



Policy Study No. 100

Planning Planning

Clearer strategies – and environmental controls

Richard Ehrman



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1

Introduction

THE GOVERNMENT IS PLEDGED TO REMOVE CONSTRAINTS ON THE operation and expansion of businesses and to encourage the spread of home ownership; indeed, these pledges are central to its economic policies. In its nine years in office it has abolished nearly all financial controls and made good progress in reducing restrictive practices in the labour market. Yet the Town and Country Planning system and the restrictions it imposes on the use of land – restrictions widely acknowledged to distort the economy and slow down job creation – have to all intents escaped change.

This may be not because the Government is unaware of the contradictions between the planning system and its wider economic objectives, but because it faces so many political difficulties in trying to reform it.

Recently these difficulties have moved to the centre of the political stage. The British economy is not only growing rapidly but also undergoing a major structural shift, with pressures for development becoming unevenly spread across the country. These pressures are strongest where jobs are not in short supply; where further development is often seen as an intrusion and a threat to the quality of life; and where people are most likely to vote Conservative.

This poses a great dilemma for the Government. The received wisdom is that it must either allow more development where the market demands – and thus risk alienating its natural supporters; or it must keep the planning brakes on – and risk stifling the economic revival which it has worked so hard to create. Until recently the Government seemed to have accepted this gloomy diagnosis, and has tried to fudge the issue. On the one hand it urged Councils to be more liberal in their planning policies and forced the hands of the recalcitrant by means of the appeal system; on the other it has ceaselessly reiterated its commitment to the protection of the countryside, and eschewed any real reform of the planning rules.

In the past, Governments relied on regional policy to try to redirect activity to the less popular areas, but many years'

experience showed that when they tried to force businesses and people to places where they would not otherwise have gone, they often curtailed or aborted the economic growth they sought to promote. So this Government scaled down regional policy as expensive and counter-productive, and instead told people, in Mr. Tebbit's alleged phrase to, *get on their bikes*, and move to where the jobs are.

Now this policy too is encountering potholes on the road, because once on their bikes businessmen who wish to expand, or those in search of work, find that few places are willing to have them. More and more the only areas in which growth is unreservedly welcome are the derelict inner cities and not everybody in search of a new home or larger premises wants to go to them. Britain's prosperity is increasingly based on services and small businesses, and their growth is organic. They need to be where their customers and suppliers are, and those same customers need to be where the jobs are. It is these economic imperatives that, in many areas of the country, are making the dilemma of *growth v. environment* ever more acute.

Until recently this clash has been seen as a South Eastern problem, and it is often said that to keep on the planning brakes in the South will force economic growth to the North, where unemployment is worse. Many Tory backbenchers, under pressure from their home counties' constituents, see in this a most convenient backdoor regional policy.

Ironically, though, it is those Northern and Midlands areas which have been hardest hit by unemployment that have, since 1980, taken the lead in imposing the same type of restrictive planning policies previously applied in the South. Thus the Green Belt around the Liverpool-Manchester conurbation grew from under 4,000 acres in 1979 to 750,000 in 1986 while that in both Tyne & Wear and the West Midlands doubled. In the same period Nottingham-Derby, which previously had had no Green Belt, created itself one of over 200,000 acres¹. When the original Green Belt around London was introduced in the '50s provision was made to accommodate growth in the New Towns, but in the '80s no comparable allowance has been made. So as the older industrial areas begin to experience economic growth, they face the danger of running into the same problems that bedevil the South East.

The dilemmas for the planners of greater prosperity are as simple to state as they are hard to resolve. As people get richer and more leisured, more of them want to live in the pleasant surroundings of the suburbs, or the county towns or villages, or even in the countryside itself. And at the same time, as household compositions change more homes will be needed². All this, however, brings them into conflict with those already established in the more desirable areas, who fiercely protect their environment and resist new development.

As the residents and voters in these areas, the anti-development forces constitute a formidable obstacle to change: one that the Government is very wary of challenging, for all its brave talk of the need for wealth creation. Under Mrs Thatcher not only has the national area of Green Belt more than doubled, but the acreage of farmland taken over for urban uses each year is the lowest for half a century: the rate is one third of the figure of the '60s and less than a quarter of that for the '30s³. So, at least in terms of town and countryside, Britain remains a green and pleasant land with urban areas accounting for under 12% of the whole of England and Wales, and only about 15% of the heavily populated South East⁴.

Recently the Government's difficulties in trying to follow this course have been made all the more thankless by the problems facing farmers, another traditional Conservative constituency. As the EEC struggles to reduce its various surpluses so the amount of land required for agriculture will continue to decline rapidly. Six million acres could be surplus by the end of the century, and a recent estimate from the Department of Land Economy at Cambridge University reckoned that twelve million acres, *over a quarter of the total now cultivated*, will go out of production by the year 2015⁵. One tempting solution to the planners' problems is to release some of that spare land for building, but even to mention this disturbs a hornets' nest of environmentalists and residents, planners and politicians. So instead we continue to subsidise farmers to produce food that we do not want, or to leave land idle; while the shortage of building land drives house prices and business rents ever upwards, to the grievous disadvantage of those without a foot on the golden property escalator.

Conflicting reasons are advanced for this state of affairs.

Environmentalists and conservationists tend to blame 'excessive' economic growth, and the lack of a strong regional policy which they think could herd jobs and people more firmly to the less prosperous areas or the inner cities. Others point to the fiscal distortions and consequent easy lending which favours residential owner occupation, and helps to inflate house prices. In the end, though, these arguments are secondary. The basic problem remains one of supply and demand in the popular areas of the country; while demand continues to outstrip supply in so many places, the question of to build or not to build can only become more pressing.

To resolve this impasse is the greatest challenge facing the planning system and is likely to become one of the leading subjects of political debate. So much is clear. Even if economic growth halts or reverses, the demographic and economic pressures are such that the Government will have to address the problem. Mr Ridley, the doughty and embattled Environment Secretary, has said as much. Even the most determined of the environmental lobbies know as much. Everybody is coming to understand that however desirable protecting the environment may be, a cost must be paid in terms of growth foregone, and living standards reduced.

The purpose of this pamphlet however is not to join that controversy, but rather to examine the actual planning system itself; for whatever policies emerge from the current debate an efficient and practical system will be needed to implement them. So it should be a matter of some concern that in recent years criticism of the planning system has been mounting, not just of the policies it tries to impose, but because it is too slow, too cumbersome and too bureaucratic to cope with the pressures that crowd upon it: in short, is outdated.

Origins of the planning system

To understand the modern planning system it is necessary to look at the immediate post war years, when control over the use of land was thought essential for the purposes of national reconstruction. Thus the Uthwatt Report on Betterment of 1942, on which the present system is based, saw planning controls merely as part of a much larger and more comprehensive scheme for the nationalisation of all development land. It envisaged that the public authorities would first identify where development was required and in what form, and then would themselves carry it out. The 1947 Town and Country Planning Act, therefore, as well as introducing the planning system as we still know it, vested all development rights in the State via a Central Land Board set up to acquire land for development; and levied a 100% tax on private development land gains.

