortage. Barker (2003a, 2003b) rejected land-banking as a major determinant of inelastic housing supply, while the issue was ‘resurrected’ during the 2007 Calcutt Review by the Royal Town Planning Institute (Muellbauer and Murphy 2008; Calcutt Review 2007). This matter was considered by the Office of Fair Trading (2008), which found very limited evidence of such practices. A separate issue which arose towards the end of New Labour’s time in government was the difficulty of both developers and purchasers obtaining finance for development, as a result of the financial crisis. This paper does not attempt to weigh the different factors which were responsible for failing to see sufficient land developed to meet housing need. Rather, it simply notes the powerful *prima facie* evidence that land was not released for development despite extremely high effective demand, and then considers why, in the light of this evidence, the planning system remained relatively stable.

Barker (2006, 2008) identifies the planning process as a key obstacle to meeting housing need: it fostered complexity and uncertainty, and developed inappropriate, self-referential criteria to measure success. Ball et al. (2009) also persuasively argue that delay in the system imposes significant additional costs on developers. Barker (2006, 2008) argued consistently that greater flexibility and responsiveness to market signals was required for the planning system to meet housing need. Nonetheless, fundamental reform of the planning system did not take place in the period between 1997 and 2010, and, as Ball et al. (2009, p.151) conclude,

The UK stands out as a country with particularly strict planning regulation, not only in the allocation of land to housebuilding but also in the mechanisms for granting of permission to build (2009, p. 151).

The question we address in this paper is why, given the apparently failure of the planning process to release sufficient land for development, were attempts at reform so limited and unsuccessful? The failure to achieve reform is surprising: numerous studies have described incremental or rapid liberalisation across a range of policy areas, due, for example, to competitive pressures, ideological support or the intervention of supranational organisations (Streeck and Thelen 2005, Dodds 2009; Pitlik, 2007). Pressure for reform is particularly strong where there is a well-organised lobby in favour – such as the house-building industry – and where the “problem pressure” is clearly evident.

In this paper, we focus on England, as planning policy is largely devolved to the Scottish Parliament and the Welsh Assembly. We also focus on the planning process in relation to housing, although lessons from this may be applicable to commercial property supply and critical infrastructure projects.

With the notable exception of Pennington’s application of public choice theory to planning (2000), research into planning has tended either to come from the perspectives of urban studies and geography (e.g. Tewdwr-Jones and Allmendinger 2006; Webster and Lai 2003 among others), or economics (e.g. Muellbauer and Murphy 2008; Cheshire and Sheppard 2004; Hilber and Vermeulen 2010). This may be because housing and planning are viewed as technical and specialist areas. Nonetheless, this paper contends that the tools and insights of political science are useful in explaining the consequences of the planning process and resistance to reform in this important policy area. Hall (1997) emphasises the combined importance of interests, institutions and ideas (which might be broadened to consider public attitudes) in explaining economic policy, and we see this framework as being extremely helpful in analysing planning policy.

The paper is structured as follows. First, developments in planning policy between 1997 and 2010 are considered to provide an overview of policy stasis. In the following three sections, the roles played by interests, ideas and public opinion, and institutions are outlined. It is explained how they jointly combine to stymie change. This informs our conclusion, which contends that future attempts at reform need to be informed by our political account of non-reform in the 1997 to 2010 period.

## **2. Planning Policy 1997-2010: An Overview**

Discussions of planning policy since the Town and Country Planning Act of 1947 have tended to emphasise continuity, although by no means complete stagnation (Allmendinger and Tewdwr-Jones 2009, p. 71). The Conservative governments of 1979 to 1997, in particular in the period between 1979 and 1990, sought to “deregulate” the planning regime, with reduced incursions upon the operation of the market, and a tendency to view planning simply as a burden upon business and impediment to economic growth. They introduced attempts to simplify the planning regime – particularly in designated zones -, and to reduce the amount of local discretion that could be exercised, on the basis that the centre’s imperative for growth took precedence (Allmendinger 2011, pp. 3-7). From 1990 to 1997, there was a change in emphasis, with growing importance attached to the status of local plans, and upon the role of planning in “environmental stewardship”, rather than simply supporting the market (*ibid.*, pp. 6-12). The Conservatives had faced internal challenges reconciling the opposing interests of two distinct factions:

On the one side, the Conservative Party was the natural political representative of the housebuilding industry. On the other, it was also the natural constituency of shire Tory voters (Allmendinger and Tewdwr-Jones 2000, p.1382).

Political pressure, notably from Conservative voters in areas where development was proposed, as well as from the rapidly growing number of those concerned with environmental protection, forced a shift in policy (Allmendinger 2011, p.6). As a result, Labour inherited a system which, “unlike other areas of state activity or public policy, had not been radically altered” by the Conservatives’ period in office (*ibid.*, p.11).

In the recent past, like the Conservatives, the Labour Party had faced competing pressures. Traditionally supportive of jobs and growth - aligning party interests with those of housebuilders and prospective house buyers - it faced a growing constituency of environmentalists whose support for growth was tempered (Allmendinger and Tewdwr Jones 2000, pp. 1387-9). As a result, Labour gained office in 1997 without a particularly developed set of policy proposals for the planning system or radical ambitions for change (*ibid.* pp. 1389-91).

In 1998, the then Planning Minister Richard Caborn issued a ministerial statement: *Modernising planning* (DETR 1998a). Characterised by Allmendinger and Tewdwr-Jones (2000, p. 1396) as a “shopping list” and by Allmendinger (2011, p.25) as “lacklustre and minimalist”, the statement called for the streamlining of decisions, especially concerning infrastructure; a stronger role for regional-level planning; and much greater efficiency on the part of local authorities (DETR 1998a, pp. 6-12). Nonetheless, change was clearly intended to be incremental, with the government introducing the statement with a commitment to continuity:

In modernising the system, the Government does not propose to alter the basic principles. These have demonstrated flexibility and have served us well in the 50 years since they were put in place by the post-war Labour Government” (*ibid.* p.4).

At the same time, in the early years of the Labour government, the environmental lobby began to flex its muscles. After an early period where the Deputy Prime Minister, within his remit for planning and development, appeared to be pushing hard for more housing from the centre, disquiet amongst the rural lobby began to assert itself, and the government responded with the consultation paper *Planning for the communities of the future* (DETR 1998b). This emphasised the government's commitment to the Green Belt to prevent urban sprawl:

This Government remains strongly committed to Green Belt as a means of protecting our countryside"; *ibid.* p. 20), a target for 60% of new building to be on previously developed land, and a sequential test for new developments so that previously-used sites were prioritised (*ibid.* p. 6).

