

Unlocking the gridlock

How a more democratic planning system
can help fix the housing crisis

John Myers

SMF

**Social Market
Foundation**

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YIMBY *Alliance*

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FOREWORD

We must not forget what is at stake with reforms to our planning system. This issue is not about being a Tory, a NIMBY or political-point scoring. Rather, it is about providing millions of people across our country with hope for their futures. With housing comes security, foundations, identity, space to flourish, the ability to build relationships and, for many, a family.

It is disappointing that the Government currently isn't going further with their planning reforms. After 11 years in representative office, I see the problems that our state land use planning system causes for ordinary individuals every day. It is clear we cannot continue with the current system that imposes costs and disbenefits on individuals while also running over their most basic property rights.

Developments often fail to attract public consent: the compensation for so-called "externalities" is provided to councils as the embodiment of community, not to the people affected. There must be adequate compensation and adequate opportunity to participate in the planning process for those affected by developments. We need to give the public the opportunity to say "no", but the incentives to say "yes" because they see the gains for their community.

Similarly, we are allowing officials to plan people's lives with a system so complex that only a few specialists truly understand it, rather than allowing communities to bravely take control of their areas. We must question why local council officials have near complete control over how land within an individual's property is used. We need social power, not council power.

Through leveraging the work of Nobel laureate Elinor Ostrom and others, this paper provides ideas that could mark a new beginning for our planning system that allows local people to truly take the lead and bravely regain control over their lives. There is still time before the Government's Planning Bill is introduced to Parliament to take these ideas and deliver significant reform that will deliver hope to millions of people across the country.

I hope the new Secretary of State for Levelling Up, Housing and Communities will look at the ideas in the Social Market Foundation's new paper and do just that.

Steve Baker MP

EXECUTIVE SUMMARY

There are many harmful outcomes from the shortage of housing which has built up over decades in various parts of the country because supply has been inadequate to keep up with the demand for housing to live in, driven by rising incomes, changes in family structure and preferences, and other factors. Since 1939, England and Wales have never grown their housing stock at the net percentage rate achieved in the 1820s or the 1930s.

Those harmful outcomes include trapped and unhappy renters and families stuck in small homes. But they also include indirect effects such as stress, ill health, lower wages and slower innovation and growth.

There is a clear need for public support and consent for development, but local residents fear losing any ability to steer development in their area. The planning system has many problems, including unpredictability and high costs. There are examples in this country and abroad, both today and in the past, which illustrate how these problems can be addressed. But the current housing department and its predecessors have not substantially innovated since 1947.

The challenge with current planning policy is that it pits existing homeowners against new entrants. Although we cannot move to a new system overnight, the work of Nobel laureate Elinor Ostrom illustrates a potential way forward. Contrary to the assumptions of the current system, land use need not be a zero-sum game. Win-win solutions are possible. But the current planning system is not designed to allow local people to find them. If the law of trespass worked like the planning system, you would have to seek permission from the government for a plumber to enter your home.

As a first step towards a truly democratic planning system that better harnesses the market to achieve improved outcomes for everyone, we should give local people supplementary direct powers to allow more development, where they believe they will receive adequate net benefits to compensate their community. Such decentralized or 'peer-to-peer' decisions could help unlock the gridlock.

Four recent proposals illustrate potential ways forward. Residents of a village should have more power to allow high-quality, attractive development next to the village when they see benefits for the community. In towns or cities, residents of a stretch of street should have the right to conduct a *street vote* to set out the rules for new extensions or more ambitious development. A *mews vote* could similarly allow residents of houses surrounding a stretch of waste ground to give permissions to add new mews cottages. And, where the existing buildings are appropriate, residents of a street should be allowed to add mansard roofs to fill gaps, or to vote for a uniform permission to add them if there are currently none.

The new Planning Bill should set out a vision for more development powered directly by local people, and should include enabling clauses to allow the Government to try these and a range of other schemes, to see which best deliver housing with local support. This would ensure broader support in Parliament. Allowing residents and local authorities to experiment and find what works well for them is the best way to ensure the delivery of high-quality, attractive properties at pace.

CHAPTER ONE – INTRODUCTION

There is a real problem of despair among struggling renters who cannot afford to own their own home. There are many other harmful outcomes from the shortage of housing. There is also a clear need for public support and consent for development.