This attempt to nationalise development failed. Adequate funds were never made available. The provisions of the Act that allowed for it were repealed in 1953. The attempts of subsequent Labour Governments to resurrect the scheme came to nothing. Harold Wilson in fact tried twice. In 1967 he set up a Land Commission to undertake development on behalf of the public (which the Conservatives abolished in 1971), and in his second Government he tried again with the Community Land Act of 1975 and the Development Land Tax Act of 1976, both of which were effectively reversed by Mrs Thatcher.

This history is worth recounting because those who first introduced comprehensive planning controls never envisaged that they would function in isolation from the actual development process. The failure to nationalise development and the poor reception of large scale public redevelopment in the '60s and '70s led, however, to precisely that evolution of the system. Public authorities make plans, but by and large they do not carry them out. That is left to private developers and to the market, controlled by a lop-sided version of the original planning system.

The System in Practice

The Town & Country Planning system has not changed in its essentials since it was established in 1947. The legislation is now contained in the 1971 Town and Country Planning Act; and this, as amended by subsequent Acts, confers on district and borough authorities comprehensive powers over the location, construction, design and use of all new buildings (except agricultural) in their jurisdictions, and also over the use of all existing buildings (including agricultural). These powers are exercised in the context of local development plans, which all local districts and boroughs are supposed to prepare and which dictate policy on the use and development of land in their areas. These local development plans in turn are meant to be based on larger, usually County, structure plans or regional plans.

The Department of the Environment has overall responsibility for the system in England*, but in reality its control is limited. Local plans have to go through a complicated process of public consultation before they can be officially adopted and the DoE can intervene in this; but in practice many councils operate for years on unadopted plans. On 31 March 1988 the Department listed over 250 such unadopted plans.

County Structure Plans have to be approved by the Secretary of State; but this again allows the authorities concerned plenty of room for manoeuvre. The total time for preparing and approving structure plan proposals is probably at least four years and may be nearer five years. But if the Department has little direct control over the present system it does exercise influence, primarily through its guidance notes, copious numbers of which it issues to local authorities – at the beginning of 1988 there were nearly 150 of them. These are neither legally binding, nor in practice do many authorities pay much attention to them. But, as inspectors *will* pay regard to them when deciding appeals, they have some bite.

* Wales has an identical planning system which comes under the Welsh Office. The Scottish system is broadly similar, but the details are different and it comes under the Scottish Office. In Northern Ireland all planning matters and applications are dealt with directly by the Department of the Environment (Northern Ireland), and not by local authorities.

Although the system is often thought of as no more than development control, it is in fact a comprehensive (but muddled) quasi-economic planning system – exactly what it says it is, in short. Local plans allocate land for different uses, and often endeavour to lay down the quantity, type and location of development which will be permitted, in considerable detail, for a period of at least five years ahead. It is almost as if every local council had to draw up a Comecon-style five year plan for its own little area. Planning applications are then judged not only on their individual merits, but also in the light of the relevant local plan. However well conceived an application may be, if it does not conform to the plan, that in itself will usually be sufficient grounds for rejection, whatever the DoE's guidance notes may say. When that happens the only recourse is an appeal to the Secretary of State, or a planning inspector appointed by him.

Nor are planning documents simple. Development plans go much further than the sort of zoning commonly seen in the United States, for example. Indeed a recent DoE consultative paper complained that the typical County Structure Plan now contains over 100 policies apiece, some of them as many as 200⁶. At local plan level the detail can be even more complex. Often they run to well over 100 pages and contain chapters spelling out in minute detail exactly what will and will not be allowed in each small locality – even street – within the authority's jurisdiction.

Some problems

Would such detail be necessary simply to control developers? Obviously not. But originally, as we have seen, the prescriptions of planning policy were meant to be just part of a wider scheme, in which local authorities and other public bodies would first decide on the future needs of their communities, and then themselves implement their plans to cope with those needs. In a nationalised, centrally directed economy, planning of this sort would take pride of place. More and more, however, the pace and shape of change has been left to the private sector and market forces to determine, and the process has become much more rapid and more piecemeal than the fathers of the planning system envisaged. Not surprisingly the system's response has been beset with problems:

Inflexibility is built in. When a plan is made it is supposed to last, and planners have to try to adhere to it. Hence the prescriptions of 'plan policy', many formulated at least five years beforehand, often outweigh the real needs of the local and national economy and ignore the changes occurring in it.

Complexity is inevitable. In a system that aims to tell people both what they should do and what they must not do, the bureaucrat reigns; and the length and detail of many plans is nightmarish.

Parochialism. The planning system is under local control; so naturally local considerations come first. All too often, local authorities simply try to shift unwelcome developments onto their neighbours. Regional guidance is sometimes provided by SERPLAN or the London Boroughs Association; but such bodies have neither a statutory role nor the power to resolve conflicts between neighbouring authorities. In the recent past these squabbles have been visible to all, especially in the South East. In the space of a few months in 1986 Cambridgeshire claimed that Hertfordshire was doing too little to accommodate the pressures that will result from Stanstead Airport, Buckinghamshire attacked Hertfordshire's plans for job growth,

and Berkshire, Surrey and Hampshire each put up proposals to reduce the number of houses they would allow, while claiming that the others should maintain their allocation⁷. As the Director of the Housebuilders Federation commented, 'This is not planning but a regional game of pass the parcel'.

Lack of balance. In recent years the Government has tried to simplify the system by reducing it to one tier. In particular the abolition of the metropolitan authorities deprived the major conurbations of their strategic authority. So London, for instance, is still trying to make do with a strategic plan approved in 1976, the work for which was started in the '60s. And now the Government proposes to abolish the County Structure Plans (meant to provide strategic planning for the non-metropolitan areas), and to replace them with simpler County Statements. When this process is complete the danger is that planners will be left with detailed regulations as to what type of housing, or commerce, or leisure is judged appropriate for each neighbourhood; but only very weak overall guidance as to where and how the general pressure for new development might be accommodated.

Abuse of power. Under the guise of land use planning local authorities have tried to impose what often amounts to social and economic policies, for political ends. Councils controlled by both the main parties have been guilty. Many London Labour authorities try to discourage office jobs and private housing, while encouraging manual jobs and public housing. Conversely, many Conservative authorities in rural and suburban areas have used their powers to try to preserve the essentially middle-class nature of their fiefdoms and deter outsiders from moving in. Whatever local people may think of these policies, such councils seek to over-reach their powers in a way that Parliament never intended.