There was also to be a shift in the way the planning process responded to household projections, with an explicit shift from a role whereby planning authorities had to "predict and provide" new homes in response to household pressure, towards a more flexible approach which also took into account the availability of previously-developed land for building (*ibid.* p. 5; also Allmendinger and Tewdwr-Jones 2000, p. 1397).

Also in the first few years of the Labour government, there were several developments in planning between the level of local councils and the government at Westminster. Of particular significance, but falling outside the scope of this article, was devolution to Scotland and Wales; there was also an augmenting of the regional tier of government in England, both with the creation of Regional Development Agencies focused upon economic regeneration, and an enhanced regional tier of planning, initially under Regional Planning Conferences but which might feed into new regional assemblies in England (*ibid.* pp. 1394-8; also DETR 1998b, pp. 11-13).

In the first term of the Labour government, the tensions between a desire for housing growth and local resistance continued. This was at its starkest in the South East of England, where the consortium of local planning authorities working on the housing numbers target proposed a figure of 35,000 to 37,000 a year. This was rejected at the inquiry by the government-appointed panel, which argued for 55,000 units annually; ministers finally reduced the target, first to 43,000 then to 39,000 (Hall 2002, p.142).

In its 2001 manifesto for the general election, Labour – perhaps surprisingly - committed to a fundamental reform of the planning system, stating that "Labour will reform the planning system to speed up decision-making, promote the most efficient use of land, and strike the right balance of environmental protection, safer communities and economic growth" (Labour 2001). Upon winning the election, Stephen Byers was appointed as a new Secretary of State for Transport, Local Government and the Regions, and in late 2001 launched a new Green Paper: *Planning: Delivering a fundamental change* (DTLR 2001). Allmendinger (2011, p. 27) suggests the period from 2000 to 2004 reflected a new focus upon "market reorientation, speed and delivery", which was certainly reflected in Byers' foreword to the Green Paper:

Some fifty years after it was first put in place, the planning system is showing its age. What was once an innovative emphasis on consultation has now become a set of inflexible, legalistic and bureaucratic procedures. A system that was intended to promote development now blocks it. Business complains that the speed of decision is undermining productivity and competitiveness (DTLR 2001, p. 1).

The Green Paper provoked much reaction, with over 15,000 – largely negative – responses sent in in response to the official consultation, plus a highly critical Select Committee report (DTLR 2002a; Allmendinger 2011, p. 28). In responding to the consultation in its statement *Sustainable Communities: Delivering through planning*, the government softened its language substantially compared to the earlier Green Paper:

An effective planning system is essential to delivering our objectives for living communities; for urban and rural regeneration; for improving the country's infrastructure; and for achieving truly sustainable development... We want a culture which promotes planning as a positive tool: a culture which grasps the opportunities to improve the experience of planning, for those affected by its decisions, whether businesses, community groups, individual members of the community or planning professionals” (DTLR 2002b, pp. 1-2).

Most of the proposals of the initial Green Paper were nonetheless enshrined in legislation in the Planning and Compulsory Purchase Act (2004), although the government rowed back upon, for instance, restrictions upon the public's ability to object at public inquiries and to Local Development Frameworks (Cowell and Owens 2006, p. 410). As Allmendinger (2011, p. 29) puts it, the Act was based around “the headline proposals but not the spirit of the 2001 Green Paper”. Particularly important features included the abolition of “Structure Plans” (plans at the level of County Councils); instead, statutory Regional Spatial Strategies were to be agreed by the Secretary of State following proposals from Regional Assemblies comprising representatives of local councils and other interested bodies, including business and environmental groups. A further central feature was the creation of Local Development Frameworks (LDFs) to replace local plans: the LDF of each local authority area would be the “suite” of documents including a core strategy and other planning documents. A key aim here was to reduce uncertainty for developers by “front-loading” debate to the stage at which planning policies were made, rather than waiting until the submission of a planning application (cf. Allmendinger and Tewdwr-Jones 2009, pp. 75-6). Inch contends that the 2004 Act gained the support of many in the profession, precisely because it appeared to distance itself from a perceived narrow “economism” reflected in the 2001 Green Paper (and indeed in the 1980s Conservative vision for planning) and instead embrace a more ambitious, environmentally-aware agenda of “spatial planning”:

The new system embodied a vision with which many professional planners were able to strongly identify. It represented a restatement of a commitment to broader social and environmental goals, and to a more strategic role, both of which had been eroded during the years of New Right hostility. Reform was therefore seen to represent an alignment between New Labour's progressive

language of community governance and empowerment, and long-standing values of positive planning (Inch 2009, pp. 92-3).

In the 2003/4 financial year, the government introduced an incentive scheme to improve the speed of development control decisions. The Planning Delivery Grant (PDG), resourced at around £68 million per annum, rewarded local authorities for determining major residential applications within thirteen weeks (Allmendinger 2011, p. 119). Ostensibly, this led to a substantial increase in performance, although there were also concerns about local authorities “gaming” the system, and refusing planning applications simply to ensure they were within the timescale (Ball et al 2009, p. 152).

Strikingly, even as the Planning and Compulsory Purchase Act was undertaking its parliamentary passage, the Treasury announced the Barker Review of Housing Supply. This marked the beginning of two important pieces of work, led by the economist Kate Barker, first into housing supply and then into planning interpreted as ‘land use regulation’. Inch (*ibid.*, pp. 88-9) implies that the Treasury’s agenda was, essentially, a throwback to the Conservatives’ ideas of the 1980s, considering planning as “an impediment to market processes”, and stood in contrast to those who wanted to see a shift away from a narrow, regulatory focus towards “spatial” planning (p. 89). Such a view does little justice to Barker’s conclusions, but does accurately capture a difference within government over whether the 2004 reforms would be sufficient to address the problem of “weak responsiveness of new housing supply to rising house prices” as highlighted in Barker’s terms of reference for the review of housing policy (Barker 2004); and also echoes at least in part the two poles evident in the 1979-97 Conservative governments’ policies as well as the differing views expressed during debate upon the 2001 Green Paper.

Ultimately, the reforms provided by the 2004 Act failed to achieve what they were set out to do. Even by 2011, fully seven years after the Act, only 47 per cent of councils had published a Core Strategy as the cornerstone of their Local Development Framework, while just 30 per cent had had it adopted after an examination in public by an Inspector on behalf of the Secretary of State (CLG 2011). In turn, this rendered the Development Control process more contentious: so much for front-loading debate at the plan-making stage! It also maximised local professional discretion. An unforeseen effect of government policy, and in particular Planning Delivery Grant, was to encourage a shift of staff to Development Control rather than the making of local planning policy (Allmendinger 2011, p. 60).

