The use of public land for house building in England: understanding the challenges and policy implications

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Abstract

Local authority land is viewed as part of the supply solution to inflating national housebuilding targets in England. The shift from local authorities as development control agents to housing enablers has drawn political and public attention, with some commentators emphasising the release of land owned by local authorities for private housebuilding as a potentially significant contributor to new supply. Whilst estimates vary about the amount of developable land in local authorities’ portfolios, little research has been undertaken into the potential practical barriers to more extensive use of publicly owned land for housing development. Local planning authorities are universally, and statutorily, concerned with both the delivery of dwellings to live in and making places suitable and sustainable. In this context the actions of local authority officers both inform and perform aspects of the housing market and cannot therefore be divided from local land markets or the development process. This paper reflects critically upon a series of in-depth interviews with key professionals involved in identifying, planning, selling, buying and developing dwellings on public land. Five potential barriers - ownership constraints; finance and funding; legal and planning; quality; and market obstacles - to private sector development on such sites are identified and explored. We argue that whilst the significance of barriers is variable, policy intervention and/or behaviour change by local authorities will be required if we are to use the stock of public land more extensively for new housing development.

1. **Introduction**

 “the question of the role of local authorities in the supply of land for private development cannot and should not be separated from the wider consideration of local authority involvement in the development process. Land supply is not a ‘finite’ activity with neat boundaries around it.” (Barrett and Whiting, 1983, P.63)

There is an extensive literature that examines the role of low levels of housing supply in the housing affordability crises globally (see Gurran and Bramley, 2017 for an international review; and Hincks et al., 2014; Meen, 2018 in a UK context). Much of this literature focuses on the nature and significance of planning constraints and proposes solutions that are largely aimed at reforming the planning system (Cheshire et al., 2014; Dawkins and Nelson, 2002). The role of the land market and its peculiarities are discussed less frequently and less systematically (Adams and Watkins, 2014). Notable exceptions include calls to use land in local authority ownership to overcome land availability constraints (Whitehead, 2007; Stephens, 2016). In England, the recent focus of this attention has narrowed in on local authorities’ land holdings as a source to increase housing delivery (e.g. Local Government Association, 2014; Elphicke-House, 2015, Holman et al., 2015). These commentators who have advocated for the use of local authority land holdings have tended to emphasise the scale of these holdings and, in broad terms, local authorities have been receptive to increasing their role in delivery housing in England (Morphet and Clifford, 2017). Localism has acted to both enhance the democratic legitimacy of local authorities and to pass the responsibility for meeting national housing need to a lower tier of government (Sturzaker and Nurse, 2020).

Against this backdrop, it has been suggested that Local Authority land may not be a panacea and that the development of publicly owned land might be subject to several practical constraints (Adams et al, 2016). This raises questions about how local authorities should respond and about the nature, quality and developability of these public land holdings. In particular, is the use of land in public ownership likely to offer a simple and significant contribution to overcoming housing shortages? Are there the barriers and blockages, such as planning regulations or concerns about economic viability, that might inhibit the development of land in private ownership and impinge on its future development?

This paper explores the extent to which the use of public land is a solution to the housing supply problem. We do so this by analysing the nature of local authorities’ approaches to developing on public land and the barriers they faced to development.

The paper is organised into four main sections. The next section draws on the existing literature on the operation of land markets to develop a systematic overview of the potential constraints on land use. The review highlights the ways in which the nature and characteristics of particular sites might limit their usability and also explores the extent to which institutional arrangements, such as finance and funding, decision-making processes, and officer responsibility, might be significant barriers to development of publicly owned sites. A historical institutional meta-theoretical approach is used to frame the study (see Adams et al, 2005). This ontological orientation, which recognises the socially and institutionally embedded nature of key decision makers and pervasiveness of institutional rigidities in land market processes, is taken together with the insights from the literature review to inform the development of an analytical framework that focuses on barriers to use. The third section sets out the research design. We apply our analytical framework in three case study areas in England in which we undertook in-depth interviews with a range of market and public sector stakeholders. The study areas were selected in consultation with staff in what was then the Department for Communities and Local Government (now Ministry of Housing, Communities and Local Government) and were intended to be “telling” in the sense that they would offer insights from different market and state contexts rather than typical or generally representative (following Yin, 2003). Section four sets out our findings. The final section offers some conclusions and reflects on the limits of theoretical accounts of land market constraints and suggests some areas where practical policy responses to the evidence are required.

