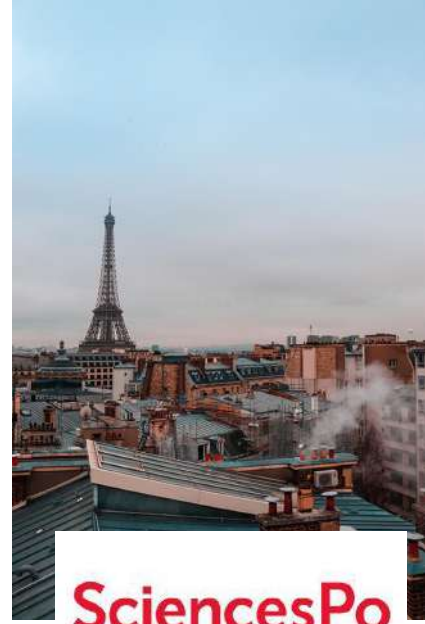


Virtual Statecraft

Housing Targets and the Governance of Urban Markets

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WHAT IS GOVERNED IN CITIES?



London Team

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Methods:

- interviews with over 100 public, private and civil society actors
- analysis of policy documents & local plans
- analysis of real estate investment datasets (Real Capital Analytics Ltd and MSCI)

Raco et al. 2022. 'Towards a virtual statecraft: Housing targets and the governance of urban housing markets' *Progress in Planning* <https://doi.org/10.1016/j.progress.2022.100655>



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Targets & Statecraft

- **Statecraft as legibility** (Scott 1998) what is/isn't counted decides what is governed

Legibility of targets provides:

- An **'inter-systemic steering/coordination mechanism'** that 'stabilises the cognitive and normative expectations of actors by shaping and promoting a common world-view' (Jessop 2002)
- In the UK, targets are means of centralised intervention in rescaled state:
centralised localism

Housing Policy Context: State Rescaling, Marketisation

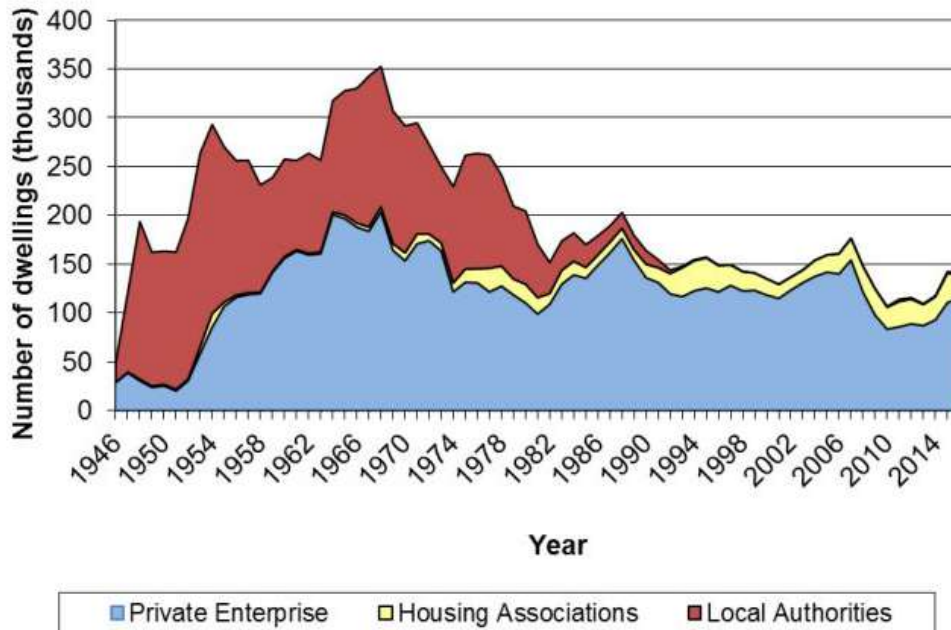
Conservative/Lib Dem Coalition Government 2010-2015

- **Localism:** Abolishes regional tier of government, introduces neighbourhood planning
- **Austerity:** significant cuts to capacity of local authorities and planning services
- **Marketisation:** *National Planning Policy Framework (NPPF)* introduces **presumption in favour of sustainable development**



Failure to Deliver

Delivery shortfall **circa 1,000,000** in 2014 (House Builders Federation)



