



A zoning system for England

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The Government's national growth mission depends on the success of its planning reform agenda. It has committed to introduce a more rules-based planning system that “backs the builders, not the blockers” to reach a target of 1.5 million new homes in England over this Parliament.

Ahead of the Planning and Infrastructure Bill later this year, this briefing explains why the most promising approach for the Government to achieve its economic and housebuilding goals is through a shift from the current discretionary system towards a flexible zoning system.

The problem is that the Government will struggle to significantly increase housebuilding and growth in the discretionary system, because even if the planning rules are changed, they will still remain open to interpretation by planners.

A zoning system would see higher levels of housebuilding and economic growth, because planning reform is easier in a rules-based system. Changing planning rules to make them more flexible is much easier in countries such as New Zealand, Canada, Australia, and the US – that share common law legal systems with England – because they already have zoning systems.

To introduce a flexible zoning system, the Government needs to:

- Pursue ‘Option 3’ of the Government’s Planning Reform Working Paper on Planning Committees, which would reduce discretion.
- Activate the National Development Management Policies, which would replace local planning policy and provide a consistent national rulebook.
- Replace the concept of “material considerations” with a new system of “material designations”, which would provide special discretionary protections within the new flexible zoning system in designated locations.

Together, these would create a flexible zoning system similar to that in other common law countries, where proposals that followed the rules would be guaranteed planning permission.

The Government would then use these powers to create a range of different zones, from suburban zones to city centre zones, each of which would contain a mix of allowed uses and limits on density and heights. Local planning authorities would then apply these zones to set the rules on what was and what was not allowed in each neighbourhood, and then decide where to overlay the material designations on top to provide additional local oversight.

To ensure any planning reforms have the desired growth impacts, the Government will also need to change tack in their devolution agenda. The proposed two-tier “shire mayors” will repeat the fragmentation of the existing two-tier system and will struggle to increase housebuilding. Instead, single-tier county councils with all the powers of mayors and that match local economies should be how devolution is advanced outside the big cities.

Zoning will not just result in a “sugar rush” of economic growth over this Parliament thanks to a construction boom and cheaper housing costs. The removal of the discretionary system, which was created 80 years ago by the Town and Country Planning Act 1947 to constrain the big cities, would achieve a permanent and sustainable increase to national productivity by allowing cities to play the role they should in the national economy. A flexible zoning system would finally allow Britain to meet its full potential, and support national prosperity for decades to come.

Introduction

The UK’s housing crisis is primarily the fault of the planning system’s tight restrictions on development. The UK has accumulated a shortfall of 4.3 million missing homes compared to the average Western European country since the planning system was introduced after the Second World War.¹ Expensive commercial property, low quality and efficiency of the building stock, and poor urban mobility also have origins in the planning system’s restrictions.²

These issues have been present for many decades. Yet in recent years a consensus has emerged that the English planning system’s restrictions on development have become a problem of national economic importance. For example, the IMF has stated planning reform is the central supply-side reform the country needs.³

Following contentious debates on planning under the previous Conservative Government, the Chancellor has put planning reform at the centre of the Labour Government’s growth mission. It won the recent election on a manifesto that promised planning reform, more new towns, and development on parts of the green belt in England. To fulfil these promises and meet a new target of 1.5 million new homes in England over this Parliament, it has changed planning policy and will soon lay a Planning and Infrastructure Bill.

The changes announced are a welcome start to the planning reform agenda, but much remains to be done. Reversing the “anti-supply” measures of the previous Government, releasing some green belt, and more new towns will not be enough for planning reform to provide the load-bearing role in national economic policy that has been identified for it. These proposals can be understood as “small-r” planning reforms within the current system that may be beneficial and can be implemented quickly but will only have a limited impact.

1 Watling, S. and Breach, A. (2023), [The housebuilding crisis: The UK’s 4 million missing homes](#), Centre for Cities

2 Breach, A. and McDonald, R. (2018), [Building Blocks: The role of commercial space in Local Industrial Strategies](#), Centre for Cities; Rodrigues, G. and Breach, A. (2021), [Measuring up: Comparing public transport in the UK and Europe’s biggest cities](#), Centre for Cities

3 IMF (2024), [United Kingdom: Staff Report for the 2024 Article IV Consultation, IMF Country Report No. 24/203](#); Carella, A et al. (2024), [Construction Planning Reforms for Growth and Investment: United Kingdom, IMF, SIP/2024/031](#), IMF Country Report No 24/204

With a new consensus in this area, the debate is shifting to whether more ambitious “Big-R” planning reforms to change the principles of the planning system are necessary. Centre for Cities has previously shown that the private housebuilding rate required for the Government to reach its 1.5 million target has never previously been met by the current system. Even reaching the system’s period of high performance would still leave the Government 388,000 homes short of its target.⁴

The choice for the Government is simple. If the Government keeps the current planning system, which makes it particularly difficult to build in urban areas, only a large increase in new suburban developments on greenfield sites in the shires can reach the national housebuilding targets. These homes would need to be in commuting distance of the big cities to deliver the economic benefits the Government hopes for, which would in turn depend on the abolition of the green belt and a new wave of urban motorways to facilitate car-based commuting.

The alternative is to achieve more building in towns and cities by changing the planning system. Shifting English planning from its “discretionary” basis towards a rules-based “zoning” system would be the core of this reform.⁵

This paper will argue that the Government’s bold economic and planning reform agenda can be fulfilled by replacing England’s discretionary system with a new flexible zoning system, and sets out how this could be done. It takes the case for planning reform in England as settled and relies on other research to demonstrate those arguments.

The paper begins by setting out how zoning and discretion differ, and shows that zoning is the norm in other common law countries around the world, and that it achieves better outcomes. It then explains why a zoning system would make planning reform easier than trying to achieve it under the current discretionary system.

It then looks at the creation of the discretionary planning system in 1947 to uncover lessons for planning reform today, including that:

- England had a nascent zoning system prior to the Town and Country Planning Act 1947, and the shift towards discretion undermined local plans and planning; and
- The shift to discretion was unnecessary, and unrelated to any goal to improve housing outcomes. It was due to the historic weakness of local government in England and a political desire to constrain the big cities and their economic role, expressed most clearly in the Barlow Report of 1940.

It then presents a proposal to shift towards a zoning system in England, in three steps:

- First, it sets out the legal choices that would need to be taken in and alongside the Planning and Infrastructure Bill.
- Second, it shows how a hypothetical new zoning code that fuses the existing use class order with permitted densities could be written by national government and implemented by local authorities.

4 Breach, A. (2024), [Restarting housebuilding I: Planning reform and the private sector](#), Centre for Cities

5 e.g. Worrall, C., et al., (2023) [Homes for Britain: Planning for Growth](#), Fabian Local Government and Housing Member Policy Group; Salutin, G. (2024) [Beyond the Comfort Zone: How can planning reform boost housing supply and affordability?](#), SMF; Metcalfe, S. (2024), [From the Ground Up: How the government can build more homes](#), IFG; Competition Markets Authority (2024), [Housebuilding Market Study: Final Report](#)

- And third, it sets out the changes to Government’s devolution agenda that would be required to absorb a new flexible zoning system, including a simpler structure of local government organised around single-tier county councils rather than two-tier “shire mayors”.

The paper concludes with a brief discussion on what would be expected to improve following the introduction of a flexible zoning system.

