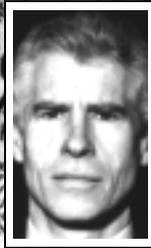


BRITAIN'S SOVIET PLANNING SYSTEM

DON RILEY



In the City of Westminster, the planning department draws a few lines around an area such as Pimlico and defines it as a conservation area. This allows the planners to terrorise building owners who have the audacity to wish to improve the capacity of their mansard rooms (under the roof) or replace their leaking sash windows (with the best of the modern versions in pvc or aluminium), or to do any of a hundred things to their offices or flats, hotels or shops, so as to make their buildings function better for them. This conservation is to preserve the community. Simultaneously other owners are given easy permissions to convert large houses into multiple occupation. The resultant noise from every floor of the neighbouring houses then drives family home owners out of their houses, away from the community.

It is hardly surprising that dissatisfaction with City Hall planning is widespread. MP Teresa Gorman's taste has been derided (she thought she was improving her home), local shop owners (who wish to change to what is in demand) are haughtily refused change-of-use, and large sites await planning decisions for as long as six years.

SOVIET STYLE DEFICITS

The consequence of centralising the planning of our building production is a 1917-1991 USSR-type deficit. In his book *The Housing Morass* (Institute of Economic Affairs, London, 1987), Patrick Minford elegantly describes the knock-on effects caused by political interference in property — regulation, immobility and unemployment.

The Planning Act of 1948 was well intended, but the result is a proliferation of pettiness, as officials try to arbitrate on owners' rights, public rights, conservation rights and different architectural

styles and tastes. Every day, in every town hall, officials are stamping "passed" or "refused" on thousands of applications. The results are ludicrous, and not only to libertarians.

Nevertheless there are still people, in the ex-USSR and in the UK, who believe that the Communist Party had the right to dictate artistic merit in painting, music, writing, acting, sculpture and architecture. Accordingly our arbiters of planning fashion still preside over annual Soviet-style deficits and mediocrity in all categories of property renewal and development.

The devastation caused by Soviet-style central planning is now clear to us as we watch the former nations of Eastern Europe struggling to progress economically. The mess caused in the UK and EIRE by the nationalisation of planning is not dissimilar. Millions of citizens of these islands are stuck in pre-WW2 industrial locations and pre-WW2 residences.

Minford estimates the annual waste as being of the order of 4% of GDP. The supply deficit since WW2 is of truly Soviet proportions. We no longer snigger at the old USSR's antiquated Ladas or tractors but feel sorrow and dismay at the gigantic struggle the Russians now face to modernise their factories. But we, in our supposedly free enterprise culture, have also got ourselves into such a mess in property that we are hundreds of billions of pounds adrift from a balanced market.

Every week we read of government interventions in the market, such as the failure of Housing Association investment in areas where there are no longer any jobs. One survey estimates that half of all Londoners cannot afford to buy a home in the capital, hence the proliferation of shared ownership schemes. These seem great at first, but are hard to make work, and are fertile ground for comedians and divorce lawyers. They are not like business partnerships, where different strengths are combined. Or we read of housing subsidies that have reached £11 billion a year because the jobs being invented (Prime Minister Blair especially favours low wage new industries such as leisure and tourism) do not match the cost of accommodation, the supply of cheap accommodation for workers at the bottom end of the new service industries being too little and therefore too expensive. Where supply does exist in the right locations for the twenty first century job market, the property shortage makes homes absurdly expensive. It has been estimated that at our present rate of rebuilding, it will take a thousand years to modernise our property, which is the most clapped-out in western Europe.

SHORTAGES — HOARDING — BUREAUCRATIC DELAY

Nationalisation of planning in the UK and Eire has resulted in **not enough permissions over entire types of buildings**. The making of motorcycles, buses, cars, trucks, or boats is regulated, but is not subject to complicated permits. Provided you obey the rules for making them, you can make as many of these things as you like, so they litter our land and waterways. But there is a chronic shortage of property where it is most needed to meet individual or business needs. This causes **price booms**, such as housing prices that are double, treble or even greater than their replacement cost, a dismal reflection on a century of technical progress — and falling costs — in other areas. In Britain, most of us have to live where we work and so are not able to take advantage of commercial or residential property that is cheaper abroad.

Another Soviet-style manifestation of state-contrived scarcity is the Moscow-style **hoarding** of property. Manufacturers, distributors, wholesalers and retailers in other markets excel at keeping stock at the lowest levels possible whilst still managing to satisfy most requirements for any item immediately. In the property market, firms and individuals react like Russians who sense a soap powder or cooking oil shortfall and stash boxes and bottles under their beds. Residential firms, for example, like to keep up to five years supply of land in hand that has or could have planning permission for houses. No wonder that rises and falls in land prices have more effect on the profitability of some of these firms than their skills at house or flat building. Bit retailing groups like Tesco have scouts out seeking and acquiring land in areas which match their required sales volume predictions.



