THE 'WICKED PROBLEM' OF PLANNING FOR HOUSING DEVELOPMENT

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Abstract

The problem of planning for housing development has never been wholly resolved in England but instead re-invented in different guises as successive governments have sought to reflect values and interests in ascendancy at any particular moment. This paper seeks to trace and explain how this has happened over the past 40 years, and especially between 1997 and 2010, by reviewing policy developments around the overall supply of housing land, the split between brownfield and greenfield locations and the extent to which market-based information has been considered relevant to planning decisions. The account points to policy evolution, rather than radical departure, and suggests limited manoeuvrability for policy-makers, when faced with wicked problems.

Keywords

Brownfield development, Housing land, Market signals, Planning policy, Wicked problems

INTRODUCTION

Disputes about housing land release have proved an inherently controversial feature of the British planning system. The economic importance of housing supply means that the British determination to achieve democratic control over the location of new housing has had much broader social and economic consequences. For two reasons, no settled consensus has yet emerged, or indeed is ever likely to emerge, around the crucial choices that have to be made about new housing development. The first concerns the acute divergence of interest between relevant stakeholders and especially between those who see exchange value in land and those who emphasise its environmental value. The second reflects the ambiguous nature of the planning system itself, which, while seeking to influence market outcomes such as the location of development, remains heavily reliant on the initiative of market actors for the delivery of important public policy goals such as increased home ownership.

Putting these two reasons together suggests that planning for housing development may well exemplify the kind of a wicked problem[1] described by Rittel and Webber (1973) which, as a result of elusiveness, subjectivity, uniqueness and complexity, distinguish social problems in open systems from scientific problems in closed systems.

Wicked problems are elusive because according to Rittel and Webber (1973), they have no definitive formulations, with the image of the problem gradually emerging alongside, and indeed

[1] Rittel and Webber (1973, p. 160) make clear that they use the term "wicked" to describe a problem that is malignant, vicious, tricky or aggressive, not one that is ethically deplorable.

reflecting, potential solutions. Moreover, there is no single definitive solution to a wicked problem – devoting more time and resources is always likely to produce an improved solution.

Wicked problems are essentially subjective since, according to Rittel and Webber (1973), potential solutions should not be seen as true or false, but rather as good or bad, the judgement of which varies according to individual interests, value-sets and ideological predilections. There can also be numerous explanations of why potential solutions have not worked, with people choosing the explanation that best conforms to their own 'world-view'.

Rittel and Webber (1973) stress that every wicked problem is essentially unique, even if it appears to be similar to previous problems, since some additional distinguishing feature will always be present.

Since every wicked problem can be considered a symptom of another problem, they are also highly complex. Potential solutions have repercussions that may not become apparent for some time and which may turn out to be utterly undesirable. As Rittel and Webber (1973) argue, neither can potential solutions be tested in advance by trial and error – they have to be implemented, leaving consequences that cannot be undone. It may never be clear if all potential solutions have yet been identified – when to stop looking for solutions is a matter of judgement. Despite these characteristics, planners are expected to find solutions to wicked problems and are held liable for the consequences of their actions by all those affected.

This paper therefore considers the extent to which planning for housing development should be regarded as a wicked problem by exploring how over at least the past 40 years, respective stakeholders have fought over three main policy questions:

1. Where the overall supply of development land is regulated by the State, what is the best way to manage and monitor the release of that land? This question can be traced back to the early 1970s, when worries about perceived shortages of building land began to attract political attention.

2. What should be the split between greenfield and brownfield development? This question can be traced back to a broadening interest in the concept of sustainability from the late 1980s.

3. What are the broader economic effects of State control of land release, and specifically what kind of market information is relevant in deciding planning policy? This question is a more recent addition to the debate. Although it began to emerge from the early 1990s, it remained of more peripheral concern to policy-makers until the early years of 21st century, when the Barker Review (2003 and 2004) placed it at the forefront of policy making.

The three main sections of this paper consider these questions in turn, especially in relation to urban areas. While the policy drama has been played out across the UK under its different devolved administrations, the paper concentrates on the record of the Labour Government in England between 1997 and 2010[2]. The final section summarises how the three questions have been addressed and evaluates whether they represent essentially wicked problems.

