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Urban Governance, Policy, Planning and Housing

It goes without saying that housing is central to and shaped by urbanisation processes. The design of homes has a primary bearing on the spatial footprint of cities, and the relationship amongst housing, transport networks and employment, determines the special logic of urban regions. The location and quality of homes within their neighbourhood context may also reflect cultural and individualised norms and preferences whilst also reinforcing societal differences in wealth and access to economic opportunity. For all of these reasons, housing should occupy a central focus of contemporary urban governance and planning. Yet in many nations, housing has failed to sustain this focus. Under the wider influence of neoliberalism, government intervention—through the delivery of public housing or the regulation of private development—has been seen to inhibit the housing market.

This is despite the co-evolution of housing and urban policy over the late nineteenth and early twentieth centuries. Concerns about the inadequate housing conditions of the industrialising cities, particularly in the UK, America, and parts of Europe, gave rise to the earliest public health laws which served as the precursors to modern urban planning

regulation. However, in many ways and in many nations, housing has been relegated to one of a number of thematic concerns facing urban policy makers—alongside transport, commercial and industrial development and environmental protection to name a few. Further, many other policy arenas have direct or indirect implications for housing which, if not considered explicitly within an urban policy framework, can lead to perverse outcomes. For example, whilst an emphasis of contemporary urban policy and planning is to manage the outward expansion of growth, to ensure the location of new housing development in serviceable areas near employment centres, and to preserve environmental resources, fiscal policies often encourage investment in housing as an asset class or source of government revenue, whilst economic policies might seek to maximise new housing construction for regional and local employment.

In this context, this chapter introduces the evolution of modern urban planning, then outlines contemporary normative urban planning goals and their implications for housing as an organising force in urban and regional structure. This sets a framework for the second half of the chapter, which explains the basic rationale for urban planning as a particular form of government intervention in the urban development process (as opposed to other instruments for controlling land use and construction, such as building codes and private property law). The chapter also explains the key elements of the planning process as a basis for comparing systems from different countries and the potential implications for new housing development.

Evolution of Urban Planning and the Regulation of Housing Development

Accounts of early urban settlement planning provide an interesting reference point for contemporary approaches. Early laws about land use prevailed in ancient Greece by about 750 BC (Mumford 1956), governing the location, density and design of buildings by 330 BC, with provisions for financing and maintaining shared facilities

necessary for the protection of ‘common life’ (Haverfield 1913). Medieval English building controls also resembled contemporary regulations—addressing issues such as shared (party) walls, gutters and lavatories (Booth 2002). Evolving as part of the common law concept of nuisance, these rules were designed to resolve disputes between neighbours, rather than wider problems arising from uncoordinated development.

By the nineteenth century, rapid industrialisation and urban migration to the cities, of Britain, America and Europe had resulted in chronic urban problems. An epidemic of cholera in English industrial cities in the late 1830s prompted an inquiry into the sanitary conditions of workers. Ultimately this report, led by Edwin Chadwick, resulted in the passage of the *Public Health Act* in 1848, which set standards for drainage, ventilation and lighting in the construction of new dwellings. In 1875, the remit expanded to requirements for rear gardens and minimum road widths between homes (Hall 1996). Similar processes were occurring across the Atlantic. Substandard tenement housing in the rapidly growing New York City, saw the first *Tenement Act 1867*, which mandated minimum health and fire safety standards in tenement construction (Hall 1996). A series of subsequent laws sought to address the housing conditions of the poor until the enactment of the comprehensive *Tenement Housing Act 1901*, which formed the basis for much of the later housing legislation in New York City, and was echoed in other major cities of the USA.

By the early twentieth century, awareness of the spatial implications of urbanisation processes—particularly the depopulation of rural areas and the overcrowding of cities—crystallised as a more coherent framework for town and country planning. One influential proponent of the new town planning movement was Patrick Geddes, originally from Scotland, whose work led to the first social housing schemes in the form of state sponsored and voluntary housing co-operatives for students and artists in Edinburgh (Hall 1996). Another was Ebenezer Howard, whose ‘Garden City’ model, first articulated in his 1898 book: *To-morrow: A*

Peaceful Path to Real Reform, was particularly influential (Hall 1996). Howard's model was for new, self-contained towns serviced by modern mass transit. Accommodating populations of around 32,000 people and occupying roughly 1000 acres enclosed by green belt, the garden cities movement sought to improve housing standards by lowering residential densities.

The passage of the *UK Housing and Town Planning Act* in 1909, enabled the preparation of land use planning schemes to coordinate new development according to the garden city principles:

“In a sentence it means development on public welfare lines as against the present aimless methods, under which one owner lays out a street which another owner ignores and blocks when it does not coincide with what he may conceive to be the welfare of his own estate.” (Aldridge 1909, p. 187)

By turning legislation towards health and housing quality, advocates of the modern town planning movement conceived of planning for improved housing conditions as a means of social reform (Hall 1996). The main innovation of the 1909 *UK Housing and Town Planning Act* was the notion that local authorities should guide the form of private development in the public interest (Booth 2002).

The ‘welfare economics’ case rests on five key arguments: (1) management of ‘externalities’—the spillover effects arising from development; (2) the protection and provision of public goods; (3) the promotion of social fairness in urban development; (4) the sharing of information to coordinate decision-making and urban investment; and (5) the potential problem of monopolies in the land market. These are discussed at greater length in Chap. 3.