Many local residents worry about losing their influence in planning, particularly in light of more binding and higher housing targets. They fear losing any ability to steer development in their area. It is a difficult challenge to speed up the process while improving housing delivery and also giving local people true power to consent. But it can be done, in a way that can unite MPs in support.

Background

The planning system has many problems. Prior to World War II, almost all development in England could be done without the need for permission. There were height limits for fire and other reasons in some towns and cities. London had a height limit from 1894 of 80 feet plus two storeys in the roof. For safety, many places banned wood in external walls, which had to be of a minimum thickness of brick; and laws defined sloping lines, stretching up from the street, below which buildings had to fit to preserve air and daylight. After 1929, a wave of housebuilding brought Britain out of the Depression with millions of the familiar 1930s semi-detached houses that encircle many towns and cities today.

That ended in 1939, when construction was all but banned to preserve resources for the war. The main elements of the ban were continued in the new planning system created by the 1947 Town and Country Planning Act, which imposed a new requirement of government approval for almost all development. Instead of traditional development on the edge of settlements or through the sort of densification that created Edinburgh's Old Town, the intention was to decant and redistribute the population by energetically building a series of New Towns. But those New Towns proved so controversial that they were never built at remotely the scale needed to meet the demand for housing¹.irate locals gave Stevenage the nickname 'Silkingrad' after the then housing minister, Lewis Silkin.

The 1947 planning system was never piloted or trialled before it was created. Nor has it ever been properly reviewed since we learned that it was wildly overoptimistic to expect New Towns to meet all additional housing demand. The generally well-meaning creators of the Act would be horrified by the appalling unintended consequences today. Absent a plentiful supply of New Towns, they would have agreed that the current arrangements would not ensure a good supply of homes.

CHAPTER TWO – WHY DO WE HAVE A HOUSING SHORTAGE

We need to distinguish between demand for housing as a service – a place to live in – and demand for housing as an asset to own. They may move in opposite directions: rents may decline while prices rise, and vice versa.

Drivers of demand for housing to live in

Demand for housing as a consumption good is primarily driven by population, preferences as to household formation, and by incomesⁱ. Geography plays a crucial role. Those drivers may be wildly different in different areas. Housing is so important because it determines the location of the most precious economic resource: people.

Of course, there are circular effects: families are more likely to have children when the cost of housing services is lower.

Although growth in incomes today is slower than it was in many prior decades, that growth continues, and it generates more demand for housing. People who are better off want to spend some of that additional money on a larger home; some of them wish to stop sharing a home and live alone or with a smaller group.

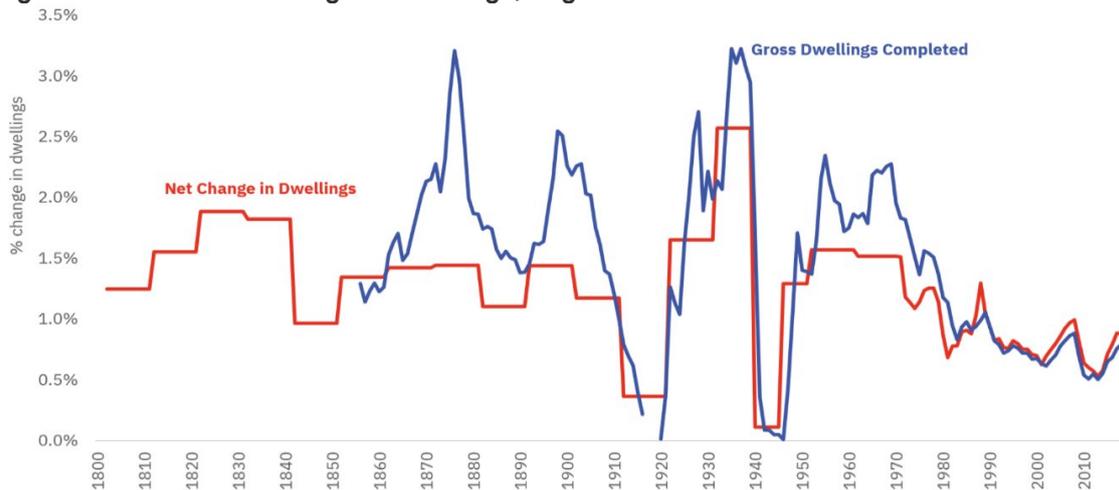
Drivers of demand to own housing

Drivers of demand to own housing assets include current and expected future rental or imputed rental income; interest rates and expected returns on other assets; supply of credit; expected future capital returns on housing, which may be speculative; property taxes; depreciation and maintenance costs; and the desire to hedge future housing consumption costs. There are agency costs associated with rented housing that an owner-occupier avoids, but an owner-occupier also loses the flexibility to easily up sticks and move far away.