Zoning and discretion

Urban planning systems around the world are conventionally considered to be one of two types – **zoning systems** or **discretionary systems**.⁶

Although zoning systems are the norm across most of the developed world, planning systems in the UK (in each devolved nation and England) are discretionary. Planning in countries strongly influenced by British practice tends to be more discretionary in nature too.

Zoning systems are characterised by rules-based decision-making that is spatially bounded. Typically, a zoning code is drawn up that sets distinct groups of rules on allowed densities, built form, and use classes as defined “zones”. The local plan then assigns these different zones spatially to different neighbourhoods and sites. In theory, proposals in a zoning system which comply with each neighbourhood’s rules should be guaranteed permission “by right” from professional planners, in a manner similar to permitted development.

The nature of these rules varies between countries. Some, such as in Japan, have minimal rules around aesthetics or materials, while others such as in France have detailed “form-based codes” where development can proceed by-right provided it conforms with the surrounding built environment. On special sites, additional designations with extra rules or discretionary decision-making (e.g. Conservation Areas and similar) are often “overlaid” above the “base” zoning that determines the fundamental land-use.

Discretionary systems are characterised by judgement-based decision-making.

In England, a list of policies is drawn up that sets the overall objectives for development, including economic and social goals, and are only sometimes applied spatially. When applications are made, they are considered case-by-case against the policies in the local plan, and a judgement is made as to whether to give permission or not.

In practice, these two notional typologies are blurred. Discretionary elements are often present in zoning systems, especially in sites with overlay designations or with developments of an unusual scale. In extreme examples, zoning and discretion can be fused, such as San Francisco which maintains discretionary design review for all applications within its zoning system.

Elements of certainty and rules-based decision-making are similarly present in England’s discretionary system, such as through site allocations, Local Development Orders, and permitted development rights.

⁶ It is of course possible (and historically the norm) to have a land-use system that has very little planning at all, such as Houston’s lack of even a zoning system, but these are not currently on the political agenda in the UK.

Nevertheless, the underlying basis for planning fundamentally differs between zoning and discretionary systems. **The burden of proof in a zoning system is on planners** to write a code that sets limits to development and property rights, with developers allowed to use land as they please within those limits. Plan-making and development control are therefore inseparable, and the latter cannot occur without a plan in place.

For example, California possesses a “builder’s remedy” where developers are able to build whatever they like, so long as it contains some affordable housing, if their local planning authority does not submit local plans that are compliant with state law, because the burden of proof for imposing development control is upon the planners to create a local plan.⁷

In a discretionary system, the burden of proof is on developers to prove that they are complying with policy, as applications remain intentionally open to interpretation by planners. Plan-making and development control are distinct, with the latter able to occur even in the absence of a spatial plan.

The flexibility of zoning systems varies insofar as they either allow or block developers from delivering change to the built environment. Even though discretion can provide “flexibility” for planners to approve applications that a zoning system might rule out, development is harder, riskier, and more politicised under discretion.

There are strong theoretical arguments that discretion will always struggle to achieve efficient outcomes and provide flexibility to developers,⁸ and empirically this seems to be particularly the case in cities. Discretion makes redevelopment and infill development in cities particularly hard as it is where the political costs of new construction are highest. This is why Centre for Cities’ research has shown that the discretionary planning system immediately reduced urban housebuilding after its introduction in 1947, and why half of all suburban neighbourhoods currently add less than one house every year.⁹

Zoning is possible in common law countries

After almost eighty years of discretionary, permission-and-appeal planning in the UK, it can be hard to imagine that a different approach to planning could be technically or even legally possible.

The planning system is not however an unchangeable feature of British society, but a political choice. Discretionary planning is historically contingent and changeable, and this can be shown by the fact that other countries with common law systems have been able to establish zoning systems that deliver superior housing outcomes.

The English tradition of common law is sometimes argued to have led inevitably to a discretionary system due to its reliance upon precedent and case-by-case judgements in public administration. This is contrasted to the emergence of zoning in countries with civil or ‘Napoleonic’ legal traditions that rely more upon law codes and rules-based decision-making for governance.

⁷ Breach, A. (2022), [Can California’s Builder’s Remedy help solve England’s housing crisis?](#), Centre for Cities

⁸ Breach, A. (2020), [Planning for the Future: How flexible zoning will end the housing crisis](#), Centre for Cities

⁹ Breach, A. (2024), [Restarting housebuilding I: Planning reform and the private sector](#), Centre for Cities; Breach, A. and Magrini, E (2020), [Sleepy Suburbs: The role of the suburbs in solving the housing crisis](#), Centre for Cities; Romen, I. (2018), Pockets of Dense Construction in a Dormant Suburban Interior, BuildZoom

It is plausible that due to their approach to public administration, common law countries inherently have more discretion in their planning than civil law countries, even when they have zoning.¹⁰ If true, this would help explain why Anglophone, common law countries appear to have worse housing outcomes and availability than similar countries in Continental Europe and East Asia.¹¹

Nevertheless, zoning is the basis for planning across the common law countries of the United States, Canada, Australia, New Zealand, and Ireland.

It is true that some of these jurisdictions have severe housing crises and severely restrictive planning systems – typically when their zoning systems contain substantial discretionary elements. The average San Francisco quarter-acre residential plot has had its price increased by \$400,000 due to having one of the most restrictive land-use systems in the United States.¹² New York City builds even less than San Francisco and has such an ossified zoning code that 40 per cent of buildings in Manhattan could not be lawfully built today.¹³ Ireland has a zoning system with many discretionary elements that struggle to add new homes in and near Dublin, even while oversupplying housing in low demand rural areas.¹⁴

Still, housing outcomes are typically better in common law countries with zoning than in the UK. Vacancy rates are lower in England than in any other common law country, indicating there is very little surplus stock and the supply of dwellings is low relative to demand.¹⁵

The average floorspace per person in England in 2018 was 38m², while it was 74m² in the US in 2010. This is not just because England has less land. While the average private renter in London had 25m² of space in 2018, the average private renter in Manhattan in 2019 had 36m² – almost as much space as the average person in England.¹⁶

Quality issues with the housing stock appear to be a bigger problem in the UK than peer countries. While two thirds of dwellings in the US and in New Zealand were built after 1970, only 38 per cent were in the UK. This is not due solely to our longer history either, as the UK also has the oldest housing stock in Europe.¹⁷ Similarly, British large cities have worse accessibility than either common law or European peer countries, with a ‘frozen’ built environment that is too cramped for North American car-based commuting yet not dense enough for efficient public transport networks.¹⁸

These problems emerge despite relatively expansive demand-side policies. The UK has the highest share of the population in social housing of any English-speaking developed

10 Booth, P. (2007). The Control of Discretion: Planning and the Common-Law tradition. *Planning Theory*, 6(2), 127–145; Booth, P. (2009), Managing land-use change *Land Use Policy*, Volume 26, Supplement 1, December 2009, Pages s154–s159

11 Burns-Murdoch, J. (2023), The Anglosphere needs to learn to love apartment living, *Financial Times* (Accessed 11th September 2024) <https://www.ft.com/content/dca3f034-bfe8-4f21-bcdc-2b274053f0b5>