Muddle. The absence of strategic guidance and frequent attempts by local authorities to use their planning powers as a means to regulate social and economic change for political ends, has often led to contradictory tiers of planning policy often applying in the same area. In the first instance the local authority applies its

own policies, perhaps incorporated in plans yet to be formally adopted (very possibly *never* to be). Thereafter an unhappy developer or landowner, if he can stand the trouble and expense, can appeal to the DoE whose inspector is expected to have proper regard for national policy. As planning bottlenecks have choked the system more and more so the number of appeals has grown – by 65% over the last five years. This has led to the widespread view that the appeal system has become a developers' charter; although the percentage of successful appeals has in fact risen only slightly, so that the process for would-be builders is still uncertain and expensive⁸.

Bureaucracy and delay. Planning authorities are supposed by the DoE to decide 80% of applications within eight weeks. Nowadays, however, many authorities decide only the simplest matters within that period. The figures for 1987 are under 40% of major applications and under 60% of minor ones*. Even the figure for applications by householders to alter their own homes was little better – only 69% decided within the two months⁹.

These delays can scarcely be blamed on shortage of staff, as local government planning departments employ about 20,000 people. Add to that planning specialists and their staffs in central government, Quangos and the private sector, and the total employed by the system probably comes to about 25,000. In 1987/88 local authorities in England and Wales spent £610 million on Town and Country Planning¹⁰, and Professor Alan Evans of Reading University has estimated that the running costs of the system throughout the whole of Britain, both public and private sector, must now be more than £1 billion per annum¹¹. The bureaucracy of planning has become an important 'industry' in its own right.

It is not, though, a very productive one. In the year to April 1988 the planners in England dealt with over 450,000 applications, of which about 250,000 were for change of use or from householders for altering their own homes, and 200,000 were what the DoE terms development proposals¹². That means

* The Department of the Environment defines a major residential development as one comprising more than ten dwellings or half a hectare, and a major commercial development as one of more than one hectare or 1,000 sq. metres of building.

the average cost was nearly £2,000 per application (including those from householders and for change of use). The productivity rate was about one development processed per month per worker.

The poor record

Over the years these shortcomings have meant that the planning system falls down on its job of allocating land in areas where pressure of development makes land a scarce commodity. To do that, it must try to forecast the future demand, and the future shape of local economies and communities. Recently its record has been severely criticised. For instance:

Housing. Structure plans set five year targets for housebuilding, and designate broad areas of housing growth. Local plans are then meant to provide enough sites to accommodate the structure plan's figures. Many local authorities claim that such a supply exists in their areas. Housebuilders, however, claim that local plans sometimes aim not so much to provide enough houses to meet demand, as to provide enough to meet the targets set in the structure plan. So claims by local authorities that they allow for a sufficient supply of sites can, particularly in the areas where demand is greatest, be somewhat circular. In general it is obvious from the rapid increase in the price of housing land, and thence of houses, that the system is not meeting demand. The map of increases in prices of housing land from the Inland Revenue's *Property Market Survey* reproduced on page 34 shows their scale and extent for the year to October 1987. Particular examples illustrate the point. An acre of housing land in Northants has jumped from £100,000 an acre in 1985 to £600,000 in June 1988. In Rugby it has risen from £50,000 to £350,000, in Luton from £300,000 to £800,000 – all in the space of three years¹³.

These rises follow directly from the fact that the demand for homes has shot ahead of the planners' allocations. When an acre of housing land is customarily worth up to 300 times as much

as a neighbouring acre of agricultural land, it cannot possibly be said that an adequate supply of housing land is being made available. The connection with house prices is equally obvious and alarming. In 1964 the average new house cost £4,000 and land accounted for 10% of its price. In 1984 the average new house price had risen to £38,000, of which land accounted for 40%¹⁴. Since then the proportion accounted for by land has probably risen still further; and house prices in many areas have doubled or more.

Few local authorities are responding by planning for more houses – if anything the reverse. In November 1987 there were 25 proposals for structure plan alterations before the Secretary of State for the Environment. In 23 of those it was possible to compare housebuilding provision in the approved plans with that in the alterations. In five counties the proposed rate of housebuilding was above that already approved; in the remaining 18 counties the alterations proposed to *reduce* the rate of housebuilding by an average of 16% (the decreases ranging from 3-29%)¹⁵. Meanwhile in February 1988 the DoE produced its revised household projections showing that new factors such as lower mortality, later marriage and more frequent divorce meant that the planners should allow for 600,000 more households in the year 2001 than previously expected¹⁶.

The muddles, inconsistency and unsatisfactory consequences of housing policy are growing, not diminishing.

Shopping. Conflict has been growing in the '80s between the desire of retailers and shoppers alike to move to out-of-town centres (popular because they are larger and more convenient), and planners and conservationists anxious to preserve the traditional town centres. The planning system has found it particularly difficult to deal with this

conflict. Large shopping centres are usually designed to serve a wide catchment area, and the mechanism is not in place to solve disputes between the several authorities concerned. Often the problem returns into the lap of the harassed Environment Secretary, after a prolonged and very expensive public inquiry.

The cost of those schemes that do proceed is thereby greatly increased. Research quoted by Professor Evans of Reading in his recent paper *No room! No room!* indicated that, in 1983, the price of shopping land in British towns could be between 12 and 25 times greater than its equivalent in the United States¹⁷. And that of course feeds straight through into the rents which retailers have to pay – and into the prices they charge their customers.

Leisure & Tourism. Now one of Britain's most important industries, it suffers from the ambivalence with which it is viewed by many planning authorities. In London, for instance, the late GLC opposed the scheme to turn Battersea Power station into an entertainment complex on the grounds that it would provide only 'Mickey Mouse' jobs, (albeit 4000 of them) of which it did not approve. At least until recently some of the Central London boroughs operated a general presumption against new hotels and restaurants, so that only one new hotel was built in Central London between 1977-87 – helping to make London one of the most expensive cities in the world for tourists. Recently policy seems to have become more liberal, perhaps because 15% of London hotel beds are now occupied by the homeless – paid for by local authorities¹⁸. In the countryside attitudes to tourism are generally more relaxed, though the furore in 1987 over the Government's ALURE proposals¹⁹ to ease the alternative use of farm buildings shows that, amongst planners and conservationists at least, tourism is not yet

regarded as a wholly acceptable neighbour.

Village Life is a concept dear to the heart of planners and conservationists, but the drive to preserve villages and county towns can have the reverse effect, and squeeze the life out of them. Controls on development have in many areas become so strict as to create a severe shortage of property; so that only those moving out of the cities, usually on retirement, can afford to live in the villages and countryside. Local children have to move away as they grow up, local schools close and the indigenous economy withers. In recognition of the problem the Government has, belatedly, increased help for rural housing associations²⁰. This help, however, will be one small drop in the ocean, when compared to the recent, massive increase in house prices in villages and county towns.

Some of the environmental and social side-effects of the planning system, have also, over the years, been disturbing.