[2] In May 2010, after thirteen years in office, the Labour Government was replaced by a Conservative and Liberal Democrat Coalition Government, which immediately made significant changes to the English policy framework of planning for housing development. All Regional (Spatial) Strategies were revoked and the Regional Planning Bodies, responsible for their preparation, abolished. The National Housing and Planning Advice Unit was closed down and minimum housing density targets ended. Alongside these immediate decisions, it was announced that what was

MANAGING AND MONITORING THE SUPPLY OF HOUSING LAND

Even after a comprehensive planning system was introduced in 1947, large-scale greenfield development continued apace. In particular locations, it was driven forward during the 1950s and 1960s by public-sector development of new towns and peripheral local authority housing estates. During the early 1970s, the growth of speculative housebuilding, rapid house price inflation and greater public participation combined to bring land shortages on to the political agenda. These pressures created the potentially explosive political cocktail that all successive governments have sought to manage. Subsequent policy reviews and re-interpretations obscure one important fact - that the inherent controversy around housing land supply is not essentially a clash of techniques but rather of values and interests. To explain why particular technical approaches have been preferred in particular documents, we thus need to know which values and interests were in the ascendancy at that time.

Assessing housing need and demand

Demographic forecasts of population and household growth have long informed the amount of land allocated for new dwellings. Such forecasting is not an exact science but is open to much interpretation, especially around migration assumptions. Development interests have often argued that demographic forecasts underestimate likely growth, with environmental interests claiming the reverse. For most of the 1980s and 1990s, the Secretary of State, playing the role of final arbitrator, tended to side more with development interests and push final housing numbers above those proposed by local planning authorities. Two important changes then occurred. Procedurally, the Secretary of State largely withdrew from the role of final arbitrator even for structure plans, allowing more independence for local planning authorities. More importantly, in 1998, the new Labour Government adopted the approach of 'plan, monitor and manage' in which events on the ground, including the extent of housebuilding actually taking place, were to be accorded much greater influence in setting future levels of growth, and thus dispensed with the longstanding 'predict and provide' method, which had closely linked demographic forecasting to proposed housing numbers.

What seemed like an important victory for environmental interests was, however, short-lived. Although the concept of 'plan, monitor and manage' was embodied in the seminal revisions to PPG 3: Housing introduced in 2000 (DETR, 2000), within only three years the Government's appointment of Kate Barker to conduct a fundamental review of housing supply signalled the resurgence of development interests and their capacity to reframe an apparently technical agenda to their own advantage. Essentially, 'market signals' (see below) began to be placed alongside demographic forecasts in determining appropriate levels of housing growth.

Responding to Barker in 2005, the Labour Government thus set a target of 200,000 net additional dwellings each year in England, compared to the then provision of about 150,000 net annual additions (H.M. Treasury and ODPM, 2005). Two years later, at the height of the housing boom in mid-2007, the building target was raised to 240,000 net additional dwellings each year in

described as the 'top down target culture' of the previous Labour Government would be replaced by a new emphasis on 'localism' in which local authorities would be rewarded for encouraging new development by such incentives as reaping the full benefit of council tax receipts on new dwellings for a period of probably seven years. These changes are beyond the scope of this paper, and represent the start of a new era in planning for housing development, creating yet another approach to addressing the wicked problems reviewed here, which itself will no doubt become an important focus for evaluative research in the future.

England, intended to produce two million new homes by 2016 and three million by 2020 (DCLG, 2007a).

Managing the release of land to meet housing need and demand

Over the past three decades, managing housing land release has become as important a policy function as forecasting need and demand. The concept of a readily available five-year housing land supply can be traced back to Michael Heseltine's time as Secretary of State for the Environment in the early 1980s. Here, two early circulars proved particularly influential. Department of the Environment Circular 9/80 introduced the requirement for a five-year land supply and for housing land availability studies undertaken jointly by local authorities and the housebuilding industry (DoE, 1980a). In the absence of a five-year supply, Circular 22/80 introduced "a presumption in favour of granting planning applications for housing, except where there are clear planning objections" (DoE, 1980b)

For at least the next decade, housebuilders achieved a privileged position within the policy-making process, through their involvement in Joint Housing Land Availability Studies. By the late 1980s, however, the system had degenerated into one characterised as 'planning by appeal' whereby local authorities clearly unable to demonstrate an effective five-year land supply found Heseltine's successors as Secretary of State regularly ruling in favour of appeals brought by housebuilders. Some balance was restored when the Planning and Compensation Act 1991 raised the status of development plans in decision-making. This, combined with brownfield targets of 50% from 1995 and 60% from 1998 (see below), reflected the increasing influence of environmental interests during the 1990s and their success in moving the policy agenda much more in the direction of sustainability.