In short, the British town planning system introduced the notion of the public interest for which private preferences and rights were subservient under regulatory planning instruments and decisions. Concerns about the costs of compliance with new schemes (which would impose new controls on ventilation, and open space), were to be offset by savings in coordinated infrastructure provision as well as the general benefits

arising from greater certainty across the system (Aldridge 1909). It was recognised that new homes in garden suburbs would not be affordable to lower-income ('unskilled') wage earners. Rather than a regulatory planning response, it was argued that more direct government intervention through wage reform and/or subsidised housing provision would be needed to ameliorate the pressures in the lowest sector of the market.

In fact, local authorities in the UK did provide high levels of lower-cost rental housing as part of the roll out of the new planning schemes. There was also a well-established tradition of firms providing housing for their employees, with perhaps the most famous example being 'Bourneville', a model village developed by the Cadbury family to improve the health and living conditions of their own workforce. However, in other countries—such as the USA and Australia, the focus of early planning legislation was primarily on physical design controls or density rather than the housing needs of lower-income groups (Marcuse 1980). Worse, in many cases concern for overcrowding became a mandate for the demolition of low-cost rental (tenement) housing often without clear arrangements for housing the displaced.

Thus, to the extent that Garden City ideas influenced housing developments in the USA, the emphasis was on neighbourhood design and of regulating density. Despite initial attempts to improve housing conditions through comprehensive land use planning, the introduction of zoning (in New York City from 1916), enabled the restriction of density to reduce "dangerous concentrations of potential malcontents" with added benefits of being able to exclude such "malcontents" ... from the better residential areas (Marcuse 1980, p. 170).

The period following World War II saw strong involvement by governments in the development of infrastructure and housing. Although the degree and form of this intervention varied, post-war reconstruction in Britain and Europe, and the population boom in Australia and North America, legitimised significant public expenditure on infrastructure and urban development (including public housing). Coinciding with the increasing trend towards comprehensive spatial plans, at metropolitan and regional scales, public funding for roads, power and water infrastructure was critical for realising the envisaged patterns of growth,

and the role of the state in supporting public provision and managing private development was largely uncontested.

Regional planning efforts emerged in the USA and UK during this period as well. The key concern was spatial unevenness in economic development and the potential for government strategies such as infrastructure investment, favourable tax settings or regulation to promote more balanced growth.

The urban planning profession was increasingly institutionalised, with the passage of modern legislation such as the UK's *Town and Country Planning Act 1947*. The Act 'nationalised' development rights, meaning that the right to develop would not be conferred by zones in a land use plan (in fact zones were dropped in the 1947 legislation), but rather that proposals would need to undertake a discretionary assessment process. Meanwhile in the USA, local authorities increasingly adopted land use zoning, in many cases with the expectation that zoning schemes would improve property values (Fischel 2004).

This was also a period of significant suburban expansion, facilitated by growing private car ownership and the construction of major road infrastructure to accommodate the new traffic. Planning was conceived as a form of physical design, albeit for the public good (Taylor 1999), with implementation of major schemes assured through direct government provision of infrastructure and often housing as well. This public sector development is sometimes described as 'positive' planning, in contrast to passive 'reactive' or 'negative' planning which relies entirely on regulation of private development. Nevertheless, regulatory planning frameworks played an increasingly strong role in delimiting the location, density and design of private development, particularly residential neighbourhoods. For instance, in the USA, restrictive suburban zoning—which predominantly permitted single dwelling homes on their own allotment—became an instrument for dividing suburbs and neighbourhoods based on housing type, tenure and social groups (Fischel 2004).

Thus, zoning exacerbated the chasm between older inner city areas and the new suburbs, during a period of profound economic restructure as industry and population began to leave the inner core. In the 1980s, the wave of neoliberalism which spread in many parts of the world led to a period of further 'destructuring', including deregulation and privatisation,

funding cutbacks to social and urban services, and often the devolution of fiscal and administrative responsibilities to local governments (Brenner 2002). A consequence has been increased reliance on private finance and public private partnerships to fund major infrastructure programmes, user pays models, and, arguably, increased unevenness in spatial development. In many cases states and municipalities began to adopt entrepreneurial strategies, competing for external investment by offering attractive financial or regulatory incentives (Brenner and Theodore 2002; Harvey 1989).

Reforms to the British planning system introduced by Margaret Thatcher during the early 1980s sought to reduce perceived barriers to growth and investment, by introducing special 'enterprise zones' in designated areas in place of local controls (Allmendinger and TewdwrJones 1997). In other countries, the spread of neoliberal political ideas has also meant an ongoing challenge to the legitimacy of regulatory planning systems (Gleeson and Low 2000b; Gurran et al. 2014; Gurran and Ruming 2015) along with profound changes to local government and the provision of urban infrastructure (Sager 2011; Warner 2010). The implications of these changes are discussed in the case study chapters which follow, but it is important to note the political and ideological basis for many of the new millennium critiques of regulatory planning as a constraint to private development (Davoudi 2011).

Thus, the rise of neoliberalism and the closely associated economic and social process of 'globalisation' has had profound impacts on cities and regions. Globalisation—the global process of economic and cultural integration—has been facilitated by rapid advances in telecommunications and information technology (Castells 2010). It was hoped that such advances would reduce the need for spatial concentration in the major economic centres, enabling workers and firms to locate virtually anywhere. Instead, increased virtual connectivity has intensified and deepened social networks both globally and locally, often expressed spatially in the rise of mega city regions (Castells 2010; Gaspar and Glaeser 1998). At the same time, the demand for housing no longer derives solely from the local population but from international firms and investors, contributing to price inflation. Thus, a sharp socio-spatial polarisation has emerged in many global cities as high-income knowledge workers cluster in close proximity to opportunities whilst lower-paid workers

undertake lengthy and expensive commutes, constrained by inadequate housing choice (Brenner 2002).