Ugliness and desecration. The planning system was originally designed to facilitate the redevelopment of Britain's cities after the ravages of war, and in the '50s, '60s and '70s the planners razed entire neighbourhoods in order to make way for their brave new world. Much of their work is now generally condemned as ugly and inhuman, symbolised by the dreary housing estates and menacing tower blocks which disfigure our inner cities. Who now can think that planning has done anything to improve the standard of British architecture? The ugliness and shoddiness of many of the buildings that our supposedly strict system has approved will blight our cities for generations to come.

Immobility. We have seen how some councils have tried to use the planning system to keep outsiders

out of their areas. In the prosperous parts of the country strict controls on development drive house prices further and further out of the reach of those who need to move in search of work. Alarming disparities have exacerbated skill shortages and wage inflation in many areas. House prices in the North, North West, Yorkshire and Humberside rose on average by 25% between 1983-7; in London, the South East and East Anglia the average increase was 100%²¹. Little wonder that, in a recent CBI survey of housing needs in the South-East, 61% of companies said that the housing market was a major problem for the recruitment and retention of staff²².

Inflation. Limited supply is a major reason why property prices have risen so spectacularly in recent years. These increases have contributed to inflation, directly as well as indirectly. Indeed the indirect impact may have been the greater. Not only have wage rates been driven up in many areas, but the pattern of investment has become biased towards property, and the savings rate been reduced, as owners have come to rely on increases in the money value of their homes. In the first half of this year, for instance, many people's houses 'earned' more than they themselves did. Not surprisingly, they felt able to save less and borrow more – unwittingly stoking up inflationary pressures.

Old intentions, new directions

It is easy to summarise the charges against the planning system. It is rooted in the post war fashion for nationalisation and the extension of state control; it was never designed to cope with the rapid, piecemeal rate of change of a market economy. It is too slow, too complicated, too bureaucratic, too muddled. Its shortcomings have driven up the cost of accommodation for private individuals and businesses. It has not been able to resolve many of the dilemmas and conflicts caused by the pressure for growth. And its results are often very ugly.

Yet, despite all these failings, the system is still popular. Not, it must be said, for what it has done, but for what it has prevented. Few but the experts appreciate how over-ambitious the system is. What the public values are controls to protect the countryside, and conserve historic towns and villages.

It is ironic that the system's popularity should now rest on these environmental safeguards, for conservation does not come top of its theoretical order of objectives. Indeed in land use planning, as practised until fairly recently, environmental criteria were accorded comparatively little weight. It is the public not the planners who have, quite rightly, put the environment at the top of the list.

Any attempt at reform must obviously satisfy that public demand, backed by all shades of political opinion, for effective environmental safeguards in both town and countryside. Here is the starting point; any scheme of reform that seems to undermine those safeguards will be politically unacceptable and stillborn.

The old intentions

Before considering the necessary reforms in any detail, however, let us remember the intention of its founders that the system should direct the rebuilding of Britain after the devastation of war; and that it should be the public rather than the private sector which should carry out that rebuilding.

The situation now is very different. Britain has now been rebuilt, and development is now mostly in private hands. The

wholesale, publicly directed and funded, redevelopment of Britain's cities is a thing of the past. It is no longer necessary. The planners in any case no longer have the self-confidence to contemplate it, and their political masters no longer have the funds or the public support to attempt it. What then should now be the purpose of the planning system? The plight of the inner cities is often mentioned in this connection, but contrary to what many might think they are not really a problem for the planners. Planning today comes into its own only when there is strong pressure for development, and the problem of the inner cities is lack of just such pressure. The major difficulties that the system now encounters are in coping with economic success, and with the strong pressure for private development that this has caused in environmentally sensitive areas. It is here that the system's attempts to plan land use in detail have been so unsuccessful, but it is also of course here that the control of development is so highly valued by the public.

It is high time that this fundamental change in purpose is clearly stated and acknowledged. In 1947 the system was set up to plan and execute the public redevelopment of Britain, now it is used to control private development. That being so, who should be in the driving seat of the process of development? Should it be the planners, as the drafters of the 1947 Act envisaged? Or should it be the private sector, as one would expect in a market economy?

This question is crucial because at the moment we have two effective groups of decision makers – the planners and the market – and many of the system's problems stem from the way in which these two have got out of step with each other. Thus local planners and councillors decide how they would like to see their areas develop. But the market very often has different ideas, and when the private sector tries to respond it finds itself in conflict with the planners. Since neither is given primacy the result is all too often a deadlock, which can be broken only by a lengthy and expensive appeal to the DoE.

This question of primacy in development decisions need to be resolved. Either the planners must have the powers and the cash to carry out their plans as the Uthwatt Report intended. Or the private sector must take decisions according to the market, which should then be subjected to a system of

environmental control by the authorities.

At present the fact of the matter is that the private sector is the prime mover in the development process, and that there is small likelihood of this changing. We need a system that accepts this, but then provides the necessary safeguards on the developers' activities.

The new directions

Once it is accepted that the role of local authorities is not to map the economic future and redevelopment of Britain but to control development by the private sector, it should be possible to implement a system under which developers' proposals can be judged primarily on their environmental merits. That is what the public is interested in, that is what reform should give them.

In addition to strengthening environmental safeguards reform should have two other major objectives. First, it must make the regime very much simpler and more flexible; otherwise the delays and costs of the present system will remain, and the exercise will have been to little avail. Second, it should ensure that, while decisions on each application remain with local authorities, national policies are given consideration from the start. Broad policy, though not paramount, must at least be clear; otherwise the inevitable conflicts between different local interests, and between local and national objectives, will be incapable of resolution.

The present system has three main parts:

- Control on new developments and new buildings
- Control over the use of existing buildings
- The production of quasi-economic land use plans for each area, on which development controls are in theory based

The first of these would obviously be the centre-piece of any system of development control. Restrictions on the use of existing buildings would also be needed, though the present detailed regime could certainly be relaxed. The third element, land use planning, is now really valued only as a way of preventing urban sprawl and overdevelopment. It is here that the greatest and most useful reforms could be made.

The proposed regime

The sensible form for a new system would be three-tiered: national, regional or county, and local (i.e. borough and district).

At a national level the DoE should issue policies on planning matters to regional authorities only. This guidance should cover future infrastructure projects of national or regional importance, and issues of national interest such as the Green Belt, the growth of the South East, the trend to out-of-town shopping, policy on tourism etc.

These policies should be reviewed every two or three years and should include the forecasts of future shifts and changes in population and economic activity, on which they are based. The purpose of these policies would be to provide guidance for the strategic plans which would be drawn up at the regional level, for approval by the Secretary of State.

The regional level should, for our purposes, mean either counties or metropolitan areas, each of which would be covered by a strategic plan. In the case of the counties this should be drawn up by the county councils, much as at present. In the case of the metropolitan areas it would be necessary, because of the recent abolition of the metropolitan authorities, to reconstruct some form of body to undertake the task. This might be made up of councillors from the various boroughs concerned, and should have its own small staff of planners. The London boroughs have already set up a committee on these lines.