Partly in response to the Barker Reviews, there was a further phase of planning under New Labour: from 2007 to 2010 there was a focus on “delivery, refocus and scaling back” (Allmendinger 2011, p. 31). The Planning Reform Act of 2008 introduced a “streamlined” planning process for major infrastructure, with final decisions to be taken by an independent Infrastructure Planning Commission – considered less prone to political pressures - rather than the Secretary of State. In addition, uncertainty was to be reduced by replacing increasingly hefty, complex and unpredictable “Section 106” contributions (namely contributions towards local facilities, affordable housing and local infrastructure by developers) with a Community Infrastructure Levy implemented at a flat rate. The government also refocused the Planning Delivery Grant so that it became the Housing and Planning

Delivery Grant, and incentivised both plan-making and housing delivery from 2008 onwards (*ibid*, p. 128).

Perhaps reflecting government regret at the PCPA 2004 introducing an apparently convoluted plan-making process and apparently requiring several years to 'bed down', the Department for Communities and Local Government announced the "Eco-Towns" prospectus in 2007 (DCLG 2007). This encouraged consortia to bid to build new towns, subject to meeting certain requirements in environmental standards and the provision of at least 30 per cent of units being affordable housing. Crucially, these sites did not have to sit within the emerging Regional Spatial Strategies or Local Development Frameworks, and thus offered an opportunity to short-circuit the planning process. However, only four proposals were provisionally approved to proceed in 2009, each of which enjoyed the broad support of local authority planners in the area (BBC 2009).

In summary, while planning policy was by no means left untouched by the Labour governments of 1997 to 2010, radical and lasting reform was not carried out. An apparent pro-market zeal illustrated by the 2001 Green Paper quickly fell by the wayside, as did the later, rather more modest attempt to unlock the planning process via the eco-towns initiative. Proposals to streamline the process were beaten back, and at the same time policy-makers' intentions to imbue the process with greater speed and certainty - by shifting contention and debate to the stage of plan-making rather than development control, and by incentivising swifter determination of planning applications - failed to achieve their goals once implemented. The remainder of this paper develops an explanation for this failure to achieve radical reform, focusing on interests, ideas and public opinion, and institutions as they operated in the field of planning policy.

### **3. Explaining the non-reform of planning: Interests**

At the national level, it is clear (cf. Allmendinger / Tewdwr Jones 2009; Allmendinger 2011) that the two poles in the debate on planning reform - one seeking liberalisation and responsiveness to market signals, the other concerned about the social and environmental consequences this might bring each had important lobbies in government (in a pattern familiar from earlier decades). In the "green" corner sat such organisations as the Royal Society for the Protection of Birds, the Countryside Alliance, and the Campaign to Protect Rural England; in the "red (brick)" corner were the Confederation of British Industry, the Home Builders' Federation and the British Property Federation, sometimes joined by housing charities. Organisations of planning professionals - the Royal Town Planning Institute and the Planning Officers' Society, as well as the broader-based Town and Country Planning Association - were not aligned on this divide, although they sought a "positive" role for planning rather than to be harnessed as "regulators" of the market (Inch 2009, pp.88-9). At a local level, battles over development were frequently waged between house-builders and land owners on the one hand, and local residents, notably owner-occupiers, on the other, sometimes allying with environmental campaign groups to oppose change. When considering the balance of change in the period between 1997 and 2010, it would appear that the green corner had emerged victorious in the war, if not in every battle.



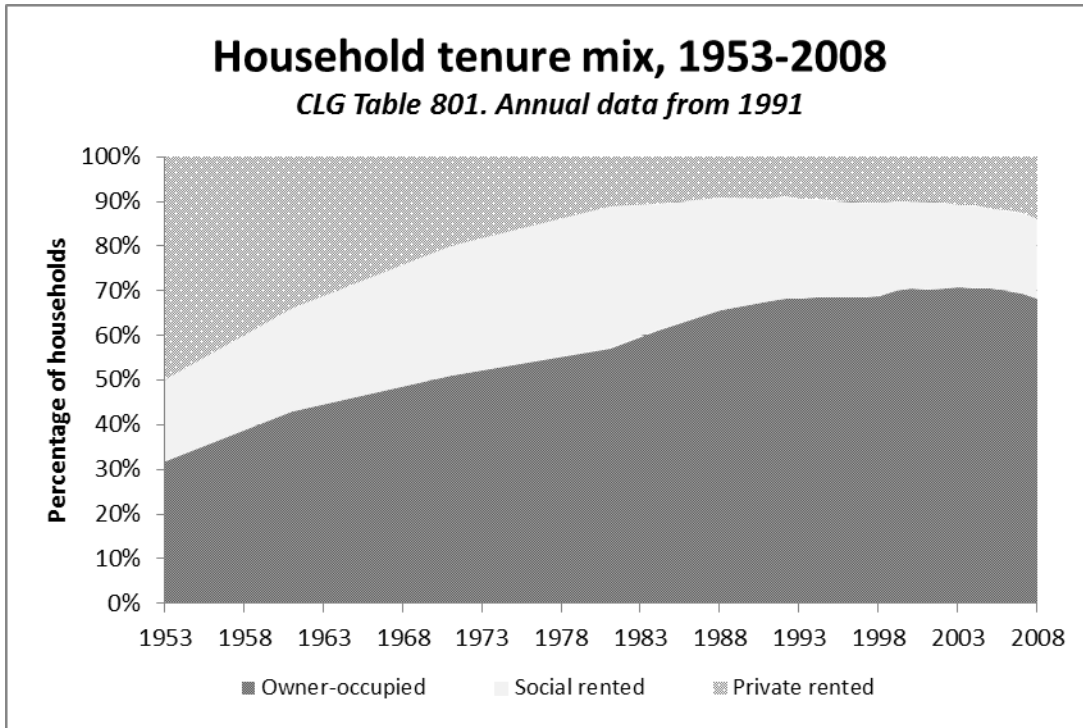
We might ask, however, why a government (particularly one apparently concerned about the social consequences of the shortage of housing) would align itself with those opposed to more radical reform and more extensive housing development. In the next section, we discuss public opinion, but at this stage it is simply important to note that a growing shortage of housing, and the rising house prices which it fuelled, is in the interests of much of the population, although by no means all of it. As Muellbauer and Murphy argue:

Increases in the average real price of housing change the distribution of welfare towards the old, who tend to be owners, and away from the young, who tend not to be owners and may not even be old enough to vote... The redistribution from an increase in average house prices is towards the haves from the have-nots. Because access to a clean environment and publicly funded goods, such as transport and education, is reflected in land or house prices... inequality of income and wealth is often transmitted into differential access to such goods. Thus, higher average house prices tend to amplify market inequality and social exclusion. The lack of voting power of the young and the disproportionate influence of wealth, via the media and the funding of political parties, tends to make governments complicit in policies resulting in higher house prices (Muellbauer and Murphy 2008, pp. 27-8).

