

Frightening Powers of Planners

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"If he has chosen a bad site, so much the worse for him"

THE EARLY PURPOSES of town and country planning were rooted in two concepts—that the country's heritage in urban and rural areas should be preserved, and that new development should be carried out with reasonable regard for amenity. These purposes have been almost completely lost sight of in a miasma of control which now extends to the shape of roofs, to the colour of bricks, and at the other extreme to the content of the current fiscal policy. Each extension of the realm of statutory planning has had side-effects which, because they have been dealt with on an *ad hoc* basis, have themselves tended towards further enlargement. But each extension, added no doubt to meet particular crises, has then become part of the general and permanent planning machinery.

These observations were prompted by a minor planning decision in Richmond-upon-Thames which passed unnoticed except in a local newspaper. An applicant for planning permission sought nothing more spectacular than to open a new fish-and-chip shop. In fact his application was successful, but the nature of the discussion and of the objections raised to the application is illuminating. In all such cases many points are raised, but very few of them have any proper connection with a planning application.

The question of whether such a business would be noxious is primarily a matter for public health legislation and is capable of being dealt with entirely adequately under that code. Similarly, the question whether such a business may cause a nuisance to the surrounding property owners is a matter for them to decide and to defend by exercising their own rights in tort.

So far as questions are raised about the economic viability of the proposed business, this is essentially a matter which concerns only the individual who is investing his time, trouble and capital in the enterprise. If he has chosen a bad site, so much the worse for him. If, for example, he chooses to locate his business in an area more than adequately catered for, then his judgment is bad—unless, of course, he is convinced that the efficiency of the service he can offer will enable him to face the competition of the existing businesses. Yet in the case at Richmond-upon-Thames, representations were made and considered, on the basis that the area had sufficient fish-and-chip shops and that more would be unnecessary.

It is hardly surprising to note that such well-intentioned advice, calculated, no doubt, to help the planning committee prevent the poor applicant from suffering a premature bankruptcy, came from persons already dispensing fried fish in the neighbourhood. The representations were supported by a number of well-wishing citizens, who, pre-

sumably ignorant of the economics of competition, failed to see that a fresh competitor with a newly-equipped shop might stimulate a greater quality of service and value for money among all purveyors of fried fish in the area.

Fortunately the planning committee would have none of it and settled the matter on purely "planning" principles: yet the danger is there, if not in Richmond then elsewhere, and it is apparent that, in the minds of some of the public, town planning exists to prevent economic competition and hence freedom of choice. We hear of decisions taken on the ground that the "area is already well served." This is commonly given as a reason for refusal of consent for petrol filling stations. We shudder to think of the consequences of this kind of thinking. Should a planning committee refuse, on this ground, permission for the conversion of otherwise suitable premises for the establishment of a new local newspaper? However well-meaning these decisions may be, the very nature of the power available is of so frightening an order that all right-minded persons must recoil from its ultimate logical extension.

With regard to some types of enterprise, Parliament has decreed that, for reasons of public policy, trading outlets shall be subject to restriction on numbers and location. For example, the licensing laws were introduced for the purpose of ensuring, *inter alia*, that there were not too many public houses in any particular area. Betting shops, presumably, have to be limited for similar social reasons. One may doubt whether this form of control is really needed, but, at any rate, it has been deliberately created for a specific purpose and is limited by law to particular fields of activity.

The danger at the moment is that planning may assume to itself omnipotence and take into its own jurisdiction these special types of control. It is difficult to imagine anything more capable of abuse than the idea that planners can judge all the subtle nuances of the market. This is one field in which the public can make its entirely legitimate needs and wishes known without any intervention by authority. If the existing fish-and-chip shops, garages, restaurants, night clubs, or whatever, are adequate, then the new venture is likely to fail—and at cost to no one but the valiant entrepreneur. But if the existing services are inadequate, then the advent of a newcomer will soon reveal how unenterprising the older proprietors have been. To give established traders a monopoly is to remove any incentive to improve their service—and that is a loss not only to potential competitors but to the community as a whole.