Strategic plans should cover the future infrastructure, services and general development of their areas, and should be the only plans to do so (replacing local plans entirely). It is at this level, therefore, that local and regional projects or ambitions will need to be reconciled with national policies. To achieve this the county or metropolitan authorities will have to work their strategic plans out in conjunction with their constituent districts or boroughs. And it is at this stage, too, that such land use planning as is required should be done.

This planning, however, must be kept as simple as possible. If strategic plans are too detailed or dogmatic they will run into all the problems that bedevil the present system. So they should

not, for instance, attempt to plan land use within existing settlements; decisions on what to build in cities, in towns and villages should be left to the market, and be controlled at the local level. Strategic plans should however, within the guidelines laid down by the DoE, detail the location of future development in the countryside.

This allocation of development to rural areas is likely to be the most controversial part of the process. At the moment the profits of permission to build on greenfield land go largely to the landowner, whereas many of the costs and most of the inconvenience falls on the community. This is wrong; these permissions are a public matter and more of the windfall profits that result from them should accrue to the public. One way of achieving this might be to allow landowners to put forward schemes for their land, together with bids of how much they would be prepared to contribute to local amenities and projects (such as low cost housing or better landscaping) in return for permission to develop. Such a scheme of bidding for the development to be permitted in rural areas would help sugar the pill for those affected, and in addition ensure that all the infrastructure and service costs associated with the proposal were borne by the developer.

Outside the locations specified by the strategic plans there should be a presumption against sizeable development in the countryside; and even small scale building should continue to be severely curtailed in the various Green Belts and areas of great beauty.

Strategic plans should be updated every two or three years and then submitted to the Secretary of State for his approval. He would have the power to demand alterations if a plan conflicted with national policy. If these could not be agreed the issue would then be sent to a public enquiry.

At the local level detailed land use plans should be abandoned altogether and local authorities should be stripped of their power to prepare any such. Instead they should become development control authorities, deciding development applications according to clear criteria:

- (i) First and most important, whether a proposal was environmentally acceptable. That should be

interpreted widely, so as to include a development's impact on neighbours and their amenities; possible overdevelopment leading to congestion, excessive noise or other problems; and its aesthetic merit.

- (ii) Whether a proposal was compatible with the existing and future provision of services, transport and infrastructure, as outlined in the relevant strategic plan.
- (iii) In the case of an application for new development in the countryside a local authority should be required to comply with the provisions of the strategic plan. Provided that this allowed for development in the place concerned, the local authority should then decide the application on the basis of its normal environmental and other criteria.
- (iv) Whether or not a proposal complied with existing building and other standards.

Local authorities should be given eight weeks in which to make their decisions on minor applications. This is the same as at present; and, freed from the burdens of plan and policy making, that time should be plenty. For major proposals the time should be sixteen weeks. If a decision is not reached within that limit, then the application should be deemed to have received consent. This should ensure that councils observe their time limits.

Proposals for alterations to existing buildings that presently require consent should continue to do so, and should be treated in the same way as proposals for new buildings, except that the time limit for decision by the authority should in all cases be eight weeks.

Permission for the change of use of existing premises should no longer be required. Such proposals, however, should have to be lodged with the local authority, communicated to all nearby properties, advertised in the local press, and posted on the building itself – thus informing the public and letting them give any views to their local councillors or town hall. The authority should then have eight weeks in which to lodge an objection to the change of use. If the difference cannot be

resolved by mutual agreement, the matter should then go to appeal.

Appeals against an authority's decision on any of these matters should continue to be heard by inspectors appointed by the Secretary of State. The inspectors' criteria should be limited to those that the authority is supposed to observe. National and other policy considerations should already be embodied in the relevant strategic plans, which would not be more than two or three years old. The problems of conflicting local and national policy that inspectors are now often called on to decide should therefore not arise.

At present particularly important or politically sensitive appeals are often decided by the Minister himself. This should no longer be necessary. The Minister's responsibility should be to see national policy implemented in the various strategic plans. Once that is done he should not be further involved in its enforcement. The DoE likes to say that appeals on planning decisions are a quasi-judicial matter. At present it is inevitable that many are highly political. Under these proposals, however, the political questions would have already been resolved in the strategic plans, so that individual decisions could be a genuine quasi-judicial matter.

In general

Farmers should be free to convert existing agricultural buildings to other uses, provided they met with reasonable environmental criteria. In return for this concession, and in order to avoid backdoor development, future agricultural buildings should require permission from which at the moment they are exempt.

If land is going to be required for a public purpose it should be reserved in the strategic plan for future acquisition, under the existing compulsory purchase provisions and at full market value.

When a local authority is shown at an appeal to have disregarded national or regional policy, or acted capriciously in refusing permission to develop, full costs, including interest on the value of the site, should be awarded to the developer. Similarly where a developer is judged by a planning inspector to have lodged an appeal without reasonable grounds, full costs should be awarded against him.

Conclusion

No advanced country can function without some form of development control, and no one seriously suggests that this country should try to do so. The greatest problem with the present planning system in Britain is that we have tried not just to control development, but to plan in detail the economic future of whole regions and communities. In a market economy, in which the pace of change is both rapid and hard to predict, this is impossible – even were it desirable. A simpler but clearer regime of development control is now urgently needed to reduce unnecessary obstacles to economic development and job creation, while at the same time strengthening environmental safeguards. For it is the environmental impact of development that the public is most concerned about, and it is the control of that which should be the centre-piece of any new regime. The present system will soon be moribund; we shall need a new one whatever the outcome of the present debate on development and economic growth. The Government should therefore put its introduction at the top of its priorities.