Part of New Labour's distinctive electoral appeal was its assembly of a cross-class coalition, and naturally this included its fair share of older, wealthier voters who owned their own homes as well as those who were especially concerned about the environment (Allmendinger and Tewdwr-Jones 2000, p. 1388). Thus while housing shortages and inelastic housing supply heightened inequality and social exclusion, it also brought very substantial material benefits to those who already owned a home, and indeed the growing number who invested in property rather than other assets as a secure investment to support their retirement and old age.

Although owner-occupiers are not homogenous - for example, some will suffer if their children cannot afford their own home - they generally have a shared interest in the value of their largest asset rising. Further, England is, as Figure 1 shows, increasingly a nation of owner-occupiers.

***Figure 1: Household Tenure Mix, 1953-2008***



Source: *Communities and Local Government*

Moreover, owner-occupiers are, on average, disproportionately likely to participate in elections, as Figure 2 shows, so that the vote-seeking politician is likely to be particularly responsive to their perceived interests. Older voters are also far more likely to turn out than younger ones (MORI 2001; 2005; 2010), again leading the vote-seeking politician to favour the interests who would wish to see their house gain rather than maintain value – or, if threatened by local development, lose value in relative or absolute terms.

**Figure 2: Turnout in UK General Elections**



Source: *Ipsos MORI (2001; 2005; 2010)*

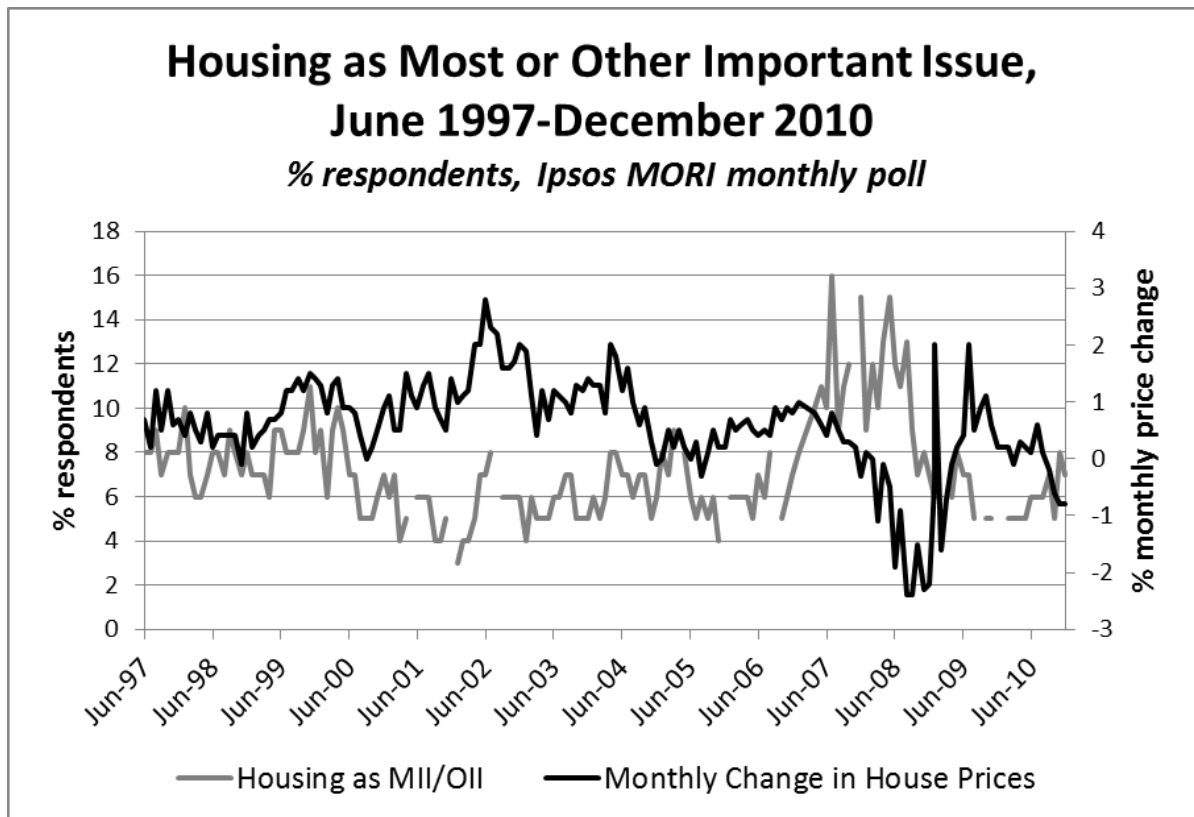
The interests of local home-owners, as well as those who opposed planning reform and housing development for environmental reasons, critically shaped aggregate public opinion and were vocally represented to relevant planning institutions, from the local level to central government. There would appear to be a substantial proportion of the population, and an even greater proportion of those who voted in elections, who stood to gain from the housing shortage.

#### **4. Explaining the Non-Reform of Planning: Public Opinion and the Role of Ideas**

The interest of a substantial section of the population in obstructing local planning proposals and large-scale planning reform would count for little in the political process either if it did not recognise its material interests, or if it chose instead to prioritise economic efficiency, stability or intergenerational justice. In this section, we present data which suggests that public opinion is sensitive to house price changes and argue that this public sentiment supports the retention of policies which maintain inelasticity in housing supply. As a result, there were other barriers to reform. More broadly, and classically within Hall's (1997) conceptualisation of "ideas", we can also perceive certain ideational factors in the planning process which mitigated against reform.

We can illustrate the first point by graphing some time series data on public opinion regarding Britain's 'most important issue' or 'other important issue', available from Ipsos MORI. From 1974, MORI posed the following questions to a representative sample of respondents, generally monthly: 'What would you say is the most important issue facing Britain today?' and 'What do you see as other important issues facing Britain today?' Figure 3 below plots the series against one for monthly change in house prices, from June 1997 to December 2010. The series appear to move negatively together, suggesting that respondents in the aggregate are more likely to report that 'housing' is an issue or problem when prices are falling. To an extent, static or falling house prices in Britain are associated with wider recession, so that the series may be picking up a general rather than specific economic disquiet: respondents can give as many 'other important issues' as they like, and Ipsos MORI does not separate out the percentage reporting that it is the most important issue. Nevertheless the relationship appears reasonably robust.