The rise of neoliberal political ideas and agendas—particularly those surrounding deregulation, marketisation and privatisation—have had particular implications for the operation of urban planning systems. In many jurisdictions, the lexicon has shifted from urban ‘planning’ to urban ‘governance’ to reflect the increasingly blurred distinctions amongst government, private enterprise and civil society (Brenner 2002; Gleeson et al. 2004). In many jurisdictions, the social welfare objectives underlying the modern town planning initiatives have given way to objectives for economic growth through entrepreneurial urban governance (Brenner 2003). For planners charged with the role of regulating the location and form of new development, the notion of an entrepreneurial governance implies a blurring of the distinctions between public good regulation of private enterprise (Allmendinger and Haughton 2009; Steele 2009). Thus, planners are encouraged to negotiate with and between developers and communities to achieve consensual outcomes, facilitating rather than regulating growth.

The Sustainability Paradigm

Alongside neoliberalism, but with a very different focus, the ‘sustainability’ paradigm also emerged during the late 1970s and early 1980s. Encapsulating both traditional planning concerns for environmental protection and conservation, and more contemporary issues such as resource depletion, global warming and climatic change, the sustainability agenda has had a profound influence on ideas about the ideal urban form as well as the focus and nature of regulatory planning processes.

Since the late 1970s at least, environmental and often town planning legislation in most nations has incorporated objectives relating to environmental and heritage protection. Early environmental and heritage protection efforts were translated into strict controls managing development in environmentally sensitive or conservation areas. Concerns about public participation and fairness in decision-making, the loss of urban heritage and pollution, also began to influence legislation during this time (Hall

1996). Town planning laws began to include provisions to consult with members of the public when new plans were made and major projects considered.

The goal of 'sustainable development' was first articulated by the World Commission on Environment and Development (WCED) in 1987, as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (WCED 1987). This has been further explained to address threefold economic, social and environmental concerns when allocating land and assessing development (Campbell 1996; Jepson 2001). Subsequent interpretations have extended the notion to 'ecological sustainability' (which emphasises ecosystem protection and enhancement as paramount, and does not presuppose a development outcome). More recently, concepts such as 'carbon neutrality' (development which does not increase greenhouse gas emissions which contribute to climate change), and 'resilience' (the capacity for natural and human systems to adapt to pressures and threat), have also begun to infuse environmental and spatial planning documents and laws (Carbonell 2010; Pickett et al. 2004; Romero-Lankao 2012).

In practice, these influences have given rise to a particular approach to spatial land use allocation and development control, informed by ongoing research and debates regarding sustainable urban form and the impacts of different types of development (Jenks et al. 1996; Neuman 2005; Newman and Kenworthy 1999). The sustainability paradigm has also influenced thinking about the ways in which decision processes should be carried out, particularly the need to integrate a variety of potentially competing social, cultural, economic and environmental considerations associated with proposed developments, the wider downstream or regional impacts, and impacts over time (Healey 1997).

The creation of safe, healthy and functional living environments, whilst minimising negative social, economic or environmental impacts of private development, have long been a central rationale for modern urban planning. But the sustainability agenda extends this mandate and also challenges it. For instance, the separation of potentially competing land uses has been a hallmark of modern Anglo American planning, particularly through land use zoning in the nations which adopted it. However, with the rise of the private motor car, the separation of land uses in this

way has given rise to new environmental problems (car dependency, traffic congestion and air pollution) as new homes were located separately from work and other services. More 'sustainable' approaches to land use planning emphasise mixed uses, preferably around public transit to reduce car dependency and to contain urban development through higher-density housing forms (Newman and Kenworthy 1999; Talen and Knaap 2003).

Environmentally sustainable forms of urban planning also seek to preserve and enhance biodiversity, protecting species of plants and animals and the ecosystems on which they depend, by avoiding development in highly sensitive locations, and by managing the impact of development that does occur (Beatley 2000). Providing for connectivity between important animal habitats through linked areas of native vegetation can be an important strategy for preserving and enhancing biodiversity through the planning process. The use of green buffer zones can also be an effective planning strategy for protecting important ecosystem values. Such controls may however, imply costs for private landowners in limiting the development potential of their land or in requiring studies and preservation/remediation activities to accompany development which does occur.

Increasingly, the sustainable planning agenda extends to the use and reuse of resources and energy in the development and ongoing life cycle of homes and buildings. Such considerations range from design and orientation for solar and thermal efficiency through to the sourcing of building materials and appliances. There is growing interest in the potential for more sustainable and decentralised forms of infrastructure as alternatives to coal powered electricity and large scale water distribution networks, through neighbourhood and even site level wind, solar, water and waste facilities. Thus, there are debates about the merits of implementing these practices through regulatory requirements, which create a larger market for new environmental technologies, but also mean upfront costs borne by the early adopters required to incorporate sustainable design features and appliances in their development.