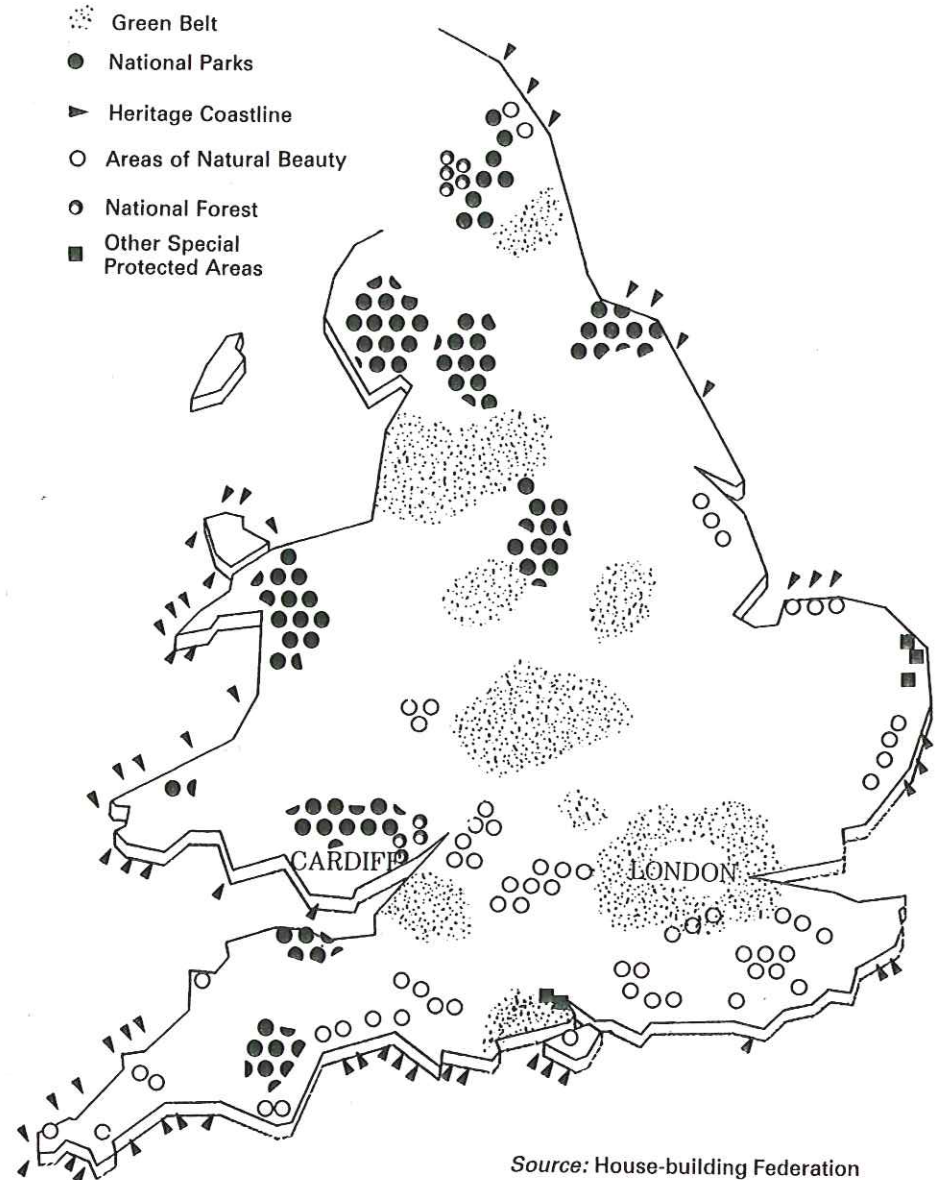
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Appendices

- 1 Green Belt
- 2 The growth of the Green Belt
- 3 The urbanisation of England and Wales
- 4 The disparity in house prices
- 5 The rising cost of housing land
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Appendix 1 Green Belt etc.



Growth of the Green Belt

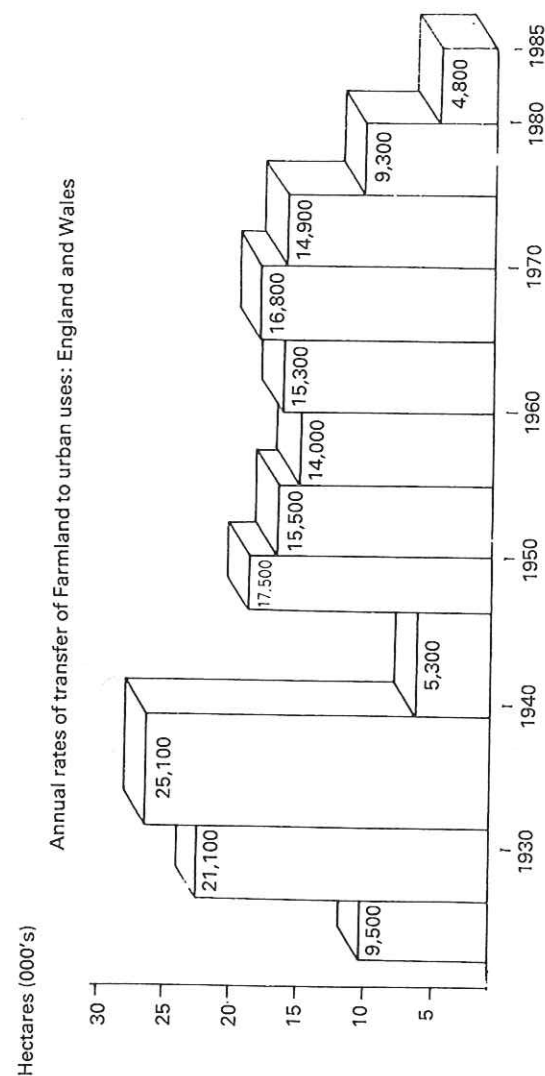
Extract from Hansard 14 July 1988
Approved Green Belts

Region	acres (approx)	
	1979	1986
Northern:		
Tyne and Wear	98,800	200,000
North West:		
Greater Manchester, Central Lancashire, Merseyside, Wirral	*3,710	750,000
Lancaster and Fylde Coast	—	5,750
Yorkshire and Humberside:		
South and West Yorkshire	312,000	800,000
York	*	50,000
West Midlands:		
Stoke-on-Trent	*	125,000
West Midlands	352,000	650,000
East Midlands:		
Burton-Swadlincote	—	2,000
Nottingham/Derby	*	200,000
South West:		
Avon	155,160	150,000
Gloucester/Cheltenham	14,120	20,000
South East:		
Cambridge	4,320	26,550
London	757,740	1,200,000
Oxford	61,960	100,000
South West Hampshire/South East Dorset	*	220,000
TOTAL	1,759,810	4,499,300

* Green Belt policies were applied on an interim basis to some additional areas.

The table lists the area of approved Green Belts in each region in England in 1979 and in 1986, the latest date for which information has been collated (though there have been no major changes since then). The general extent of each Green Belt is indicated in county structure plans. Detailed boundaries are defined in local plans, where they exist, or in old style development plans. Some detailed boundaries have not yet been settled, so areas are approximate.