Housing supply

Since 1939, neither England and Wales have never grown its housing stock at the net percentage rate achieved in the 1820s or the 1930s. House price inflation was prevalent in the 70s, 80s and 90s when, for much of that period, there was net outward migration or minuscule net inward immigration. Simply in order to keep up with rising incomes, we would need to increase the amount of housing by roughly 2% a year. We have not achieved that for a long time. That has caused an increasingly painful shortage, particularly in certain areas.

ⁱ See, e.g., Kate Barker, Review of Housing Supply, Interim Report - Analysis, 2004.

Figure 1: Gross & Net Change in Dwellings, England & Wales

Source: Neal Hudson (@resi_analyst), "Gross & Net Change in Dwellings, England & Wales," Twitter, November 16, 2017, 4:20 a.m., https://twitter.com/resi_analyst/status/931089599107162120. Reproduced with permission.

The total of today's homes prices exceeds what it would cost today to build them all from scratch by approximately £3.7 trillion, according to the last available ONS data – or some two-fifths of the entire worth of the nation on the national balance sheet. That is an enormous economic abnormality. No healthy market for any other durable good works in that way. When the prices of aeroplanes or ships rise above the cost of construction, entrepreneurs build more until demand is met. There may be short-term speculation, but it is rapidly addressed by more supply. That used to happen with homes in England before World War II, and it still happens in many other cities around the world today, such as Atlanta or Phoenix, where the land use regime gives generous scope for more housing to be added on many areas of land. In Atlanta, from 1985 to 2013, the average price of houses never rose more than 25% above an estimate of the minimum profitable cost to produce more².

Homeowners can judge the extent to which their house is worth more than the cost to build it at today's pricing by consulting the rebuild cost estimate that should be provided for the purposes of their home insurance.

There is an overwhelming consensus among academic economists that, with a better and more flexible housing supply, there would not be such an enormous gulf in many parts of the country between the prices of homes and the cost of building more homes.

In the most expensive areas, many more landowners would choose to build more homes if they were able to get planning permission to do so. Until 1939, they could have done so without permission, and many more homes were produced. That can be seen in historic areas of infill densification such as parts of Hampstead or central Manchester; or in the many waves of Georgian, Victorian and later suburban expansion prior to World War II.

The shortage of planning permissions can create local near-oligopolies. Those with permissions may decide not to build – instead either selling the permissions in the

speculative market or only building slowly – because the chronically inadequate supply of permissions means they have no need to worry about others entering the market.

Consequences of the housing shortage

Trapped renters

An increasing fraction of young people, who in earlier decades would have chosen to own their own home, are now forced to rent. In 1995–96, 65% of those in the middle quintile of incomes aged 25–34 owned their own home. Twenty years later, that figure was just 27%³. Many of those renters share flats or houses originally designed for families and ill-suited for unrelated people to share. Many of those homes are far away from the best opportunities for learning, training, and jobs. That is even more damaging at the earlier stages of a career.

Families stuck in small houses

Many of us know families stuck in smaller homes than they would like: families with older children still sharing bedrooms, or couples without the room to start a family. The proportion of families in London who were overcrowded according to the bedroom standard⁴ rose from 5.5% in 2000 to 8.3% in 2020.⁵ Increased remote working means people need bigger homes with space to study and work. Some would have more children if they could afford more space. It also means that elderly relatives are less able to help with childcare, and families are in turn less able to look after elderly relatives when they need it. Much of that is directly due to our failure for over seventy years to build enough homes.

Innovation

Failure to provide enough housing near existing economic hubs has also slowed down innovation. Economists have shown that the ‘agglomeration’ benefits from people being able to work together are hugeⁱⁱ. Birmingham in the 19th and early 20th Century was a hotbed of innovation, but its economy was damaged after the war by misguided restrictions imposed by central planners in London.⁶ New offices, factories and housing in Birmingham were all but banned for many years. Some companies gave up on expansion; others simply moved to other countries or lost out to foreign competition. Giving local areas the power to level themselves up is a critical means to ensure better economic growth.