A number of voluntary environmental certification programmes seek to encourage the private sector to shift to more sustainable forms of building design and construction. Governments and non-profit organisations have

also used their own development activities to demonstrate innovation in sustainable building design, with particular examples in the social housing sector (Chance 2009; Dewick and Miozzo 2004). However, systematic government initiatives—and particularly planning and building regulations—play an important role in standardising these approaches and promoting wider adoption through industry practices (Retzaff 2009). At the same time, industry sectors have often challenged the imposition of sustainability requirements by state or local governments. These issues are discussed further in Chap. 4. But it is worth noting at this juncture that empirical evidence on the costs of environmental regulations is limited, and likely to be offset by lower expenditure on heating, cooling and water over the life of the dwelling. In a comprehensive survey of the relationship between environmental regulations and housing costs in the USA, Arthur Nelson and colleagues concluded that:

Despite anecdotal information and intuitive feelings to the contrary, we found that in general the environmental regulatory process does not add significantly to the cost of housing; that it does not significantly increase the amount of time housing developments require to complete; that the costs and time delays attributable to the environmental regulatory process have not increased significantly during the past thirty years or so; and that the benefits homeowners, society, and developers derive from the environmental regulatory process are considerable. (Nelson et al. 2009, p. xxi)

As well as the environmental aspects of sustainability, much urban planning scholarship and policy emphasises the need to promote social dimensions of sustainability (Dempsey et al. 2011). These include both equities of access to economic and social opportunities and amenities, as well as more abstract notions of community cohesion, health and well-being (Vallance et al. 2011). Social sustainability is thought to be achieved through physical planning strategies which support a strong public realm, a range of community facilities, opportunities for active transport (such as walking and cycling), as well as diverse and affordable housing opportunities (Wheeler 2013). Affordable housing in this context intrinsically depends on accessibility within the built environment to key services, employment and educational facilities, through public

transport, opportunities for walking and cycling, as well as proximity to green space, social networks, culture and recreation (see Dempsey et al. 2011a, pp. 92–93).

Increasingly, community and public health concerns associated with urban living conditions are also considered an important part of the social sustainability agenda. As outlined earlier, connections between housing conditions and health have long been recognised. Whilst the focus of health and sanitation reforms in the nineteenth and early twentieth centuries was on the squalid housing conditions and consequent ill health of the poor, by the late twentieth century a new set of health concerns arising from the location and design of housing had emerged (Wells et al. 2010). In addition to recurring issues arising from unresolved affordability pressures (such as inappropriate housing conditions, overcrowding etc.), a range of other health issues associated with the location and design of housing may also affect wider sectors of the population. These include obesity and cardiovascular diseases associated with a sedentary lifestyle and poor nutrition, which in turn is linked to high rates of car-based commuting and inadequate access to sources of fresh food, or opportunities for physical activity, particularly in open space (Forsyth et al. 2008; Garden and Jalaludin 2009). Additionally, respiratory diseases arising from exposure to air pollution (again a problem arising from traffic congestion) can affect all sectors of the population (Rauh et al. 2008), as can the presence of crime related to rapid urbanisation and poor urban design (Cozens 2008).

These issues are intrinsically associated with the location and design of housing, particularly as it relates to transport and urban form. The location of homes relative to opportunities for employment and other services, and the availability and type of different forms of transportation, can have a significant influence on levels of air pollution and on physical activity (Frank and Engelke 2001). In particular, walking and cycling for transport is more prevalent in places with good access to shops and services, and safe and interconnected street networks (Forsyth et al. 2008). Further, access to attractive areas of open space is thought to increase rates of walking and other physical activity (Frank et al. 2007; Wen et al. 2007), as well as enhance mental well-being (Frank and Engelke 2001). In turn, increased walking is thought to encourage interactions between neighbours, contributing to a sense of

community which is also associated with positive mental health benefits (Wood et al. 2010).

Higher- and medium-density housing with good access to public transport, as well as a quality public realm incorporating infrastructure for active transport and open space, is thought to offer a strong design framework for promoting public health through the built environment (Sallis et al. 2006). However, there is also concern that higher-density housing near major traffic arteries is associated with increased exposure to airborne pollutants, and a need to consider the spectrum of urban form and design considerations in the context of climate change (Bambrick et al. 2011). For instance, it is also argued that detached homes with gardens may offer better opportunities for urban cooling, self-provision of food and outdoor pursuits (Gleeson 2008).

All of these debates have influenced the ways in which central governments have devised overarching planning policies for interpretation through local regulations governing the location and design of residential subdivision, housing density and diversity, the provision of open space and community facilities, and so on.

Sustainable Planning Versus Economic Development

There is often an assumption that ‘development’ per se contributes to economic benefits, because of the direct and flow-on impacts of the development process itself. These impacts include jobs in construction and related industries, and the prospect of local population growth, which in turn boosts local demand for goods and services. However, the sustainability paradigm implies a stricter test of economic benefit, such as the need to ensure balanced and sustainable employment opportunities, supported by complementary configurations of land uses, infrastructure and services (Roseland 2000).

In a version of the early complaints about town planning laws as an impost on private property rights, it is often argued that by seeking to control development (even in pursuit of sustainability goals), urban planning regulations constrain economic growth (Campbell 1996), and distort the market by undermining competition between different industries or

developers (Kim 2011). Whilst we do not address such arguments in detail in this book, it is important to consider the implications of government regulation on private sector housing production which, as already noted, is often considered a significant form of economic growth itself.

It is important to note at this juncture that the welfare economics view of planning has weathered considerable attacks over the past century. As noted earlier, from the late 1960s and 1970s onwards, assumptions about the role and efficacy of government intervention in the market came under increasing scrutiny and challenge (See Klosterman 1985; Webster 1998 for reviews). There were ongoing debates that the increasing 'regulatory burden' imposed by the planning process would deter development, unfairly constrict property rights (Alexander 1994; Klosterman 1985; Moore 1978), or simply facilitate private speculation and wealth accumulation through property investment (Sandercock 1975). Such themes continue to fuel contemporary debates about the role of the planning system in constraining housing provision and/or in being hijacked by self-interested home owners intent on preventing change to preserve neighbourhood property values. Overall, however, these challenges have shaken but not fully dismantled the overarching rationale for the planning process or the widespread acceptance of regulatory planning as the 'least worst' arrangement for managing the multiple issues and interests associated with urban development.