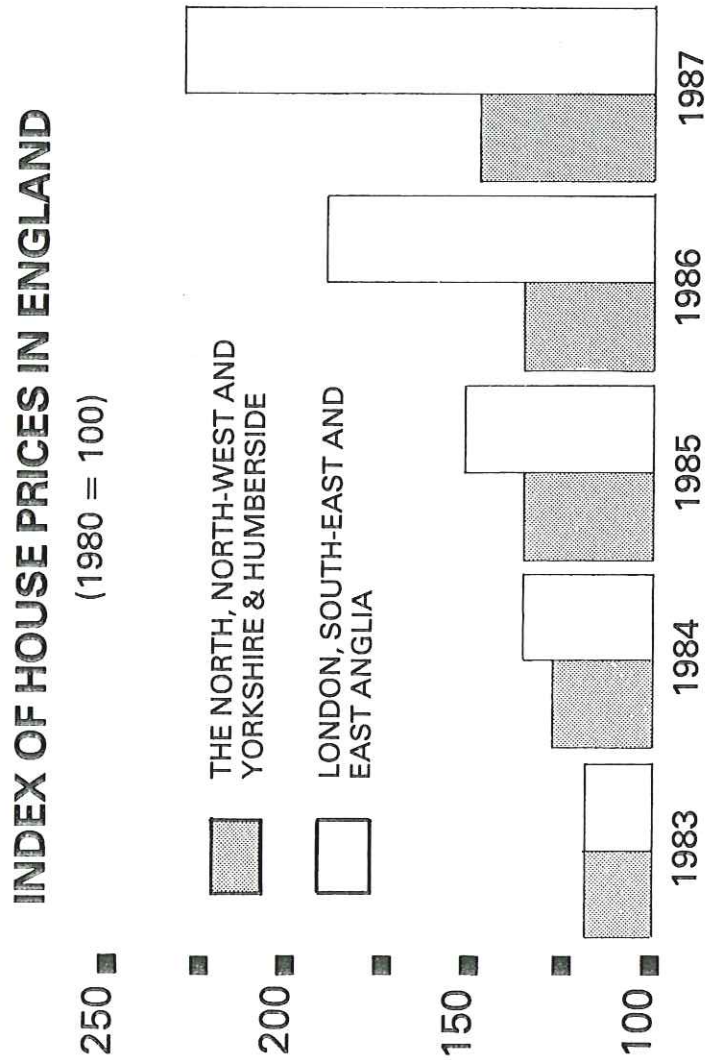
The urbanization of England & Wales



Source: DOE and Welsh Office. January 1988

Appendix 4

The disparity in house prices

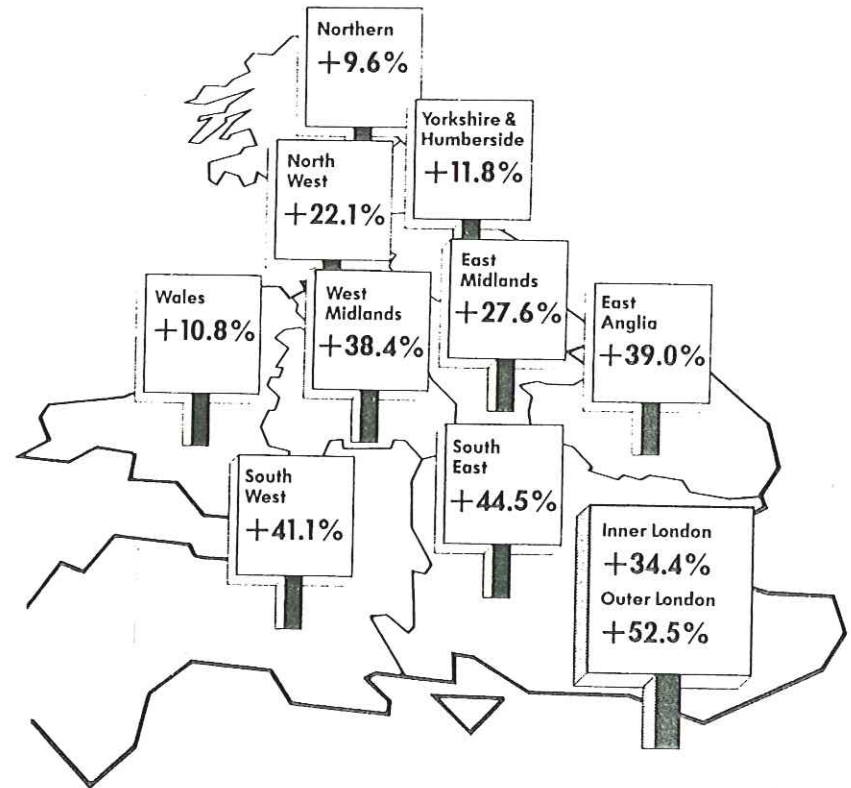


Source: CBI News, March 1988.

Appendix 5

The rising cost of housing land

Percentage change in the price of residential building land 1 October 1986 – 1 October 1987



Source: Inland Revenue, Autumn 1987

Appendix 6

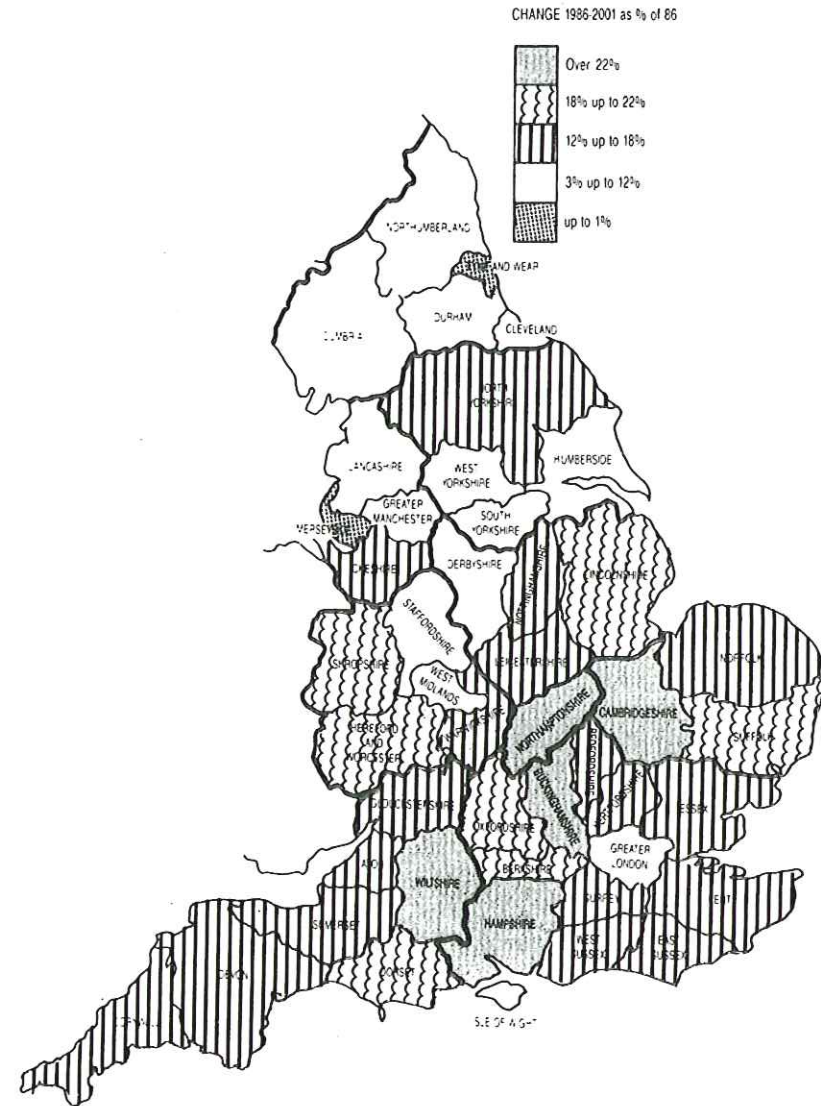
Future Shape of the Population

Future households

Overall, in England there will be an additional two million households between 1986 and 2001 – an 11% increase. The largest percentage growth will be in East Anglia 21%, followed by the South West 17%, and the East Midlands and South East, each at 14%. Beyond these regions it is estimated that growth in the West Midlands will be 9%. Yorkshire and Humberside 6%, reducing to 4% in the North West and 3% in the Northern Region.