Low wages

Industrial and commercial space in England is expensive compared to our international competitors. High housing costs prevent young people from moving at the start of their careers to their nearest high-wage town or city to gain experience before perhaps returning home.⁷ That reduces the wages that they can expect over their career. Economic historian Nicholas Crafts has estimated that addressing our housing shortage would raise annual GDP growth by two percentage points for an entire decade.⁸ US studies estimate that US average earnings would rise by some 25% in a

ⁱⁱ A 2000 study of the UK and four other countries estimated that the elasticity of average labour productivity with respect to employment density was 4.5%. [https://doi.org/10.1016/S0014-2921\(00\)00099-4](https://doi.org/10.1016/S0014-2921(00)00099-4)

regime that allowed plentiful housing near to employers willing to pay the most for workers.⁹ That number may be even higher for the UK, given the larger distortion of our housing market compared to a plentiful supply.ⁱⁱⁱ

Ill health

The shortage of housing near to jobs causes longer commutes and less time spent with family. Although the widespread adoption of remote working may mean some office workers will commute fewer days per week – and some not at all – the numbers of new office leases being signed tell us that many companies still think that their employees will continue to come into a central office at least part of the time.^{iv} Their commutes will be even longer if, during the pandemic, they moved out further away to be able to afford more space, because of a shortage of homes near to the office. Longer commutes are associated with increased stress, higher blood pressure¹⁰ and BMI,¹¹ and reduced time available for health-promoting activities such as cooking, exercising and sleeping.¹² The number of workers commuting two hours or more increased by 72% from 2004 to 2016, from 1.7 to 3 million people.¹³

Sprawling development far from public transport has also meant fewer people can choose to travel by healthier options such as walking or cycling for their daily needs.

The barriers to negotiation

Figures as diverse as the British economist and Nobel laureate Ronald Coase, covered in this section, and the social scientist and Nobel laureate Elinor Ostrom, discussed in the next section, have started from the same principles and gone by very different routes to arrive at similar conclusions about the possibility for improving social welfare through local negotiation.

Coase pointed out the enormous potential for people to negotiate to reach outcomes that suited all of them better – so-called ‘win-win’ or ‘Pareto superior’ outcomes – if only the costs of reaching agreement or ‘transaction costs’ were not so large. Negotiation will always have some cost, but the greatest defect of the current planning system is that of high transaction costs.¹⁴

But the planning system, far from enabling such negotiation, is too complex and leaves local residents and developers subject to considerable uncertainty and delays. In many

ⁱⁱⁱ The last available ONS data for the excess of total UK dwelling prices over the total replacement cost of those dwellings are for 2015, after which the series definitions were changed. The difference between CGLK and MJF8 was £3.7 trillion. By comparison, the value of US urban land excluding buildings – which in principle should essentially measure the same concept – has been estimated at \$19 trillion. David Albouy, Gabriel Ehrlich, and Minchul Shin, “Metropolitan Land Values,” *Review of Economics and Statistics* 100, no. 3 (2018): 454–66. But US GDP is approximately an order of magnitude larger than that of the UK, so the UK distortion is larger in relation to the size of the economy.

^{iv} See e.g., <https://workplaceinsight.net/central-london-office-pre-lets-surge-due-to-pent-up-demand/>

cases, those costs are almost infinite; it is essentially impossible for groups of people to allow something even though it would benefit all of them.

Proposed developments on sites that have been allocated for housing in the local plan are refused permission, only to see it granted after a lengthy and expensive appeal process. Sites that are not allocated in the local plan may be approved by a local authority for its own reasons, causing nearby residents to bring expensive and lengthy judicial review proceedings. Frustrated homeowners can spend thousands seeking to expand their cramped home to accommodate a growing family, only to see the council turn them down, even when none of their neighbours object.

We need a genuine simplification of existing rules to enable local agreement on beneficial development wherever possible. The system stops people from taking control of their own areas. The process being followed is lawful but not truly democratic. The current system means costs are borne by communities and individuals without adequate compensation. We need a system in which local communities truly feel that they have a stake, and appreciate the potential benefits as well as the risks.