12 Gyourko, J. and Krimmel, J. (2021), [The Impact of Local Residential Land Use Restrictions on Land Values Across and Within Single Family Housing Markets](#), NBER Working Paper No. 28993; Cutler, K. (2014), [How Burrowing Owls Lead To Vomiting Anarchists \(Or SF’s Housing Crisis Explained\)](#), Techcrunch;

13 Bui, Q. et al., (2016), [40 Percent of the Buildings in Manhattan Could Not Be Built Today](#), *New York Times*, The Upshot

14 Lyons, R. (2022), [Why Ireland’s housing bubble burst](#), *Works in Progress*

15 OECD Affordable Housing Database – Note [HM1.1](#)

16 Gleeson, J. (2021), [An analysis of housing floorspace per person](#), GLA Housing and Land, Housing Research Note 06; Moura, M. et al. (2015), [120 Years of U.S. Residential Housing Stock and Floor Space](#), *PLoS One*, 10(8); Kolomatsky, M. (2020) [Which Cities Offer Renters the Least and Most Personal Space?](#), *New York Times* April 30, 2020

17 Zhao, N. (2024), [The Age of the U.S. Housing Stock](#), National Association of Home Builders – Eye On Housing; Stats NZ (2020), [Housing in Aotearoa: 2020](#); Breach, A. (2020), [Planning for the Future: How flexible zoning will end the housing crisis](#), Centre for Cities

18 Breach, A. and Swinney, P. (2024), [Climbing the Summit: Big cities in the UK and the G7](#), Centre for Cities; Rodrigues, G. and Breach, A. (2021), [Measuring up: Comparing public transport in the UK and Europe’s biggest cities](#), Centre for Cities

country, and the highest share of GDP spent on housing benefit of any developed country.¹⁹ This indicates Britain has serious supply-side problems compared to its peer common law countries.

Zoning makes planning reform easier

Other common law countries do not just show that rules-based planning is good for housing outcomes. Planning reform also becomes much easier when all Government has to do to is change the rules.

In Australia, Sydney's removal of politicians from permitting processes has been linked to higher supply and lower prices and rents;²⁰ California, Oregon and Montana in the US are all pursuing different changes to their planning rules to expand the envelope for urban development;²¹ and British Columbia in Canada has implemented a sweeping range of rule-changes, including higher density allowed around stations, eliminated public comment for policy compliant-proposals, and making it easier to deliver high-rise buildings by removing too-low two-staircase requirements.²²

New Zealand is the most important example globally. Auckland, the largest city, has had until recently an extremely inflexible zoning system with a 'detached-only' zone across the majority of the urban area. After local government reforms in 2010, Auckland changed their planning rules with a city-wide 'upzoning' in 2016 that allowed by right several townhouses on nearly all the formerly detached-only plots, as well as apartment buildings around public transport stations.

Auckland's planning reforms almost immediately doubled housebuilding in the city, which in turn decreased rents and house prices in real terms over the following decade, particularly for low income households.²³ Although originally inflexible, that Auckland's underlying planning system is zonal has allowed for comprehensive and scalable reform.

In a discretionary system, planning reform is much more difficult, because even if the rules are changed they remain open to interpretation. This is why, for instance, the Government's proposal for 'Brownfield Passports' will struggle to deliver higher housebuilding without more fundamental change to the principles of the system.²⁴ Planning reform is not scalable so long as the planning system remains discretionary.

An additional difficulty facing planning reform in England is the system actually has two discretionary stages for most applications.²⁵ First, planning officers recommend whether an application be granted a consent or not, based upon their judgement as to whether it complies with local plan policy. Second, a planning committee of elected councillors then determines whether it agrees with that recommendation. Although it is possible for councillors to approve applications recommended for refusal, this nominal "flexibility" much more commonly manifests in refusals of applications recommended for approval.

19 OECD Affordable Housing Database – Notes [PH3.1](#) and [PH4.2](#)

20 Martin, A. (2021), [A place in the sun](#), Works in Progress

21 Vinton, D. (2023), [What the varied approach of US states tells us about planning reform](#), Centre for Cities

22 Oleksiuk, D. (2024), [British Columbia just took first place in pro-housing policy](#), Sightline Institute

23 Breach, A. (2023), [New Zealand shows how planning reform will end Britain's housing crisis](#), Centre for Cities; Donovan S. and Maltman, M. (2024) [Dispelling myths: Reviewing the evidence on zoning reforms in Auckland](#), Motu Working Paper 24-07

24 Breach, A. (2024), [Brownfield Passports – the key to denser cities?](#), Centre for Cities

25 Unless the application is "delegated" to officers, which only has one stage – this is normally the case for minor developments such as changing windows in conservation areas and bike sheds etc.

The author of this paper has recently been made aware of two separate London Boroughs controlled by the same party that have separately increased and reduced decision-making autonomy (delegation) from councillors to planning officers in an attempt to increase housebuilding. In functionally identical authorities, the opposite policy is being implemented in pursuit of the same goal, as the operation of the discretionary system is so disconnected from the rules that policymakers control. These sorts of problems are a huge part of why decades of ‘tinkering’ in the existing discretionary planning system has struggled to increase housebuilding.

This is not to say that rules-based systems never experience housing shortages or prevent change in the built environment. But if they do it is either because they have adopted many discretionary elements in their decision-making – such as in San Francisco²⁶ – or because their rules are inflexible (e.g. extensive ‘single family zoning’). In other common law countries, planning reform is about changing existing rules rather than debating whether rules should matter at all.

Similarly, discretionary systems do see development occur, and it is possible for “small-r” reforms and policy to increase the amount that is built within them. But sufficient building to meet demand is contingent on political pressure from above to force development through a system that resists it by default, such as tough housing targets and the removal of planning powers from authorities that do not meet them. Even if housebuilding does increase, any anti-development backlash only has to have greater stamina than elected politicians to prevail.²⁷

The Government is clear in its aspiration for more rules-based planning in England with its pledge to “back the builders, not the blockers”. So far though, the Government has hesitated to commit to a new zoning system, and it seems that efforts are being concentrated on ‘small-r’ reform to make the current system more rules-based.

However, a major shift towards rules-based planning will be impossible to achieve without a zoning system, for two reasons.

First, a rules-based system must be spatially bounded. A local planning authority may contain city centre, inner urban, suburban, and rural neighbourhoods. Central government cannot write rules that are politically acceptable unless local planning authorities are able to use their local political judgement and subject different neighbourhoods to different rules.

Second, any practical proposal for a new planning system will need some discretionary elements, as in other common law countries. Public expectations for protections for special buildings and the degree of public comment are now higher than they were a century ago.

These tensions can only be resolved by a more conventional zoning system. The proof of this can be seen in the failure to implement the Planning for the Future White Paper in 2020. Although the White Paper proposed a more rules-based system, the proposal for only three separate zones (one discretionary, one rules-based with design codes, and another where all site allocations would have outline approval) sparked alarm of a “free for all”. The distinction

²⁶ Elmendorf, C. (2024), [Lawyering Cities into Housing Shortages: The Curious Case of Discretionary Review Under the San Francisco City Charter](#), NYU Environmental Law Journal, Vol. 32, No. 3

²⁷ As was seen under the previous Government from the introduction of the National Planning Policy Framework (NPPF) in 2012 through to the anti-development changes to the NPPF in 2021.

between neighbourhoods where the planning system would remain the same and where it would become rules-based was too stark and the nature of those rules was too vague. The rules needed more distinctions to allow local leaders to manage the politics of development by giving different rules to different places.