1. **Understanding land development constraints**

Mainstream economic analysis conceptualises the land market as a perfectly competitive entity where land is homogenous, and its value is determined by unfettered markets (Evans, 1973). Several studies within this tradition extend the standard model to allow for heterogeneity (e.g. Colwell and Muneke, 1997). These studies suggest that land’s value is a function of the implicit characteristics of the commodity and, as such, physical characteristics of a land parcel (such as its size, shape, topography and quality), and its physical location including proximity to amenities, transport networks and other infrastructure, and the neighbourhood in which its located) will be significant in the eyes of both buyers and sellers. This framework is often extended in an attempt to explore the extent to which planning decisions alter values and influence the market (Evans, 2003).

It has been argued that neo-classical analysis of this sort is deficient in that it ignores some of the crucial complexities that shape market processes and outcomes (Adams et al., 2005; Needham and Verhage, 1998). Crucially it is argued that this methodological perspective underplays the importance of social and economic institutions, cultural factors and the ways in which those can lead to non-rational behaviours and practices amongst key actors including landowners, land buyers, agents, planning officers, politicians, and developers. These issues have tended to be the domain of studies in the Marxian, structuration, cultural economy, institutional and behavioural traditions. In the remainder of this section we seek to synthesise some of the important insights from across these traditions in an attempt to understand the importance of the intrinsic characteristics of land such as its quality and location as well as the significance of what mainstream economists might view as exogenous influences (e.g. Thrall, 1987). We contend that this is an important step in understanding what might constrain the development of land, irrespective of who owns it. This provides the lens through which we seek to explore the potential contribution that Local Authority owned land might make to the supply crisis. This framework is intended to have broad applicability and to be of use in different international contexts and in exploring different segments of land markets, beyond land in public ownership.

In an extensive unpublished review of land market studies, Adams et al. (2009) identify five key barriers to land development: ownership constraints, site constraints, remediation and assembly challenges, legal and planning constraints, and funding and finance issues.

The most prominent issue that tends to be underplayed in mainstream economic analysis relates to landowner behaviour which can appear non-rational and may act as a significant constraint on the delivery of development land to market (Adams and May, 1991; Goodchild and Munton, 1985). These studies have shown that landowners are often reluctant to sell land for a variety of reasons. In some cases, the owner develops an unrealistic sense of value, while in others they have little imperative to sell immediately and believe that the value of their holdings will appreciate if they continue to delay sale. These papers, of course, focus on the motives and behaviours of private landowners rather than public agencies. However, in the context of financial austerity (which set the backdrop to this study and has returned today) and with close scrutiny of value for money in delivering public services, there has been an increasingly strong imperative that public sector actors should seek to optimise value of their assets including their land holdings. While private actors operate in a context where the focus is likely to be on exchange value rather than use value, public authorities are likely to be conflicted, as they negotiate and balance financial imperatives with responsibilities for planning suitable and sustainable development of land (Montgomery, 1987). As it stands, there is little understanding of who has oversight of local authority land holdings, who has responsibility for making decisions about use or sale, and what the motives of these officers and elected members might be. These issues are often compounded where potentially developable sites are in multiple ownership. Again, the existing literature on ownership constraints looks at the complexity of such sites where many of the stakeholders are in the private sector. It illustrates the challenges of site assembly when co-owners of sites have different views or where contiguous sites are in different ownership (Adams, Disberry and Hutchinson, 2001).

The literature also highlights the existence of significant site level challenges. These issues go beyond the variability in market value that mainstream economic analyses highlight as arising due to site quality, size or topography. They focus instead on the practical challenges that arise from the ways in which developers identify site, the processes they use to acquire them, and the ways in which they are brought to market (Adams et al, 2009). Even if the landowner is willing to sell land for development, there are numerous stages in the developers decision-making process where sites may be screened out prior to sale. The micro-location of sites, for instance, has been shown to be a critical issue, not simply because of the impact of neighbourhood quality on value or concerns about accessibility or infrastructure connections, but also because developers seek to manage product competition carefully (Adams and Watkins, 2011; Adams et al, 2008). Despite the assumption that public land will make a very considerable addition to the stock of land available for housing development, it is unclear how the ways in which developers select sites and build their land stock would play out in relation to this stock.