More fundamentally, there has often been a failure to understand the challenges of the economic calculation problem: since individual preferences and many other characteristics vary widely, it is extremely difficult and costly to try to plan all economic activities without price information, and it is impossible to do so efficiently. Put differently it is impossible to find the best solutions for every part of the country with a top-down approach imposed from the centre. The approach imposed by central government on Birmingham in the 1950s and 1960s, for example, caused immense damage. Similarly, the Soviet Union found that central planning of the economy worked for a while but ultimately stifled innovation and growth. While many new technologies move to decentralized or peer-to-peer systems to allow more flexible and faster innovation, our planning system has remained highly centralized, and confined within a straitjacket originally set by a law enacted in 1947. Unfortunately, the current housing department and its predecessors have not substantially innovated since then, and has done little to learn from systems around the world that have had far more success in overcoming the political obstacles to building more homes. Homeowners in this country constitute approximately two-thirds of voters. Reforms that win their support are far more likely to be passed and to endure.

Of course, development affects other people. It creates spillover effects, which economists call 'externalities'. When homeownership levels were low – nearer 10% at the beginning of the 20th Century – much of the ownership of towns and cities was concentrated in the hands of a smaller number of large landowners. Each landowner carried out development if it increased the overall value of their estate, but not otherwise. They did not allow polluting or disreputable land uses that blighted the rest of the neighbourhood they owned. In economists' parlance, they 'internalized the externality' of development. As homeownership has increased and land ownership has become more fragmented, the planning system seeks to measure and control those negative effects on others, but it currently does so in a very clumsy way. Allowing

direct negotiation and decision by those who are most affected by the spillover effects, at least as a supplement, could be much more powerful.

The common law allowed mutual negotiation. If the law of trespass functioned like the planning system, you would have to seek permission from the government for a plumber to enter your home. Common-law rights to light allowed negotiation between neighbours for hundreds of years without the intervention of the central government. We have slipped into a system that does not even try to seek win-win outcomes. The job that we have given to planning authorities is impossible because we have not given them the means to carry it out. Even if they had perfect omniscience to assist their aim of achieving maximum social welfare, those nearby homeowners and tenants with secure tenure who lose out from development would agitate against it and create political resistance, as we have repeatedly seen. That resistance would mean that planning authorities could never choose to allow the socially optimum amount of housing. They could only achieve that if they had the legal means to mandate arrangements to reduce that political resistance by sharing the benefits to ensure that almost no-one loses from development near them. And of course, mandating those arrangements would also require perfect information about all the different preferences of each local resident and the different effects of each proposed development upon each resident. In practice, of course, gathering that information would also be impossibly costly.

Far from requiring consent – which the common law requires if someone wants to do something contrary to your property rights – the planning system generally does not even make any serious effort to compensate those who lose from its decisions. Of course, in a planning context, the expectations of no change that have accrued over many decades are not formal property rights. But they have acquired such de facto force that the breach of those expectations often shocks people to the core. Institutional economists tend to treat formal and informal property rights as being more similar than is the practice among lawyers.

There is a challenge in ensuring that new developments serve those local communities who struggle most with housing. This is a key issue for both incentivising development and social justice. New schemes such as First Homes will aim to preserve discounted properties as community assets for local residents who would otherwise struggle to get onto the housing ladder. But whether this will support or impede build-out of new homes has yet to be demonstrated.

To start to address these high costs the Government has taken valuable steps to enable beneficial changes of use while aiming to minimise harm to local people through changes to permitted development rights, although challenges remain. It is clear that permitted development rights imposed from the centre cannot be a full solution to the problems with the current system. Concerns about a backlash have meant that the most recent permitted development rights for upward extension have been made subject to a range of limits. They do not apply to pre-1948 buildings or those in conservation areas, and the local authority has the power to withhold consent for each proposed extension on a range of grounds, including external design, noise

levels and impact on amenity. Further permitted development rights would likely be subject to even more stringent safeguards.

CHAPTER THREE – ELINOR OSTROM SHOWS A WAY FORWARD

We cannot move to a radically new system overnight. But there are approaches that can address the above concerns while still generating more and higher-quality housing in a way that will, at the same time, gain the consent of local people.

That way has been illustrated by another Nobel laureate, Elinor Ostrom. She demonstrated the astonishing ability of local people to negotiate better outcomes for themselves if allowed the space to do so in a bottom-up fashion.¹⁵

Ostrom's research, and the related thousands of case studies of different communities managing different types of resources in countries around the world, illustrate the enormous range of possible ways and systems to govern land use, if we can have the vision to move beyond the narrow concepts first set out in the Town and Country Planning Act.