THERE is mounting evidence that the incidence of the 40 per cent betterment levy is inhibiting the supply of land offered for sale. The property correspondent of *The Observer*, October 1, under the caption "Builders Fear Land Famine," reports that "Small builders, who were unable to obtain large stocks of land before the Land Commission and the levy came into operation in April, are worried at how little land is now coming on to the market. They are also concerned at the rise in prices, in spite of promises that the Commission would prevent this."

The correspondent quotes a spokesman for the National Federation of Building Trades Employers as saying: "The land position, so far as the house builders report it to us, is dead. There is little coming on to the market and that is very expensive. This is precisely what they forecast when the Land Commission was first mooted."

A firm of land agents in Chester reports that just over six acres of land were sold recently for £11,600 an acre—"a figure unheard of in the area."

A builder in Slough is quoted in the *London Evening Standard*, October 4, as saying: "Sellers of land are holding us to ransom. Every time we buy building land it is more and more expensive."

For house builders, land, or rather the lack of it, is the biggest current problem of all, and the situation is so serious that one old-established Nottingham firm will have to close down unless it is successful in obtaining land.

From the builders' point of view it is no exaggeration to say that locally there exists a land famine, and the situation has probably never been so acute before. The land is there, at any rate in the county, but nobody is selling; land owners are not prepared to pay the 40 per cent levy.

"From April 6, the date of the Land Commission Act, the availability of land to building firms dried up just as if somebody had turned off a tap," was one comment.

The prophets of Goodge Street, alias Robert Troop and his co-editors of *The London Property Letter*, have recently made their own speculations on the Betterment Levy. The following extract gives an interesting picture of the conflict of view about the levy's ultimate effects.

"A fifty per cent jump in residential land prices sounds suspiciously familiar. Could it be that someone has added on the Betterment levy? Tut tut. Who could have foreseen such a thing? Yet in a recent sale on the South Coast the price paid hit £13,500 an acre, reckoned to be about half as much again as would have been paid a year ago. The site in question was particularly prime, but the fact remains that if the increase is passed on to the customers it will mean an extra £500 per house, or a surcharge of around 10 per cent. Perhaps it's true to say that by the time the estate in question is built people will swallow the increase as part of the natural inflation of things. But it could equally be true that the extra paid for the land plus all other increased costs between now and com-



pletion, will price the estate out of its market."

This tends to confirm the view that land prices are unlikely to be reduced by the levy. The prices being asked and paid for strategic sites in prime locations illustrate clearly that an annual tax on land zoned for early use would have a much wider, more rapid and beneficial impact on the whole field of development than the present cumbersome machinery and its uncertain effects.

Whether one takes the view that the Betterment Levy, not being a true tax on land values (which it is not), can therefore be passed on, or that the higher prices for land follow a contracted market due to the side effects of the levy, it is clear that the Land Commission is not only failing in its claimed purpose of making land cheaper—it is making it dearer, as the following press reports indicate.

AGGRAVATING THE LAND SHORTAGE

Liverpool Daily Post, September 18

SOME parts of the Bill were so complex that MPs complained that they could not be understood even by experts. Now, six months after the Land Commission began operations, the bewilderment has been passed from the Commons to many professional people—solicitors, architects, and surveyors who have to interpret the Commission's ideas for their clients.

Sample comments. The Liverpool Architectural Society: "We don't know anyone, even the people directly concerned, who claim to understand it." A firm of property auctioneers and estate agents: "There's a great deal of confusion." A hotel owner: "I'm not even sure that the blokes who wrote it understand it." And the hotel owner's architect: "I've got an explanatory booklet. But you need an explanatory booklet to explain the explanatory booklet." The hotel owner: "I think it reasonable for them to demand a levy on any profit the man makes if he sells the place and after he has deducted his costs. This seems reasonable to stop profiteering, which I thought was the object of the exercise. But this is not going after profits. It's just stopping people doing things."

Some land owners will now be retaining their plots waiting for the value to increase so as to offset the cost of the levy when they do sell, although there is some risk involved because the Commission has compulsory purchase powers. But the short term result of the Commission seems to have been to aggravate the land shortage instead of making more land available.