This success perhaps reached its high point in the revisions to PPG 3 in 2000, in which Urban Capacity Studies finally replaced Housing Land Availability Studies, and a sequential test was introduced allowing local planning authorities to resist greenfield development while suitable brownfield sites remained undeveloped. Urban capacity studies were seen by Murdoch (2004) as the technological means by which the 'brownfield first/greenfield last rationality' was promoted centrally, although their lack of methodological precision meant that competing rationalities could survive, if individual local authorities preferred.

By 2001, however, the total number of new dwellings completed in England had fallen to a then record post-war low of 129,500, compared to almost 164,000 in 1990. Development interests blamed the planning system for their lack of achievement and were successful in urging another major policy revision in 2006, with the publication of PPS 3: Housing.

It is arguable that PPS 3 (DCLG, 2006) rewound the clock not simply to 2000, but well before it. Urban Capacity Studies were abandoned, and the sequential test apparently discarded (although an important appeal decision later suggested that had not been the case[3]). Instead, local authorities were required to identify not merely an immediate supply of deliverable housing sites for the first five years of a local development framework, but also a further supply of potential development sites for the next five years, together with either yet more sites or broad locations for growth for the following five years. Paragraph 34 of PPS 3 defined deliverable sites as those already available, which offered a suitable development location contributing to the creation of sustainable mixed communities and which had reasonable prospects of development within five years.

[3] http://www.communities.gov.uk/documents/planning-callins/pdf/197530.pdf

Significantly, Housing Land Availability Studies re-emerged in PPS 3 (albeit with broader stakeholder involvement) as Strategic Housing Land Availability Assessments (DCLG, 2007b). Unlike Urban Capacity Studies, Strategic Housing Land Availability Assessments were expected to look for suitable housing sites "in rural settlements, brownfield sites outside settlement boundaries and suitable greenfield sites, as well as broad locations" (DCLG, 2007b, paragraph 16). SHLAAs were matched by Strategic Housing Market Assessments (DCLG, 2007c), which were intended to provide local authorities with the necessary market data and information for decision-making.

Even before Barker reported, it had become apparent that significantly increased output from the housebuilding industry would require the Government not merely to relax its regulatory framework but to take more direct action to boost supply. This realisation had initially been reflected in the Sustainable Communities Plan of 2003, which promised an additional 200,000 new homes on top of those previously planned in four growth areas in the south-east of England, at a cost of over £22 billion (ODPM, 2003). Alongside this, action was taken to tackle low demand and abandonment affecting over a million homes in the Midlands and North, by setting up nine housing market renewal pathfinders.

By 2007, to move towards an annual housebuilding target of 240,000 new dwellings in England, the Government committed itself to a further 150,000 to 200,000 new homes in the next round of Regional Spatial Strategies (in addition to the 1.6 million included in the RSSs then current), another 150,000 homes to be built through two rounds of the Growth Points initiative and between 25,000 and 100,000 planned further homes in five eco-towns (DCLG, 2007a). Ironically then, in the period immediately before the collapse in speculative housebuilding and towards the end of the longest period of postwar growth in the UK, the Labour Government geared itself up for a further major housing expansion, believing this was essential to meet housing demand.

BROWNFIELD REDEVELOPMENT

In 1995, John Gummer, the last Conservative Secretary of State for the Environment, introduced the first brownfield housing target requiring 50% of all new homes in England to be built on re-used sites (DoE, 1995). Two strands came together to drive this policy change. On the one hand, urban regeneration had become an increasingly important part of Conservative thinking, especially where driven by the private sector. On the other hand, the growing influence of sustainability from the late 1980s caused a fundamental review of Government thinking towards the environment, and demanded tangible action across a broad range of policy fields. A brownfield target thus offered a clear opportunity for Gummer to bring together sustainability and urban regeneration.