Clearly, legal and planning constraints play a significant part in the site level appraisal process undertaken by developers. It is well understood that existing planning permission or the perceived likelihood of planning permission being granted will have a significant impact on the cost and desirability of land (Evans, 2003). Sites that are well aligned to plans and sites captured within master planning frameworks are far more likely to be able to quickly contribute to levels of new development. Although less prominent, it is also important that development sites are free from restrictive legal covenants. It is far from clear what proportion of the stock of land held by local authorities in the UK might be free from legal or planning constraints.

The quality of individual sites is also of critical importance. In the context of most developed economies, urban sites have often been in a variety of prior uses. At the most extreme, former industrial sites present pronounced challenges in the form of the need to treat contamination and undertake expensive remediation processes (Ball, 2018; Adams, Disberry and Hutchinson, 2001). In some countries, policy interventions have steered developers towards the reuse of urban land through a variety of mechanisms such as the use of public agencies to assemble land (O’Brien, Lord and Dembski, 2020; Van der Krabben and Jacobs, 2013) or, in the UK, via Brownfield land targets (Dixon and Adams, 2008; Payne, 2013). Even when policy intervention has sought to remove or reduce the costs of preparing sites, developers still evaluate sites on a case by case basis, leading for example to distinct preference for particular subsets or types of brownfield sites (Adams and Watkins, 2002). Once again, it is not clear to what extent land in public ownership may or may not be on brownfield sites and which of these might meet the specific needs and preferences of developers.

There are, of course, significant inter-relationship between these issues. Taken together, they form part of the developer’s appraisals (in the informal and technical sense) of the potential value of a site and the risks associated with its purchase and/or the sale of the end product to be developed for market. Together with other macroeconomic and local and regional market conditions and prospects will determine the economic viability of any site. For any private developer to bring homes to the market on the stock of local authority land, specific projects will need to meet the normal profit requirements. Again, it is far from clear, how much of the stock of land held by local authorities would be economically viable for market delivery.

Private developers are not the only source of new homes. It is not uncommon in many contexts for the public sector to have established vehicles to deliver new homes, often using public land, such as in the Netherlands (van der Krabben and Jacobs, 2013) and in China (Yeh and Wu, 1996). In these circumstances, economic viability concerns are replaced by a broader set of social value considerations (Samuel et al, 2018). In the UK context, however, it is possible that social accounting practices, and limited public sector capacity and experience of undertaking development projects at scale will impact on the extent to which local authorities can dispose of land at less than market value in the public interest and actually see the sites result in net additions to the housing stock (Adams et al., 2016).

Thus, the international literature on the structure and operation of land markets and the attitudes, motives and behaviour of public and private institutions would suggest that in order to understand the extent to which public sector land might be used to address housing supply shortages, it is necessary to assess the extent to which the intrinsic features of the land market or the institutional arrangements that give it shape might create barriers to delivery. In this context, we have sought to develop an analytical framework from which to understand the nature and significance of potential barriers to delivery.

1. **Analytical framework, research context and methods**

We take a historical institutional theoretical approach to consider the critical moments in development that unlock or prevent forms of housing delivery from occurring. We undertake this however, not from a new institutional perspective, but from an older behavioural economics perspective (see Dunning, 2017). As such, we seek to understand agency within historical institutions, identifying departures from seemingly path dependent outcomes as well as the normal repeated behaviour symptomatic of institutional research. The barriers to development, often considered exogenous in neoclassical economics but endogenous in institutional theories, can be considered as a linear framework, all of which need to be resolved in order for a site to be developed. In practice the order that these barriers are overcome is unlikely to be sequential, but in an iterative process. For the purposes of an analytical approach we can simplify it into the barriers identified in figure one. Black boxes denote issues that are unproblematic for the development of a site whilst red boxes denote barriers, green denotes the completed development.

Fig.1 Barriers to development and their application in alternative development contexts

***Perceived barriers to the development of land***

***Perceived barriers to the development of land in private ownership***

***Perceived barriers to the development of land in public ownership***

The assumption underpinning calls for local authorities to become more significant actors in the delivery of housing is that they have greater ability to overcome some or all of these barriers (principally the black boxes). This paper explores local authorities’ abilities to overcome these barriers and therefore to be a solution to the housing supply problem.