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FOR LIFE, LIBERTY AND PROPERTY

However this activity is dwarfed by the hoarding that private residential owners are tempted into. Largely due to tax breaks which are not available on other assets, such as shares or commercial property, millions of owners do not view houses and flats as depreciating assets due to obsolescence and deterioration, but as their best form of investment. Despite being hopelessly illiquid when the market weakens, owners hang on to inappropriate dwellings. If there were more buildings available, and more planning permissions available to alter or rebuild, owners would have less reason to behave like dogs with bones.

It is ironic that in the first half of the twentieth century, before the current wretched planning system was launched, most people did not have the wages to buy a starter home, so they rented a part of one, and the market worked. But during the second half of the twentieth century, when people had the funds and when builders could build faster than pre-WW2, the centralised planning system for buildings suppressed supply as effectively as if the Germans were still blockading us and preventing timber or cement or bathroom tiles getting through. In the building sector, especially where residential property is concerned, we have been on meagre rations for most of the past century.

Nationalisation of planning has resulted in **bureaucratic delays**. These add immensely to costs, such increases often being unfairly blamed on architects and builders. Even if planning permission is agreed in principle, one, two or even three years can often pass while the planners haggle over details.

THE SOVIETISATION OF THE BUILDING TRADE

All this uncertainty and delay bears heaviest on builders. Their workload is out of their control, and alternating feasts and famines ruin standards of work. **Builders cannot predict when jobs will begin and this wrecks their ability to function like normal businesses.** Even when the workload increases, firms do not wish to recruit or train more workers. They can't afford to. So instead they employ subcontractors, which makes communication between workers rigid and difficult. The results are what you would expect. The bulk of modern building work is completed to very tight timetables and to a standard so variable that the real cost will only be apparent years later. An eminent property commentator stated that she would not buy a building (office or house) built after 1940 unless its condition and price reflected demolition opportunity and possible redevelopment!

The enormous state interference described by Patrick Minford has reduced many building workers to the level of state employees, with low morale and low status, despite their firms remaining in private hands.

Interference from planners can continue during a project. Near the end of a new build or conversion, the planners continue to fuss over details like cladding, ducting, traffic control or access, which causes further delays and adds further to costs. To avoid crises, the desperate client/architect/builder often cravenly agrees to further desecration of his design. That architects occasionally created magnificent buildings under even Hitler or Stalin is because under their tyranny, state planning of architecture was only marginally more interfering than in our "free" society.

Nationalisation of planning creates **unpredictable outcomes**. This is what you would expect from a planning process based on a nationally imposed book of rules, which has an appeal process centred on the Department of the Environment, and which has spawned a crowd of advisers for the applicants and appellants.

Common sense is quite lacking. A planner insists that a few stunted trees at the rear of a small block of flats adjacent to four garages and car parking are preserved. Or he insists that a new right of way be built to the side of the block and tarmac parking laid to replace the lawn in front of the house, because the cars would obstruct the flat owners' view across the lawn to the sea and Isle of Wight!

CORRUPTION OF THE PROFESSIONS

Few planning bureaucrats have worked in the professions that they are dealing with, such as surveying, architecture or construc-

tion. This is intellectually corrupting. Every planning department now has "experts" in such sub-specialities as traffic or ventilation, who, after absorbing a little theory in their small subject, become dogmatic arbiters of each proposal. They use their power of veto frequently, which helps them hide their ignorance from building owners, architects or engineers who have practical experience and the confidence that comes from having been scrutinised by their fellows, by professional associations and by demanding clients. Like officials the world over, ours display intimidation, rudeness, inconsistency and arrogance. Architects and the other professionals on the receiving end become contaminated, and although some remain clear-headed, many act similarly with clients. Many clients find that they get no support from the professionals they are paying when they try to maintain the integrity of their design.

When they get lots of soft jobs from the public sector, architects often end up dumbing down their work. They learn how to indulge planning officials' whims so that they can get easy permissions. So it is not surprising that the public, who are meant to be helped by their betters, are frequently irritated and disappointed by architecture. It is mediocre because it is "designed", i.e. rubber stamped by a group of mediocrities.