***Figure 3: Public Opinion on Housing as Most or Other Important Issue, 1997-2010***



Source: Ipsos MORI and the Land Registry.

Examination of attitudinal data over time and by age group can help us disentangle influences on such responses. The British Social Attitudes survey has run annually since 1983 (save 1988 and 1992) and has included on almost every wave an item regarding the respondent's first and second priorities for public spending. Given the lack of a stronger indicator of desire for greater housing provision, we use these items as rough proxies. Housing ranks as between the third and fifth most preferred cause each year for both first and second priorities. In the aggregate, there is an apparent trend decline over the 1983-2008 period, but without further modelling it is difficult to tell whether this is being driven by changing economic circumstances or perhaps by changes in political values among the respondents.

We use two methods to highlight potential drivers of these trends. First, we present results of an age-period-cohort decomposition of the data, following Yang et al. (2008) in applying an intrinsic estimator to overcome the identification problem. The results are graphed in Figures 4(a), 4(b) and 4(c): note that coefficients in each figure are normalised to zero, and that to deal with missing data the period, age groups and birth cohorts are two-yearly.<sup>2</sup> In Figure 5, we graph the percentage responding that housing is a priority for public spending by tenure type (owner-occupier, council tenant and other renter) over the 1983-2010 period.

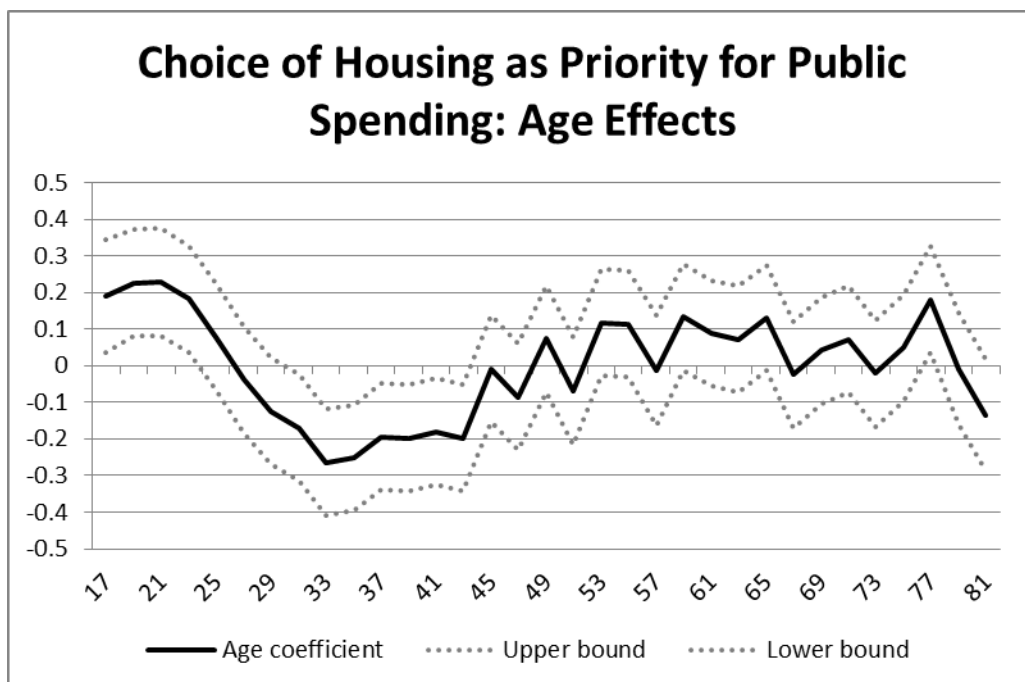
The results of the APC analysis – which do not control for factors other than respondents' age, birth cohort and survey year – suggest the following. Period

<sup>2</sup> Age groups, periods and cohorts must have the same time interval so that cohorts can be identified. The combined BSA dataset has three years of data missing for these items; in those cases we calculate an average for each two-year age group and two-year period using the remaining year's data only.

effects appear statistically most significant: the confidence intervals in Figure X(b) are relatively narrow. Until 1993, there was, at least in medium term context, relatively higher public demand for spending on housing. This covers the period of the Lawson boom and subsequent bust which was particularly characterised by negative equity. In relative terms, the period from the mid-1990s until 2001 was of retreat from demand for housing spending. From then, support for spending on housing increased from the 2001 nadir, covering the period of the 2000s housing boom. This evidence provides a useful complement to the 'most important issue' data in that it appears more likely to capture the preferences of the housing-needy. Figure 4(a), which depicts the age effects controlling for period and cohort effects, illustrates that preference for public spending on housing is relatively highest for the youngest in the sample. The age effect declines with age, being particularly low for those aged about 33-43, before returning to a roughly zero effect for those aged 45 and over. It is highly plausible that those in their late teens and early 20s feel (and are) particularly housing-needy, even when times are relatively good. Finally, cohort effects are depicted in Figure 4(c). While these appear insignificantly different from zero in most cases – so that effects are largely associated with period, or respondent age – there is some suggestion of a nonlinearity whereby the birth cohorts of the 1930s and 1940s are less likely to cite housing as a priority while later generations are possibly more likely to do so – particularly the 1970s and 80s generations.

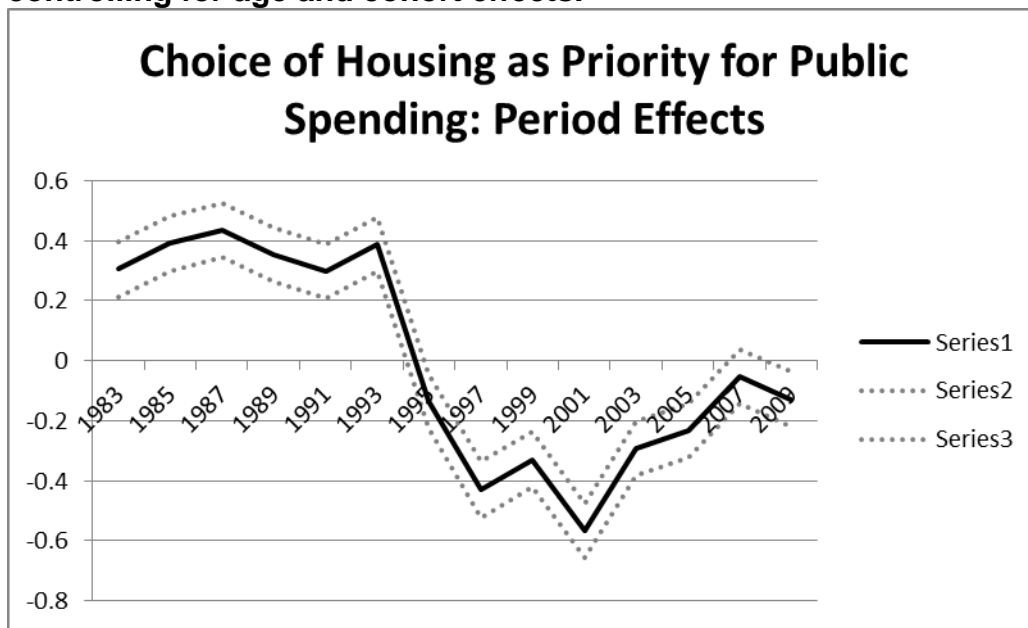
A second issue is how these preferences differ according to housing need. Figure 5 graphs the relatively proportions of homeowners, social renters and other renters who identify housing as a priority for public spending. Rates have fallen over time for all three groups, but it is notable that the rates for homeowners are consistently half of the renters.

