

The Location of New Households

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This paper describes the debate over where to site new homes, started by the Conservative Government, but likely to remain an issue for the new administration. Official projections have suggested that there will be 4.4 million more households in 2016 than in 1991, and the then Secretary of State for the Environment (Mr Gummer) launched a debate on where to locate them. The public debate starts with the prior question of whether we really need all these new houses. This topic is the major current planning issue, with important implications for a range of other policies, ranging from inner cities to the green belt. The paper does not cover Scotland where the problem is less acute.

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I Background

The debate over where to locate new houses relates more to steady increases in demand than to any sudden change. In March 1995, the Department of the Environment published the projections of households in England to 2016.¹ The publication showed the number of households in England projected to rise from 19.2 million in 1991 to 23.6 million by 2016, an increase of 4.4 million. Increasing numbers of households were projected in all regions, with the largest, in percentage terms, in the Eastern Region and the South West, both of which were projected to grow by 29%. The following projections for the Government Office Regions were included :

Household Projections (thousands)			
	1991	2016	% Increase
North East	1,047	1,213	16
Yorks & Humberside	1,993	2,380	19
East Midlands	1,596	2,014	26
Eastern	2,035	2,617	29
London	2,842	3,471	22
South East	3,036	3,843	27
South West	1,903	2,448	29
West Midlands	2,043	2,410	18
Merseyside	564	635	13
North West	2,156	2,568	19
England	19,215	23,598	23

¹ Projections of Households in England to 2016, HMSO 1995, announced by Department of the Environment Press Notice, 6 March 1995

II Do we need these new houses?

The Environment Select Committee inquiry into housing need noted some criticisms of the DOE figures but believed "the figures make a good starting point for debate". Its focus was on the extent of need for housing rather than on the consequences for planning of building so many new houses.

A. What the Department of the Environment does

The procedure was explained in evidence to the Environment Select Committee.² First, there is a projection of households in England to 2016.

The Department produces detailed household projections for England and Wales every three years or so. These are based on the most recent sub-national population projections prepared and published by the Office of Population Censuses and Surveys (OPCS). These sub-national population projections are based, in turn, on the national population projections produced every two years by the Government Actuary's Department (GAD). The latest household projections utilise the 1992-based national population projections. The household projections are compiled by applying projected household membership rates to the projections of the private household population disaggregated by age, gender and marital/cohabitational status, and summing the resulting projections of household representatives...

The household projections are trend-based, and are heavily dependent on the underlying population projections. These projections are themselves far from certain, with the Government Actuary offering alternative projections which vary by +/- 3% from the principal projections used to generate the household projections. Moreover, the official population projections have been revised since the report was produced, and a somewhat lower population is now projected for England in 2016. The Government Actuary's most recent, 1994-based, projection of a population of 51.2 million in 2016 is around 0.7 million (1.5%) lower than the 1992-based projection of 51.9 million. Most of this change reflects a lower child population (around 0.4 million lower) which will not affect household formation, but there are expected to be fewer people in all age groups than previously projected with almost 0.3 million fewer people projected in the 60 and over age group, the group most likely to live in one-person households.³

² Housing Need, *Report of the Environment Select Committee*, 1995/1996 HC 22, Memorandum submitted by the Department of the Environment

³ OPCS/ONS 1992-Based and 1994-Based National Population Projections, Appendix 1

The conclusion of the DOE study was that the number of households in England is projected to grow from 19.2 million in 1991 to 23.6 million by 2016, an increase on 4.4 million (or 23%).

The second step, towards regional predictions, requires predicting the extent of regional migration, which is very difficult, as the Memorandum notes. The current trend-based procedure is carried out in consultation with the local authorities to take advantage of any additional evidence that they may have on recent trends, but it is recognised that this is subject to considerable uncertainty, the further one looks into the future [para 12(b)].

B. Bottom-up versus Top-down

The Environment Select Committee Report commented on the extent to which the numbers were reached by a "bottom-up" or by a "top-down" approach.

220. The Minister for Planning insisted in oral evidence that the top-down and bottom-up approach should meet at the regional planning forum. He said "I think the key point really in the planning system is testing the distribution rigorously at every stage, which is why we go through this dialogue with the local authorities, both top-down and bottom-up, to establish the validity of the assumptions." When pressed about making the process more bottom-up he said "I think the whole significance of it is that it is both, has to be both. If it was entirely bottom-up I very much doubt whether we could ever cater for the increase in households that is forecast, because you will know from your area and I certainly know from mine that there has been an increase in hostility towards development, what the Committee was the first, I think, in this country to describe as the NIMBY syndrome. We have to be responsible and therefore we have to reflect the trends in society and at the same time take into account what the local authorities say about their own environmental capacity."