The approach is applied to three case studies in England. England is but one example of a country where local planning authorities are seeking to overcome barriers to development. However, it is an interesting case because of the shifting attitude and policy focus towards using local authority land stock for housing delivery above other planning priorities. As such we can observe the attempts of the state to overcome barriers that have overwise been the preserve of the private market. Before exploring the case study approach, we outline the current English context for local authority led delivery of housing.

Municipally supplied housing has approaching 150 years of history in England, but most accounts focus on the time frame from the major change to housing and planning that took place immediately after the second World War. The 1947 Town and Country Planning legally enshrined the role of local planning authorities (hereafter LPAs) in controlling development through local plans. From this Act onwards, the value of land for development was linked to both the physical site and its potential to attract permission for development. However, by the 1970’s tensions were clear:

“whilst authorities were given the power to act, the economics recession and cutbacks in public expenditure during 1975 and 1976 drastically reduced the financial backing available to get the Scheme (referring to the Land Scheme) off the ground.” (Barrett and Whiting, 1983, P.23)

By the 1980’s there was a growing tension between LPA planners and national policy, occurring concurrently with the privatisation of council housing and transfer of responsibilities to Housing Associations (Whitehead, 2017). Critics of local authorities’ role in the market argued that they were unnecessarily constraining land supply through planning restrictions despite a growing population and demand.

At the closing stages of the twentieth century rapid house price inflation in England led to further scrutiny of housing supply, the role of land markets and planning as an adaptive response to the hegemony of the supremacy of economic logic in state-market relations (Adams, 1994). The review into housing supply undertaken by Kate Barker highlighted the reuse of brownfield land, increasing the overall amount of land available and the number of affordable housing units required as key findings (Barker, 2004). The response from central government, through the Callcutt Review, led to Planning Policy Statement 3 and a government target of 240,000 new dwellings per annum by 2016, some 70,000 units higher than the existing build rate (DCLG, 2007). Planning Policy Statement 3 (PPS3) placed a greater requirement on authorities to plan for housing for 15 years ahead and at the same time emphasised that their approach to the identification of need and delivery of housing should respond to the market.

 “In countries where there has been a more adequate rate of new build in response to demand, the public sector often plays a bigger role in ‘land assembly’ (putting together plots of land into development sites). In addition, they are often more able to borrow to fund projects. Enabling local authorities to play a bigger role might help to push supply up, although so far not may local authorities have used the extent of the financial headroom they already have, partly due to inexperience in development.” (Barker, 2014, 80-81)

In the National Planning Policy Framework, introduced by the Coalition government in 2012, the ability of local authorities to enforce their plan was linked to their identification of sufficient land that could feasibly be developed to meet five further years of housing need (DCLG, 2012). The availability of land designated by the local authority as appropriate for development and ‘deliverable’ came to constitute a major component (and contention) of plan making. By 2014 local authorities were being encouraged to sell off high value social housing stock and build cheaper affordable housing elsewhere (DCLG, 2014) and in the period between 2015 and 2020 Permitted Development Rights were extended to enable the conversion of other use classes to residential by private developers without the need for planning permission. Therefore, at the same time that LPAs were being encouraged to make land available, their ability to plan what would be delivered was diminishing. We next turn to consider the role of public land holdings in English housing delivery.

The English government estimated that 40% of developable land is owned by the public sector, although not necessarily owned by local authorities (DCLG, 2011). In 2012 local government property assets were valued at approximately £170bn, although a similar amount was also in other forms of public ownership (Cabinet Office, 2013). The planning and property consultants Savills (2014) argued that 100,000 dwellings could be built on public land in London alone, prompting enthusiastic responses from some media outlets (e.g. Allen and Pickard, 2014). Yet, many of these sites were either already earmarked for development, currently operational or were in lower value areas with limited infrastructure that may not be attractive to traditional development mechanisms. The potential for local authority land to be used for development has been met by equal measures of enthusiasm and hyperbole. Whilst there are undoubtedly resources within the public sector that can support housing delivery and many authorities have a proactive approach to land use (Morphet and Clifford, 2017) there remain some significant barriers to implementing appropriate development on some public land.

This paper draws on three case studies of local planning authorities in England through a series of semi-structured in-depth interviews in each location.