**Figure 4(a): How respondent age affects tendency to cite housing as a priority controlling for cohort and period effects.**



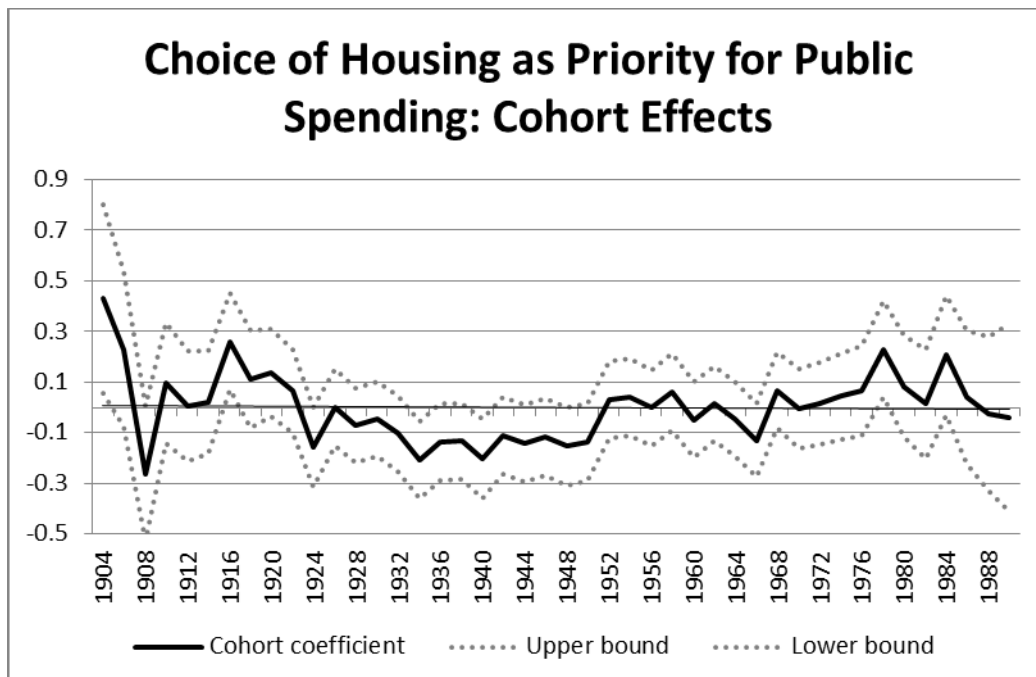
Source: British Social Attitudes surveys.

**Figure 4(b): How survey period affects tendency to cite housing as a priority, controlling for age and cohort effects.**



Source: British Social Attitudes surveys.

**Figure 4(c): How respondent birth cohort affects tendency to cite housing as a priority, controlling for age and period effects.**

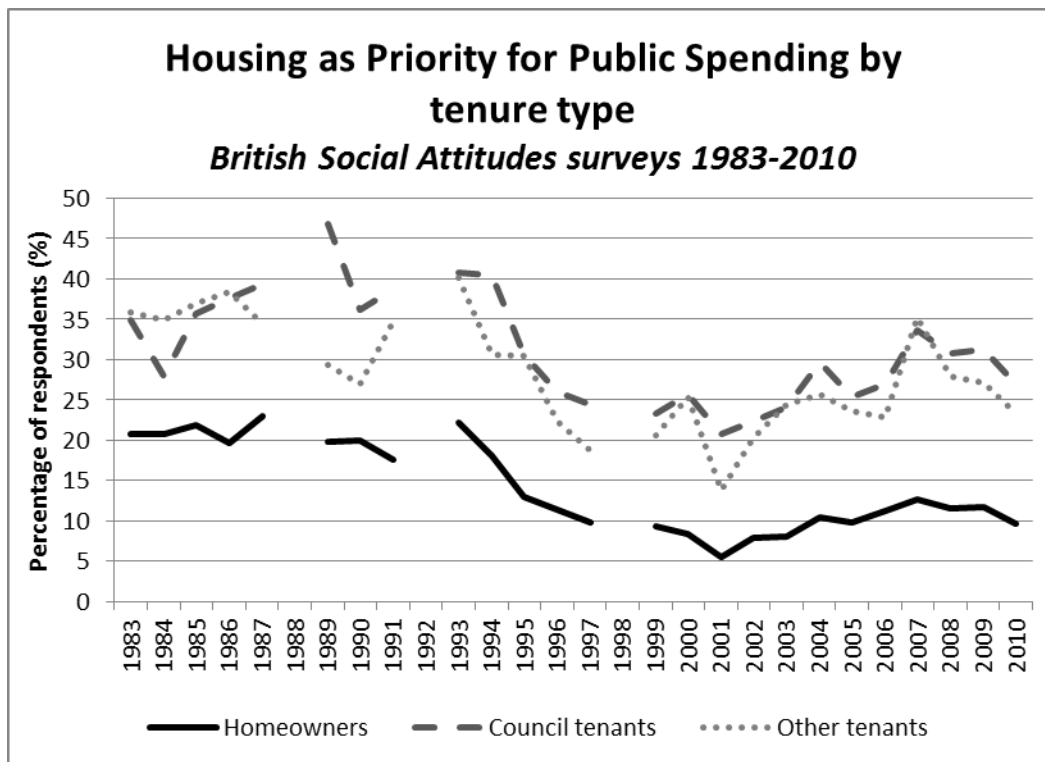


Source: British Social Attitudes surveys.