Elements of the Planning System, and Implications for Housing

Whilst arguments in favour of formal regulatory planning systems are almost universal, procedures for land allocation, and approaches to development control, differ. These differences may offer important insights into why some housing markets in some countries seem more able to adjust to changing demand by producing more new homes than other countries (Ball et al. 2010). For instance, in the UK, whilst a national planning system prevails, each of the self-governing territories (Wales, Scotland and Northern Ireland) also have their own planning laws and processes. In the USA and Australia, urban planning is the responsibility of state and local governments, and a complex array of procedures and land use planning

instruments prevail in both nations. Differences between these instruments and decision-making processes may appear subtle—for instance, whether land use zones or a discretionary planning scheme is used to control the location of housing development; or whether the power to approve major developments remains with local governments or is vested in a higher authority; or whether a political or professional authority makes the final determination on a proposal. To provide a basis for comparing planning systems from different countries, it is helpful to refer to the basic elements and procedures that seem common throughout the world, as identified by the International Society of City and Regional Planners (ISOCARP 2000).

Legal Source of Power Underpinning the Land Use Planning System

Firstly, a legal source of power, usually vested within special purpose urban or environmental planning legislation, is needed to operationalise the bureaucratic and development control functions of urban planning systems. This overarching or ‘enabling’ legislation provides a basis for preparing subsidiary land use plans and development controls to regulate the types of activities that may or may not be carried out on a particular site.

However, a limitation is that these controls are usually confined to future development, rather than to existing land uses already in operation. Nor can the planning system require that a particular development takes place. Therefore, even though it is common for planning instruments to seek to increase particular types of development, such as new housing to meet projected population growth, implementation largely depends on private firms and actors.

The Need for Permission to Carry Out Change in the Built or Natural Environment

So aside from previously mentioned forms of public sector development (including, historically, social housing provision), the planning system is generally confined to a regulatory role, reacting to proposals from private developers. This leads to the second characteristic of land use planning

systems—the need for permission to carry out change. Although each jurisdiction will have a different threshold for planning permission, this basic need for consent to carry out change, defined in legislation, is the trigger for the planning system to come into operation, at least in respect of private land and development. It is important to remember that most countries regulate activities in the built environment under a variety of different laws which might range from building codes to environmental protection legislation. In some jurisdictions, building codes will regulate many types of activities, including the construction of dwelling houses, without the need for additional ‘planning’ permission. Sometimes, these rules are integrated with and reflect the objectives of the planning system or local plans, but there is an important distinction. That is, that unlike permissions obtained under a planning system, building controls and codes regulate *how* construction takes place, not whether or not it can proceed at all.

The thresholds for requiring planning permission, and the standards which need to be met before such permission will be issued, can vary significantly between local jurisdictions. Significant variation in local planning controls is observed in the UK and the USA, for instance, where local government units have a high degree of autonomy over their local development plans and codes (Bramley and Leishman 2005; Pendall et al. 2006; White and Allmendinger 2003).

If the regulatory requirements for obtaining permission are viewed as too onerous—and the costs of securing permission (and complying with the regulatory requirements in carrying out the development) are not able to be sufficiently offset by the anticipated profit, then changes in land use will not come about, at least in the short term. In some situations, this is an appropriate outcome. For instance, when industrial or commercial areas are offering local employment opportunities, it may be sufficient to identify these areas as appropriate for future increases in development intensity but to allow these changes to occur gradually, allowing time for businesses to relocate over time as land values rise in response to increased population growth and residential demand. However, in the case of housing, it has been suggested that when one local authority is perceived to have an overly negative stance towards development, potential growth may be diverted elsewhere, placing pressure on a regional housing market (Monk et al. 1996).

The Balance Between Constraints and Incentives: Control and Discretion

Whatever the timeframe for future urban development, planning controls must be designed in a way that can effectively encourage preferred development types to occur, notwithstanding the need to manage impacts and secure socially and environmentally optimum outcomes. Thus in designing land use plans and development controls, it is necessary to strike a balance between ideal and realistic or economically viable outcomes, or risk deterring new development altogether. A way around this dilemma can be to introduce some incentives, such as additional development potential, often operationalised as extra height or site coverage beyond what would have been permitted under the existing planning controls, as a way of offsetting additional regulatory requirements (for instance, the provision of social facilities, higher-quality environmental measures or affordable housing). Of course, this is a contested process, because it can be argued that if the site has additional development capacity and this capacity can be utilised without introducing negative physical impacts on the surroundings, then the development should be permitted anyway.

Resolving the balance between stringency and permissiveness in planning controls will depend on the particular scope assigned to the planning system, as outlined in legislation, including mechanisms for decision-making. Critical distinctions include: the relative power of national/central governments versus local jurisdictions (such as the power for central government to 'call up' a significant development proposal, or to intervene in local plan making); and the nature and extent of political involvement in approving land use plans or development proposals, versus decision-making by professional planners, or by specially appointed expert panels.