The case study areas were selected in consultation with central government policy advisors. They were selected because they had development sites that were attracting coverage in the media, had different demand and supply profiles and were in different regional contexts. In short, the market contexts were variable and so too was the local governmental context.

To further inform case study selection, a typology of authorities was created based upon stock of local authority land (2009) adjusted per 1000 residents, completions per 1000 residents, New Homes Bonus receipts as a proxy for delivery, urban/rural classifications, unitary/two-tier authorities and regions. We undertook a desk-based media review covering recent examples of delivery on local authority land. From this review the three case study areas were selected. As we noted above, the case and the interviews conducted were designed to be “telling” (or instructive) rather than “typical” (or generally representative) (Yin, 2003). Thus, we did not expect the interview analysis that follows to be representative of every local authority, but nor do we expect it to be irrelevant to many. The intention was to design the research so that it would reveal the complexity involved in its varied and different forms.

In designing the research, the participants were guaranteed anonymity and, to protect that, we are unable to reveal the names of the Local Authorities. The broad characteristics of the authorities were:

Case A is a two-tier authority in the South of England. It has a large stock of land and has had relatively low levels of development in the last 15 years yet has had a high volume of demand.

Case B is in the South of England and had experienced high levels of demand. In contrast, between 2010 and 2015 development was higher than average (dwellings completed per 1000 residents).

Case C is in the North of England. The authority has a relatively large portfolio of land, but there is limited demand and over recent years development has been low.

The authorities were not all under the same local political control.

Within each study area a snowballing technique was employed to identify participants. During the study, we interviewed four senior planning officers, two senior housing officers, two development managers, one property service manager; four registered provider managers, one private sector land agent and the national house builders; and we received input and advice from policy experts within central government. The initial interviewees were in each area were selected on the basis of their involvement with local authority land delivery in the locality. Those provided a considerable consistency in explanations of the barriers to effective local authority development and, in line with best practice in qualitative research methods, we completed the schedule of interviews when we appeared to have reached saturation in terms of new information generated.

The issues that emerged from the interviews are developed thematically according to each of the five perceived barriers to development.

1. **Analysis**
	1. *Ownership*:

The ownership of land is a core component in every development. The assumption in many arguments for local authority led housing development is that the authority can use supplies of public land to bring forward development without competing in the land market. Both democratic state action and market processes are mechanisms for determining the priorities for land use. In a perfect market economy, the ownership of land is undertaken by the highest and best use (Dotzour et al., 1990) which can provide the highest price for land. Under state control of land, the local authority may have variant views on the ‘values’ of land that would not yield the highest price in an open market (Adams and Watkins, 2014). Under the neoliberal agenda of the recent Coalition and then Conservative governments in England it is unsurprising to see local authorities being encouraged to bring land to the open market as housing market ‘enablers’ (Elphicke-House, 2015). However, local authorities may contain multiple objectives, of which releasing land for housing development is but one; as more efficient uses of public land may include achieving the best economic return on land disposal regardless of its eventual use or be focused on the need for other public or commercial services and amenities (Thomson and Wilkes, 2014).

“There is no sort of over-arching planning policy or corporate policy on how the council uses its own assets in respect of housing or indeed in respect of other essential community infrastructure. That might be considered a deficiency but isn’t evidenced by our own ability to meet our own housing delivery target.” (Case Study A)

These debates are played out within the internal political and institutional structures of local authorities, and the extent to which there was coherence within and between different parts of these structures affected the prospect of land being released for housing. One local authority interviewed described how a decision to assess all sites in council ownership for affordable housing development had been taken by their Elected Members, signalling a clear priority for internal decision-making. This priority had been set as a response to high levels of housing need and growing use of temporary accommodation for homeless households, highlighting the need for more affordable housing. This led to coherent decision-making by officers deciding on the suitability and viability of sites for housing development, as well as clarity as to the type of housing land could be used for and allowed different teams within the local authority to work in tandem towards shared and agreed goals. This local authority also adopted an approach to use land more strategically in order to generate revenue; for instance, development of temporary accommodation units which would be leased to a local housing association for management, and simultaneously guarantee a long-term revenue stream and meet key housing objectives. This echoes findings in other research which shows that many local authorities have moved away from taking one-off capital receipts for land and assets and are instead looking to maximise revenue income and community benefits over the longer-term (Thomson and Wilkes, 2014).