Ostrom won her Nobel prize for creating the field of studying 'common pool resources'. Garrett Hardin described the 'tragedy of the commons', where common pasture would be overgrazed, harming everyone, because each individual villager had little incentive to limit grazing on it by their own livestock. Ostrom demonstrated how, in fact, many communities have successfully managed a common resource – pasture, fisheries, forests or water, for example – by coordinating among themselves, without such problems of overuse. Some have successfully done so for over a thousand years. In fact, studies of the English commons have also shown little evidence of Hardin's 'tragedy': communities evolved their own rules for preventing overgrazing, such as a limit on the number of animals each villager could have on the pasture.

This suggests that giving local people more power to capture the benefits of allowing more high-quality development could lead to more housing in ways supported by the community.

Coordination among small groups of people is often much easier than among many. Earlier in its life, Amazon, one of the most successful companies in the world, decided that it could not innovate quickly enough. The reason lay in immense coordination problems between teams running highly interdependent systems. Those teams needed to carefully prepare and then simultaneously change a wide range of different systems to ensure that each new change did not break something. A project wishing to enable a new business had to persuade people across the entire company to implement fundamental changes in their software.

Amazon's solution was to create independent units: each offered a single defined interface for the services it provided to each of its internal 'clients'. Each internal client only needed to think about the defined interface for that particular service, and knew that they could rely on it. That meant that each small unit could innovate quickly within its own sphere, and only needed to worry about the interfaces where it impacted on other units. The current planning system has no such principle.¹⁶

This idea has a long history. The Catholic Church describes it as the principle of *subsidiarity* – each decision should be made at the lowest level at which it can

appropriately be made.¹⁷ It has subsequently been referenced in other legal frameworks such as that of the European Union.

Much of the relevant analysis has been set out in earlier papers.^{18 19} The critical insight is that win-win solutions are possible. Specifically, the system should allow smaller groups of people easily to decide to enable change that benefits them, so long as that change does not harm anyone else. That is the fundamental economic point that has been catastrophically ignored in the planning system for too long.

Some comment that the problem of development is that the benefits are dispersed and the costs are concentrated. But that is a political outcome of a flawed system, not an inescapable fact of economics or housing development. Under the current system, the benefits of development are very concentrated in those who own and develop the site; but such compensation as is payable often flows to the local council as an embodiment of the community rather than to the communities and individuals directly affected, thus weakening incentives to support new developments. The local council may often decide to deploy those funds on priorities very different to those of the local residents who see the most negative impact from the development; and so, the intention of the central government for such payments to reduce the opposition to development is thwarted.

Other systems that would avoid these problems are possible. In fact, we can see examples of them both historically in the UK and today in other countries.

CHAPTER FOUR – SPECIFIC PROPOSALS: TOWARDS A TRULY DEMOCRATIC PLANNING SYSTEM

As a first step towards a truly democratic planning system that better harnesses the market to achieve improved outcomes for everyone, we should give local people supplementary direct powers to allow more development, where they feel they have received adequate net benefits to compensate their community. Such ‘peer-to-peer’ decisions could unlock the gridlock.

There are already successful examples of this. The Thorpe neighbourhood plan in Surrey allowed housing on an area formerly designated as green belt in exchange for benefits to the community (although that required support of the higher planning authority, which should not be needed).²⁰ CPRE cites the example of South Milton in South Devon, where the village allocated a site for housing in an Area of Outstanding Natural Beauty.²¹ There are other examples where villages have sought to do this but been blocked by the higher planning authority, which had its own view on what should happen around the village. The idea that higher authorities might hold veto power over the people they represent goes directly against the principle that new development should be through democratic consent.

There are also international examples. The TAMA 38 regime whereby residents vote for redevelopment accounted for 35% of the new homes in Tel Aviv in 2020.²² Houston gave residents the power to opt out of a rule change that would allow more housing; many chose to allow the housing because they saw benefits for them.²³

In South Korea, the Joint Redevelopment Project law allowed homeowners within the boundary of a proposed scheme to vote on whether to proceed with it. If 75% of them voted in favour, it went ahead and they shared the proceeds based on their original land holdings. It was targeted at designated ‘blighted’ areas with substandard and often unauthorized low-rise housing. That scheme could not be transposed directly to Britain: it forced dissenting homeowners out of their houses, and tenants got no vote. The backlash from tenants was one reason why the scheme was discontinued. But even though the combined areas where such votes were potentially permitted were only a tiny fraction of the total area of the city of Seoul, the scheme accounted for a high proportion of the new flats built in Seoul in the early 1990s.²⁴ It demonstrates the power of allowing residents to decide to receive the benefits of new development.²⁵

That was the idea behind neighbourhood planning, but it has been tied up with so many procedural knots and made so subordinate to higher planning rules that it cannot achieve its full potential.