Within these categories, the extent to which decision makers are able to exercise discretion in awarding planning permission is an important distinction between different planning systems (Booth 1995, 1996). In nations such as the USA, where land use zoning predominates, fixed land use controls (governing what can and cannot occur within a particular zone) and local ordinances (typically specifying minimum site areas, building setbacks, heights, etc.) offer limited flexibility once the

regulations have been set (Cullingworth and Caves 2014). By contrast, under the more discretionary system used in the UK, development plans provide a guiding framework for allocating sites to preferred activities in a strategic way, but planners have the discretion to weigh up the merits of each particular case before issuing permission (Booth 2007). Yet in both systems, local planning authorities exercise considerable autonomy in preparing land use plans and in determining development proposals within their jurisdictions. By contrast, in nations such as Australia, state governments maintain strong control over local planning matters, setting the parameters for land use plans, and reserving the power to directly intervene in local decisions. Since local government has no independent constitutional status in Australia, these powers include the capacity to dismiss municipal ‘councils’ (elected officials) and appoint administrators to perform planning functions (Gurran 2011).

Public Consultation

Public involvement in preparing land use plans and in assessing particular proposals has long been an important part of the planning process, although participation rights differ between jurisdictions. The original 1909 *Housing and Town Planning Act* (UK) embedded consultation processes as integral to the making of local planning schemes:

“The Act of 1909 was passed for the purpose of giving Local Authorities greater control over the areas they govern, and greater power to secure that the conditions of development shall be right from the beginning, and not for any other purpose. Moreover, schemes when prepared will be the schemes of the Local Authorities. They will be responsible for the drafting of them, and, when finally made, such schemes will represent their ripe decisions carefully arrived at after consultation with the owners. The more a scheme can be made the “greatest common measure” of agreement between the Local Authority on the one hand and the owners and others interested in the land on the other, the better the scheme will be.” (Aldridge 1909, p. 214)

However, it is clear from the advice of Henry Aldridge that consultation was originally envisaged as a means of making planning schemes feasible

by incorporating the different perspectives and intentions of landowners. This may seem somewhat narrower than the wider notions of collaborative deliberation between different stakeholders in contemporary planning processes (Healey 1997).

Most jurisdictions require public exhibition of land use plans for a minimum period of time, and sometimes include regulations regarding the need for public meetings or hearings, as well as written submissions from members of the public. Depending on the scale of development proposed, neighbouring landowners and residents will often be notified when a specific application is lodged with a planning authority, and also be given an opportunity to make a written submission, and/or attend a meeting. Some jurisdictions offer third party appeal rights—that is, the ability to appeal a decision about a planning proposal that does not directly involve the appellant. These rights might relate to a proposed house next door or a more substantial block of apartments in the locality. The extent to which members of the public are able to object to new residential development can be a significant barrier to the provision of more affordable and diverse housing types (Pendall 1999; Tighe 2010). In Australia, it has been demonstrated that third party appeal rights tend to be exercised primarily by residents in more affluent suburbs (Taylor 2013), adding weight to wider literature on ways in which the planning process is sometimes manipulated to serve the interests of existing home owners seeking to preserve property values rather than in service of wider community goals (Schively 2007).

At the same time, attempts to wind back public consultation processes through planning reforms which promise ‘faster’, more ‘certain’ development approval have sometimes cast concerned residents as ‘NIMBYs’, diminishing the complexity of interests and values inherent in land use planning decisions (Gurran and Ruming 2015; Inch 2012).

Financing Local Infrastructure and Services

To finance the shared infrastructure needed to support new development, planning systems typically include arrangements for funding infrastructure such as roads, electricity, water services and often public spaces and community facilities. In many nations (including the UK and in many

parts of the USA), contributions towards affordable housing or other socially beneficial development might also be sought, as discussed later in this book. There are a range of different ways for determining the amount of contribution to be required by each development, the means of collecting funds and for legitimising different forms of contribution (Evans-Cowley and Lawhon 2003; Saxer 2000). For instance, contributions towards infrastructure could be justified on the basis of the additional impact on local services created by the development, or on the basis of the additional land value (or benefit) associated with planning approval.

It is also argued that development contributions (often called ‘impact fees’ in the USA, and ‘planning gain’ in the UK) can promote more efficient forms of development (Ennis et al. 2002; Kirwan 1989). For instance, if developers are required to contribute towards the cost of providing local roads to service their project, they are likely to design the project so as to minimise road distances, through subdivision layouts which conserve land. Ensuring that development contributions support strategic objectives depends on the way in which contributions are designed and imposed (Burge et al. 2007; Gurran et al. 2009). There is a large literature on the potential effects of development contributions and charges on housing supply and affordability (for a review see Evans-Cowley and Lawhon 2003). We discuss this issue further in Chap. 4.

Funds are also collected for administering the planning system, usually through development application or permit fees. Arrangements for collecting these charges are set out in planning legislation.

The Planning Process

To understand the intersections between urban planning and the housing market, and the ways in which these may differ between jurisdictions, it is important to understand the process by which planning decisions are carried out. These processes can unfold over a considerable period of time. Indeed, the time taken to secure planning permission is often regarded to be a major constraint in housing development (Ball 2010; Dowall 1979; Keogh and Evans 1992), discussed further in Chap. 4.

Since regulatory planning is bound by legislation, the planning process itself follows defined and sequential paths. Often a broad division is made between comprehensive forward or 'strategic' planning for a defined area (assigning land for particular uses), and 'development control'—assessing specific proposals for development on a particular site. Strategic planning processes might apply to a neighbourhood, a whole town or a larger region, during which time land will be allocated for different uses in relation to a set of overarching objectives, existing development and infrastructure, and environmental or physical characteristics and constraints.

