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# Planning Network UK (PNUK)

## A Manifesto for Planning and Land Reform

This is a draft for discussion. We look forward to receiving comments and contributions which can improve it. [Contact PNUK with your comments](#)

PNUK is a group of professionals, academics and others interested in planning. We believe that there is a need for a new long term rethink of the planning and development system in the UK. It is not just that the current system fails to deliver the housing and sustainable development that is needed. The system is unfair and unjust. Successive governments have failed to grasp the vital need to look at land, planning and the property market as one set of overlapping issues that must be radically reformed together.

Our thinking is underpinned by a series of key principles that show how planning can make a progressive contribution to shaping more just and sustainable places. Our proposals show how these principles can be put into practice. They include: reforms to the land market and land ownership through taxation and common ownership of land; a rethink of property market regulation; and a more positive and democratic set of governance arrangements from the national to the local level. Our aim is to create a much more proactive, publicly controlled system of development, releasing the grip of the land and property market over planning, and enabling delivery of the housing, infrastructure, green revolution and neighbourhood development which the country needs.

The Manifesto begins with a summary of Key Messages, followed by an analysis of why the planning system is so important and why it needs to be radically overhauled to make it work for people, not the property and financial sector.

### KEY MESSAGES

***The golden thread of this Manifesto is the public good***

*The aim is to create a planning and land system that spreads public benefit, which meets public need, and works in the public interest. This is in contrast to the current system which idolises and encourages private gain at public expense.*

*Many of the principles we discuss below already exist in other countries particularly in Northern Europe and we draw upon these examples. Some can also be found in the UK in a handful of inspired developments where communities and local authorities, sometimes working with sensible developers, have created quality and met needs at the same time. What will it take to make such projects commonplace rather than the exception in the UK?*

#### **Context**

*The economic crisis has its roots in the land and property market. Huge flows of capital went into housing and commercial property in the 2000s creating distortions of prices and*

*rampant speculation particularly in London and the South-East. The credit crunch was to a large degree a property crash. Property was overvalued by debt-fuelled speculation, and when confidence collapsed in the banks and financial institutions that funded the boom, the property market crashed.*

*Decisions about the environment, design, new housing, and community regeneration became “financialised” – they were pawns in a system of finance and speculation. We are living with the consequences - a chronic slow-down of building, land hoarding by landowners and developers, house prices and rents out of reach of most ordinary people, and a sharp fall in public and private infrastructure investment in schools, railways, water, and energy.*

*The property market has been one of the most important reasons for growing social and regional inequality in the UK. Social inequality has been amplified by an increasing proportion of household income taken by mortgage payments and rents to the disadvantage of the poorest and by capital gains accruing to the rich. The North-South divide has widened as property investment has poured into London and the South-East to the detriment of other regions. There is also a deep seated bias in the planning system that means that poorer communities with little political power get gentrified or ignored, while middle class communities have the power to stop (or modify) development they don't like in their own back yards.*

*The Government's response is to withdraw from responsibility for these acute social and economic consequences, and to mendaciously argue that the problem with the development market was over-regulation (“too much planning”). The Government wants fewer controls on development when it is the lack of these controls that created the crisis - and keep us in it. What is needed is planning, regulation, and intervention for the common good. The property market like other parts of the financial system must be made accountable, and be opened up to public scrutiny.*

*Quality, sustainability and mixed use development are in retreat under Coalition planning and housing policies. Hands-off regulation of the property market is now combined with Government guidance that there should be a “presumption in favour of sustainable development “. The tone of “presumption” implies giving planning permission at any price in all but exceptional cases. Ominously, Government is also demanding that the primary test of planning should be the financial viability of the development: so much for the social, environmental, and community aims of planning. Local communities rightly ask; “What is the point in having structures of democratic planning if the developers and landowners decide what is to be in the plan on the basis of their profit or loss to them?” This brings the danger that development and regeneration projects put forward by public bodies and community trusts might be deemed “not viable” because they have a social, not a financial bottom line.*

*Much has been made of public opposition to housing development in small towns and rural areas. Yet this is not the main cause of the crisis in house building. Public opposition is localised in parts of the South East and has to a degree been exaggerated. Certainly poor quality development that will not meet the needs of communities gets the thumbs down, and so it should. Government must tackle directly the restrictive practices of the big house builders, landowners and developers if they are serious about improving housing delivery.*

## **Principles of a public interest land and planning system**

- **Land reform** is essential to give the public and communities a stake in development and future value. Extending democratic and community ownership of land whether by leasehold, trust ownership, or outright purchase is crucial to economic revival, to the effective delivery of house building and community regeneration. Taking a public stake in land is not a cost but an essential long term infrastructure investment. To acquire land to meet public need, CPOs and other powers must be used to transfer ownership from private land owners and developers who will not build, to communities, local authorities and other accountable bodies who will.
- **Sustainable places cannot be achieved without the public and community sector having a long term stake in land and development.** We must learn the lessons of New Towns and Garden Cities, and successful community development trusts in the UK, where land is held in common ownership by local authorities or trusts. In these communities, the benefits of land value uplift and the income from developments on community owned land are recycled back into the community to spend on services, better maintenance of property, parks and playgrounds, and on building housing or workshops for local need. In this model, the community is the long term steward of the land, looking after it as an asset for present and future generations.
- **A fair system for compensation for land reform** must be introduced to ensure that the public and community do not pay “hope” value, or bail out developers and landowners. Community-led trusts, co-operatives and co-housing should be enabled to buy land at existing use value – the use and condition of the land as it is – rather than its speculative development value.
- **The planning system must be both strategic and local.** It must not only focus on the complexity and needs of local areas, but it must also take a strategic view of needs and requirements. Strategic planning is essential to ensure that NIMBYism doesn’t block strategic needs (for affordable housing or transport development for example). Strategic needs can only be advanced on the basis of identifying the common good across sub-regions and regions, such as networks of towns, or neighbourhoods, or areas of coast and countryside. The Coalition dogmatically removed the framework for strategic planning because it was hostile to the central and regional planning guidance provided by the last Labour Government. Granted the regional strategies lacked democratic authority but it makes no sense to throw out the principle of strategic planning simply because some strategic policies were deemed controversial. It is already clear that strategic planning is being re-introduced by the back door through LEPs and government control over major infrastructure schemes. We argue that democratically based strategic planning is essential to configure patterns of settlement, plan town centres, locate national infrastructure investment and manage transport movements.
- There must be **fair and transparent taxation** of land deals and development profits. All planning proposals and section 106 agreements should proceed on an “open book” basis where there is full public disclosure of ownerships, leases, options and legal charges. The implementation of those agreements must be monitored and published.
- **A national skills programme aimed at defining and extending “public interest” planning** and development skills must be launched. Public planning has suffered a

*flight of skilled people to consultants and property companies who can pay a lot more than public authorities. Expertise in development and property economics is in very short supply in local authorities, leaving public authorities at a disadvantage in negotiation with developers and their consultants. New skills of place making and community participation have not been embedded as they should be in local government.*

- **Local authorities must be given the additional powers, resources, and confidence to enable them to be effective leaders in planning and development in their areas.** *Rather than just reacting to private development proposals, or preparing plans for others to implement, they should act more like local authorities in the Netherlands and Germany who are proactive leaders and managers of development in town centres, or new suburbs, or infrastructure development. These authorities play a strategic role in coordinating management and service delivery for new developments. They can do it very well indeed.*
- **Communities must have the right to prepare their own plans** and participate in planning decisions for their own neighbourhoods, but local authorities should be the ultimate authority on how a whole town or district should be planned. *Neighbourhood Planning should be encouraged. But where there is a clash between community plans and local authority plans, or about the legitimacy of a neighbourhood planning forum, there must be right of appeal by communities to some independent body. Whereas the Coalition policy on Neighbourhood Plans is neutral on which ones should receive Government support, our view is that Government policy should favour applications for neighbourhood plans in deprived areas; these areas should be given a higher priority for central government funding than neighbourhoods elsewhere.*
- **The house-building industry needs root and branch reform** as recommended by IPPR (IPPR, Cooke and Hull 2012). *The monopoly of a half dozen house builders dominating the market, holding onto large swathes of land, buying up options for future development, and keeping up prices, must be broken up. A new generation of public, private, and charitable housing developers with a more flexible approach should be incubated and supported, and new financial models based upon long term investment returns, community stewardship, and social capital returns must be brought in.*
- **Fundamental changes are needed in the environmental ambitions of planning,** to rise to the challenges of climate change and other issues pressing on Britain and the wider world in the coming decades. *At present these challenges are being almost forgotten amidst the reactions to economic crisis. Instead long term thinking should consider the scope for joining the reactions to economic and environmental crises, and gearing up planning to meet these two crises together, to secure wider social well-being over the next generations. In the short term there are measures that can build on the limited but real successes of the last 20 years, by central government setting framework conditions which will empower councils and other local actors, in the energy, transport and biodiversity fields.*

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## **Section 1**

### **Principles for a new planning agenda**

Planning is a vital building block of a civilised society. Decisions about how land is used, what goes where, who benefits and who loses from development *matter*.