The challenges of neighbourhood planning

Many residents have been frustrated after investing many years of work to build the required extensive evidence base for a neighbourhood plan, only to see its provisions ignored or flouted when permissions are granted despite clear policies in their plan. Some villages have struggled to allow housing for local people, only to see it be deemed contrary to ‘strategic’ policies of the local planning authority.

Another difficulty is that neighbourhood planning areas are often large, meaning that very large numbers of people must be coordinated at enormous time and expense. The process itself is too hard, with the requirement of an onerous evidence base – which should be unnecessary for a plan approved by a vote of the people who live there. The elected committee structure can sometimes mean there is too much blame avoidance and too many veto players, with no-one willing to put forward a courageous new vision for the area.

Despite all of the hurdles, there are positive examples: the Pimlico draft neighbourhood plan proposes that properly designed mansard roof extensions, as described below, should be allowed. Other plans, such as the Thorpe neighbourhood plan, have successfully allocated new sites for housing.²⁶ These demonstrate that extending the principle of enabling local people to allow more development can be powerful.

A range of approaches will be needed, depending upon the context.

Rural areas

In rural areas, the key is to preserve high quality areas of countryside and to ensure that local people can approve change when they want it, and do not see it forced upon them when they do not.

For example, just as in Thorpe, local people should be given true power to designate a low-quality area of green belt (or, as in CPRE's example of South Milton, a small part of an AONB) for high-quality housing, if they believe that it will enhance the area and deliver benefits for the community.²⁷ Much of the reasoning for this is set out in Mark Pennington's *Liberating the Land*.²⁸

That decision should be made by direct vote of the residents of the parish or village, to ensure that there is truly democratic consent. The viral video of Jackie Weaver at the Handforth Parish Council meeting has shown millions how dysfunctional parish councils can sometimes be. If the village is to approve substantial change, it is important that it should properly reflect the will of the residents.

A small step in that direction was taken when the National Planning Policy Framework was amended in 2018 to specify that Neighbourhood Development Orders could permit new homes in green belt, provided that the openness of the green belt would be preserved.^v In other words, the result after those new homes must still look like open countryside, with a few homes scattered in it. No matter how charming and beneficial new cottages may be, the village has no power to allow more than a few of them. That principle should be extended to allow the residents of the village to approve, if they wish, high-quality walkable development adjacent to the village even if it would not meet the openness criterion. It may be appropriate to compensate those closest to the development if they are adversely affected.

^v Partly following the suggestion in <https://www.adamsmith.org/news/forget-nimbys-it-is-all-about-yimbys-now>

Towns and cities

In towns and cities, residents should also have powers to allow more housing where they see the benefits.

Smaller groups of urban and suburban residents should be allowed to opt in to increased development rights in their own area, with rules to prevent spillover effects on others outside that area. Such areas could be as small as their own street, or their own block, as for example set out in the Strong Suburbs report, which has already won support from a broad range of organizations.²⁹

That can be done through an extension of the successful aspects of the neighbourhood planning regime, without the procedural obstacles that can make neighbourhood planning so challenging. The Government, in the Planning White Paper, has already expressed its interest in street-level design rules. Three recent proposals based on votes by residents seem promising.

Mansard roofs

In some areas of terraced housing, families would like another bedroom to create more space for children or a live-in relative. There is a traditional British solution in these circumstances: the *mansard roof*.

Figure 2: Mansard roofs above Victorian housing.



Source: Photograph by Samuel Hughes

For centuries the Georgians, the Victorians and the Edwardians used mansard roofs to create more living space when it was needed, at low cost and at minimal impact to the street. Because the roofs slope back from the street, they are generally unobtrusive to passers-by.

In today's era of expensive housing, it is inconceivable that the Georgians would have left so many terraced houses without a mansard roof addition, creating additional bedrooms. A recent report from Create Streets spells out carefully how homeowners can be given more freedom to do exactly that, while preserving the character of the street.³⁰ Where there is already a 'gap-tooth' effect because some properties have mansard roofs and others do not, it suggests a presumption in favour of mansard roof extensions so long as they comply with strict design rules to ensure that they are in keeping. Where there are no such roofs already, it proposes that residents of the street should be able to vote to allow every property on the street to add such a mansard roof, again subject to strict rules to ensure they are in keeping.