Most zoning systems abroad maintain more and stronger distinctions in zones between uses and urban form than the White Paper proposal. A more conventional zoning system would remain politically led, but see local planning authorities apply different rules to different neighbourhoods and identify sites where discretionary decisions remain appropriate. It would possess the staying power that zoning systems in other common law countries have all held, while also being easier to reform.

England previously had a zoning system

England could introduce a zoning system, and Centre for Cities has previously set out what one could look like.²⁸ But the practical challenges of such ‘Big-R’ planning reform are substantial. Even before the political difficulties are addressed, the technical difficulties about what needs to change first need to be identified.

To understand how to achieve such significant planning reform, we can look back to the creation of the discretionary planning system after the Second World War to identify what changed then and what needs to change again today.

Two key facts from the history of planning reform are relevant for policymakers today:

- England previously had a zoning system before the Town and Country Planning Act 1947 (TCPA 1947); and
- The overriding intent and effect of the TCPA 1947 was to impose growth constraints on England’s large cities through discretion, not to introduce better planning.

English zoning before 1947 and its abolition

England’s planning system is not discretionary thanks to the common law system. Rather, it was the choices and ideas that underpinned the Town and Country Planning Act 1947 (TCPA 1947) that saw England shift to discretionary planning. Prior to this, England possessed what was recognisably a nascent zoning system similar to those in the rest of Europe and the rest of the common law world.

Until the TCPA 1947, local plans in England were zoning-based and optional for local authorities. Under the Town and Country Planning Act 1932 (TCPA 1932), an authority which wanted to pursue a local plan – setting restrictions on the number, density, appearance and uses of buildings – would have to compensate landowners for any reductions in property value which were due to the restrictions imposed.²⁹

Once a planning scheme (i.e. local plan) was in place, applications that then complied with those restrictions could then be built by right, with no discretion granted to schemes that did not comply. In this way, the forces in favour of control and development were balanced – local planning authorities which wanted to impose heavy restrictions on development would face heavy bills for compensation, but the restrictions were certain.

²⁸ Breach, A. (2020), [Planning for the Future: How flexible zoning will end the housing crisis](#), Centre for Cities
²⁹ Cullingworth, B. and Nadin, V. (2006), *Town and Country Planning in the UK*, Routledge, 14th edition

Under England’s nascent zoning system in the 1930s, the UK reached its highest ever level of housebuilding, driving a full third of the country’s recovery from the Great Depression.³⁰ This building boom was primarily rapid suburbanisation outside the big cities, but inner London saw extensive new art deco private blocks of flats built too.³¹ Greater London was building 80,000 houses a year in the middle of the 1930s, an amount which the capital has never come more than half as close to meeting at any point in the 90 years since,³² and by 1938 a third of all homes in Birmingham were less than 19 years old.³³

There was one exception to this rules-based process. As it took time to bring local plans from inception to implementation, and this produced uncertainty for development in the meantime, the TCPA 1932 stated that in an authority that was developing a local plan, a developer could (but did not need to) apply for an Interim Development Order. This Order was a permit to develop that would guarantee compensation in the event of the development contradicting the eventual local plan (and needing to be demolished). Whether this Order would be granted was at the discretion of the planning authority, as to whether the proposed development would “seriously [...] injure the amenity of the locality”. In 1943 this order was subsequently extended from authorities pursuing planning schemes to authorities across the whole of England.

The TCPA 1947 then made two key changes. The first was to define a concept of “development” for all land for which Local Planning Authorities were responsible for regulating, through what was recognisably the same discretion that underpinned the Interim Development Orders. This was done without compensating landowners for the restrictions on development that would have been required under the TCPA 1932.³⁴ This definition of development was wide-ranging – it included not just building works, but changes in the use of land (e.g. from a shop to a dwelling).

The second change the TCPA 1947 introduced was that decisions on applications were to be made according to not just the local plan, but crucially, within “any other material considerations”. **These “material considerations” – such as design, internal layouts, traffic, parking, local character etc. – are at the core of the discretionary system, as they are the legal basis upon which development as defined by the TCPA 1947 is either permitted or denied.**

Subsequent case law, national policy, and local policy has defined material considerations broadly to include many factors of conceivable ‘public interest’, which, along with the “any other” clause, gives local planning authorities a wide remit to use their discretion to block development. The list of possible reasons to reject a development is open-ended, and relies upon judgements of subjective criteria such as ‘substantial harm’ and ‘exceptional circumstances’ etc.

With the introduction of discretion, the TCPA 1947 abolished the nascent English zoning system. This did not necessarily mean that planning improved or became stronger. While the

30 Watling, S. and Breach, A. (2023), *The Housebuilding Crisis: the UK’s 4 million missing homes*, Centre for Cities; Crafts, N. (2013), *Returning to Growth: Lessons from the 1930s*, CAGE University of Warwick

31 Neale, J. (2024), *Britain’s interwar apartment boom*, Works in Progress Newsletter

32 McPhillips, M. and Gleeson, J. (2018), *Housing in London 2018*, Greater London Authority

33 Powell, C. (1996), *The British Building Industry Since 1800*, Spon Press, p. 96

34 Compensation of £300 million (approximately £78 billion in 2023 values) was set aside for landowners whose land was in the process of being developed. This is substantially less than the value of national development rights nationalised <https://www.measuringworth.com/calculators/ukcompare/relativevalue.php>

TCPA 1932 regime had not seen every authority successfully implement a plan³⁵ and did entail a loose regime over development, the binding nature of the zoning process meant that local plans had been the central tool in planning policy.

Local plans after 1947 were undermined by the introduction of “any other material considerations” as an alternative basis for regulating development as they granted much more scope for case-by-case decisions by the authority. The great contradiction of the TCPA 1947 that established the modern planning system is therefore that it marginalised local plans.³⁶

The last overhaul of the planning system in England unsuccessfully tried to address this problem. The Town and Country Planning Act 1990 (TCPA 1990) defined the planning system as “plan-led”, in which site allocation in a local plan became much more important for new housebuilding. But because the TCPA 1990 retained the “any other material considerations” clause, it combined the worst of zoning and discretion – all the inflexibility of the former with the uncertainty of the latter.³⁷

Why was England’s zoning system abolished?

As England’s abolition of zoning was not inevitable and other common law countries did not pursue such a radical shift, it raises the question of whether England needed to introduce a discretionary system at all.

If the TCPA 1947 has fulfilled certain ambitions set out in its creation, then the current system could be defensible on those grounds – but it did not.

In part, the shift to discretion was caused by the weakness of local government.

The old Victorian system of local government was fragmented and varied in strength, and the TCPA 1932’s stretching demands were beyond the resources of many smaller or poorer authorities. A case-by-case, make-it-up-as-you-go discretionary system could be operated immediately by weaker authorities without the investment of a local plan, and so compulsory and universal planning could be introduced without first reorganising local government.