The creation of a comprehensive system of land-use planning in the UK in 1947 was an integral part of the post-war settlement, nationalising the right to development land to ensure democratic guidance of how our settlements develop. More than sixty years on, however, we have lost faith in our capacity to produce a better society by intervening in the use of land. The consequences of post-war redevelopment, most potently symbolised by the unpopularity of high-rise peripheral housing estates, drained our belief that it was possible to make better places<sup>i</sup>. This loss of faith in land-use planning mirrors a wider loss of belief that collective action can shape a better world. The dominant neoliberal ‘common sense’ instead asserts that ‘there is no alternative’ path to social progress other than through free markets.

We disagree. We believe there is an urgent need to restate a progressive alternative to the dominance of narrow economic individualism, rediscovering a collective capacity to make life better for all members of society. And we believe that land-use planning can and should play a significant part in shaping the good society. Its potential contribution is not widely enough understood.

Images of good places and of how we might create them can play an important part in imagining a better world. An inability to imagine better places might be considered an important symptom of the failure of the left in recent years (Harvey, 1999). Here we make the case for stronger planning to be considered a key part of any search for a progressive future<sup>ii</sup>, outlining the key principles that this case rests on.

This requires that we join others in asking what those alternative futures might look like and what kind of society we want to live in (see e.g. Reed and Lawson, 2011). More specifically, however, we are interested in asking what kind of **places** such a society would produce and how. This is the planning dimension of the search for a good society.

During the early decades of the twentieth century and into the post-war period planning was a political demand of the left. Through this document we want to restore the radicalism of that demand, and its position as a central element of progressive reform.

## What is planning?

Planning is in essence about the management and allocation of land for vital everyday purposes - like homes, businesses, schools and parks, and exceptional uses like power stations and airports. These allocations have important implications and should be on the political agenda.

However, within government the dominant view of planning is shaped by the thinking of free-market economists who see planning as a costly regulatory barrier that is distorting the operation of markets in land and property. Planning is tolerated by those in power as long as it provides infrastructure and a framework for profitable private investment, or makes private development decisions publicly acceptable. Recent changes to planning systems attempted to make planning more responsive to market signals and to minimise the 'regulatory burden' on developers. This is, in large part, an ideological attack on planning, based on a belief that the market rather than democracy is the best means of determining how places should change.

The current coalition government's attempts to deregulate planning have run into conservative opposition in the shire counties. However, there are few voices arguing for the progressive role that regulation can play, not just in preventing the environmental and social damage that the market would create if left to its own devices, but in making better places.

We believe that planning can and should do much more than quietly rein in the worst excesses of the market. However, for many on the left too land-use planning has come to be viewed with suspicion, synonymous with the imposition of bureaucratic 'order' on to spaces in ways which stifle the communal life of the city, or which simply reinforce the power of development interests. It has become a shibboleth that post-war planning was done to people not with them. But in the absence of a political demand to plan, the market now produces the places in which we live, in ways which meet a concern for profit rather than the needs of society.

Good planning is flexible and fosters creative solutions to the problems we face in shaping places in which we can live well, together (see e.g. Healey, 2009). These solutions work best when they are made in the context of a narrative for what we want our individual places, towns and cities and our country to be. Call this a vision or strategy, or even a *plan* if you want.

Making plans involves making choices about the kind of places we want to live in, now and in the future. These choices need to be made through an open, democratic and inclusive process.

The plan looks to positively define the public interest and should seek to secure social and environmental justice. To do this we must accept that planning is interventionist and redistributive, providing a framework for investment decisions and capturing the economic benefit from increased land values for the public good.

This is progressive planning. And in this document we aim to outline the shape of a progressive planning agenda and to show the important contribution it can make to creating a fairer, greener future. We are confident that it will find support among many planners, environmentalists and other built environment professionals who have, in recent years,

found their work subordinated to market interests and stripped of its emancipatory potential.

### **The crises we're in**

Imagining the future is one thing, but to achieve it we need to be honest and correctly diagnose where we are now. In recent years Britain has stumbled from one crisis to the next, revealing a society apparently buckling under the weight of its own contradictions. From bankers to MPs to the media, the pillars of the establishment have been shown to be compromised, untrustworthy and in some cases corrupt. There is an urgent need for alternatives to deal with the key challenges we face:

#### *An unbalanced, unproductive economy*

The over-concentration on financial services and financial penetration of other sectors has created an unbalanced economy that creates huge inequalities of wealth and opportunity, is socially irresponsible and politically unaccountable. The financial crisis has thrown into sharp relief the structural weaknesses underlying our national economy, sectorally and geographically. We can no longer afford to paper over the cracks. The challenge is to build an economy that better meets the needs of people, the environment and the country's different places.

#### *A social recession*

Despite increasing average levels of material prosperity there is a large amount of evidence that most people in Britain are no happier than before. Moreover, the uneven distribution of wealth that has characterised the last thirty years has meant that many people have been left behind, struggling to survive whilst those at the top have reaped disproportionate rewards that they have used to effectively remove themselves from society. The escalating money value of scarce land and property assets has been a major mechanism fuelling this inequality. The acquisitive culture of individualism and materialism has devalued our capacity for collective action and fostered social anomie (see e.g. Devine et al, 2010) . The riots in July 2011 are a symptom of this deep seated culture of 'feral capitalism' and its socially disruptive consequences (Harvey, 2011).

A further consequence has been society's growing antipathy towards the poor. Where once those without work would have evoked sympathy and support they are now castigated as scroungers. Never mind that we are in the depths of a financial crisis and that there is intense competition for the few jobs that come round. Never mind that, in a civilised society, it is normal to support each other in hard times.

#### *The democratic deficit*

One of the central premises of recent years has been that the market knows best, and that political leadership should not interfere with its workings. We have created a situation where our lives are governed by the shadowy decisions of investors, shareholders and large corporations rather than by democratic participation. Trust in the electoral process has been undermined and people feel disaffected and uninterested in politics. There is a need to create a system of genuinely democratic governance, and to encourage meaningful participation in shaping the future, directing the new political energies that have emerged in

the protest movements of recent years into an active, participatory democracy. Robust proactive planning processes can play a small part in shaping a more democratic society and a more democratic society needs strong mechanisms for making decisions about how land is used and how places change.

### *The present and future environmental crisis*

Forced into the background by recent economic events is the looming and ever-present threat of climate change. The dangers posed by our continued failure to wean ourselves off our addiction to fossil fuels cannot be overstated. The urgency of the need to construct new ways of living is clear. This will involve us in re-thinking our buildings and settlements, how they are configured and how we move among them.

### **The spatial dimensions of crisis**

All of these crises have spatial impacts, they are reflected in the places we live, work and play in, and those places in turn contribute to the problems that must be overcome. This can be illustrated by some examples of the realities of everyday life for people in contemporary Britain:

#### *Spatial inequalities*

The north-south divide remains as strong as ever. More and more economic hopes are invested in the creaking infrastructure of the environmentally stretched south, whilst jobs and opportunities are hard to come by in large parts of the north and other peripheries of the country. The process becomes a vicious spiral as young people feel they have to migrate to the south east, further draining skills from the poorer regions.

Within even affluent cities and towns the wealthy and the poor live separate lives and rarely encounter one another. Communities are becoming balkanised, polarised. Many appear to think it reasonable that there are parts of our country where poor people should not be allowed to live, not only villages, streets or neighbourhoods but whole towns where even those on average wages are priced out of the area. We have come to think it unreasonable for society to ensure that cheaper housing is available in these areas even when those on good wages have no hope of ever buying somewhere to live.

#### *The housing crisis*

Housing is a major source of anxiety for many in an unstable economy. Britain is marked by high house prices and housing shortages that force people to live in poor quality accommodation in locations they would not choose, where access to good public services like schools is inadequate.

Planning and public policy need to provide what the market cannot and will not provide - decent, affordable housing for all citizens should be a bottom line for a civilized society. We should not forget that the recession began in America because people were sold mortgages that they could not pay back, leading to an economy built on sand. Our problem is similar, though somewhat masked by the bail-out of banks which has enabled them to defer re-possession.