In other areas, a lack of clarity as to the strategic priorities of local authorities meant that tensions between competing uses emerged. Politically, this involved the intervention of Elected Members in decision-making processes in ways that can constrain the use of land for housing development. In our interviews, this related to different perceptions as to the type of housing that should be built on local authority land. Sites sold to developers of market housing often brought greater capital receipts, seen as important to local authorities in austere times, while delivery of affordable housing was seen by others as critical to the achievement of key housing objectives and relieving housing need. These interventions sometimes constrained decision-making and slowed the release of land for housing.

“The property services team review all local [authority] land annually. They then forward on details to the planning team, who include appropriate sites in an outline SHLAA (Strategic Housing Land Availability Assessment). Members then revise the SHLAA and normally remove all of the local authority land, for a range of reasons, but also because they don’t believe there’s a housing shortage.” (Case Study B)

In addition to political intervention, interviewees observed institutional disconnect and competing internal interests between different local authority functions that impeded land use. Commercial management of land and obtaining best economic value sometimes collided with the delivery of non-market housing. Interviewees in some local authorities observed a lack of joined-up internal decision-making as to the development potential and viability of land. In one instance, the property services team of a local authority had sold a plot of land on the open market subject to planning permission having identified it for development, before the planning department of the same authority rejected a planning application. This type of institutional disconnect stemmed from ambiguity over prioritisation and a lack of internal clarity as to the assessment and use of local authority land. This raised concern amongst interviewees in the private sector as to the speed at which public land could be released and its consequent detrimental impact on the delivery of local housing.

* 1. *Finance and Funding:*

If local authorities are to use their land in their role as housing enablers, they are likely to require access to finance. To support this the Localism Act 2011 and the change in public accounting practices (International Accounting Standards) has made it easier in principle for local authorities to act like private developers in raise finances through bonds for house building (Morphet, 2016). In all three case study locations local authorities had considered the use of new mechanisms to raise finance for house building, however none had actually raised finances on the bond market and only one authority had entered into a joint venture with a private business to create an alternative structure to raise finances for development.

Enabling funding for house building enables one component of delivery, but public landowners need to be convinced of the financial merit of development. As such, the distinction between use and exchange values, which have proved problematic in some case of housing delivery may not always be resolved through local authority activity. The use value of land as housing has both a financial and a social underpinning, which may be desirable for a local authority to support. However, the exchange use also has a function for stakeholders, which may be less concerned with the delivery of high quality, affordable housing, than achieving the highest price for the land. In instances where other public organisations, such as the Ministry of Defence or National Health Service own land, there may be little incentive beyond maximising the exchange value of land to provide housing. In Case Study C there was a parcel of land that was highly suitable for housing, but in a lower house priced area. In order to be attractive for private development the cost of the land had to be low, but this contrasted with the landowner’s (a public health organisation) remit, waiting for house prices to rise and change the land value. In case study B the legal covenants that were carried over from land transfers were problematic for the Registered Provider to access financial support for the development of housing.

These examples suggest that making finance available to local authorities is significant in unlocking land for housing development. However, the intrinsic qualities of the public land holding (see below) may mean that both higher risk and lower return finance is required. Local authorities may be in a better position to accept this risk and return than private developers, but this may have a cost in limiting the ability of the local authority to accept other risks or achieve higher returns elsewhere.

* 1. *Legal and Planning*

Perhaps the greatest perceived advantage of local authorities bringing forward land for development is their monopoly on planning permission, although even in other democratic countries where this power is available to local authorities a monopoly does not equate to a simple context for local authority led housing development (e.g. Priemus and Louw, 2003). A local authority’s statutory right to define what is permissible development does, however, give them an opportunity which is not available to private developers (although with the extensions of nationally determined permitted development rights, this local authority led role is being diminished).

The assumption within this logic is that the motivations for permitting development is linked to a coherent policy within the local authority for what land should be used for. Under market driven logic, planning permission should be applied for the ‘highest and best’ use for the land (Evans, 1973), but within the logic of political oversight this use often diverges from the intentions of the politicians and local authority officers.

In two of the case studies interviewees argued that whilst there may be a clear legal framework and local plan, councillors routinely intervened in the decision-making process to constrain the use of land for market and non-market housing.