CORRUPTION IN THE CRIMINAL SENSE

Planning is frequently corrupt in the criminal sense. Bribes and favours are exchanged to swing planning permission for cronies, whilst denying it to others. An acre of farmland may be worth as much as £5,000. But, zoned for housing, it can be worth £500,000, even while the cows are still in possession. If a decaying office building can be stamped suitable for housing, its value may double even before the office workers have moved to their new location.

MPs lead very public lives and can be ruined for accepting tiny bribes, as we have recently witnessed. By comparison, planning gains can total £10 billion in the UK in an average year. The nitty gritty of planning deliberations is not argued out in public except when an application rates a public enquiry. If journalists report on these matters at all, they do so from public planning meetings which are bland, late night, non-alcoholic, rubber stamping formalities.

Occasionally a stink is reported, even if the reporting is watered down to avoid litigation by scoundrels. An example concerns Waterford County Council's April 1999 planning meeting. In deciding to overturn the planning officer's recommendation to delay matters for further consideration, the officers voted nine-to-six in favour of granting, to a local farmer, rezoning to housing for 25 acres. "At that stage of the meeting four councillors had already left and four others decided to abstain on the vote." Perhaps those who left early were heading for the pub nearest to the million pound planning gain.

DULL OLD SUBURBS — NEW DREAMS

As always happens with state coercion, the end products of nationalised planning are in most instances **unimaginative, poorly executed, difficult to adapt or improve, unreliable and in the wrong place.** English planners in particular have carried on rubber stamping plans for wasteful nineteenth century, suburban-style layouts of commercial and residential property even where land is in short supply.

The last London Smog occurred in 1962. About fifty thousand people died as a result of it, so in winters past the well-off fled to their country houses. The urban masses dreamed of living where the air was clear and where flowers grew, even if life was going to be duller. But times change. Recently I flew out from Gatwick at 5am, and was astonished at how crowded the Gatwick express was at 3.30am. It was filled with tourists, but with a difference. For half a day these people forgot that they were from boring Orpington and had been living it up in the West End. New times bring new dreams. Orpingtonians, Surbitonians, Farncombians and other suburbanites should now be encouraged to treble or quadruple their density, swapping cabbage patches and empty garden sheds for shops, clubs and business centres.

This will only happen when planners who have grown accustomed to dictating minutiae, both on new projects and when an existing building or site is recycled, are pensioned off.

SPIVS WITH GOOD CONNECTIONS

The taxpayer is robbed when redundant hospitals, schools, playing fields, Ministry of Defence facilities or any state owned assets are sold off. The existing planning system does not measure the value of a planning permission. A private sector planner could provide an estimate of this for various outcomes after change of use. Private sector developers would then bid for these assets by open tender or at auction, with planning outcomes known in advance and local opinion clear.

Private owners are robbed every day by spivs who masquerade as "speculators". Speculators take risks. Spivs with good contacts among planners trawl cities, towns and farmlands for properties which their contacts inform them can win juicy planning gains.

A TWENTY YEAR PLAN

It is astounding that so few political economists question state intervention in planning. Instead of the market deciding what and where and when we build, and a range of prices for periods of use (why not ten year lets and five year mortgaged leases?), we have the government, the opposition, the National Housing Federation (representing Housing Associations), Serplan (the planning body representing south-east councils), proposing Moscow-style plans to build from 800,000 to 1.1 million boxes by 2016 in the south east alone, indulging in fantasies which will dictate what, where and for whom each box is intended.

But housing targets are as hopeless as nail targets in the former Soviet Union, where the result was plenty of the easiest nails to produce and shortages of all the rest. Since four out of ten workers are likely to be self employed by 2015 and many are still in primary school, they won't be choosing where and how to live until 2015. Self-employed people are exacting in their demands, and I predict an almighty ruckus if these people don't get what they want.

Yet astonishingly, our planners think they know where to create these gulags in our countryside, and have detailed profiles, before we know ourselves, of how, with whom or without whom, we'll all want to live. Will we be married with children, cohabitating in partnerships with children, hiding in squats? Will we be permanent students? Economic migrants? Zimbabwean ex-farmers? Or just people wanting to live and work near family or friends, customers or suppliers? Remember nineteen fifties government forecasts for steel demand, which resulted in Welsh and Scottish tax-funded steel mills which were later all closed. Even Stalin's plans only ran for five years. Why should our proposed twenty year housing plan, which will rubber stamp millions of taxpayer funded and housing association units, prove any more accurate?

It is impossible to exaggerate the awfulness of Central Planning in reality. Even where, at enormous cost, the system delivers something worthwhile, then either you need a friend who tips you off about it, or you pay a special price for it, or you queue for it.

WHAT I RECOMMEND INSTEAD ...