Despite initial concerns that the 50% brownfield target would not survive the election of a Labour Government in 1997, John Prescott, the incoming Secretary of State, actually decided to announce a more ambitious commitment, reflecting increased emphasis on urban regeneration or urban renaissance, as it was later termed by the Urban Task Force (1999). Accordingly, as the revised PPG 3 made clear: "The national target is that by 2008, 60% of additional housing should be provided on previously-developed land and through the conversion of existing buildings" (DETR, 2000, paragraph 23). This national target was to be translated to each region and thence to each local planning area. During this process, Prescott enthusiastically set out increasing regional brownfield targets (Adams and Watkins, 2002) and declaring success as each year's Land Use Change Statistics (LUCS) were published.

Unfortunately, however, brownfield targets encouraged politicians to think that mere target setting was enough to deliver regeneration on the ground. Indeed, political concentration on the relative proportion of housing (rather than the absolute numbers of homes) built on brownfield land, disguised the limited real achievements of the Labour Government's initial term. For while the relative proportion of new homes built on brownfield land or achieved through conversions rose from 56% in 1997 to 64% in 2003, the number of homes actually constructed there fell from 83,716 to 82,899 – virtually the same absolute figure as in 1993 (Adams *et al*, 2010). In other words, relative success in relation to the brownfield target was more than cancelled out by the overall decline in housebuilding at that time. This disappointing absolute brownfield performance was turned round only from 2002 onwards. Here, two factors were crucial.

First, the Sustainable Communities Plan introduced a more explicitly interventionist approach to brownfield development from 2003 to underpin the target figure. This involved "a new strategic role" for English Partnerships "… to find and assemble land, especially brownfield and publicly owned land, for sustainable development" (ODPM, 2003, p. 40). Crucially, English Partnerships was charged with developing a comprehensive national strategy for brownfield land and allocated over £500 million over three years to find and assemble housing sites. Although this was not devoted entirely to brownfield development, it enabled the agency to play a central enabling role in developing the Thames Gateway, the fourth and largely brownfield growth area identified in the Sustainable Communities Plan. Other actions taken by English Partnerships included recourse to compulsory purchase powers to assemble brownfield land and an explicit programme targeted at the 17,000 hectares of hardcore brownfield land registered on the National Land Use Database, which had remained vacant or derelict since 1993. By 2005, the results of this more interventionist approach to brownfield land were beginning to show, with almost 123,000 dwellings completed on brownfield sites in that year (Adams *et al*., 2010).

Secondly, the rapidly rising housing market in the period up to 2007 made brownfield development increasingly lucrative for the speculative housebuilders, especially in city centres. Crucially, in a rising market, policy operated by making brownfield development a more attractive business proposition through choking off opportunities elsewhere. This micro-economic linkage was recognised by Barker (2003, p. 147) who commented that "Additionally, constraining the supply of greenfield land will increase demand for brownfield land. This will increase the price of brownfield land which should consequently promote increased supply as the value of brownfield land for housing comes to exceed its alternative use value." In short, economic imperative proved as important as political dictat in promoting brownfield redevelopment.

PLANNING AND MARKET SIGNALS

Despite widespread academic debate since the late 1980s on the economic impact of the planning system (see, for example, Bramley, 1993: Cheshire and Sheppard, 1989 and 1996), this debate had little direct impact on planning policy before Barker's (2003 and 2004) review of housing supply. Her findings produced intense policy interest in housing affordability, as summarised in the Housing Green Paper:

> *"House prices have risen more quickly than earnings in all regions. On average, lower quartile house prices are now more than seven times lower quartile earnings. This is not just a problem in the south. Affordability problems in the northern regions (measured as the ratio of lower quartile house prices to earnings) have risen sharply since 1997. In some areas the ratio has more than doubled. For example in Warrington, affordability has worsened by 140% with the ratio reaching nearly eight times income in 2006." (DCLG, 2007a, paragraph 18).*

What most sharply divided opinion was Barker's conclusion that the UK's above average house price inflation and worsening affordability could be attributed to a restrictive planning system and hence could be alleviated by significantly greater land releases. It is not the place of this paper to review both sides of this argument in detail, but it is worth highlighting the work of CPRE (2007) and Cheshire (2008) as well-argued contributions to the debate on whether, and to what extent, house price inflation would weaken and affordability improve, if much higher levels of housing development were to be permitted.