#### *Unsustainable, unsociable car-based lives*

The search for affordable housing leads people to live miles from where they work, shop and play, living car-dependent lives that eat up large amounts of time in transit, and create an unnecessary environmental impact. Those who cannot afford a car find themselves shut off from opportunities to work and shop, trapped in areas with gradually diminishing public transport and service provision.

#### *Clone towns and the privatisation of public space*

The increasing dominance of the large supermarkets and chain stores threatens our local high streets and the diversity of independent retailers has long been in decline. Alongside this the claims of developers and the profit motive have led to building on many previously public and communal spaces, including school playing fields and valued green spaces, whilst large parts of our city centres are now controlled by private companies and patrolled by private security guards (see e.g. Minton, 2012).

For too long public policy has encouraged people to see places as commodities. Homes and communities are not seen as something they invest in, shape and adapt throughout their lives, but as rungs on a ladder from which they will escape. At the same time, and not coincidentally, we have seen vital local services such as schools become products and commodities where those with means have little incentive to ensure improvements when they can “source” their children’s education outside their immediate area. This throw away and discard approach is wasteful of resources and places. It has contributed to the hollowing out of many of our urban areas and increasing demands on our towns and villages and cannot create a truly balanced country.

#### **The case for better planning as part of a progressive politics**

We disagree that planning can be left to the market. We believe in stronger, democratic control over the use of land in the public interest. Below we further outline some of the features of what a reinvigorated approach to planning might mean and what this belief rests on. In doing so we outline the key principles of positive planning for a more just future.

#### *Good planning helps us to think about and create good places*

The goal of planning is to help us imagine the kind of places we want to live in, and then to help us create them. People have a right to live in places that provide them with opportunities to live a good life individually and collectively, provided this is done within the limits of justice, inter-generational equity and environmental sustainability (e.g. that our pursuit of the good life does not prevent others, or future generations, from living well). Planning can help us to consider what this means in practice, considering place-based issues such as our access to:

- decent housing, including the space standards and environmental quality of homes;
- high quality public services: this includes physical infrastructure but also, and significantly, education which is a crucial dimension of current socio-spatial inequalities in the UK;
- high quality public space, including green and open space;
- affordable public transport and provision of facilities within liveable neighbourhoods where local services are available within walking distance;

- opportunities for a range of employment opportunities within an economy that values creating meaningful employment for all working age citizens;
- neighbourhoods good for children, young adults and a growing elderly population as well as for working-age people;
- a wide range of good quality leisure facilities for all.

*Good planning is democratic: it relies on strong democratic values and can help to strengthen them*

In thinking about these qualities of good places, planning can also help to foster participation in civic life and an understanding of the communal agency required to shape places through democratic processes. Society needs to become better at debating the futures it wants to create, and planning is one way in which these skills can begin to be developed.

Fundamentally, decisions about how places change should be made in democratically accountable ways. Decisions need to be made at different spatial levels, understanding the complexity and interconnected nature of places. There should be clear roles, responsibilities and resources and democratic accountability at each geographical level. Decision-making needs to be participatory but recognise the political and technical difficulties of making strategic decisions locally about controversial issues such as the location of wind farms, gypsy and traveller sites or wider housing allocations. The principle of subsidiarity should, however, apply, whereby decisions should be made at the lowest possible level (e.g. the closest to the people), and people should have a right to a say in all decisions that affect their lives. This means that participatory democracy should be used to strengthen representative democratic decision-making.

Good planning requires a culture that values political contestation about the future of places. Planning is a process of political decision-making, but too often government at all levels has sought to close down opportunities to contest planning decisions. The legal and technical complexities of decision-making have got in the way of open debate, making it difficult for people to understand the issues and processes involved. Instead there should be a commitment to opening up debate and creating 'interfaces' through which people can engage with planning issues without needing to be conversant in technicalities of process (as when we use a computer without understanding the underlying electronics and code etc).

A truly democratic planning also requires stable institutional structures and distribution of powers so that a sense of identity between citizens and decision-makers can be developed, helping to create and sustain an understanding of a collective political community.

*Good planning is about collective public control over how places change*

Another fundamental commitment of a progressive planning is that decisions should be made in the public interest, e.g. in ways that seek to promote wider benefits for society, rather than as a response to private development and investment decisions. The content of the public interest cannot be objectively or technically determined, it must be arrived at through the democratic process described above, but within an understanding that change

should be directed not by people's power in the market, but by the aim of creating places in which everyone can live well.

At present too much planning is reactive and shaped by private interests. The existing planning system does influence the activities of the private sector but is relatively powerless to make development happen in areas of low demand, and struggles to maintain the right to regulate the environmental and social impacts of private development and investment decisions.

Positive planning requires strong public control over markets in land and property. This requires a capacity for public authorities to assemble and dispose of land, creating an effective mechanism to socialise the uplift in the value of land that is generated by collective social investment and by the grant of planning permission. These powers would allow positive public intervention to shape desirable outcomes, rather than relying on private developers to implement plans (which will only happen when suitable returns can be realised through profit or subsidy).

Asserting public control over key public goods and spaces, including transport, communications and energy infrastructure would be one way of helping to shape an understanding of the collective interest which could in turn help to shape a more just and sustainable future.

All of this was understood as a precondition for effective planning in the immediate post-war period. The subsequent transformation of the public interest into little more than a guarantor of the freedom of private individuals has been part of the wider defeat of progressive politics and must be challenged.

### *Good planning is required to create a new economy*

Neoliberal ideology has come to dominate 'common sense' understandings of the economy, based on the belief that the operation of 'free markets' is the only way to secure future prosperity ('there is no alternative' as Thatcher infamously claimed) and that this requires the removal of anything perceived as a barrier to the operation of competitive markets. Political control over the economy has been ceded, based on the belief that markets are 'natural' and cannot be interfered with.

In practice this has led to the assertion of the rights of private property over public responsibility, the transfer of wealth to elites, enclosure of the commons and the reversal of many of the gains won by the masses in the post war period (job security, pay and conditions at work, social care etc). The land-use planning system has also been subjected to neoliberal critique, the legitimacy of its interventions increasingly limited to smoothing the workings of markets and minimising the negative externalities of economic activity.

Throughout society there is a need to re-assert democratic control over the economy. As part of this, we believe that there is a need for stronger public control over land and development. The financial crises that continue to reverberate around the globe are stark evidence of the failure of neoliberalism. Socialisation of the staggering failures of the financial sector is now threatening to fundamentally limit the life chances of current and future generations. Meanwhile, politicians search for ways of getting back to a 'normal'

state that would only deepen huge inequalities and is premised on the unlimited exploitation of finite environmental resources.

There are alternative visions of how a new, more humane and environmentally sustainable economy can be shaped. Ideas of ‘prosperity without growth’ (Jackson, 2011), or a ‘green new deal’ (Green New Deal Group, 2012) provide crucial insights into what a new political economy might look like. To realise any of these ideas would require much stronger public control of the economy – the return of a commitment to public planning. That control would strengthen society’s collective capacity to ask what the economy is for, and how it can be shaped in ways that improve well-being and help to shape better places (Massey, 2011).

#### *Good planning makes more just places*

Planning should create more just places. This involves both the democratic rights of people to participate in decisions that affect their lives, and the right to live in an environment that offers the opportunities people need to live well, with access to decent housing, work, education and leisure facilities.

Research shows that equality is an important dimension of a successful society, and that the more unequal a society the less healthy and happy its population will be (Wilkinson and Pickett, 2010). This suggests that promoting a more just and equal society should be a priority guiding public intervention.

At present in Britain where people live affects their life chances in unacceptable ways, including their health and life expectancy (Dorling, 2011). The country is marked by significant spatial inequalities. These are unjust, the product of excessive private wealth generating public squalor and a lack of concern for lost human potential. Though not always generated by ‘place effects’ (e.g. determined by the environment), these inequalities are exacerbated by poor quality living environments and inadequate access to the services and opportunities people need to flourish.

Making decisions about how places should change requires a sophisticated understanding of justice within particular places, between places (including internationally) and between generations. However, the aim of realising a more equal society in which people are able to realise their potential and live well together should be promoted as a step towards creating more just places.

#### *Good planning makes places more environmentally sustainable*

Increasingly we have come to understand that how we live impacts on the environment in unsustainable ways, threatening to breach the limits of the planet’s capacity to sustain life. The threat —and already some tangible results— of climate change is the starkest symbol of our unsustainable lives, and of the urgent need to move towards a future in which we live within the limits of available environmental resources.