In some cases, such newly extended terraced houses might be divided into maisonettes, creating additional homes, as has already happened in many such houses. But simply adding more bedrooms where they are most needed is valuable in itself, because it relieves pressure on families squeezed into small spaces and lets parents have more children if they wish.

Street votes

With *street votes*, residents would have the power to nominate design rules for their stretch of the street.^{vi} If a large majority of them approve, the design rules are adopted and new construction consistent with the design rules will be approved if and when each homeowner decides to do it. They might decide to allow a particular form of side or upward extension for each house.

Alternatively, on a run-down street they might decide to be far more ambitious and allow each bungalow or pair of semi-detached houses or to be turned into much taller terraced houses of a specified design that make better use of their plots, creating far more homes for more families.

^{vi} between two crossroads, or between the end of a street and a crossroad

Figure 3: Before (left) and after (right) a potential ambitious street vote



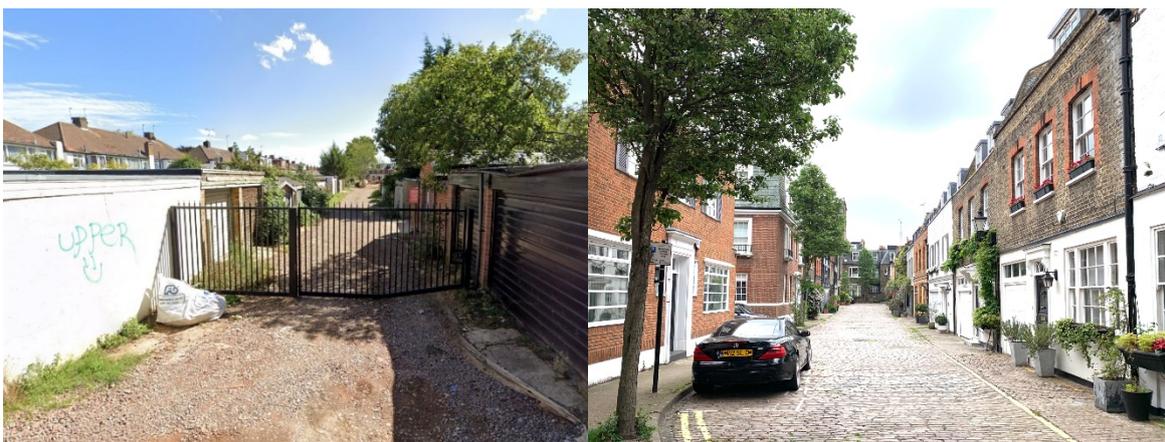
Source: Watercolours by Michael DeMaagd Rodriguez

Rules will be needed to ensure that neighbours, particularly those on other streets, are protected; the Strong Suburbs report lays out detailed proposals. But with careful protection against negative impacts on others, including questions of traffic, parking and congested services, there is no reason why residents of a single street should not have more power to allow development as they see fit.

Block votes (or ‘mews votes’)

With *block votes*, residents of the houses surrounding a plot of land – perhaps back yards, or back gardens and a patch of waste ground – would similarly have the power to decide what should be allowed within that area.^{vii} They might choose to allow each house to add a small cottage for a relative. If they are more ambitious, they might choose to allow attractive mews houses facing onto an existing disused and crime-prone back alley. In each case, they would merely be providing for permission; each homeowner would remain free to do as they like with their own property.

Figure 4: A suburban alleyway before (left) and after (right) a potential ambitious mews vote



Source: Photographs by John Myers

^{vii} See, e.g. <https://www.bloomberg.com/news/articles/2021-02-19/hyperlocal-zoning-can-expand-affordable-housing> and <https://www.planning.org/publications/document/9219200/>

Those residents are the people most affected by such development, because their own houses form a buffer between the new construction and other neighbours. Subject to proper rules to prevent spillover effects on others, they should have the power to decide for themselves.

Conclusion

To unite MPs behind it, the new Planning Bill should set out a vision for more development powered directly by local people, and should include enabling clauses to allow the Government to try these and a range of other schemes, to see which best deliver housing with local support. Allowing residents and local authorities to experiment and find what works well for them is the best way to ensure the delivery of high-quality, attractive properties and places at pace.

ENDNOTES

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