The Government itself saw strong connectivity between housing growth and affordability, commissioning and publishing a controversial affordability model (ODPM, 2005a) and establishing the National Housing and Planning Advice Unit, which in 2008 produced a much-disputed target range for future housing growth in each English region (NHPAU, 2008). Significantly, both were predicated on macro-economic modelling, which sought to link house prices, earnings, migration patterns, household formation and employment to land release at the regional level. This reflected the increasing role of economics in driving spatial policy, to the extent that the Department for Communities and Local Government had begun to think of itself as an 'economics department' (DCLG, 2007d). However, it remained unclear how the results of such regionally-based analysis would connect with the institutional structure and micro-economic construction of local markets and importantly, whether substantially higher levels of housebuilding, even if achievable, could be reconciled with urban regeneration and the brownfield target.

Nevertheless, Barker's call for the planning system to be more responsive to market signals was reflected more strongly in the 2005 consultative draft of the new PPS 3: Housing (ODPM, 2005b), than in the final version, which emerged a year later (DCLG, 2006). While the former proposed that speedy take-up of allocated development sites might trigger further immediate releases, the latter contained only a more general expectation for local planning authorities to take market information in account. Moreover, research commissioned by the DCLG (2007e) highlighted both the complexity of incorporating market signals within the planning process and the impossibility of finding a relevant common indicator for this. A Government advice note issued at the same time recommended caution in the use of simple quantitative demand indicators and suggested that there was no substitute for a thorough Strategic Housing Market Assessment (DCLG, 2007f)

CONCLUSIONS

This paper has reviewed three main policy questions around planning for housing development contested by respective stakeholders over the past 40 years, and especially between 1997 and 2010. In each case, what comes across most sharply is the incidence of conflict, turbulence and at times, simple re-invention of wheels that have been previously discarded, rather than mutual learning or progression towards an agreed rationality.

The first question concerned the best way to manage and monitor land release. Debates here demonstrated how hard it has proved to secure consensus around long-term development targets or even to establish agreed methodologies to monitor short term progress.

The balance between greenfield and brownfield development was the focus of the second question. Here, what Ministers failed to grasp until too late was the enormous challenge involved in persuading the speculative housebuilding industry to create sustainable communities at brownfield locations rather than peripheral estates at greenfield locations.

The third question centred on the relevance of market-based information to planning decisions. Despite comprehensive planning legislation, governments over the past 40 years have become increasingly dependent on the private sector to initiate development. That explains why more market-orientated forms of planning can be traced back at least to the early 1980s, when government circulars on housing land release began to reflect the interests of those in the private sector responsible for housing production. In this sense, increased concern with market signals within planning policy is not entirely new, but rather represents the most recent capture of the relevant technical agenda by development interests.

These insights highlight the inherent 'wickedness' of planning for housing development as a policy problem in the sense that it is indeed characterised by elusiveness, subjectivity, uniqueness and complexity. Successors to the Labour Government of 1997 to 2010 will do well to recognise and take account of these characteristics. Elusiveness is evident in the uncertainty around whether the problem is really about land shortages, low rates of production or house price inflation, or some combination of these three. The different policy 'solutions' recommended by those who see either environmental or exchange value in land reveal how essentially subjective is any definition of the problem. While there may be much common debate around new housing development across the country, local twists in market conditions, political alliances and development actors make it hard to predict planning outcomes and ensure the uniqueness of each new occasion the problem is rehearsed. Finally, the complexity of planning for housing development helps explain the short shelf life of perceived solutions, which appear to come and go (and sometimes come back) at a rapid pace. Thus, reflecting Fischer's (2003) view that policy frames determine what actors perceive to be the facts and the normative prescriptions these generate, although no Government may ever be able to solve the problem of planning for housing development, each will be likely to re-frame that problem to serve the particular interests then in the ascendancy.

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