221. Early in the inquiry the Committee attempted to obtain bottom-up estimates of housing requirements for each area in England, in order to compare the national total of such figures with national projections. We were told these figures were not available, that each set of local figures was arrived at in different ways. This proved to be the case.

222. We eventually received figures from the Department showing the provision for housing made in each local plan and in regional plans. These suggested that local plans are heavily influenced by the "top-down" approach, an impression which was confirmed by written evidence which stressed both the extent to which local plan requirements were the outcome of negotiation within the regional figures and the primary importance of the Department of the Environment's household projections in determining these regional figures. We also checked estimates of local needs which we had obtained from other sources. Our sample comparison confirmed that there is no coherence between assessment of needs and the agreed requirements.

C. The Problem of Self-Justifying Predictions

The problem goes beyond that of whether there is adequate consultation to the concern that a high projection of household formation will lead to a high level of housebuilding, followed by relatively low house prices and the encouragement of more household formation apparently justifying the original predictions. This issue was much discussed in an inquiry into housing need and provision by the Town and Country Planning Association.⁴ This study agreed with the Environment Select Committee in rejecting the idea of keeping the national supply below that suggested in the projections. However, at a regional or local level, the problem is more acute, because migrants are likely to be attracted to an areas of low house prices. There is no simple answer as to whether particular regional predictions are self-justifying through over-provision of housing.⁵ This view is discussed in more detail in Part III.

There was strong dissent from the view that housing provision had to reflect projections of household formation, in evidence from the Council for the Protection of Rural England (CPRE). Their views are particularly expressed in the following paragraphs:⁶

70. In CPRE's view housebuilding levels should be assessed by considerations of environmental capacity and the achievement of environmental objectives, informed by national capacity and other considerations (such as the household projections). Once an acceptable level of development has been determined, planning and other policies should ensure that the housing which is built meets as accurately as possible the different components which made up the pressure for new development. These housing components include :

Housing needs - affordable housing; housing to address the problems of overcrowding, sharing, special needs, homelessness.

Housing types - an increase in the proportion of small houses is needed to provide a better mix of house types and respond to the fact that over 80% of the projected increase in the number of households is for single person household.

Housing demands - market demands of those able to compete in the open market.

Housing luxuries - second homes, very large homes etc.

71. The official household projections include all these different housing components...

75. In CPRE's view continuation of the current approach to planning for housing need is not a credible option. It results in the wrong houses in the wrong places, causing serious environmental harm and failing to meet social needs.

76. Future housing development needs to be much more sensitively managed and steered by agreed social and environmental objectives, rather than statistical projections of future demand...

⁴ M.Breheny and P.Hall, *The People - Where will they go ? (Town and Country Planning Association 1996)*

⁵ Projections of households in England to 2016: 1992-based estimates of the numbers of households for regions, counties, metropolitan districts and London boroughs (DOE 1995) Table 7 p.18

⁶ Housing Need, Environment Select Committee, 1995/96 HC 22 vol II p.138

77. The result is likely to be more, smaller houses in urban areas...New development will, of course, continue in rural areas, especially where it can meet demonstrable need, but overall there will be a reduction in the rate of loss of rural land to development and an increase in the proportion of new housing that is affordable.

This view did not persuade the Select Committee, and remains very much a minority one. The view of most major witnesses and of the Committee was that the risks of inadequate housing provision in particular areas mean that extensive house building is required in the countryside. If too few houses are built in an area, then prices will rise. The result is a conflict of interest. Those who already have houses will benefit from the increase in prices while preserving their amenities. Those without houses have to pay more and find it harder to form households.

III Where should the new houses go?

A. The Green Paper

The Secretary of State for the Environment encouraged a national debate on where the new houses were to be placed, and then produced a Discussion Paper on the topic in November 1996.⁷ This paper states the background to the growth in household formation and lists five options (chapter 6) : urban infill; urban extension; key village extensions; multiple village extensions; new towns or new villages. It also gives the Government's preferred approach (chapter 7) :

7.3 The Government will continue to pursue its declared aim of making better use of our existing urban areas. For centuries, towns and cities have been the engines of civilisation and, despite new ways of communicating, learning and doing business, they seem likely to remain so. It is therefore right and proper that we should seek to enhance them and their vitality by providing new homes within the existing urban fabric with facilities and services readily available. With the right commitment to standards of environmental quality and the provision of homes, jobs and services, urban regeneration can offer a highly sustainable option for future settlements.