FT: February 2022

DCLG; new home starts

Housing Policy Context: Reimposition of central state through targets

Majority Conservative Government 2015-2022

- White Paper *Fixing Our Broken Housing Market* (DCLG, 2017) introduces a **target of 300,000 units**
- NPPF 2018 introduces **Housing Delivery Tests** that suspend planning powers of authorities that do not meet targets
- *Planning for the Future* (MHCLG, 2020) white paper introduces changes to calculations of targets to get them up to 300,000 figure



Steering a market-based, decentralised system through targets

- Inherently politicised in their calculation, reflecting political geographies
- Mismatch between means and outcomes, quality and quantity
- ‘Reflexive irony’ creates politicised displacement of responsibility

1) Politicised Calculation: The mutant algorithm

- 2020 'New Standard Methodology' **to meet government's 300k pa target**: 36% uplift across all English authorities
- Large target increase in Conservative rural and suburban areas provoked backbench rebellion
- Government response: keep old method but add 35% levy on top 20 cities to meet 300,000 figure
- Justification that this is where the job growth is, but also nearly all Labour-held cities: **political geography to targets**

2) Mismatch between means and aims

“I guess the issue is... how much control does the local authority actually have over what’s delivered? ...we can allocate as much land as we like, we can be very pro-development, but if a developer doesn't want to build it, even if they’ve got permission, they don't always build it.”

“It’s [HDT] putting the blame on an organisation that doesn't have any of the tools to make it happen.”

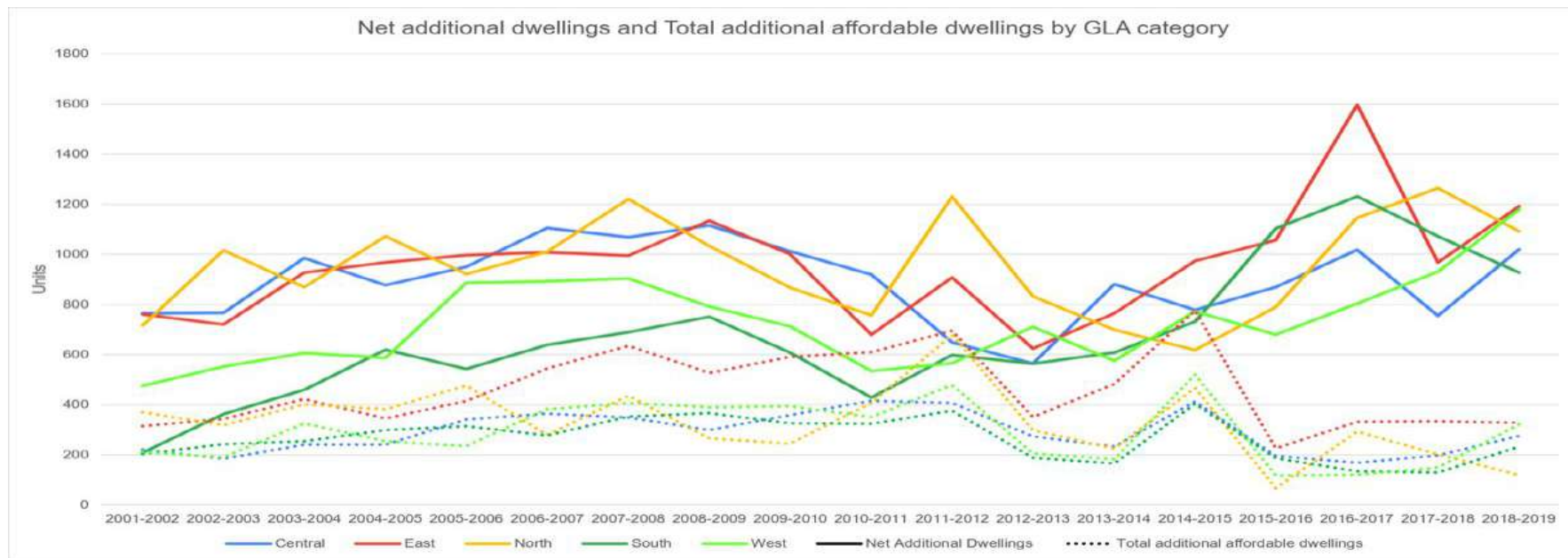
[Interview with East London local authority planner]