Discretionary planning was not just an administrative convenience, however. The wide-ranging Barlow Report was the intellectual genesis of discretionary planning. Published in 1940, it was centrally concerned with three issues:

- The role of the big cities in the national economy, especially London, with the terms of reference being to “*consider what [...] disadvantages arise from the concentration of industry in [...] large towns.*”³⁸
- The emergence of deindustrialisation and growing regional inequalities since the 1920s – “*part of the relative expansion of London and the Home Counties area [is explained by] the decline of the declining industries of other parts of the country.*”³⁹
- The contradiction between the need for housebuilding and the assessment that the nascent English zoning system was too permissive – “*one of the chief forms of weakness [of the TCPA 1932] consists in allowing too much ‘free entry’ development land...*”⁴⁰

35 Much as the TCPA 1947 system has in practice been too, despite it becoming a statutory responsibility of local planning authorities.

36 Due to its effect on local plans, it might perhaps have more accurately been named the Town and Country Development Act 1947.

37 The Home Builders Federation, (2017), ‘Reversing the decline of small housebuilders’, HBF; forthcoming research by Centre for Cities

38 Royal Commission on the Distribution of the Industrial Population (1940), HMSO, Cmd. 6153, p. vii

39 Royal Commission on the Distribution of the Industrial Population (1940), HMSO, Cmd. 6153, para. 86

40 Royal Commission on the Distribution of the Industrial Population (1940), HMSO, Cmd. 6153, para. 241

These issues had previously been recognised as policy problems, but were not originally considered a shared planning problem. For example, the Industrial Transference Board established in 1928, the first ‘levelling up’ policy pursued by the central government, paid working age men to relocate from deindustrialising areas to expanding areas, primarily Birmingham and London – it was not a land-use or planning policy.⁴¹

The Barlow Report argued that each of these issues justified a combined response through an empowered planning system. The Government eventually accepted the recommended response to each problem after the Second World War, and in altered forms they remain the foundations of the modern discretionary planning system to this day.⁴² These were:

- Urban containment of the big cities, especially London (eventually through the creation of the green belt).
- The forcible location of new industrial sites to deindustrialising areas to reduce regional inequality (through discretionary permits).
- Housebuilding is delivered outside the big cities through a system with extensive development controls (ideally through new towns/garden cities).

Even leaving aside the poor track record of housing and urban outcomes since the discretionary planning system was introduced, the strategic goals of the Barlow Report have not been successfully achieved. Although some New Towns have been a success, they only provided around 3 per cent of all new housebuilding in the forty years after the War.⁴³ Regional divides in the UK have not been closed, and the UK has seen deindustrialisation advance and the importance of the big cities expand since the end of the Second World War and especially the 1980s.

Yet the Barlow Report matters as it shows the discretionary planning system was created to constrain cities and their economic role, not because it achieves better housing outcomes. The most dysfunctional aspects of England’s planning system – which make it particularly difficult to build in and near urban areas – cannot be justified as necessary for planning in a technical sense.

The Barlow Report is why planning reform is so important for the Government’s economic strategy. The reason England’s discretionary planning system is such an economic problem is because it was principally designed to implement a broader economic programme that peer countries abroad did not adopt. **For urban economies to play the role that the national economy needs them to play, they need more development and change to their built environments that the discretionary planning system was designed to block.**

In summary, England’s discretionary planning system was neither inevitable nor necessary. The effect of Barlow was to reduce local – and national – economic growth through the creation of a discretionary planning system. It could and should be replaced by a rules-based planning system more in line with international norms – a flexible zoning system.

41 Cities Outlook 2022, Centre for Cities

42 Including the dissents in the appendix by Sir Patrick Abercrombie, which push for more radical discretionary state control over development without compensation than the consensus response of the Royal Commission.

43 Lange, M. (2024), [Are New Towns the answer to the UK’s housebuilding crisis?](#), Centre for Cities

A new zoning system for England

Ahead of the Planning and Infrastructure Bill published later this year, the lessons from other countries and the history of the planning system indicate the Government needs to make progress on three distinct areas for “Big-R” planning reform to have a chance of delivering the 1.5 million new homes target for England and stronger economic performance:

- First, a new legal basis for rules-based planning needs to be established;
- Second, a new set of planning rules need to be created by central government; and,
- Third, and alongside the above, local government needs to be reorganised.

As shown in this briefing, flexible zoning is the best and easiest rules-based alternative to discretionary planning. The following section will show how the Government should pursue its planning reform agenda across the three areas above to establish a new flexible zoning system for England.

Building regulations, environmental protections, and similar would not be changed under this proposal. Greater public and social housebuilding as well as new towns and land value capture mechanisms can also contribute to the Government’s housing agenda, and would be easier to accomplish within a flexible zoning system.⁴⁴

A new legal basis for rules-based planning

Three changes to the legal basis for planning are necessary to achieve a shift to zoning. These are:

- Implement **‘Option 3’ of the Planning Committee Working Paper**.
- Activate the **National Development Management Policies (NDMPs)**.
- Replace material considerations with **material designations**.

The Government is already poised to implement the first two of these reforms, which are addressed jointly below due to the coherence they enjoy together.

Option 3 and the National Development Management Policies

At the end of 2024, the Government published a series of Planning Reform Working Papers which posed open questions in a number of specialist areas.⁴⁵

The Working Paper on Planning Committees poses the most significant reform of the series.⁴⁶ It sets out three possible options for reforms of planning committees – councillor discretion – that would presumably feed into the Planning and Infrastructure Bill. Of these, **Option 3 proposed by the Planning Reform Working Paper on Planning Committees should be pursued by the Government.**

⁴⁴ Lange, M. (2024), [Restarting housebuilding II: Social housing and the public sector](#), Centre for Cities; Lange, M. (2024), [Restarting housebuilding III: New towns and land value capture](#), Centre for Cities

⁴⁵ <https://www.gov.uk/search/policy-papers-and-consultations?parent=%2Fhousing-local-and-community%2Fplanning-reform&topic=09e13bfe-83ee-4e89-acb8-a9f1971cdb04>

⁴⁶ MHCLG (2024), [Planning Reform Working Paper: Planning Committees](#)

Option 3 proposes a national scheme of delegation, with all development handled by planning officers, except in circumstances specified by MHCLG whereupon the application would subsequently proceed to a planning committee stage. The logic is that planning officers would be using their professional judgement to implement the local plan as democratically agreed by councillors – thereby removing councillor discretion for most developments, but retaining planner discretion.

Separately, **the Government has stated that it is committed to activating the National Development Management Policies (NDMPs)**. The Levelling Up and Regeneration Act contained a provision known as the National Development Management Policies (NDMPs) that for the first time set out that in the event of a conflict between the two, national planning policy should prevail over local plan policies.⁴⁷ Discussion on how the NDMPs should be implemented has so far been limited to their potential use inside the existing discretionary planning system.

Each of these reforms would be beneficial. **But together, Option 3 of the Planning Committee Working Paper and the National Development Management Policies would be a major shift towards rules-based planning.** Option 3 would make planning officers the key figures in acquiring a planning permission, while NDMPs – by banning any other kind of planning policy in local plans – would create a consistent set of rules that planning officers would be following nationally.

A barrier to these reforms is how planning policy is currently applied primarily at the local authority level, which is too large a geography to capture the variation between neighbourhoods that voters would demand from a more rules-based planning system.

With both Option 3 and NDMPs together, zoning would be the key to managing the politics of a more rules-based planning system.

The NDMPs should establish a zoning code that would, as discussed later in the briefing, define zones that each contain a set of rules relating to densities and uses. Local planning authorities would then apply those zones to different neighbourhoods in a local plan agreed by local councillors and MHCLG.