The locations of the places where we live and work, the distances we travel and the ways we move around, the environmental attributes of buildings and roads, the extraction of renewable and non-renewable resources all have significant environmental impacts and need to be fundamentally reshaped to promote more sustainable patterns of living.

Importantly this needs to be done in ways that promote a more just distribution of environmental assets and burdens.

### **How do we get there? Realising more just planning**

Many of the principles proposed in this introduction, and in the topic sections that follow seem hard to achieve. We are starting from a position that makes it very difficult to imagine a better society, and within that a better way of planning and shaping places. We acknowledge that many of the changes we suggest would rely on wider transformation of both dominant values and ideas, and of political and economic structures and processes. We also acknowledge that there will at times be tensions between the different goals we have suggested and difficult trade-offs to be made that will require robust democratic processes of decision-making. Our aim, however, is to articulate the contribution that land-use planning could make to a more just and humane society and to open up a debate about the need for alternative visions of a progressive future. We believe that everyone has an interest in positive planning, and that its advocates should believe in a vision of a better society. This belief is the starting point for realising a progressive planning. We want to open up a debate about the value of planning, and reinstate a demand for democratic control over how places change as part of a progressive politics.

In the sections that follow we outline in more detail what a progressive planning policy framework based on these principles would look like.

## **Section 2**

### **Land ownership, rent and planning**

Re-thinking town and country has to be part of re-thinking the whole economy and society, because the problems are all linked up.

We have been through three decades in which the share of national income we have secured as wages and salaries has fallen while the share going to profits and rents has risen. Consumption levels, however, remained buoyant and the gap was filled by borrowing. Our mountain of personal and corporate debt has been a long while growing. It dwarfs the debt of governments which we are now all told has to be re-paid quickly as the Great Imperative justifying Austerity (Figure 1).

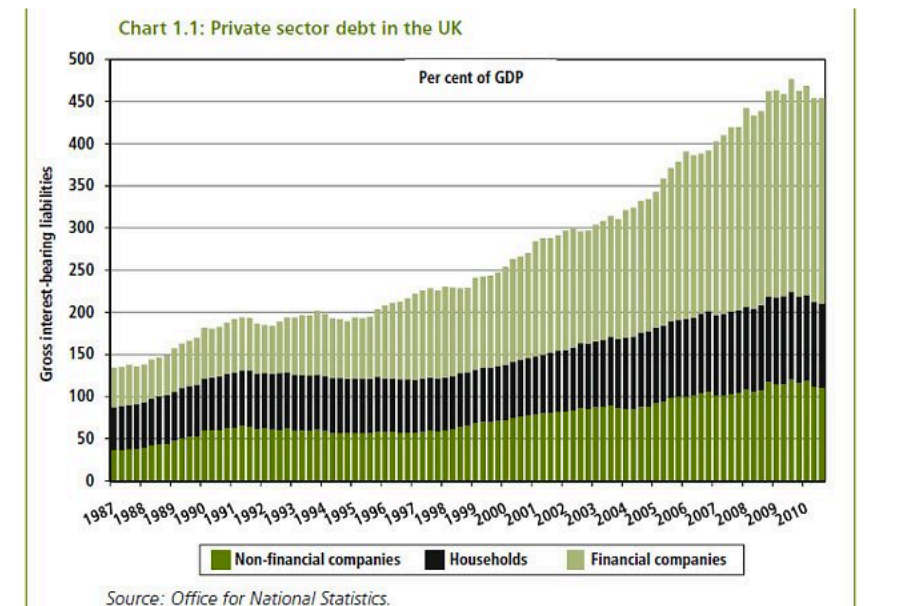


Figure 1 Private sector debt in the UK<sup>1</sup>

This has been a shared experience of most 'advanced' countries but the UK version has at least two distinctive features, both of which have had profound effects on our towns and countryside: the land and property boom and the growth of inequality.

Landed interests have retained enormous power in British society, where land ownership by the crown, the church and the aristocracy have remained unscathed (and shrouded in secrecy) since the middle ages (Cahill 2001). In addition we suffer from large-scale holding of development land by developers who have enjoyed spectacular rises in asset values in many parts of the period. The most successful of these firms—laughably known as 'volume' housebuilders—are those which have made the most accurate speculative judgements about when to buy, when to develop and when to sell. Not the ones with the best products, the best design or the best value for money.

In this context of restricted supply, land and property speculation has attracted massive flows of funds over recent decades—especially since 2000—as the world's investors searched desperately for safe and profitable places to put their mounting flows of profit. The main effect of these floods of money has not been to increase the stock of housing or other elements of the built environment: it has been to drive prices up. It was, until the crash of 2007, a self-fulfilling kind of speculation: each successive round of 'asset value growth' validated the earlier rounds of 'investment' so that it came to seem natural and even benign. We reached a point in 2007 where the combined market value of the housing stock, other real estate and physical infrastructure amounted to 87% of the UK's 'tangible assets', dwarfing the plant and equipment, vehicles and work-in-progress of the productive

economy.<sup>iii</sup> Then the music stopped (Figure 2).

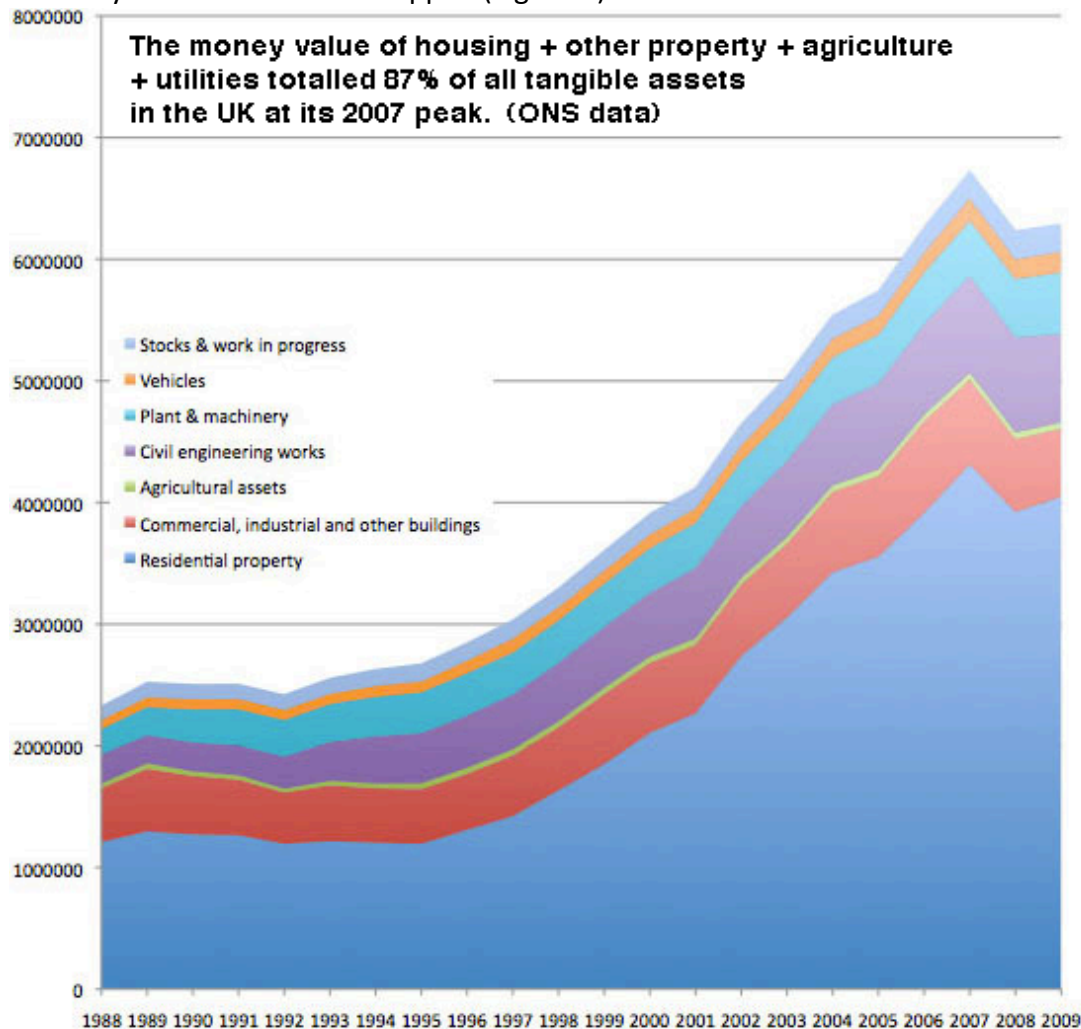


Figure 2 Tangible asset values in the UK

The flip side of that coin has been the relatively low investment in the actual productive capacity of the economy in the UK —worse than in other European countries: a continuation of the 'deindustrialisation' process which began in the 1970s. This has reinforced the relative decline of our production sectors and the competitiveness of our products since low investment means that productivity grows only slowly. When wages fall, productivity can even fall too, which seems to be happening in 2012.