... Not what Barry Riley (no relation) recommended in the *Financial Times* recently, "that the government should relax planning controls". Nor what David Hughes recommended, again in the *Financial Times*, "that the government and the local authorities should change planning criteria to enable an easier change of land use, a change in taxation to encourage development of under-used land and investment in transport infrastructure that might even out regional differences!" Just imagine how much greater the imbalance would be after the control freaks in planning interpreted this lobbyists' and land spivs' charter.

Instead I am recommending the same solution that always works: privatisation of the process and the freeing up of the market.

It is not my purpose here to lay out how private planning firms would operate. However the following ideas are put forward for comment:

1. Streets, areas, parishes or suburbs could commission one or more planning firms to write brief community guides.
2. The guides would include community objectives — to conserve, to grow, whatever. A community could decide to encourage denser housing leading to a need for and conversion of some residential buildings to shops. If they had an open space they could decide to hold markets on it, or car boot sales, or dog shows, or whatever. If they thought a builder might be tempted to build a high rise dwelling for rent to those who liked the fresh air but did not want gardens, they would note the opportunity in the plan. If they wanted the land above the railway or some main roads built over, they would say so. If they did not want hypermarkets or out-of-town shopping malls they could say so.

Any planning firm could bid to be the local arbiters for plans which required community debate and amendment. (They could recommend any other non-political body which had the confidence of the community.) After debate, a plan, called the Community Development Agreement, would be accepted as the framework for the community. Included in the plan would be a review date.

3. Anyone could then apply for any manner of planning application. An applicant would choose a planning firm that offered him the best service.
4. Most planning would be outline only. Each plan, especially if it involved change of use, would include an estimate of the value of the planning gain.
5. The community guide could include different procedures, depending on type of application or the size or type of gain. A back addition would be routine compared to a Tesco project.
6. Since the project would only be implemented with the consent of the community, applications with large gains could include recommendations as to use of the gain within the community. Each case would be different, but case histories would quickly accumulate for use by planning firms and applicants. Everyone would be more relaxed when gains were made transparent, and useable by the community if they wished. Visibility of the potential gain from changing, for example, a school playing field to a housing site, would encourage locals to make the application,

and make it less interesting for outsiders whose career consists of grabbing planning gains and disappearing.
7. A community could decide to accumulate capital from large gains, so that later they could buy in sites or buildings to put in place plans which were on offer and of local benefit. They might, for example, buy and demolish an old hospital on a central location and build a new park with car parking below ground. By contrast, even though a houseowner might do quite well from getting agreement to split a house into three flats, the community might have a procedure in place which actively encouraged this in particular streets for a given period, a high quality of conversion standard being required by the community in return for the owner's gain.
8. Since housing units can be built very quickly and cheaply in factories, a community might decide to permit the erection of a dormitory or a hostel or shell shops for a trial period of ten years to get over a temporary housing or shops shortage. The community could decide that some of them were for use by new teachers which their local schools needed. Well built, the units could then be sold on and removed to another community. The need having been proven within a few years, longer term solutions would be in place compatible with the community plan, before the temporary units were removed.

Overall, the freeing of planning from the dead grip of the state would encourage applicants and their planning consultants to be as bold as other visual artists. Since all buildings have to comply with a building code of some sort, dwellings made of elephant dung or scrap tyres might not get built. But our communities are desperate for new ideas, diversity and experiments. Just think on the fantasy of computer games and their fascination ... we need

plans and plans and plans, in fact such a surplus of plans that people could relax and shop around for a place to rent or buy, as they do when visiting IKEA or the Motor Show. Ideal Home Exhibitions would have dreams on show as they do at present, but as well, thousands of communities would each be offering their hundreds of planning permissions and part-built houses. The big difference would be that this huge surplus in space on offer would be designed from the grassroots and not by Town Hall Comminterns. Undoubtedly prices of buildings would drop as the supply increased. This would benefit everyone, since improved supply from privatised planning would turn property into just another good thing provided by the free market instead of a state imposed basket case commodity.

EVERY VILLAGE OR PARISH

John Papworth, editor of the *Fourth World Review*, wrote in his *Declaration* some twenty years ago:

We of the world represent a broad global spectrum ranging from ethnic, cultural and linguistic to religious, economic, ecological and community concerns, many of which have been submerged to one degree or another by the disastrous onrush of giantism of the the last century.

We seek to create our own social, cultural and economic patterns as we see fit in our own localised communities ...

We further assert our right in our own villages or urban parishes to operate and control our own schools, hospitals, police force, banks, industries, commercial trading and transport arrangements, forms of taxation and other matters of of community concern as seems best to us, without external interference or coercion.