Option 3 with this application of NDMPs would then mean that neither councillor nor planner discretion would be exercised for most development. Instead, development that complied with the zoning on unexceptional sites (as well as building regulations etc.) would be consistently and predictably decided by officers in line with national policy, with discretion retained for applications which either did not comply with the zoning or other special circumstances.

As development control is inseparable from plan-making under zoning, local planning authorities that refused to zone their areas would relinquish their ability to control development. This would provide a strong incentive for local planning authorities to submit reasonable local plans to MHCLG for approval in a suitable timeframe, as has occurred with the ‘builder’s remedy’ in California.

47 Breach, A. (2023), [How to make the National Development Management Policies a success](#), Centre for Cities

Retaining discretion in special circumstances

Discretion will sometimes be politically necessary, even with NDMPs and Option 3. For example, public sentiment regarding development in Conservation Areas or of Listed Buildings will require not just distinct rules but special consideration by planners and/or politicians exercising their judgement. How can these political realities be reconciled with the shift to zoning?

After the activation of the NDMPs, the discretionary basis of the planning system will be in Section 38 of the Planning and Compulsory Purchase Act 2004:

“(5A) For the purposes of any area in England [...] regard is to be had to –

- 1. the development plan, and*
- 2. any national development management policies.*

*(5B) [T]he determination must be made in accordance with the development plan and any national development management policies, taken together, unless **material considerations** strongly indicate otherwise.”*

As referred to above, the reference here to “material considerations” underpins discretion by being both open-ended and given the same weight in decision-making as the local plan. However, removing this reference poses the problem of how to re-introduce discretion into the system when it is warranted.

This can be resolved by replacing “material **considerations**” with “material **designations**.”

A new set of “material designations” for which local discretion is permitted would be defined in national policy (e.g. Conservation Areas, Listed Buildings, National Landscapes, design codes etc.). These would then be overlaid by local planning authorities ‘above’ the nationally defined, NDMP ‘base’ zones.

The distinction between by-right zones that form the basis for planning and optionally overlaid discretionary material designations would differ from the Planning for the Future White Paper proposal for three exclusive zones, which retained a discretionary process for one zone and by-right development for the remaining two distinct zones.

The effect of these would be to create two possible routes to a planning consent. On sites without a material designation, the base zone would define what could and could not be built, and applications would be confirmed by-right by planning officers, without the committee stage.

On sites with a material designation overlaid above the zone, a discretionary process would remain. A mix of national and/or local policy for each material designation would continue to apply even for proposals that complied with the zoning. Option 3 could specify whether discretion for each material designation would be reserved solely for planning officers, or would include a second stage for councillor input at planning committee. Local plans would still require sign-off from MHCLG to prevent overuse of excessively restrictive overlays.

Consultation processes would therefore be frontloaded into the formation of the local plan and the allocation of different zones to different neighbourhoods, or in applications for sites where material designations have been overlaid upon zones. Yet on the most sensitive sites, political control would be retained.

More certainty could still be provided in this discretionary element of the system if the NDMPs were also used to establish a ‘hierarchy of language’. Phrases such as ‘substantial weight’; ‘significant harm’; ‘exceptional circumstances’ etc. which guides how discretionary judgement are currently be made could be explicitly defined and ranked in a nationally consistent manner. National and local policy would both provide greater clarity as to how different priorities should be weighed against each other, while still retaining discretionary judgements for finely balanced cases or proposals that the rules would otherwise block.

A new set of planning rules

It is important that the new zoning code be defined nationally. In other common law countries, there is a consensus that allowing municipalities to write their own zoning codes leads to inflexible zoning practices. Similarly, in England, the variation, length, and arbitrary nature of local plan policies have justified the powers that will create the NDMPs.

Having a higher-tier authority, whether state or national government, as a “referee” overseeing local governments as “players” in the planning system appears to be a precondition for zoning to function well, at least in English-speaking common law countries.

There are lots of ways a zoning code can be written, but simply copy-pasting a zoning code from another country would be a mistake. Any zoning code would need to be adapted to English urban circumstances with input from architects and urban designers while providing enough flexibility to allow the urban form to change.

There are two distinct issues for a new zoning code to consider:

- The number of zones; and
- The permitted uses and built forms allowed in each zone;

Number of zones

The more zones a zoning system has, the more inflexible and discretionary it becomes, as distinctions between zones accumulate. The Planning for the Future White Paper therefore proposed an extremely flexible zoning system with only three zones.

Currently, England has ten use classes, and five of these are types of residential accommodation, along with a large number of ‘sui generis’ classes for controversial or unique uses (e.g. cinemas, petrol stations). These uses would need to be merged with the zones that determine building density and urban form by neighbourhood.

England’s use classes order is relatively flexible compared to many zoning systems abroad.

Japan – widely considered a flexible zoning system – has 12 distinct zones.⁴⁸ Auckland has 17,

48 MLIT (2003), Introduction of Urban Land Use Planning System in Japan; JICA and MLIT (2007), Urban Planning System in Japan, JR 06-009;

excluding various kinds of green space.⁴⁹ New York has 21⁵⁰ and San Francisco has at least 59.⁵¹ French municipalities see enormous variation within their form-based code – the village of Colombey les Deux Églises has 11 zones,⁵² while Montpellier has 130.⁵³

Many of these additional zones are either very finely-grained distinctions in the same use class – introducing inflexibility – or for a very specific and localised collection of uses, such as ports, military bases, and hospital complexes.

Based on this international experience, between 12 and 18 mixed-use zones (with some sui generis zones) would seem to be the maximum number to remain somewhat flexible and not recreate all of the problems of discretionary planning.

The uses and built form of the zones

In a flexible zoning system, zones would be separated into different levels of ‘intensity’, so that each contains a mix of uses.

Zones for lower densities and a more suburban environment would entail fewer uses that risk harming amenities. Mirroring this, higher density and more urban zones would permit a greater mix of uses. Polluting industrial uses would be separated into a separate zone.

The standard way for regulating density in zoning systems is through the Floor Area Ratio (FAR), which is the ratio of floorspace to the land area of the plot. A larger FAR allows for a taller building, either by fully building out the plot to the storeys indicated by the FAR, or to a higher number of storeys on a smaller portion of the plot. Applications with a FAR below the maximum would also be accepted by-right.

The table below in Figure 1 sets out some hypothetical zones that could be part of an English flexible zoning system as proposed by Centre for Cities, solely for illustrative purposes. It can be seen that as the ‘intensity’ of the urban form in each zone increases, the permitted densities and mix of uses increases too.

Each of the numbers represents a hypothetical FAR. Floorspace limits could also be used to impose a small scale of operation for commercial/industrial activity in more residential areas (e.g. for last mile delivery or mechanics). The industrial and agricultural zones would see little residential development, but a wider range of agricultural/commercial/industrial uses permitted.

In a zoning system, debate about planning reform would be structured around changes to this code and its application. This is why planning reform would be easier under a zoning system – changes to the code would scale nationally, while local planning authorities which rules are appropriate for each of their neighbourhoods.