Britain's other distinguishing feature has been the appalling growth—over the same 30 years—of income and wealth inequality (Figure 3). This is now widely understood and well documented, as are the powerful negative consequences for the whole population in terms of physical and mental health, crime and disorder and other measures of wellbeing (Wilkinson and Pickett 2009, Hills 2010). Only Portugal has worse inequalities in the EU.

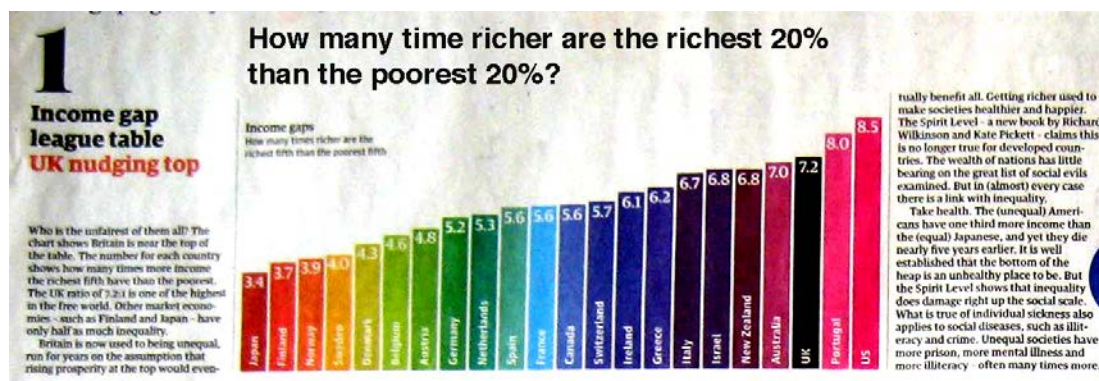


Figure 3 The poor and the rich - (c) Guardian.

These two social and economic problems are to a great extent self-inflicted—and not just an inevitable outcome of some vague process of 'globalisation'. Both could be put into reverse as part of a national recovery strategy. Of course it would be a great help if other European states took similar actions but that's not an argument for inaction: Britain led the way into this downward spiral and could lead the way out as well.<sup>iv</sup>

These problems—of property and of inequality—are linked to each other and to the problems we are having in housing and planning.

The escalation of house prices has been a deeply divisive force in Britain, contributing strongly to the growth of inequality. Millions have struggled to get a start as owner-occupiers. Buying your first house was for years described as getting on the 'housing ladder' and really it should have been the 'housing escalator' because, once you owned your home, and providing you kept up your interest payments, your wealth would grow rather effortlessly. In the years up to 2007 many Britons made more money this way than from their salaries. Compared with non-owners, owner-occupiers thus became ever wealthier, free to use that wealth to supplement worsening pensions, support their offspring when they in turn sought to buy housing or simply to refinance credit card and overdraft debts, i.e. to make good excess consumption. Social gulfs between owners and non-owners thus grew and grew, and the favourable tax treatment of housing enabled this wealth to be passed on to the next generation. As the stock of collectively owned social rented housing has been eaten away by privatisation under successive governments, and as private renting has expanded, the conditions facing tenants have not even remained stable but has worsened, and will get much worse still as the coalition's benefit caps bite harder and harder and rents increase faster than wages.

This set of problems works through in a whole variety of ways into housing and planning. Most obviously it gives actual and aspiring owners a vested interest in the continued scarcity of housing—overall scarcity and also scarcity in our separate neighbourhoods, conservation areas and villages. Not every homeowner behaves in the NIMBY way implied by this incentive but it surely remains a divisive underlying force in the society. The anti-development sentiment so widespread in Britain does of course have a positive side: it is part of cherishing our countryside and our fine townscapes. But that does not reduce its negative effects.

A second consequence, of course, has been the very poor value for money represented by housing—new and second-hand— in the UK compared with other countries (Figure 4) Since land is so expensive and makes up such a large proportion of the 'cost' of building a home, the other elements get squeezed, notably standards of floorspace, thermal performance, outdoor space and design.

**Average floor space of newly built homes (m<sup>2</sup>)**

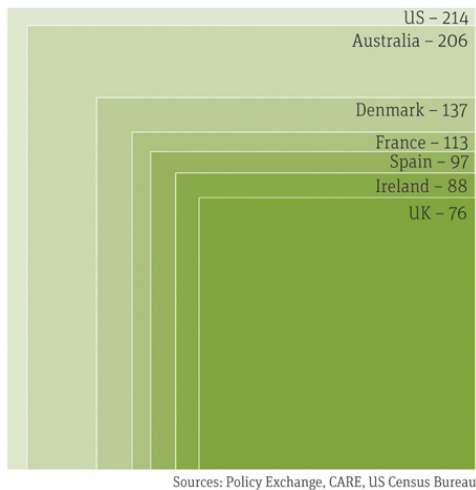


Figure 4 International comparison of average floor space of new houses

A third feature of this set of problems is the complete breakdown in funding for physical and social infrastructure in established and—especially—new settlements. Although huge profits get made in urban development, these profits tend to be retained by land owners and developers and there had to be almighty struggles to extract the money needed to pay for the equipping of land for development (transport, utilities etc), providing collective space for public and community services and managing the resulting developments. This worsens the 'fiscal crisis' of local governments and is entirely unnecessary: the surpluses generated in urban development could so easily be covering these costs except in areas of very weak demand. Our own past experience in Britain's new towns and recent and current practices across northern Europe (URBED 2012) show how it can be done.

Finally we should note the role played by the inflation (and the pursuit) of asset values in contributing to regional disparities in Britain. Real estate investors are notoriously averse to small and provincial markets and seek to avoid risk by channeling their money where they perceive it will be safest. Even in a boom this produced over-concentration in London and the South East. In the crisis the effect is even stronger with money flows even more strongly focussed. And, as the South East overheats, public investment in infrastructure has been pumped in there to increase capacity, effectively pre-empting investment which could have been more evenly spread, generating employment and income growth in other regions.

### **So what do we need to do?**

In the long term we could and should be building support for a campaign to take land

ownership—at least large-scale land ownership—out of private hands. This would enable land for development to be made available cheaply where it is needed, for infrastructure to be adequately and simply funded and for more of what we all pay for our buildings to go into construction quality, better design, environmental performance and maintenance. Lower housing costs and cheaper business premises would improve Britain's economic competitiveness and start to redress inequalities among us.

Ending the curse of private land ownership need not mean 'nationalisation' by some central state agency—though that is undoubtedly how the Tory press would whip up opposition to it. It could much better be achieved through municipal or regional authorities across the country managing their territory in the public interest. In this we can learn a lot from experience across North West Europe where, as Falk reports (URBED 2011), democratic authorities have played a central role in some of the best urban developments. An outstanding instance is Helsinki where 85% of the city's land is owned by the city or other public bodies which has enabled this fine city to expand a very high quality housing stock, maintain socially-mixed neighbourhoods, extend trams and cycle (and ski) routes through the territory and collect €200m a year in surplus for the municipal budget. Examples from other Scandinavian countries, the Netherlands and Germany abound. A crucial feature of this kind of approach is the re-creation of the commons: the national territory seen as a common heritage for everyone to share and able to accommodate a diverse range of tenure forms for housing.

The law could specify general conditions which would permit community organisations, mutuals, co-ops and development trusts to own and manage land and buildings on the same terms as national and local governments. The crucial condition would be that the equity (and growth in equity value) would have to be retained within the organisation, not distributed to shareholders or members.<sup>v</sup>

Such a shift away from land ownership by the landed classes and corporate capital would presuppose a seismic shift in British social relations which does not seem imminent just now/yet. What could be done in the shorter run to move in this direction?

1. An immediate priority is to erase the old expectation among us Brits (and among foreign investors here) that land and housing prices are going to rise in the long term. This change of expectations would

- bring speculative buying of housing and land to a halt
- make other forms of saving and investment relatively attractive
- remove a major incentive on people to own more housing than they need to occupy.

As a target for public policy this should rank with—or ahead of—the control of inflation.

2. Build up the incentives for savers and investors to move towards productive kinds of investment, including building and maintenance, and away from anything which drives up prices.