These results are not hugely conclusive but allow us to suggest the following. Homeowners predominate both in the population and as voters. Respondents to opinion polls appear sensitive to falls in housing prices – perhaps because it indicates a drop in personal wealth, as well as triggering concern with the economy more generally. When we examine support for housing subsidies, it appears that the item is capturing a different population – that of the housing-needy. The young

appear neediest, or at least relatively more likely to cite housing as a priority for spending. The responses also appear quite sensitive to the economic environment: the period effects here are the most definitive. The data also suggest a clear difference between homeowners and renters with regard to support for public spending on housing: with the majority of the population homeowners, this suggests a bias in interests away from tenants and towards owners, and away from the relatively younger towards the older.

**Figure 5: How tenure type affects support for housing subsidy**



Source: *British Social Attitudes surveys, 1983-2010*

Furthermore, it appears that the perceptions of the public – aside from their own economic interests – are relatively distorted regarding the available ‘space’ in England and scope for urban expansion. Both public and amateur commentators are wont to argue that ‘the country is full’, an argument which often elides into concern over immigration and pressure over infrastructure and natural resources. Barker (2006) reported results from an Ipsos MORI survey which found that 54 per cent of respondents estimated ‘half or more’ of England to be developed, as opposed to estimates of the proportion of England (variously) urbanised or developed ranging from 8.3 per cent to 13.5 per cent - the latter of which included gardens in its definition of developed land (Barker 2006, p. 44). Such perceptions and concerns are likely to be associated with preferences for less rather than more development.

Although it is questionable (and beyond the scope of this paper) whether New Labour would have had electoral dissatisfaction wrought upon it had it liberalised the planning system, Cowell and Owens (2006, p. 418) note that in the 2005 general election Labour lost a number of seats in its designated “growth areas”, which again

might have prompted policy-makers to show a degree of caution before promoting planning reform.

Beyond this, there are other “ideational” factors which might have mitigated against a fundamental reform of planning in a liberal direction. During the earlier Thatcher years, when there was some liberalisation of the planning process, there is little doubt that the wider context of “New Right”, free market ideology played a role in relaxing constraints (Inch 2009, p. 86; Allmendinger 2011, pp. 3-4; Allmendinger and Tewdwr Jones 2000, p. 1380). By the 1990s, enthusiasm amongst both the public and in the policy community for the New Right had waned, and in particular awareness of pressing environmental reasons to regulate the market had emerged (Cowell and Owens 2006, pp. 407-8), with the (admittedly often rather hollow and indeterminate) concept of sustainable development gaining prominence. Moreover, the turn in the profession towards “spatial” planning married “sustainability” rather neatly: although not always precisely defined, it argued for a concern with shaping spaces in the future, an opening of planning towards other professions, “a new legitimacy for planning and the profession via the discourses of sustainable development” (Allmendinger 2001, p. 91), and the fostering of dialogue and public involvement in shaping places (*ibid.*, pp. 90-1). Inch (2009, p. 92) persuasively argues that

spatial planning was adopted as a principle for reform by a range of voices seeking to argue, in opposition to the Treasury view, for a broader interpretation of planning’s role.

The very language and ideas of spatial planning and sustainable development helped develop a counter-narrative to Treasury-driven pressures for liberalisation.

If these concepts played a role in shaping developments at the centre, they might also have played a role elsewhere in the planning process. As discussed in section 2, professional discretion increased throughout the period of the Labour governments - all the more so as progress with LDFs was so sluggish, and they were formulated in the context of unclear and sometimes contradictory local objectives (Allmendinger 2011 p.44; pp. 59-60). Not only, therefore, were local authorities required, under the 2004 Act, to promote public involvement in the creation of their LDFs and provide a Statement of Community Involvement each year to show that they were doing it, but there was an attractive narrative of “spatial planning” for planning professionals to draw upon, with strong support from such professional bodies as the RTPI (Inch 2009, p.90), which would influence the way in which professional discretion was exercised at a local level.

Unfortunately, the discourse of spatial planning did not always recognise the potential consequences of insufficient housing being built, particularly in exacerbating housing poverty and wealth inequalities. Taylor (2009), in an article which criticises the inadequate flexibility to develop spatial planning agendas locally, complains that:

... in the new post-Thatcher social democracy, just as in the old post-war social democracy, there remains real tension between the wider public interest as viewed by public planning authorities, and the private interests of



land-owners and developers, so much so that the land development generated by market forces often contradicts the pattern of development that would be desirable from a wider social and environmental point of view (*ibid.* p. 69).

For sure, exclusively market-led development might lead to adverse social consequences (for instance, an inappropriate mix of housing or a lack of affordable housing) and environmental degradation. However, simply counterposing the interests of “public planning authorities” and “social and environmental desirability” on the one hand with “private interests of land-owners and developers” on the other does not consider the rather important interests of those who gain from rising house prices due to lack of development (who are, in fact, also land owners by virtue of being property owners) and those who lose out when insufficient homes are built.

It is not the case that all authors in the “spatial planning” school neglect the high “hidden costs” of restrictive planning policies (Barker 2008, p. 46). The claim in this paper is simply that the related discourses of spatial planning and sustainable development helped stymie planning policy reform at central government level and contributed to restrictions upon development locally.

## **5. Explaining the Non-Reform of Planning: Institutions**

In this section, we turn to the formal institutions of planning and institutional obstacles to planning reform. These obstacles to reform work on two levels: first, particular features of institutions directly encumber reform; secondly, and no less importantly, there are important ways in which the institutions of the planning process currently benefit particular actors while being to the disbenefit of others, thus making it of the interests of beneficiaries of the current system to oppose reform.

Tsebelis (1995) notes that “the policy stability of a political system increases with the number of veto players” (*ibid.* p. 313), with a veto player being defined as “an individual or collective actors whose agreement is required for a policy decision” (*ibid.*, p. 293). The land use planning system is rich in such veto players. By way of illustration: to gain permission to develop a very large site under the 2004 Act, a developer might need to persuade the Regional Assembly to recommend inclusion of the site in the Regional Spatial Strategy (in most circumstances with the support of the local authority or authorities in which the site lay); that site would then need to survive the Examination in Public of the RSS; and it would then need to gain the support of the Minister. There would then, most likely, need to be a planning policy basis for the site in the Local Development Framework (either an Area Action Plan, for a large site, or the inclusion of the site in the Core Strategy or other relevant document). This would have to withstand a further examination in public. A planning application would then need to be submitted (or perhaps two – one in outline, one in detail), needing to gain the approval first of planning officers and then of elected councillors, although in theory councillors could over-rule an officer recommendation for refusal. The application might yet be “called in” for redetermination by the Secretary of State. At each stage in the process, if correct procedures were not followed (either by the developer or indeed by other actors in the whole process, such as appropriate Environmental Impact Assessments), the positive steps towards

development could be quashed by the courts (as happened in the case of several RSSs in 2009; cf. *Inside Housing* 2009). If a submitted major planning application were subsequently turned down, the developer would have the opportunity to appeal, although the outcome would be uncertain. In all, it can be seen that this process not only leads to substantial uncertainty, cost and delay, but also offers ample opportunities for opponents of a proposed development to press their case with those in a position to exercise either a veto, with the effect in some cases at least of delaying, in others entirely preventing the development.