49 Auckland City Council (2022), [Plan Change 78 map viewer, 18 August 2022](#), Accessed 10th September 2024

50 NYC Planning (2024), [ZoLa: New York City's Zoning and Land Use Map](#), Accessed 10th September 2024

51 San Francisco Planning (2023), [Zoning Use Districts](#), Accessed 10th September 2024

52 <https://lecadastre.com/plu/colombey-les-deux-eglises-52140/>

53 <https://lecadastre.com/plu/montpellier-34172/>

Figure 1: Part of a hypothetical zoning code for England, with floor area ratios

Zones	Residential (Use Class C)	Commercial (Use Class E)	Pubs (Sui Generis)	Betting Shop (Sui Generis)	Industrial Space (B2)	Logistics Space (B8)	Agricultural
Village	1	1 (Up to 500 m ²)	1	N/A	N/A	N/A	2
Outer Suburban	2	1 (Up to 500 m ²)	2	N/A	N/A	N/A	N/A
Inner Suburban	4	3	2	N/A	1 (up to 2000 m ²)	2 (up to 2000 m ²)	N/A
Outer Urban	6	6	3	1	1 (up to 5000 m ²)	2 (up to 5000 m ²)	3
Inner Urban	12	12	3	1	1	2	3
City Centre	Unlimited	Unlimited	5	3	5	5	3
Industrial	N/A	2	N/A	N/A	3	3	3
Agricultural	N/A	1	2	N/A	1	1	3

Note: Numbers refer to permitted Floor Area Ratios for land in each zone.

The logic of Figure 1 is that the planning system should go with the grain of economic geography and try to provide a positive density gradient in urban areas. Due to agglomeration effects, the closer a site is to the city centre, the higher the demand for its space should be and therefore its land values. By allowing for a higher FAR – and so taller buildings – on sites closer to city centres (and railway stations etc.), higher land values would be shared between more floorspace, reducing total occupier costs across the economy.

In practice, these would need input from architects, urban designers, and planners to be fully adapted to English urban areas. Any proposed local plans would also need to be signed off by the Secretary of State, to ensure that councils opposed to development do not simply assign the lowest intensity use regardless of land values or urban form.

An alternative zoning approach would be a “form-based” zoning system, in which zones are separated on the basis of the urban environment allowed within them rather than uses. France uses this system, as do a number of American municipalities (Miami, Arlington).⁵⁴

⁵⁴ Florida Policy Project (2023), [Best Practice: Adopt Form-Based Codes Over Traditional Zoning](#),

Form-based zoning is relatively uncommon abroad, but there are obvious overlaps between form-based zoning and the “area based design coding” pilots currently underway in England. It seems to rely on intensively frontloaded work to adapt codes to distinct urban neighbourhoods, and the track record of local plan policy as a source of development restrictions and the lack of resource in the modern English planning system suggests it could be difficult to implement at scale.

A reorganised system of local government

A consistent barrier to planning reform has been the sheer messiness of English local government. Although the structure of local government was reformed in 1974, changes have recreated a fragmented and weak local government structure, with planning responsibilities divided between too many authorities.⁵⁵

Most obviously for town planning, local planning authorities (in most cases lower-tier district councils) are typically smaller than local housing and employment markets, and so struggle to deliver plans that respond to local needs. This is a particular problem for urban authorities with high targets and little greenfield land, such as Islington, Leicester, and Oxford. Co-operation with other councils is often necessary, and the politics of opposition to housebuilding means this often fails, in turn impeding the delivery of national housing targets.

In contrast, transport planning is conducted by a different type of council (upper-tier county council), making it much more difficult to plan for transport alongside new housing and commercial space in areas with two-tier local government.

The Government has recently announced a sweeping range of local government reforms in the English Devolution White Paper that will make some improvements. The two-tier district-county distinction will be abolished, and more planning powers will be transferred to the metro mayors in the big cities. The city region is a natural geography for planning responsibilities in the big cities as it matches political geography to economic geography across the urban form, ensuring local plans are shaping the entire local housing market.

In addition, a highly centralised local funding system means that councils lack incentives to plan for expansion, as growth in the local tax base is in the medium-long run redistributed away by Whitehall. The Integrated Settlements for the big cities also announced in the English Devolution White Paper are a positive step towards addressing this.

Unfortunately, the English Devolution White Paper also contains a substantial flaw that will limit local government’s ability to successfully absorb rules-based planning reforms – the push to extend the metro mayor model from the big cities to the shires to create “shire mayors”.

The push for shire mayors means the two-tier system will simply be replaced by a new, bigger two-tier system, without fundamentally addressing the fragmentation of governance across local economies. The original emphasis on English devolution on economic geography has been lost.

This will be particularly damaging for planning, as it means housing markets and local plans will remain misaligned under the new system. As with all previous attempts to use

⁵⁵ Breach, A. (2022), Centralisation Nation, Centre for Cities and Economy 2030 Inquiry; Breach, A., Bridgett, S. and Vera, O. (2023), In Place of Centralisation, Centre for Cities and Economy 2030 Inquiry

strategic planning to paper over fragmentation, forcing shire mayors to redistribute housing targets between different member authorities will be a huge source of political tension and a distraction from getting reformed local plans agreed and delivering new homes in this Parliament. The political pain this will cause will be greatest in areas where “doughnut devolution” with stark divides between small urban authorities surrounded by rural authorities seem likely, such as Leicestershire and Sussex.⁵⁶

For the Government’s planning reform agenda to succeed, their devolution agenda needs an urgent rethink.

The changes needed are not a radical departure from the White Paper. All that is needed is for devolution outside the big cities to be delivered towards single-tier county councils with local authority and metro mayor powers, and the reassertion of the centrality of economic geography to devolution as the basis for these new county councils.

This will be politically attractive to many county councils that already align with economic geography, such as Gloucestershire, Norfolk, Oxfordshire, and many more.