What is more significant, of course, is the projected growth for individual counties and the implications for existing and future levels of housing provision in development plans. The range of projected household changes, for the period 1986 to 2001, is illustrated by the map opposite. What is clearly shown is that whilst growth in the South East is significant there are substantial anticipated increases in counties beyond that region. Cambridgeshire 30%, Northamptonshire 22%, Shropshire 21%, Lincolnshire 19%, Suffolk 19% Dorset 18%, Hereford and Worcester 18%, Norfolk 17%, Somerset 17% and North Yorkshire 15% are all well in excess of the national average of 11%. The latter county also shows a substantial increase over the average for the Yorkshire region as a whole.

Source: House-builders Federation

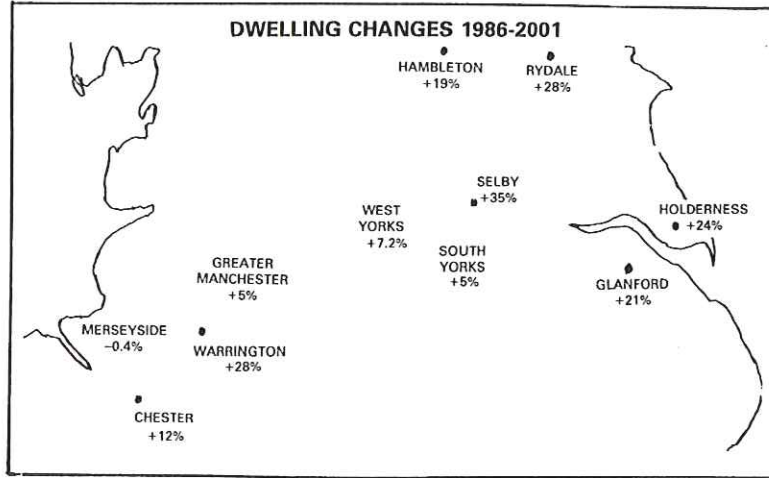


Source: House-builders Federation

Appendix 7

Future distribution of population in the North

Even in those regions of the North where lower overall growth in households is expected between 1986-2001, these will still be areas of significant household growth outside the older industrial areas.



Source: House-builders Federation

Appendix 8

Future composition of households

	For the Year 2001	
	1983-based 000's	1985-based 000's
Married couple	10746	10350
Lone Parent	1832	2074
One Person	5653	6184
Other	1250	1475
	19481	20083
		+602,000

The birth rate fell dramatically in the 1970's and until recently this was expected to lead, in the 1990's, to a consequent reduction in the demand for new homes. Local authorities by and large based their plans for housebuilding on this assumption. In February 1988, however, the D.O.E.'s 1985 based Household Projections were published. Because of new factors such as lower mortality rates and higher divorce rates, they indicated that in England 600,000 more households will be formed by 2001 than the previous, 1983-based, D.O.E. projections had suggested.

Source: D.O.E. & House-builders Federation

Appendix 9

The planning system

Planning Applications & Decisions under Section 29 of the Town & Country Planning Act 1971.
1987. England.

	Total Decisions (000's)*	% Granted	% Decided within 8 weeks
MAJOR DEVELOPMENTS			
Residential	10.9	73	30
Offices	1.1	83	37
Manufacturing	2.3	89	47
Retail	1.7	69	30
Other Major	2.5	80	39
MINOR DEVELOPMENTS			
Residential	88.5	69	47
Offices	9.4	88	56
Manufacturing	14.0	90	58
Retail	25.7	88	56
Other Minor	47.0	88	56
	<hr/> 203.1		
Change of Use	50.5	77	52
Householder	197.1	92	69
Minerals	0.4	82	31
	<hr/> 203.1		
TOTAL SECTION 29 DECISIONS	<hr/> 451.1 <hr/>		
Advertisement Consents	33.8	81	64
Listed Building Consents	25.9	89	45
Other Decisions	12.8	n/a	65
	<hr/> 523.6 <hr/>		

Source: D.o.E. Statistics of Planning Applications

Section 29 Planning applications – Summary by Region & Type of Authority.
1987. England.

	Total Decisions (000's)*	% Granted	% Decided within 8 weeks
Nothern	20	90	73
Yorkshire & Humberside	36	87	61
North West	38	86	65
East Midlands	40	87	69
West Midlands	39	86	68
East Anglia	27	84	64
London	54	83	39
South East	132	82	54
South West	63	83	59
	<hr/>		
Of which: Metropolitan & London	113	85	50
Non-Metropolitan	340	84	61

* Rounded to nearest 1,000.

Source: D.o.E. Statistics of Planning Applications.

Appendix 10

The appeal system

Appeals by development type – 1987/88

Development Type	Received	Decided	Allowed
Major dwellings (10 or more units)	1814	1105	397(35.9%)
Minor dwellings (less than 10 units)	10416	8942	2652(29.7%)
Householder development	2574	2384	1074(45.0%)
Major manufacturing storage and warehousing	146	86	43(50.0%)
Minor manufacturing storage and warehousing	272	250	105(42.0%)
Major offices	171	138	65(47.1%)
Minor offices	432	324	176(54.3%)
Major retail	294	158	88(55.7%)
Minor retail	583	487	224(48.0%)
Major mineral	64	36	19(52.8%)
Other major development	473	274	129(47.1%)
Other minor development	2450	2023	924(45.1%)
Change of use	2792	2267	1061(46.8%)
TOTAL	22482	18474	6955(37.6%)

Appeals by land use classification – 1987/88

RCR Land Use	Received	Decided	Allowed
Agriculture, Fisheries, Forestry	348	253	111(43.9%)
Community, Education	524	420	224(53.3%)
Offices	1206	908	507(55.8%)
Houses	16453	13768	4685(34.0%)
Leisure	521	429	208(48.5%)
Mineral	92	57	24(42.1%)
Industry	609	416	211(44.1%)
Shopping	1817	1405	668(47.2%)
Transport, Utilities	617	485	208(42.9%)
Wholesale and Storage	295	261	109(41.8%)
TOTAL	22482	18474	6955(37.6%)

Source: D.o.E.

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