Land Allocation/Plan Making

In general, the land allocation process focusses on identifying appropriate sites with the capacity to accommodate forecast need for population growth as well as growth in economic activities. A number of studies involving demographic forecasting, analyses of environmental and infrastructure constraints and capacity, identification of environmental and cultural heritage, and so on, will be conducted to inform major strategic planning processes. In most cases, spatial plans applying to a particular region or settlement will be prepared in the context of an overriding policy framework set by a higher level of government (which might comprise a single document, such as the *National Planning Guidance* which binds planning authorities in England and Wales) and/or a series of policy documents and advice. Increasingly, the European Union is influencing the planning processes of member states, including directing that certain land use plans are subject to 'strategic environmental assessment'—designed to evaluate and mitigate the likely environmental impact of all development anticipated by the plan (Fischer 2010).

This plan making process will include a period of public exhibition, with opportunities for written submissions to be considered before the plan is adjusted (if judged appropriate) and finalised. Where the planning process relates to an existing community (rather than a new subdivision or town on a 'greenfield' site) additional time may be needed to resolve the range of issues that arise for existing residents. The plan itself will be articulated through legally enforceable guidelines or controls which relate

to particular sites (typically shown on a map) and/or development types (such as housing or industry).

Ideally, the strategic planning process will provide maximum certainty for landholders and community residents as to what development will be permitted in particular areas, and under which circumstances. However, the need for as much certainty as possible notwithstanding, there is a tension between specifying all of the rules or parameters to govern developments in advance and providing for the flexibility to assess particular developments on their own merits. Further, a considerable amount of data is needed to ensure that land use plans accommodate future demands and opportunities, without jeopardising important social or environmental values. When there are limited resources for detailed 'strategic' planning, and monitoring, research might be deferred to the development assessment stage, when aspiring developers will be required to fund and undertake the studies needed to inform the decision-making process.

The process of land allocation will always be contentious given that planning decisions about the potential use of particular sites represent considerable economic value for landowners. Further, it can be difficult to reverse a land use planning designation/decision without compensation.

Development Control and Enforcement

When permission is needed to undertake a particular development (under the terms of the relevant planning instrument), an application will be prepared and submitted to a planning authority. Usually, the authority will be within local government (noting that in some countries there are many layers of local authority). When the development is regarded to be of minor impact, supporting documentation is usually minimal. It will include a site plan, architectural drawings (including elevations to assess overshadowing and privacy issues), as well as details as to the types of materials used. More significant development types will typically require technical studies to be submitted as well. These could relate to built heritage, flora and fauna, traffic impacts and so on. For projects likely to have a major environmental impact, a special assessment process, known as 'environmental impact assessment' is carried out.

Typically, the development proposal (including any environmental impact studies) will also be placed on public exhibition with the opportunity for members of the public to make written submissions. Although these submissions must be considered in the decision-making process, jurisdictions assign varying levels of importance to ‘third party’ objections (i.e. objections made by persons who are neither proposing the development or the assessment authority). Whilst consultation processes take time and can also result in barriers to housing development (as noted earlier), public participation provides important transparency and contestability of the effects and impacts (including costs and benefits) of a particular proposal.

Depending on the potential impacts of the proposal and the assessment requirements contained in the planning instrument, additional referral to other government authorities might be required. Usually, the assessment process will be managed by professional planners who will prepare a report and recommendation. However, different jurisdictions have different arrangements in place for making the final decision. These include (a) determination by a professional planner, or (b) by a specially constituted panel of experts, (c) determination by elected representatives (typically of a local municipality), or (d) by a government minister (often the case for very significant projects and public infrastructure). In general, it is usually thought that professional, expert determination results in more predictable planning decisions than those made by locally elected representatives although this can depend on the extent to which expert assessment and recommendation is part of the decision process, and the extent to which decisions are subject to legal appeal. If the proposal is approved, this will usually be subject to particular conditions of approval, typically including the level of development contribution for local infrastructure or services. The burden of development conditions and contribution levies is often a point of contention as heavy expectations may also affect project viability. Nevertheless, it is almost invariably in the interests of developers to seek to reduce development conditions and levies overall and in relation to their specific proposals, in particular.

If the developer is unsatisfied with the decision, they are usually able to seek a review within the local authority itself or by appealing the matter in court. As noted, in some jurisdictions third parties are also able

to challenge a planning decision in the court. In theory, the capacity to appeal against a decision should improve system transparency and fairness. However, third party appeals also introduce delays and uncertainty to decision processes, and can be expensive to mount or defend.

Each of these steps in the planning process—from the allocation of land through a spatial plan and the setting of development controls through to the assessment of particular proposals against these rules, resolving public objections or the concerns of other agencies, and finally issuing planning permission—can take considerable time and resources, although most jurisdictions impose statutory timeframes to balance the need for quality decision-making with expediency. A timeframe for planning permission is also imposed in some jurisdictions, such that a failure to commence or complete a project within a specified period will result in the approval being revoked.

All planning systems include provisions to enforce legislative requirements and to penalise unauthorised development (if retrospective permission cannot be issued). In addition to the capacity to demolish illegal buildings, enforcement provisions might range from financial penalties to the possibility of criminal proceedings.