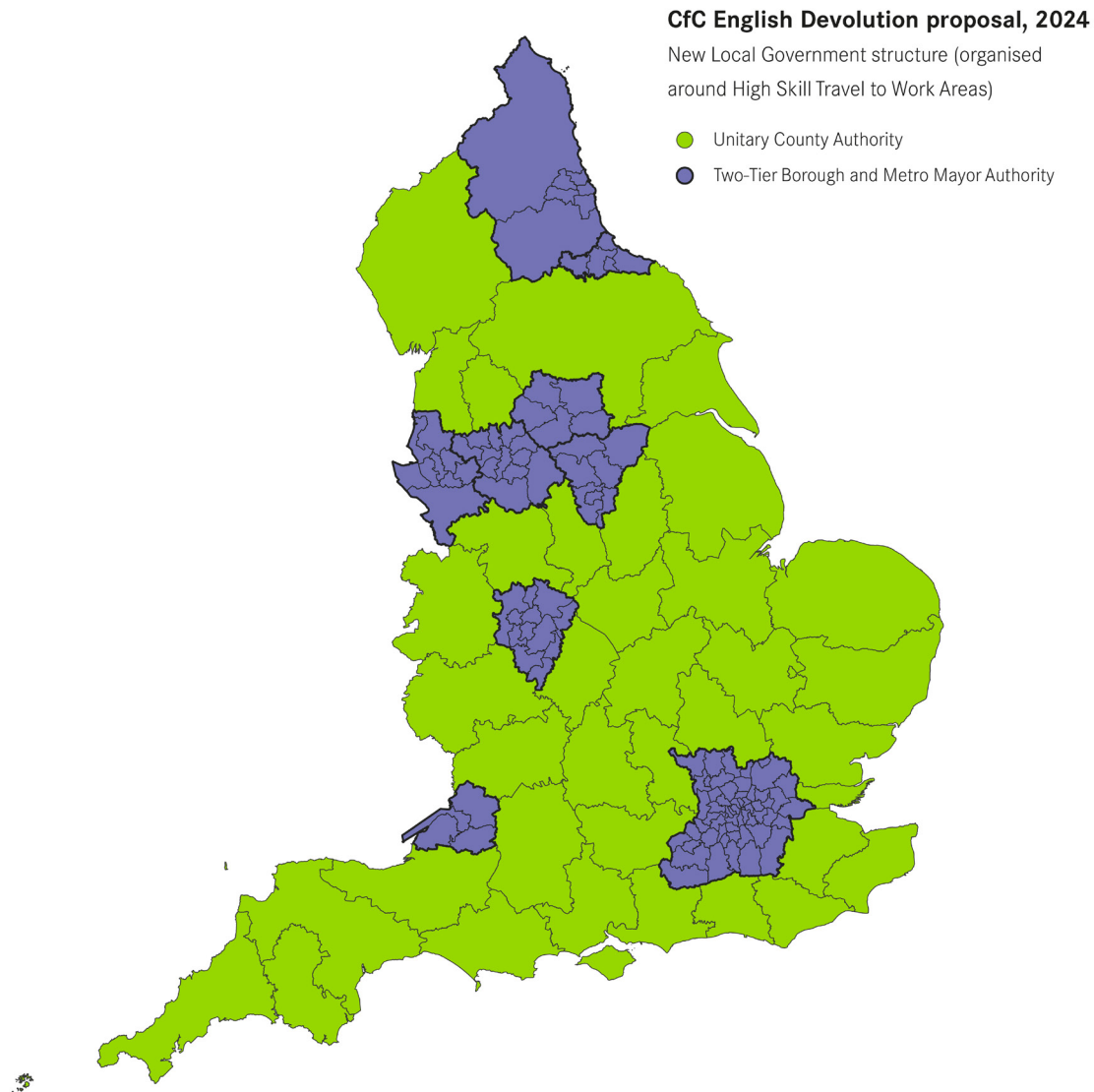
Centre for Cities has previously produced a map in the briefing *Economy First* that shows how this could be done, shown in Figure 2. With single-tier county councils in the shires and metro mayors responsible for planning in the big cities,⁵⁷ the number of planning authorities would be reduced⁵⁸ from over 300 to 48, of which 21 are either existing counties (e.g. Somerset, Suffolk) or an “obvious” reform (Leicestershire, Cumbria).

⁵⁶ Breach, A. (2025), [Anthony Breach: How to fix the Government’s big mistake on English devolution](#), Conservative Home

⁵⁷ And boroughs beneath the mayoralities responsible for personal social services e.g. social care

⁵⁸ Excluding other local planning authorities (National Parks; development corporations etc.), which would remain untouched under this new structure of local government.

Figure 2: Provisional map for local government in England, based on High Skill Travel to Work Areas



Source: Economy First, Centre for Cities, 2024

Each of these new authorities broadly aligns with local economies and contains a mix of poorer and affluent neighbourhoods, being based on High Skill Travel to Work Areas (HS-TTWAs). These are larger than the TTWAs of both average workers and those with other qualifications. As these geographies are built almost entirely out of existing district councils, it would be easier to reach than the emerging trend of redrawing new boundaries from scratch.

The important thing about the Centre for Cities map is not the specific boundaries – for example, politicians might decide to keep London’s existing boundaries. It is that an economic geography framework can give coherence to English local government, and provide a robust structure to absorb a very different planning system.

This type of map would have three effects for planning reform. First, it would allow for the introduction of a flexible zoning system to merge local plans and local transport plans, facilitating a shift towards spatial planning and better provision of infrastructure alongside new development.

Second, the consistent geography matching local economies would render strategic planning redundant outside of the big cities. Instead of small and highly land constrained boroughs having higher targets than neighbouring rural boroughs, or the devolution structures recently proposed by some local authorities that are too large and disconnected from local economies,⁵⁹ housing need would be shared across the entire local economy and planned for locally by one authority. It is not a coincidence that Auckland's 2016 upzoning was preceded by similar local government reforms to create a single-tier council in 2010.

Third, aligning authorities with local economies would make fiscal devolution possible, as less national redistribution can be balanced by more local redistribution. With this foundation, the proceeds of local housebuilding and development can then be used to fund local services.⁶⁰

Boroughs could also retain a role in the planning system in metro mayor areas by participating in the discretionary processes around material designations.

What would improve under zoning?

After all the changes above, it is worth concluding by considering exactly how housebuilding and development would be expected to change under a flexible zoning system.

Housebuilding would increase, as the supply of development land would increase with all urban land becoming available for redevelopment. Infill development in urban areas – which is now exceptionally difficult – would become much more feasible at scale, creating more opportunities on small sites and for smaller developers, and supporting public transport with the greatest densities.

Higher housebuilding would in turn lead to cheaper housing, larger disposable incomes, and stronger economic growth. Poor quality stock would be demolished and replaced by more and better housing.

The rapid success of these measures in New Zealand and other countries suggests that a shift to zoning from discretion in England would not “freeze” land values and development as some commentators and policymakers suggest, but that builders would immediately start building if only they had certainty and would start to deliver these benefits within this Parliament.

Urban expansion would occur when a planning authority decides to zone previously agricultural land for urban uses. As there would be much greater certainty as to the land value uplift that would arise from zoning, land value capture would become much easier, and occur through simpler approaches for capturing land value uplift rather than through s106 agreements.⁶¹

This has two separate implications for the development process for urban extensions.

First, this means that much more supporting infrastructure which is currently delivered through planning conditions by the developer would be delivered directly or tendered for by the local authority.

59 Breach, A. (2024), Why the Government should be wary of 'colouring in' the devolution map, Centre for Cities

60 Breach, A. (2024), Devolution Solution, Centre for Cities

61 Lange, M. (2024), [Restarting housebuilding III: New towns and land value capture](#), Centre for Cities

Second, sites can be delivered in a variety of ways. Developers can either continue with their current model; or they can sell individual plots to new buyers and build to spec or let them do self-build, or the local authority can take a central role in master-planning the entire development.

The efficiency of urban economies would improve too. More intense zoning in city centres, urban cores, and near railway stations would make for more efficient use of infrastructure and increase the effective size of cities' labour markets. Existing structures beyond the end of their life would be demolished and replaced by the private sector, increasing the quality of the built environment and its energy efficiency. More flexible zoning would also be expected to make it easier to provide mixed-use developments and neighbourhoods.

The national economy would improve under flexible zoning too. By removing the Barlow Report's restrictions from our planning system, our high-demand, highly-productive urban economies would finally be able to grow to their full potential. In this way, planning reform would deliver not just a 'sugar rush' for economic growth from a housebuilding boom, but also permanently increase long-run productivity, which is the foundation of national prosperity.

None of this is to say that Nimbyism would disappear under flexible zoning. In the politics of planning, there will always be arguments at the national level about what the rules are. And there will always be arguments at the local level about how and where those rules are applied. But crucially, there should not be any arguments as to whether the rules should even matter.

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