7.4 Chapter 2 noted the movement of people away from cities. If our urban areas are to be successful in attracting people to live there and retaining existing populations we need to give serious consideration to the current problems and apparent disadvantages of living in the city. We must therefore make towns more attractive places so that more people want to live in them. This means better housing, less crime, a high standard of education and decent surroundings. As G M Young noted in "Portrait of an Age : Victorian England", English culture has tended to reinforce a rural habit of mind which "inspired our poetry; controlled our art; [and] for long...obstructed, perhaps it still obstructs, the formation of a true philosophy of urban life". We need to create or recreate that philosophy if urban living is to realise its full potential, and in so doing help to address the issues with which this paper deals.

B. How much of the Expansion can go in the Cities?

The Government has been using a target that by 2005 half of all new housing should be built on reused sites. The Green Paper asks for opinions on an aspirational target of 60% or even higher (4.10). Environmental bodies like the CPRE support high targets, but others tend to be sceptical. The UK Round Table on Sustainable Development went further than the Government.⁸

⁷

Household Growth : where shall we live? DOE November 1996, Cm 3471

⁸

Department of the Environment Press notice, 20 February 1997, reporting the publication of *Housing and Urban Capacity*

The Round Table believes that there would be real benefits, for both town and country, and for economic as well as environmental and social reasons, from increasing the percentage of new housing provided from previously used land and buildings. The report recommends that the Government should adopt a new aspirational target : to provide 75% of new housing on previously developed land.

The Town and Country Planning Association inquiry noted that urban greenfield sites had accommodated a significant share of new housing in recent years.⁹ It continued with a series of propositions :

As a general rule, the demand for housing and readily available sites do not coincide geographically;
Regional Guidance housing allocations to Metropolitan areas are too optimistic;
Extreme compaction policies may thwart individual, household and business aspirations;
Most analysis suggests that urban decentralisation will continue;
It is inevitable that a large proportion of the housing requirement will have to be met on greenfield sites;
Many shire areas are likely to be under more pressure for housing than Regional Guidance suggests;
There is no mechanism in England whereby the desirability of inter-regional migration can be debated;
The circularity argument at the local level - suggesting that housing supply has a disproportionate effect on in-migration - may be valid;
The planning system deals poorly with questions of housing need.

Peter Hall, the famous town planning expert partly responsible for organising the inquiry, does not consider the 60% target attainable :¹⁰

What we already know is that the prospects vary across the country : the Greater Manchester conurbation is full of brownfield holes, and here the 60% target may be realistic (but only at a high cost in cleaning up contaminated land); in London, where the figures call for 600,000 more homes, but where even the vast Thames Gateway project will yield a mere 30,000 it appears a pipedream. Overall, the Town and Country Planning Association's own region-by-region survey suggests that even 40% may be hard to achieve; the brownfield land, we were told in city after city, is running out.

He also stressed the dangers of trying to use the planning system to force people to live where they do not want to. He pointed out that people had been moving out into the suburbs since first the railways came, and praised the London suburbs, adding :

But the real point is this : we should be learning how to build a new generation of such places for the 21st century. Ninety nine years ago, the TCPA's founder Ebenezer Howard, showed how : build garden cities right outside the existing big cities, each with a mixture of homes and jobs, compact enough (and dense enough) for everyone to walk to work or shop or stroll to library or park or fields; then connect them all up by railway, so giving all the advantages - jobs, shops, services - of the big city, while retaining all the advantages of small-town living. He gave this whole rail-

⁹ M.Breheny and P.Hall (ed), *The People - Where will they go?* TCPA 1996, p.67
¹⁰ Society : who says we have to slum it? *Guardian* 5 Feb 1997

based complex a name : Social City.

Many cities do contain so-called brownfield sites, but these are often contaminated and would therefore require expenditure before becoming suitable for housing. In general, private sector developers only find it worth their while to clean up contaminated land if it is then to be used for commercial or industrial uses. Indeed even Scottish Enterprise has been criticised for targeting relatively straightforward brownfield sites and neglecting housing development.¹¹ The Agency is said to neglect the difficult brownfield sites, - polluted and isolated sites, littered with old infrastructure and which are very difficult to regenerate. A spokesman for Scottish Enterprise admitted that housing development was a low priority "because the regeneration benefits are not as high as commercial or industrial projects".

Tony Struthers, senior vice president of the Royal Town Planning Institute said that more money would be needed for reclamation if brownfield sites were to be used.¹² The former Secretary of State was cautious:

But Gummer told *Planning Week* that the contamination problem is exaggerated. "A lot of sites only require limited work for reclamation, and the 'polluter pays' initiative addresses some of the problems," he said. But he said he has not closed his mind to providing more reclamation funds.