Case study A had a very market-oriented approach - in the sense that the officers have a strong commitment to the disposal of land to market – but often disposal was blocked by elected members and/or the plans for the use of land were rejected at planning committee. Officers in case study B saw the political composition of their members as being intrinsically linked to the view on how local authority land should be used to support local affordable housing development.

A clear example of where politics and the availability of land for housing do not always mesh together is green field land on the periphery or urban contexts, in particular sites designated as Green Belt. These policies, which may provide significant community and environmental benefits, can be a significant barrier to use for development (Dockerill and Sturzaker, 2019). The diversity of greenfield and Green Belt contexts in different local authorities means that, in the short term, the delivery of land for housebuilding is constrained by existing policy that may not be overcome simply by the desire to create a proactive local authority mechanism for housing delivery.

* 1. *Quality*

The quality of land for house building is a function of a range of factors, dominated by the location of the land. Where private house builders pursue land because of its intrinsic qualities for development, local authority existing land holdings are a function of historic processes other than creating a supply of the highest quality land for development. There are constraints related to the type and location of land that is in local authority ownership. In two of the case studies (Cases B and C), interviewees reported that the majority of LA owned sites are often located outwith the areas where housing is most needed and/or is financially viable. Many sites are small, and the quality is often low with potentially high remediation costs. Interviewees within two case study areas (B and C) suggested that they had been quite successful in exploiting the sites that were attractive to private developers but that site-specific issues were likely to represent a major and growing problem moving forward. It was noted that development of marginal sites might need new thinking about the best delivery vehicles, given that these are unlikely to be deliverable by RPs or the market.

All three councils felt that they had been effective in the use of the most ‘marketable’ land. Several interviewees highlighted that smaller sites in less attractive areas with higher remediation costs were going to become increasingly important and will need new thinking about how best to overcome site-specific constraints. The creation of a Development Company was undertaken in one case study as a response to the limited demand from house builders for local authority low-quality land stock. In the two other cases the authorities’ approaches were to focus on improvements to the quality of land or work by the planning team to provide advice and design services to limit the costs for developers in the hope of future sale.

* 1. *Market*

The literature on local planning authorities’ planning activity has turned to recognise their role as ‘market makers’ (e.g. Adams & Tiesdell, 2010; Lord and O’Brien, 2017; Lord, O’Brien & Sykes, 2015). However, the over-riding impact of recent government reforms and austerity measures has been to diminish the capacity of planning (see e.g. Hincks et al., 2019) and their planning tools (e.g. the extension of permitted development rights and standardisation of housing requirement assessments).

As we have argued above, there is a tension in the large-scale utilisation of local authority land for house building when much of the public land holding is low value or complex sites. If the productive purpose of these land parcels is to be altered to housing, it is necessary that local authority officers have the requisite skills to analyse, innovate and resource these uses. Given the current relationship between land holdings and market activity in many cases it will be necessary for the local authority to draw upon skills, resources and innovation that supersede those of private actors in the market (Barker, 2006; LGA, 2015) but combined with an understanding of local authority goals to avoid purely market-led planning (Adams and Watkins, 2014).

Local authority officers we interviewed engage regularly with housing need assessments and are aware of the level of land available for development in the short term. There was a growing awareness of public land holdings in the authority’s area (in part through the introduction of the electronic property information mapping service, e-PIMS, although precision of officer awareness is highly varied), but they were less certain about how possibility, viability, and housing needs overlap (and wider strategic priorities, see below). In two of the case studies, the local authority recognised that they did not internally have the skills (including relationships with housing developers) to effectively act as market makers for their land holdings and therefore brought in new staff with previous private practice experience. Case Study A had created a new land team to manage their land portfolio and oversee the purchase of new land, sales of existing land and joint development through partnership with private and social housing developers. Case Study C had entered into a joint venture with a private house builder, in part to be able to utilise skills in housing analysis and advertising that were not available within the council.

As local authorities undertake a wider range of activity in the housing market, the scope of their performance and influence in the market increases. Many previous calls to improve the resources of planners and to enhance the skillset of agents in the local authority have been based on the premise that officers need to understand discrete objects outside their influence. Yet, recognising that they do not simply observe and respond, but play a major role in shaping and making local housing markets enhances the significance of their activity and potential to use local authority land imaginatively to support housing needs.