Cowell and Owens (2006, p. 409), albeit writing from a perspective which is particularly sympathetic to those bringing environmental goals to bear upon the planning process, note that objectors to proposed developments were often adept at making use of the “opportunity structures” with which the process presented them. For example, environmental groups proved influential in shaping RSSs - using their position as members of Regional Assemblies) - and both the environmental lobby and councils opposed to development were also active in the sustainability work associated with regional planning. Dialogue or argument with these groups was also a costly business for developers, something of which opponents were keenly aware: as they state, “[We should not] underestimate the ‘veto effect’ of resistance: the resource and political costs of confronting objections to scheme after scheme ultimately affects the viability of policies and programmes, and forces reassessment of the premises upon which they are based” (*ibid.*, p. 406). In the case of infrastructure planning (but the point would apply to other areas of the process where “streamlining” was proposed), opponents were anxious to lose neither the “the powerful mutual reinforcement of national critique and local objections, so often played out at public inquiries”; nor the “visibility and theatricality of the arguments” in a public forum (*ibid.* p. 414).

At the level of national policy formation, too, the environmental lobby proved very able to engage with and shape government policy. As Cowell and Owens (2006, p. 416) note, the environmental aspects of Planning Policy Statement 1 were significantly strengthened after the input of the environmental lobby, while, as outlined in section 2, public opposition to the pro-market direction of the 2001 Planning Green Paper was effectively mobilised by campaigning groups, notably the Council for the Protection of Rural England, and ultimately succeeded in shifting the goals of government policy.

As was highlighted in the discussion on public attitudes, not only are owner-occupiers, with a *prima facie* interest in rising house prices, more numerous than the rest of the population, but they are also more likely to vote at elections. This pattern of *asymmetric* organisation is mirrored elsewhere in the planning process. Pennington (2000, pp. 59-89) contends that, in the planning process, there are chronic “collective action problems”, such that some groups (notably those representing professional and commercial interests, but also local NIMBYist groups) are far better organised than the interests of consumers. The point might be extended to those in housing need: the readily-identifiable, materially-incentivised opponents of a new development will be far easier to organise than potential beneficiaries, almost certainly not yet identified.

There are other reasons for asymmetric organisation of interests than collective action problems, however. It may simply reflect different levels of power in society more widely. Bailey points out that, even if there is an insistence on seeking to involve “hard to reach” groups, participation will still potentially reflect wider inequalities (2010, pp. 324-5). It is a fair bet that, then it comes to the planning process, owner-occupiers, with levels of income, education and age (and thus a higher chance of being retired) than the rest of the population will be better able to bring their influence to bear than, say, private renters not able to afford accommodation. Sturzaker (2010) considers the exercise of power in rural communities, and finds that, on three dimensions of the concept, it is wielded against those who seek to build homes in rural communities. He particularly notes the role of parish councils in obstructive development: generally comprised of those seeking to oppose any development (especially if it risked attracting “outsiders” to a village), their views were often afforded substantial weight by the local planning authority. These features of institutions involved in the planning process demonstrate not only the way in which they might mitigate to thwart planned development, but the way in which, writ large, influence could be exercised in the political process to block liberalising reforms.

There are also examples of failed policies adopted in planning, ostensibly with the goal of increasing housing supply, in the 1997-2000 era. For instance, targets and associated rewards may have simply led to “gaming” of the system, rather than fulfilling their intended purpose (as in the case of Planning Delivery Grant, cf. Ball et al. 2009). Moreover, policies at a national level often required the co-operation of numerous actors, both officer and elected member, in local and regional authorities, and such co-operation with centrally-defined goals was not always forthcoming. The failure of 70 per cent of local authorities to have an adopted Core Strategy seven years after the 2004 Act is a clear example. Allmendinger (2011, p.11) notes that the policy changes proposed by the Conservative governments of the 1980s were more likely to be thwarted if they relied upon local authorities and professional discretion. Precisely the same is true for the government in the 1997-2010 period: it was littered with ambitions (RSSs, “eco-towns”, LDFs) which promised to deliver substantially more housing, but which delivered a substantial shortage.

## **6. Conclusion**

Back in 2000, Allmendinger and Tewdwr-Jones (pp. 1399-40) wrote that, “... just like the Conservatives before them, Labour are prisoners of many interests and communities that will both drive policy and temper it. We should not expect a ‘big bang’ in planning”. Section 2 of this paper demonstrated the validity of their expectation: there was no “big bang” in planning under New Labour, even though there were sufficient “problem pressures” that, in the world of the functionalists, we might have expected one. Sections 3 to 5 of the paper demonstrate that the absence of a “big bang” was no coincidence. Rather, there are powerful interests (indeed, those of the majority of the population and certainly the majority of voters) who gain from restrictive planning policies and associated housing shortage; these interests are recognised and reflected in public attitudes to housing and planning, as they are brought into the political process; and they are to some degree supported by “ideational” factors within the planning community. The institutions of the

planning process have benefited some actors more than others, and in particular the environmental lobby has proven itself adept at opposing policy changes and developments it does not favour. By contrast, there are structural reasons why some groups, notably those in housing need, do not bring their interests to bear very effectively in the planning process. The way in which these institutions operate gives the beneficiaries of the process a powerful incentive to resist reform, and they proved able to do this on a number of occasions between 1997 and 2010. Moreover, even where reforms were agreed by government, where they relied upon the co-operation of other actors, implementation often stalled.

Where might this rather bleak analysis leave advocates of reform of the planning process? We would argue that “technical” solutions (akin to the Housing and Planning Delivery Grant) will not be sufficient. Instead, recognition of the political nature of the problem would be required. There would need to be a concerted effort, at the level of local and national politicians, planning practitioners, and public opinion, to highlight the substantial social and economic costs of non-reform. Concerted efforts would be made to bring the interests of the “losers” in the process as it stands, notably those in housing need, to the fore in the political process. There needs to be an emphasis on the rigour of environmental analysis, ensuring that it is assessed on its merits, rather than instrumentalised by those with another agenda. Any reduction in the number of veto-points in the process, allowing the obstruction and distortion of policy priorities, would also be a positive development. Above all, however, reform of the process would be an act of some political bravery, and might require a good deal of political willpower, as the political costs of change could prove substantial.

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