3) Mismatch between quality and quantity

Focus on raw delivery:

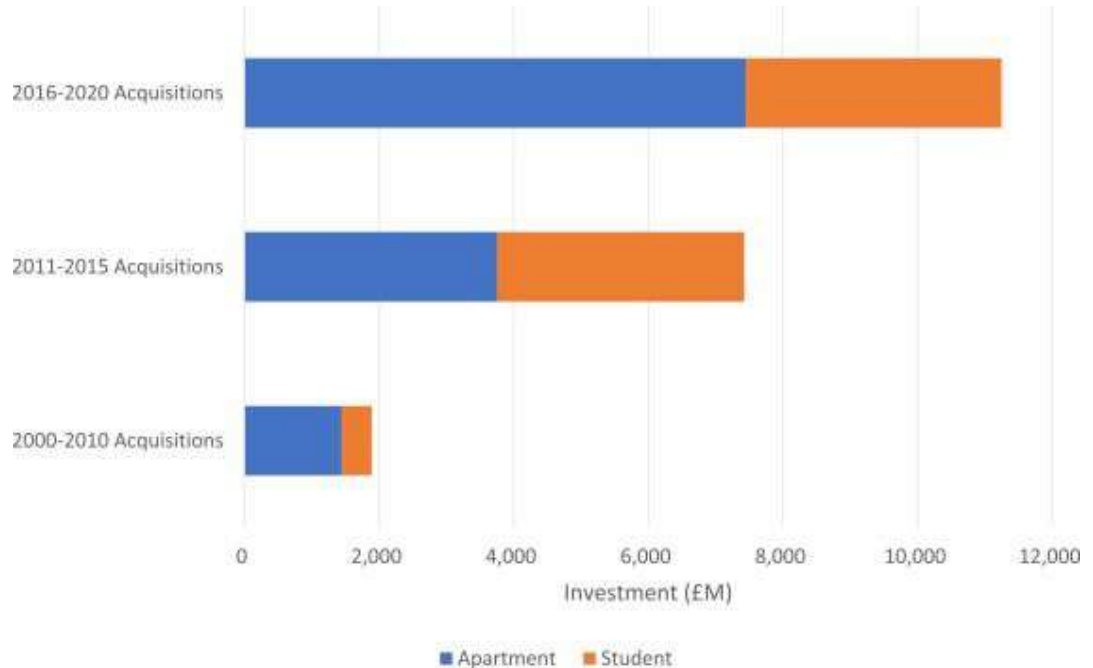
- a) Doesn't take into account qualities of place, leading to tensions and incentivises less consideration of development outcomes
- b) Doesn't take into account *types* of properties required

Housing delivery up, affordable delivery down



Emergence of student housing submarket: useful supply?

“a lot of delivery has been through student housing and that’s a big factor in why affordable housing hasn’t gone up”
- Local Authority Planner



Reflexive Irony

A mode of deliberation which ‘recognises the likelihood of failure but proceeds as if success were possible’ (Jessop 2002: 245)

- Targets in place “*because they sounded good*” (public body representative) - national level numbers were manifesto promise
- Not necessarily meant to be achieved, but to ‘stretch’, coordinate & signal to the private sector
- **But** unrealistic targets within the context of a politicised housing shortage creates a ‘blame game’

Blame Game

Targets as responsibility displacement within housing crisis:

- LAs blame market actors for not bringing allocated land forward
- Central government blame local authorities, missed targets provide a rationale for intervention in planning process
- Developers, housebuilders tended to blame local government, but also argued that central gov's unrealistic targets in cities led to them being scapegoated

“Local authorities blame the market for not delivering [unviable sites]...but that’s just ticking a numbers box, you can never deliver it” - Developer

“the function of the planning system to allow political leaders to evade responsibility, to blame somebody else”
- Housebuilder

Virtual Statecraft: Summary

State rescaling & housing shortage has prompted **new forms of target-led central government intervention:**

- Standard methodology/‘mutant algorithm’ controversy illustrates the politicised geography of calculative practices in urban planning
- Target-based governance creates mismatch between means and outcomes, quality and quantity
- ‘Reflexive irony’ of unrealistic targets fulfils a function, but also drives legitimacy conflicts between governance actors