Imagine the revitalising effect on every “village or urban parish” if we forced the government to relinquish their property powers over us.

At present if some nutter in the still-to-be-abolished central committee of education issues a diktat that all children from three to five years of age must attend pre-school nurseries, there is not much we can do to stop the process. Under our devolved planning arrangement, community consent to provide a property for the purpose would be required first. Forcing it to do what was thought best by the government would be illegal. Similar initiatives by health control or child control freaks could be easily resisted, while “progressive” communities would still be free to make these experiments. Dissenting members of these communities would be free to leave and under our new regime of plenty, would find another property in a more compatible community the same day.

Again, a community could decide that the village bobby would have his HQ at the rear of the local pub or post office. There would be no way that a police review could eliminate this arrangement. The community might wish to recruit their own bobby and even arrange his accomodation during the contract.

PLANNING IN MY BACK YARD

To emphasize my points I can describe initiatives within the Moreton Triangle community where I live. With an income of under £1,000 per year our committee, representing our three streets, has:

1. Coordinated a campaign with other local communities to remove a red route from the adjacent Belgrave Road.
2. Eliminated the plan to be imposed from an outside organisation to turn several properties in our midst into a hostel for thugs out on bail awaiting trial.
3. Forced the redesign of a new local school and housing within its territory.
4. Made London Underground repair track on the Victoria Line to diminish train wheel noise under properties.
5. Opposed a new Sainsbury superstore unsuccessfully but achieved some modifications to the development.

The Moreton Triangle is ready for planning privatisation!

COMMENT: GOOD DESCRIPTION — BAD RECOMMENDATIONS

BRIAN MICKLETHWAIT

Don Riley describes the ideas he offers as being “put forward for comment”. So now I comment, and I would have been unhappy about publishing this piece had I not been able to.

Don’t get me wrong. I am very pleased to have published this piece, but only because of its descriptions. Its recommendations strike me as confused, and un- or even anti-libertarian. Don Riley doesn’t yet have the intellectual reflexes of a true libertarian.

Don Riley’s central insight is that the British planning system is a slice of the old USSR in our midst.

For years I have been hawking a question around amongst my friends and acquaintances. Why is the market in building services for ordinary people such a shambles? Other markets work okay. Why not this one? If you buy a hi-fi kit from a stranger in a pub, it may not work. We all know this, and most of us get our hi-fi kits in circumstances that make us more confident. But builders seem all to be dodgy. Why, when you want your kitchen redone, do you suddenly feel as if you’re living in the USSR? Because, says Don Riley, you *are* living in the USSR.

But Don Riley’s piece is itself rather Soviet, in that it resembles the samizdat literature of the old USSR. It describes the horrors of current arrangements well, but is less good at explaining what ought to be done about them, and unconsciously soaked in the habitual thought processes of the very system which it claims to be denouncing and replacing.

British planning is a wasteful mess. True. But Don Riley’s recommendations seem to amount only to: less bad stuff, more good stuff, arranged by institutions decidedly similar to the ones he wants replaced, but run by nice people like himself instead of by spivs and bureaucrats.

Libertarianism does not merely mean “privatising” a more local version of politics as usual, with local “communities” deciding things. Privatisation, in this sense, would be indistinguishable from the corruption Don Riley denounces when it flourishes in a context that is less to his liking. What of the people stuck in Don Riley’s “community” who don’t like how he and his friends run it? Tyranny that is more local, and which involves more money changing hands, might be an improvement, for some. For others it might be worse.

Communities, in a libertarian world, arise out of the shared interests of the freely contracting parties to particular living arrangements. Planning restrictions — which would be as popular as ever — would arise because, for example, all the property holders within the vicinity of a much loved local church have been promised by the owners of it that this church will not be destroyed. The essence of libertarianism is not that groups dump on other groups in ways different from the usual dumper-dumpee relationships, but that everyone’s freedoms, rights and interests are taken into account.

I live near where Don Riley lives, and I’m looking forward to buying things at the very same Sainsbury superstore that he and his mates tried to stop. And he’s actually *proud* of having brought my bit of the Victoria Line to a standstill for a month. Bastard. And what of the people who might, on that “red route”, have been able to travel more conveniently? What of their interests and preferences? Libertarianism would mean someone owning that route, and being rewarded for making it easier for people to travel on. Don Riley says nothing about anyone owning roads.

But it’s easy to criticise. At least Don Riley has offered us *something* on this most crucial of topics, and has hopefully stimulated further libertarian debate about “planning”. Other lengthier responses to his piece would be most welcome.