Whilst up skilling is evident, the appropriate application of development and land management skills within local authorities is contingent upon clarity over the public policy goals of the authority, and their relationship to land holdings. The internal coherence of policy and local authority practice is therefore a key concern for officers involved in managing and developing land.

1. **Conclusion**

The revival of interest in local authorities as housing enablers through the use of public land in England requires an assessment of the potential barriers to delivery. The call for local authorities to become more proactive under the Conservative government emerged at the confluence of increasing house prices, devolution of responsibility for meeting national housing targets to local authorities, a wider public acceptance of arguments about the limitations to current and future private housebuilding and changes to local government financial support.

During the second half of the twentieth century the housing and development literature identified a large number of alternative models for the development process (e.g. Barrett et al., 1978; Healey, 1991; Gore & Nicholson, 1991), largely directed towards private house building processes. These models, taking different theoretical perspectives, identified stages, events, behaviours and institutions which need to align in order for development to proceed. In this paper we have explore some of the key ideas in these models through a simplified categorisation of barriers to development that have been identified in the literature. We seek to fill a small part of the gap in the literature, specifically focussing on the role of barriers as impediments to local authority utilisation of public land for house building has been under researched.

The barriers to private development identified from the literature are also present in the development of public land enabled by local authorities. Yet, these barriers have been overcome in some instances, but in these cases there had rarely been a pure market logic to the release of land for house building, Instead we are reminded of the following quote by Kirk:

“land tends to be put to its most profitable use, depending on the local circumstances, for the underlying criterion of commercial development is profitability, not the usefulness of particular buildings, nor local people’s need for them.” (Kirk, 1980, p.32; quoted in Adams, 1994, p.12)

Much of the land that is currently in the ownership of public organisations is currently put to a use other than the most commercially profitable use, but this does not mean that it can simply be transferred to housing through a commercial development process. Local authorities are now frequently asked to be in an intermediary role, seeking both the highest price for land, to secure the usefulness of buildings and to meet local people’s needs.

The involvement of the local authority may range from regulating the development process, through promoting and identifying potential developments, to full participation in the development and asset management of the developed site (Barrett and Whiting, 1983). This flexibility suggests that bespoke solutions are permissible but does not equate to practicability in all cases as the split in roles, responsibilities, risks and rewards of development may not prove possible. Examples of different roles adopted by local authorities were evident over different sites and times, and there is increasing evidence of entrepreneurial activity by local authorities in developing housing companies (Morphet and Clifford, 2018) and in this research through novel relationships with financial providers, builders, architects, land agents and others involved in the development process.

Encouragement for local authorities to enable further public land for house building in many markets is likely to require additional finance, in order to acquire development skills, prepare conceptual plans and undertake necessary remedial work prior to the land being attractive for developers. Yet, these additional resource requirements occur at a time when local authority finances are being restricted (Hincks et al., 2019), bearing a resemblance to arguments over public land development in the early 1980’s. Additionally, while the local state is entrusted with greater responsibility for bringing forward land for development, its powers with respect to development control are simultaneously being weakened, which may exacerbate barriers related to institutional and internal coherence in decision-making and undermine objectives of sustainable community building.

Estimates of the capacity of public land to fill housing shortages rarely consider the barriers to housing delivery. Whilst there are clear and accurate examples of local authority land that is being used to support house building, these examples do not prove that a wholesale upscaling of house building on existing public land is possible without greater awareness of the reality of barriers to development.

The argument that local authorities were previously disengaged from residential development and creating housing markets downplays the role that local authorities have played in delimiting and co-performing housing development for decades. Calls to utilise local authority land should therefore be seen as an extension of this activity; occurring within a longer term politically and community contested space with barriers that may be overcome.

This historical institutional meta theoretical approach to understanding the operation of the land market for local authority led housing delivery on public land draws from a small sample of actors involved in determining if and how local authority land should be developed for housing. The scope of the research limits extrapolation to the national scale, yet it is clear that there are similarities to the private development barriers considered in the literature for delivering local authority led housing on public land. These barriers can and have been overcome but doing so should not be considered simplistic. If it is a policy goal to increase housing delivery on public land then there needs to be government support, in the form of legislation, training and finances, to extend local authorities’ capacity to enact this delivery.

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