An example would be to re-work the new Real Estate Investment Trusts (REITs) so that their tax privileges only apply to new construction and refurbishment, not to the acquisition of sites or of the stock of existing buildings.<sup>vi</sup>

We could consider the re-introduction of something like the old Schedule A Tax whereby

owners of housing are taxed on the imputed income they generate but can offset their actual expenses of maintenance and upgrading.

3. A more comprehensive immediate reform would be to move towards land and property value taxation. A great deal of thought has gone into the design of such systems so that they could replace existing and many proposed local taxes (Council Tax, Business Rates, CIL, 'mansion tax'), form an incentive against speculative holding of empty flats, capture property value appreciation as it happens and assist with the funding of urban infrastructure. It would need to be introduced with good transitional arrangements for individual owner-occupiers but could be politically popular as well as progressive. [Land value taxation (LVT) shouldn't, though, be seen as a total panacea, for the following reason. In its most ambitious form—Site Value Taxation—it seeks to maximise the intensity of use of every piece of land, subject to legal limits set in plans. But in the UK we do not have (and perhaps do not want) precise and binding plans specifying uses and maximum densities and London's attempt to regulate densities since 2000 has been a disastrous failure.]

4. It will be important to change the terms on which public bodies exercise compulsory purchase to ensure that valuation is based on existing use rights, rather than on 'market value' which can often include elements of prospective development value or 'hope' of future permissions. The same valuation principle should also apply to the 'viability testing' of development plans and (perhaps with transitional measures) to development project viability tests.

### **Section 3**

#### **Planning for Housing**

Successive governments have attributed responsibility for housing shortages to planning. Above we have argued that such a view represents a dangerous simplification of the multiple reasons for soaring house prices and shortages of supply in economically strong regions of the country. We have pointed to the wider economic and political structures that generated the house price bubble that became the current recession, and have also questioned the structure and practices of the UK housebuilding industry. It is crucial to shift the national debate over housing from a rather crude concern with supply and demand to a more intelligent questioning of how we can provide better quality housing at affordable prices in ways that contribute to the balanced development of all parts of the country. This requires a fundamental shift from a view of housing as an economic asset to one of housing as a fundamental human requirement<sup>vii</sup>.

It is important to recognise that while planning can contribute to the delivery of housing policy outcomes, it is only one of a number of components and that unless the other components are in place, the outputs will be limited. It should also be recognised that in terms of the existing framework, planning only impacts on new development (and, in some circumstances on the change of use or alteration of existing development) and consequently the main role of planning, so far as housing is concerned, is to enable or constrain new housing supply, with very little impact on either the form or use (or price) of the existing stock of both residential and non-residential property. Changes to planning for housing should therefore be considered alongside a wider set of housing policies designed to ensure that need for housing is met in socially just and environmentally sustainable ways.

An effective national housing policy would seek to ensure that there is an adequate supply of housing to meet the needs of a changing population, not simply in terms of gross numbers but also in creating a mix of tenures and housing types that match changing demographic patterns (e.g. an ageing society). Essentially, it would seek to ensure that high quality housing was available at a price people could afford to pay in places with the employment opportunities, transport and the social infrastructure required to ensure that people can live well. It would also seek to ensure that housing resources are effectively used, tackling the under-occupation that the financialisation of housing has encouraged.

Planning can make a significant contribution to achieving these goals through allocation of land for housing development. This provides a way of ensuring that necessary residential development fits into the pattern of existing settlements, taking advantage wherever possible of existing infrastructure and ensuring that green field land is only built on where absolutely necessary and not just because it is more profitable for developers.

Planning also provides a tool for ensuring that housing is provided in places where people can live well, with ready access to jobs and a range of amenities. Effective public transport, utilities, and social infrastructure such as schools and hospitals must all be provided in all new developments, helping to shape more socially just and sustainable places rather than car dependent dormitories. Planning for housing does not mean cramming new houses into the south-east of England where social and environmental infrastructure is already strained (water resources for example are a serious problem in many areas). Instead housing should be developed within a broader commitment to rebalancing the economy by tackling regional inequalities. Alongside effective building control standards, planning can also enforce standards for new development that ensure that housing is energy efficient, provides adequate internal and external space, and is well designed.

Currently the provision of essential infrastructure related to housing development is dependent on extracting some of the profit made by private developers to pay for it. This is inequitable as it means that areas the market favours (generally richer places) are able to extract higher commitments and provide better infrastructure, exacerbating inequalities between places. In conjunction with the land values policies outlined above, and a move towards more public and community ownership and development of land it should be possible to ensure the provision of higher quality, affordable housing and associated infrastructure that is better able to meet housing needs than the current regime founded on speculative land dealing. This would lead to root and branch reform of the house building industry.

### **Does planning cause house price inflation and housing scarcity?**

The public controversy surrounding planning in recent years has been whether or not the 'planning system' is responsible for our scarcity of housing.

The mainstream (neo-liberal) argument has been that the high costs of land and housing in England result from a restrictive planning system, restrictive planning policies and/or delays in making planning decisions. The argument is that, if only we had a more relaxed, growth-oriented planning regime which granted a lot more permissions, and did so much faster, then the 'market' would respond with major increases in output, prices would gradually fall and supply would come into equilibrium with demand at last. This point of view has been

championed by the Treasury, by economist Kate Barker whom they commissioned to study the issue and by a number of academic economists too. It has tended to attract support from real estate development interests (the 'volume' housebuilders and others) and from politicians on the right. It is certainly a dominant point of view for the coalition government and underpins the 'presumption in favour of sustainable development' embedded in the National Planning Policy Framework (NPPF) for England.

This argument, or narrative, is profoundly wrong at a number of levels.

It has been challenged by planners and others with plentiful evidence of large numbers of planning permissions which developers and land owners have secured but not used.

It is a very one-dimensional account of a multi-dimensional problem. Missing are the many factors which have led to the flood of money chasing the available housing stock. One of these factors is the growing distrust of pension schemes and the exclusion of many workers from pensions schemes of all kinds—a powerful incentive on many people to pump up their acquisition of 'bricks and mortar', occupying as much space as they can afford, plus perhaps second homes and other dwellings to rent out. A second, more widely recognised, factor was the pre-2007 easy availability of credit: high loan-to-value ratios, low interest rates, poor credit checking and the associated practices which led to the 'crunch' in the USA, the UK, Ireland, Spain and elsewhere. A third mechanism inflating the flow of money to chase prices up has been the favourable tax treatment of housing. In the UK we abolished tax relief on mortgage interest for owner-occupiers—though it survives in many countries—so this now mainly affects inheritance tax: you can pass wealth to your children if it takes the form of your family home. Finally we need to remember the demographic forces at work: a growing population at national level, rapidly growing in the more prosperous regions, combined in most areas with falling average household sizes. We would need a lot of housing output just to keep up.

However the root of the supply problem is the complex of factors which keep us being a country with scarce and expensive housing and land. Part of the explanation lies with the large holdings of crown, church and aristocracy, land they can withhold from the development market with impunity. Reinforcing that constraint is the dominance of the 'land banks' controlled by house-building firms and investors—also able with impunity to develop as slowly as they like. In all of this the policies and practices of planning authorities undoubtedly play a part, but only a part. Individuals play a role too: established owner-occupiers and those buying on mortgage stand to gain from scarcity just as much as large-scale owners.

In the short term, some landowner and developer interests have chosen to support the liberalisation of planning because they stand to benefit greatly from even quite small releases of previously-protected land in high-value locations. They run very little risk that this would lead to a huge development boom on an Irish or Spanish scale and thus bring land and housing prices down substantially. That would be disastrous for their balance sheets and operating profits and they surely lack the skills to operate in a mass-production market on cheap land. They need not worry, however, because they can between them prevent this long-term outcome and the strength of the National Trust and the CPRE is a further protection.