Along with housebuilders and pressure groups, the RTPI also claimed the 60% target was unrealistic, and could lead to town cramming. "We must not recreate the mistakes of the 1960s where people were crammed into hastily and badly developed buildings," said Struthers, "Plus, we do not want to build on the remaining green urban spaces."

The Countryside Commission has welcomed the Government's view that the countryside should not be the "dumping ground" for housing that cannot be accommodated in towns or cities.¹³ However, it cautioned against always using brownfield sites for housing. Some might be better turned into woodlands or parks to make cities more attractive for residents. The Commission noted :

Brownfield development - We do not believe that development on brownfield sites is necessarily the best approach in all places. The debate needs to be less black and white on this issue : for example, do we build on all the brown wedges in our urban areas or convert them to Community Forests to make urban living more attractive ? Nonetheless, aware of the problems and costs associated with developing many brownfield sites, we urge the Government to adopt measures which will encourage their development (or greening). it is worth considering a range of options : taxing greenfield development to pay for (or subsidise) development of difficult sites; direct Government action to clean up and "green" contaminated sites; indemnities for development of former industrial land; or linking development of greenfield sites to completion of brownfield schemes.

¹¹ The price to pay for a lack of enterprise, *Planning Week*, p.14

¹² Brownfield sites "could need cash for clearance" *Planning Week*, 28 November 1996

¹³ Countryside Commission sets out views on household growth, *Countryside Commission Press Notice* 25 March 1997

The then Secretary of State (Mr Gummer) had already dismissed the idea of a **greenfield tax**.¹⁴

John Gummer also suggested that the housing Green Paper's 60% target for developing new households on brownfield land can be pushed "towards 75%". He insisted that we need "more radical systems" to promote urban housing development by "re-creating the nature of our towns" through the Single Regeneration Budget, to encourage people to live in cities. And he said that people will, in the future, have to face lifestyle changes to meet the demand...

The Civic Trust's policy co-ordinator, Tim Mars said : "Those who oppose the tax, but agree with its objectives - promoting brownfield development - should come up with suitable alternatives." It is, he said, an "elegant and simple tax which is easy to implement and collect, and which will slow down greenfield housing development"...The RTPI housing convenor Jon Morris also criticised John Gummer for being unrealistic. "All the evidence suggests that there will be great difficulty in meeting a 50% figure, never mind a 75%", he said. He also expressed disappointment at Gummer's dismissal of the greenfield tax.

SERPLAN, the South East Planning Conference, argued that there is a limit to the extent of further intensification of housing development, and warned that "there is little value in concentrating housing development within existing urban areas if employment uses have to move elsewhere."¹⁵ Many districts have expressed concerns that former employment sites are being taken up for housing, solving the short-term need, while the long-term employment base of many towns is eroded.

At the other end of the UK, pressure is also being felt on green space in cities, according to a forthcoming report from the Scottish Wildlife Trust, although whether there are similar problems in England is unclear.¹⁶

SWT says it has found a trend for local authorities, schools and hospitals to sell valuable inner city sites to housing developers with new hospitals and school playing fields being developed on green belt land on the edge of the cities. At the same time, parks and other open spaces are being sold by cash-starved local authorities.

¹⁴ Gummer slams greenfield tax to promote urban housing, *Planning* 21 February 1997

¹⁵ Employment sites must not fall to housing says SERPLAN, *Planning*, 4 April 1997

¹⁶ Green belts feel the blues in homes boom, *Scotsman* 16 April 1997

IV The New Government

We do not yet know the exact position of the new Government, which will probably take account of the consultation exercise already underway. However, before the election, *Planning Week* reported the Labour Party's policy in this area.¹⁷

Talking to PW, shadow housing minister Nick Raynsford branded John Gummer's proposal to develop 60% of the 4.4 million households by 2016 a "recipe for disaster". he said : "There is a serious mismatch between where the brownfield sites are and where the housing demand is." He also criticised Gummer's policy of urban intensification to meet the demand. This, he said, could create residential densities "exceeding those during the 1960s and 1970s". Raynsford said that there is "absolutely no doubt" that the only realistic way to meet the housing figure is to develop New Towns and settlements. But any new development, he added, should be approached strategically. We need to adopt a more hands-on, planned approach to housing location where there is a real demand. Transport infrastructure is especially something that should not be overlooked," he said.

¹⁷ *Planning Week*, 23 January 1997 p.3

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