Comparing Urban Planning Systems

Knowing the core elements or components in a planning system provides a basis for understanding the way in which specific planning systems work within particular jurisdictions. Two important reference points for modern regulatory planning systems are the approaches which have evolved in the UK and the USA. These are very different systems—one characterised by highly codified land use controls through zoning and detailed local ordinances (the USA) and the other by a discretionary system which evaluates most development proposals on their merits (the UK). However, as shown in Table 2.1, planning systems in both the UK and USA differ in important ways to the other jurisdictions considered in Part II of this book. Both Ireland and Australia combine elements of the UK and the US models, employing land use zones as a foundational form of development control whilst also enabling discretionary assessment of

Table 2.1 Comparing key characteristics of planning systems

	UK/England	USA	Ireland	Hong Kong/China	Australia
Source of power/ legislation	National/local (also subject to EU)	State/local	National/local (also subject to EU)	National/local	State (including the territories)/ local
Decision maker	Local (elected) authority (subject to oversight of independent Planning Inspectorate).	Varies—from elected officials to independent planning commissions	Local authority (in the context of national and regional planning guidance)	Town Planning Board (authority appointed by the Hong Kong executive)	Local authority (local matters); subject to state oversight & (increasingly) panels of appointed experts
Land use plans	Guiding spatial policy—local plans and neighbourhood plans (if adopted) must be consistent with the national planning framework	Zoning ordinances and development controls Some states have comprehensive spatial plans, implemented by local authorities	Spatial plans, zones, development controls	Spatial plans, zones	Spatial plans, zones, detailed development controls
Development assessment	Discretionary	Limited/no discretion	Mixed (fixed controls, some discretion)	Mixed (fixed controls, some discretion)	Mixed (fixed controls, some discretion)

(continued)

Table 2.1 (continued)

	UK/England	USA	Ireland	Hong Kong/China	Australia
Participation rights	Participation when plans are made and proposals assessed 21 days exhibition/consultation for development proposals No third party appeal rights	Varies (minimum includes exhibition/submission of draft planning regulations and proposed development)	When plans are made and proposals assessed Third party appeal rights	When plans are made and proposals assessed	When plans are made and proposals assessed Limited third party appeal rights (Victoria)
Infrastructure funding/Value capture	Planning 'gain' Fixed levy and provision for negotiated contributions from developers (viability of development considered)	Varies between jurisdictions—'impact fees' commonly required—must be 'nexus' between development and impact fee Value capture enabled in some jurisdictions	Development contributions required as a condition of development approval	N/A (development profit finances infrastructure)	Mixed (from minimal requirements to full cost of local infrastructure provision and some regional items) No direct value capture schemes

(continued)

Table 2.1 (continued)

	UK/England	USA	Ireland	Hong Kong/China	Australia
Timeframes	8 weeks (local planning decisions, 13 weeks for major development) Development must commence within 3 years (after which need to reapply).	Varies between state/local jurisdictions	2 months (development assessment)	2 months (development assessment, including consultation)	20–40 days (development assessment) Permissions expire within 2–5 years but able to be extended
Provisions for affordable housing	Yes, through infrastructure funding mechanism ('s106') in England	Most states allow local authorities to impose 'inclusionary' housing requirements or incentives, or require them to accept affordable housing development	Provision to require affordable homes as part of new development projects ('Part V')	Public housing developed as part of government driven land and housing development process	Minimal, states impose strict limits on extent to which local authorities can use planning mechanisms for affordable housing

Sources: The authors

proposals on merit. Nevertheless, under the Irish system, local authorities maintain autonomy over planning decisions whilst in Australia this autonomy is curtailed by state and territorial governments who can and do intervene in processes of plan-making and development assessment.

All jurisdictions shown use the planning process to coordinate and help deliver local infrastructure and facilities needed to support development, although the approach to determining contribution requirements differs. The UK is distinct in recognising 'value capture' as inherent to the development contributions framework. In enabling only limited mechanisms to support affordable housing through the planning process, Australia appears unique amongst the countries compared here, although practice differs across the Australian states and territories.

Conclusion

This chapter has outlined the evolution of urban planning from an early twentieth century movement through to contemporary systems of urban governance and regulation. Early British town planning efforts epitomised by the idealistic Garden City movement extended beyond building regulations for health, safety and access to define a spatial framework for the location of homes and design of neighbourhoods in relation to the other facilities and land uses needed for social and economic well-being. Whilst slow to bed down, this system enabled local municipalities to plan comprehensively for development within their jurisdictions (replacing ad hoc systems of private control), ultimately promoting certainty for local residents, landowners and investors, and a basis for more efficient and coordinated infrastructure provision. If local planning schemes imposed new regulatory burdens and costs to private landowners and developers for the public good, these costs were generally able to be offset by the values generated by certainty, coordinated infrastructure provision and higher overall amenity. In the USA the 'City Beautiful' movement, in particular, conceived urban planning and civic improvement as a means of wider social good but the zoning system which evolved in that country became an instrument for spatial segregation. The capacity for landowners to use local planning regulations to preserve and enhance the value

of their own properties whilst resisting change (particularly by preventing diverse housing development within residential neighbourhoods), became a defining feature of American suburbia (Fischel 2004). Over time, shifts in ideas about urban form and housing development, and concerns about the environmental and social sustainability of mid-twentieth century approaches to urbanisation (particularly car-dependent suburbia) emerged, and the role of the planning system in facilitating or constraining urban sprawl has come under increasing scrutiny. Similarly, profound structural changes to cities, regions and systems of governance have emerged under the dual forces of globalisation and neoliberalism and are reflected in deepening income inequality and poverty across both the developing and developed world. Thus despite an optimistic and more or less similar starting point, the planned urban interventions and systems of regulation which evolved over the twentieth century in the UK, the USA and other parts of the world, reflect underlying differences in views about private property, the ideal home and neighbourhood and the role of public intervention in the housing market.