## **Section 4**

### **Planning for a better environment**

Very major questions are facing planning in the UK, when it comes to environmental issues. The first step is to decide if these are to be understood within a relatively narrow frame, common in many discussions both generally and in planning, or in a much wider perspective. The first would think about typical environmental agendas of the last 40 years or more, including landscape, waste, energy and transport, and the climate change dimensions of these. This in turn may be very strongly dominated by a climate change or low carbon agenda, or may wish to address other aspects more equally, considering say food or biodiversity issues in part independently from low carbon aspects. The second perspective would look at the whole functioning of society, looking at basic livelihood questions, the impacts of UK society globally, perhaps thinking in terms of concepts such as environmental footprints or environmental space. The distinction between the two is to some extent a matter of degree, but the second cannot avoid engaging with discussions about the economic base of the country. Common to both is an engagement with the long term, generally a longer perspective than traditional town planning, going beyond the decade or two decades horizons of development plans. Here the case is made for a set of understandings, values and policies more based on the second position. The aim should be a moving towards a model of “different development”, within the public interest understanding expressed in our summary statement. This would not be growth, or de-growth, but change and transition agreed democratically, for purposes benefitting the majority of the population. It is clear that this is both highly demanding and in many senses liable to move into very “utopian” territory. However, without such an emphasis, it can be argued that we are failing to engage with the fundamental issues facing planning in rich countries now, and we can be easily accused of perpetuating the “business as usual” agendas, which may only aspire to tweaks to previous liberal or social democratic programmes. This may make this section of the manifesto more open to challenge and contestation, but we see that as perfectly acceptable – and there are certainly other sections which will be also open to widespread dispute.

### **Environment and economy**

Planning is a second order activity, not important in itself, but only a useful support for achieving some valuable goals. There is a quite widespread discussion about what the goals of rich countries should be in the present era, with some support for a radical reorientation away from the goals of maintaining an ever growing capitalist world economy. David Harvey argues that capitalism can only continue with a regular 3% growth rate (Harvey 2010), and that this is not sustainable, on several grounds, but certainly in relation to planetary resources and impacts. This is one argument generating support for ideas of “de-growth”, or moving to a stable economy over the whole world, including no more economic expansion in the rich world, that is, no higher consumption levels. Working out what this means economically, socially and on the ground in each country has not really begun. But it is suggested here that this should be the long term framing goal for planning.

We can begin to get beyond the growth versus de-growth discussion by asking "growth of what"? Some economic outputs are hugely damaging in their resource requirements or environmental impacts but we could hugely increase our 'output' of singing, dancing,

running and caring for the elderly without these down-sides. Society could have a lot more of many things it values but use less of the damaging things.

Once we move beyond these general principles, the second step is to consider the implications for the economy, at local, national and continental or global scales. Food in Britain is apparently now 40% imported (evidently less with some foods, more with others). Many other items of essential consumption (however this is defined) have far higher import ratios, given the generalised deindustrialisation of the UK since the 1970s. Energy too is increasingly imported (unlike the eras of first coal and then oil and gas of the last three or more centuries). We suggest that planning should have the following long term considerations at the heart of wider (often national level) goals.

- Securing more food security and independence, to reduce ecological impacts worldwide, and aiming to ensure good ecological and social bases for this – a sensitive management of a necessarily productive countryside. This would impact deeply on all rural areas planning in Britain, and particularly increase the role of planning in relation to agriculture.
- Securing a lower carbon base to the economy, in part by changes to living and consumption practices (use and making of buildings, personal and freight movement), in part by changing our approach to international trade – at present much of our ultra-high carbon reality (unfelt and invisible to most) stems from importing so much of our consumption goods.
- Reorienting the rest of the production base, gradually over time, to localised and useful goods and services with as low impacts as may be, based on full life cycle calculation grounds.

These three shifts would clearly be very interdependent, requiring a smart and planned transition strategy based on the multi-functionality of land (and sea) uses as demonstrated by the Land Use Futures study produced in the Foresight programme in 2010 (Government Office for Science 2010).

One important dimension is that of equity. Those who will need to cut their consumption levels are above all the richer households in rich countries, to far larger extents than the wider majority; certainly these richer strata will be giving up far more future growth (or changing the pattern of what they consume) than lower income households. Planning for the environment is therefore also a “democratic majority” approach to planning, as in the other sections of this manifesto, though in this case even that majority will in due course have to get involved in lifestyle changes.

All of this would need to be based on a persistent and comprehensive drive led initially from national government, articulated with more local initiatives at all scales. The interaction of central enabling and localised creativity would be critical to the process of finding new pathways. A first central-level step might be to create a national commission to scope out the overall sense of such a transition, alongside the land and planning implications. This might work on a sectoral basis like the Grenelle in France from 2007 to 2012, with “colleges” of central government, local government, trade unions, business organisations, and NGOs.

**Changing overall thinking, and relation to existing discussions or policies**

This will all appear highly remote to the majority of current thinking, which is tied up with the very immediate defence of high carbon lifestyles and local assets. The advantage however of such a strong environmental orientation is that it places the future of planning, its purpose, within a frame that addresses the two largest question marks of the present, which, put very bluntly, are the future of capitalism and the future of the planet. When planning became an intellectually dominant element of government, this was arguably because it linked to the largest challenges of that era, the management of urbanisation (up to then of low standard for most classes) and the management of economies to benefit social majorities. Whilst these remain as challenges, it can be argued that only by connecting to much more radical long term agendas, does planning have a chance of rekindling wider support. This needs to sit alongside the elements of more immediate attractiveness highlighted in this proposal – above all provision of high quality new housing in the right places and accessible to most people (alongside better use of the existing housing stock), as described in section 3 above, and an immediately attractive shift in economic policy, with implications for immediate planning and regeneration policy, as described in section 2.

It should be emphasised that such a wide frame and macro approach does challenge in part the “instinctive” ruralist and landscape based orientation incarnated since the 1940s in the planning imagination and policy. The latter is a kind of “light green” mentality, whilst what is being proposed here is much more fundamentally based on ecological thinking. English ruralism is perhaps expressed most clearly in the drives of the CPRE and to an extent state agencies like Natural England and English Heritage. However, this divergence emphasises the need to argue these issues through. In reality the global and local implications of *not* making enormous shifts in economic and environmental lifestyles threaten, in the long run, all the landscape and biodiversity and lifestyle desires of contemporary ruralist living and thinking. Whilst at present this cannot be an attractive message to many in the UK, it is an argument that needs to be presented, to try to escape the very narrow framing of “environment” or even in general “sustainable development” (despite the modest but valuable efforts made by the 2005 national strategy and the Sustainable Development Commission). Without such a shift, thinking about places remains stuck in local frames that “naturally” oppose all economic and territorial change – such as new energy bases (such as wind farms) or new transport systems (such as for freight, by rail or water).

All of such an environmental reorientation of planning would have implications for the management of infrastructure projects. A new national strategy for economy and environment would give an opportunity for the building of some degree of national consensus on infrastructure needs. The system set up in 2008 for the UK has proved of limited value in looking far enough forward in as imaginative and linked up a way as is needed. Decisions like those on new rail lines or airports or power generating capacity need to be made in a framework such as mentioned above, not in the silo isolation of National Policy Statements.

Though threatened by weak implementation, there are areas of state policy created by governments in the last 20 years moving a little in the direction described here, and so the call here does not build on absolutely nothing. The list below shows a few areas where the beginnings of a shift are detectable, and where in every case considerable strengthening is needed.

- The ratcheting up of new housing standards by means of the Code system, with valuable work by BRE.
- The discussion of ecologically more advanced settlement forms (but eco towns and similar initiatives have largely remained unsuccessful or untried).
- The limits placed on out of town retail development (but this was applied variably and half-heartedly).
- Support for public transport and cycling and walking, especially in London, but sporadically elsewhere.
- Promotion of renewable energy, though this has been highly uneven, with some forms like wind-farms given more support than others.
- Some shift in waste policy, if often towards incineration schemes rather than cradle to grave type radical rethinking of consumption policies.
- The initiation of marine spatial planning, with some major biodiversity elements incorporated in this, along with economic drives.

Each of these though needs situating in a far more convincing and connected framework, and equally importantly must be given adequate instruments to make them into more than small or scattered islands of improvement. A simple but valuable immediate programme could build directly on each of the above areas of mild progress, as one small step on the way to the vital reorientation of more fundamental policy. Such an immediate programme would soon though run up against the blockages of the past, unless a new and deeply shifted consensus could be created. A mildly revised NPPF in this sense could only be a first step to a total revision, based on such a national framework for economy and environment. The discussion of instruments needs to be fully informed by equity considerations. Just pressing for higher energy prices for example to cause a rapid shift in behaviour would hit above all low income users. So it could only be considered as a long term measure, complemented by a range of other redistributive and investment instruments.

## **Section 5**

### **Governing planning better**

The current coalition Government's re-writing of national planning guidance and commitment to 'localism' reinforce a bias in the planning system in favour of market led development, well-funded lobby groups, and those with access to lawyers. The policy of reducing central government's role in planning has been presented as transferring power to communities. This is almost totally an illusion hiding the real intention of the Government which is to reduce the power of planning over development (except in special circumstances where it suits the interests of their core support).

We argue that deregulation will make the system even more regressive. The role of Government at national and local level is not to stand back and let the market decide the fate of our towns, cities and countryside. Its responsibility is to use taxation to regulate the land and property market, while at the same time taking the lead in strategic land development for example in regeneration, town expansion and infrastructure development. It must set the rules for good planning across the country, and ensure fair and equal access to the planning system. It must also advocate and incentivise higher standards of design and sustainable development. Government must also play a central role in national spatial

planning, and ultimately an oversight and standards role to protect the public from abuses and corruption in public policy decisions.

Communities cannot flourish without this framework of regulation and strategic leadership. They need the protection of government from bad development and at the same time must be given the opportunity and support of Government to undertake development in their own right (though not at the expense of fairness, justice and equal access).

Recent Governments and the development industry share an obsession with “delays” and “red tape” in planning. Yet by removing these so called delays, fundamental democratic safeguards will be removed - without any improvement in the quality of development. Sound planning needs safeguards; planning decisions are often very complex with significant environmental, social and environmental impacts which will last for decades. Very often development schemes require major modifications because developers are unimaginative and inflexible. This means in some cases longer time scales for negotiation and revision (in the longer term it means that we need an entirely restructured development industry, one better able to contribute to the production of better, fairer places). A “delay” of a few weeks or months is essential to get the right (and just) decision.

Planning has a strong formal commitment to democratic involvement, with important rights on public consultation and access, the envy of many other countries. These rights must be protected, and enhanced so that their potential can be realised.

### **The role of central government**

Central government has several important roles, all essential to revive the economy and ensure a just planning system.

In England there will be, after complete removal of regional institutions, only two levels of elected government (compared to many other democratic states with up to four or five levels). We believe that there is a need for a democratically legitimate tier of government between the national and local levels. A genuine commitment to powerful regional government has been damaged by New Labour’s failure to deliver it, but it remains crucial to good strategic planning.

A factor common to all levels or potential levels is a much better resourced public decision making process. Collective decision making is a serious societal activity which deserves time and skill and money. The present call for speeding up the system and removing red tape is essentially arguing that democracy obstructs developers – no doubt true but very dangerous and totally unacceptable in a democratic society.

Our proposals require that all levels of government be empowered to make greater use of land assembly powers through e.g. compulsory purchase, and act once again as public interest developers, ensuring the supply of key infrastructure in socially equitable and environmentally sustainable ways.

Our further proposals for central government are:

- A national spatial strategy should be drawn up to meet social, environmental, and infrastructure objectives, and to challenge the dangerous North/South divide which

is fracturing economic development and citizens' lives in the country. This strategy might be best drawn up in low carbon and employment terms, with UK/England as a transition country (on the model of transition towns). Implausible though this must seem at the present time, a National Spatial Strategy should be integrated with a national economic strategy and national infrastructure plan. All would gain immeasurably from their joint creation and joint implementation, particularly if they had radical objectives and long time scales. The national spatial strategy should be developed through a robust process of public debate about how to realise a progressive future.

- This strategy would constrain local plan making to some degree, but would probably be a more effective and possibly more acceptable route than reviving the system of national policy guidance for development plans and control which the current government is intent on radically weakening.
- The presumption in favour of development in the new national planning policy framework (NPPF) should be removed and replaced with a presumption in favour of plan-led development, but with a strong commitment to local participation and a third party right of appeal so that departures from the agreed plan have to be robustly justified. With the spatial dimensions framed in a national spatial strategy, it would not be necessary to change the basic form of the NPPF.
- Far greater capacity should be created at national level (that is for England) in research and intelligence for planning, by creating a Planning Research Agency, perhaps connected to the Planning Inspectorate. This would improve the databases on all key areas of planning policy, much of which has strong national dimensions (resource flows, migration, freight systems, housing demand, food systems etc). The Planning Research Agency could also coordinate the national conversations required to produce a robust national spatial strategy.

To ensure democratic scrutiny of decision-making, planning appeals should be transferred to an independent land/ environment tribunal that would be empowered to hear appeals from any party adversely affected by a decision of central or local government.

### **The role of local authorities**

- Empowerment and strengthening of local government is essential for effective planning, backed by more resources and a strategic remit to plan infrastructure. Also important will be moving to larger unitary authorities where practical, as these can give more strategic planning of their areas, both within themselves and in cooperation with other large unitary authorities. Urban Development Corporations and similar quango or hybrid forms should not be promoted – it is best for ministries to work simply with democratically accountable local governments.
- Local government should have the leading role in plan making and development decisions. These decisions should be neither business led nor community led, but in the public interest and that must be defined ultimately by elected local and central government. Transparent processes of public deliberation are essential to plan-making.

Public deliberative mechanisms need public resourcing, including community technical aid on a large scale. Digital systems, such as use of public service broadcasting systems (using TV and newer forms of technology like crowdsourcing and mapping) at local and regional levels, can do far more than has been attempted in the past, though digital exclusion has to be addressed urgently.

- Regional plans, including strong collaborative mechanisms across local authorities, can ensure that processes with impacts beyond the local level are given much firmer public steering, across a range of public policy spheres which are critical for delivering plans (health, education, employment creation, training).
- All neighbourhood and community planning should occur within the frame of National, Regional and Local Plans; they should not be able to pre-empt Local Plan decisions. However non-statutory community plans should be supported and fed into Local Plans where appropriate, and their implementation given public resources where needed. While this sounds very 'top-down'—as it has to be in formal terms—the strengthening of neighbourhood and local deliberation and planning will be bound to exert a strong upward influence on regional and national levels of planning.

### **Delivering community-led development**

While the regulation of development and plan making should be underpinned by representative democracy (enhanced by participatory processes), the delivery of development can and should be much more widely democratised. In effect there are two overlapping land and planning systems at present; the private developers and public sector. To most communities these systems hold all the land, have access to capital funding, developer and legal skills, and are often indifferent to local needs and cultures. They must be opened up in every way – through wider land ownership, more local design standards, a wider range of funding, a range of developer agencies, more support for community trusts and mutuals, and new measures to enable local communities to capture the uplift in land values created by development or the expectation of it.

The Community Rights established by the Localism Act, including Neighbourhood Plans, are potentially important (and radical) as tools for expanding community power, but they are limited, with local authorities having an excessive gate keeper role. Community Rights as presently configured are likely to benefit better off areas at the expense of poorer neighbourhoods because neighbourhoods that have resources and skills will be in a better position to take advantage of these rights.

The Rights should stay, but deprived communities should be empowered and resourced to take advantage of them. The Rights make little sense without a level playing field of resources to enable the Rights to be exercised fairly.

The lessons of the Community Right to Buy in Scotland which has been in place for nearly 10 years is that the scope of community rights should encompass all land sales whether public or private (instead of the restrictions to rural areas in Scotland or the “Land of Community Value” concept in the Localism Act where land eligible for Community Right to Buy is determined by local authorities). There should be much less central government control,

and the Rights should be backed up with more resources to enable communities to realistically participate.

And crucially, the power makes no sense unless the purchase price of land for non-profit community-led development is held at existing use value; “best value” or open market value makes a nonsense of the whole idea except for the very rich.

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<sup>i</sup> Though the best of such development was far from the image that has developed, and often represented a considerable improvement in the housing conditions of many (see e.g. Hatherley [2010]).

<sup>ii</sup> We believe that a political commitment to better planning can help to realise wider progressive purposes, but also recognise that to realise the kind of planning we advocate here would require a much wider set of political, economic and social changes than can be realised through planning alone.

<sup>iii</sup> ONS data and see Michael Edwards (2011 in progress).

<sup>iv</sup> One of the first constructive attempts to devise a broad economic strategy at a UK level is *Plan B* (Read and Lawson 2011). Another is IPPR (2012). At a European level see *EuroMemorandum* 2011.

<sup>v</sup> In the case of housing co-ops there may be a case for some limited payments reflecting building (not land) value to departing members, an approach being pioneered by the Lilac project in Leeds.

<sup>vi</sup> REITs is a type of company, introduced to the UK in 2007, which pays no Corporation Tax, but which has to distribute most of its profits to shareholders - who in turn do or don't pay tax according to their situation. Advocates claim that this format will attract more money capital into the built environment, though at present there is no mechanism to ensure that the money goes into actual construction so much of it may simply push prices up.

<sup>vii</sup> This section draws on much more extensive work by Duncan Bowie, to which we are not able to do justice in this short document. See especially the reports brought together on the Highbury Group webpages:

<http://www.westminster.ac.uk/research/a-z/highbury-group-on-housing-delivery/highbury-group-documents>