

THE GREEN QUADRATIC

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1. THE GREEN QUADRATIC

The problems of urban congestion, housing shortages and the pressures upon green land, have many variables. There is firstly a shortage of housing within some economically successful areas. This is particularly true of housing suitable for lower income or first time buyers. In the South East of England this shortage of houses and building land has pushed up house prices to record levels. Some who can get jobs in the area are unable to take them because of a lack of suitable housing.

The shortage of new building to meet the new demand means that the price of land has risen astronomically. The Green Belt policy has prevented the outward growth of city areas which might have ensured a steady supply of building land, even at the expense of losing green environment. The limit that the Green Belt has put upon land availability has pushed prices even higher. This has applied both to such land as is available, and to the value of properties within the cities concerned.

The Green Belt is well protected politically. Those already there are fully aware of the value of their environment, and do not stand to gain if there is a substantial amount of additional building. They can be expected to oppose development, and do so. Those who might gain from the extra housing do not form a self-conscious group, and can exert no political leverage on the other side because they do not perceive themselves as the beneficiaries of further development

Pressure on land

One result of the Green Belt has been pressure on land beyond it. Green field land not designated as part of the Belt is felt to be under pressure, and there are clamours for it to be protected. People are having to live further from city centres in order to be able to afford housing. This puts pressure on unused land beyond the Green Belt, and puts increasing pressure upon already crowded roads as more people commute in over greater distances. Some city centres are grinding to a halt under the weight of the additional traffic. More people, in addition, are thrown upon scarcely adequate public transport systems, paying the price in expense and discomfort of living at greater distances from work.

The lack of housing within some areas of economic success, and the lack of land on which to build new stock, has accentuated a regional imbalance. We now have areas where unemployment is high, and areas where there are jobs going spare. Yet the problems of housing, transport and congestion prevent the one from moving to the other.

What is commonly called the Green Belt problem is thus a complex equation with several interlocking variables. A housing shortage in some areas is one factor. The need to preserve the Green Belt itself is another one, and one which keeps housing land in short supply. The resultant trend to living beyond the Green Belt, and the transport and congestion problems which result complicate the situation even more. Regional imbalance might be one cause of these problems, but it is also an outcome of them.

The problem is multi-faceted, with several variables interacting with each other. It is to be expected, therefore, that any solution might have to address several of them. We might expect a solution to be complex because the problem is complex.

Land in cities

One angle already explored by the Adam Smith Institute is the waste land held within cities, much of it in public sector hands. The Institute published *'The Waste Land'* (1983) and *'Why Wasteland?'* (1987) by John Loveless, identifying a major aspect of the shortage of building land, and proposing a solution. Government has already begun to address this side of the problem.

The Institute also pioneered the deregulation of road transport which has already led to the proliferation of minibus systems, especially outside London. This has addressed another aspect of the problem.

There remain, however, serious areas of concern. People living within the Green Belt do not want to see green field sites turned into new developments. Those in villages beyond do not wish to see their places of residence become part of a vast connection of urban sprawl. Those who live and work within cities want to be able to move around. Those not living in areas of economic growth want to be able to take up jobs currently going begging there.

It is now time to find solutions to some of these problems. The Green Quadratic is a complex problem with several variables. Any successful answers might well have to turn their attention to the different interlocking components of the problem.

2. GREENING THE BROWN BELT

The Green Belt

Green belts were first conceived by Ebenezer Howard in 1898 as part of his Garden cities proposal. So far as the Metropolitan Green Belt was concerned, Sir Raymond Unwin produced in 1933 a 'green girdle' running round London in the outer suburbs. Eleven years later Sir Patrick Abercrombie's Greater London Plan, 1944, defined a 5–10 mile wide Green Belt for London.

Green belts were introduced formally by Duncan Sandys in 1955 and have become the pride and joy of British planning. They cover some 4.5 million acres, which is roughly 10 per cent of the land area of England and Wales, and they have come to enjoy a political sanctity similar to that of national parks.

Following initial designation around London just before the Second World War, the green belt concept reached full maturity in 1955 when a Government circular to local planning authorities defined the purpose of green belts as checking the growth of big cities, preventing neighbouring towns from merging and protecting the character of towns. Within green belts, the circular said, approval should not be given except in very special circumstances for new buildings or changes of use except for agriculture, sport, cemeteries, institutions standing in extensive grounds or other uses appropriate to rural areas.

Since then green belts have extended to between 12 and 15 miles deep with the result that half to two thirds of counties such as Berkshire, Cheshire, Surrey and Hertfordshire are now effectively frozen for all time. London's green belt totals 12 million acres, Sheffield's is 800,000 acres and the West Midlands conurbation has 650,000 acres. However there is nothing in green belt-policy as such to protect and enhance the quality of the landscape, flora and fauna.

Much of the green belt consists of infertile or inaccessible wasteland, disused gravel pits and quarries, motorway and railway embankments, and low quality or poorly maintained farmland. The appealing concept of a band of rustic tranquility a stone's throw from the metropolis is certainly more real in the mind than it is in practice.

Many greenbelt authorities have policies for landscape improvement but they lack the resources to do much, and the longer the funds remain unavailable the greater the deterioration will become. In order to keep a well maintained and ecologically healthy rural environment around towns and cities a more positive attitude must be adopted towards the green belt, which by its very nature is a negative planning device. Well designed industrial, retail or residential developments in parkland settings must surely outrank in public good an agri-business of concrete silos and ugly sheds set in a landscape denuded of hedges and trees.

Derelict land

One of the arguments against development in the green belt is that a large number of derelict sites still exist within urban areas, and it is these that should be filled in first. But Ebenezer Howard, originator of the green belt concept, would be the first to disagree. He said slums should be pulled down and replaced by parks, recreation grounds or allotments, in other words, the country must invade the town.

Based on that view, Howard would also accept that if for every piece of green belt taken an equal amount of urban space was greened, more would be gained than lost.

Green belts were a sledgehammer solution to ugly inter-war urban sprawl when no comprehensive planning controls existed. The thoroughness of today's planning systems combined with the design quality and environmental sympathy required by modern living must surely provide the basis for a more subtle and imaginative approach.

The development of green belt policy to preserve the environment against the encroachment of urban sprawl has general bi-partisan support. But in preserving its sanctity we must not be in danger of curbing enhancement within the green belt itself.

It is an important question which is currently running the risk of being lost in the attempts to relieve the perceived plight of inner cities. While they are legitimate concerns which will not be resolved easily, neither will the conflicts that are arising in relation to the future of the country's green belt.

When Ruskin once said that 'restoration is a lie', we know what he meant but fortunately he was not heeded to the letter; otherwise many of our fine buildings would no longer be standing, and a lot of fine paintings would be lost to our heritage. The same understanding should be directed towards 'preservation'. Of course the green belt should be preserved, but

what kind of green belt? Woods, valleys, moorland, parks, lakes, farmland and hedgerows. That is what most people have in mind — a green and pleasant land.

What are most certainly not in their inventory are eyesores such as rubbish dumps, slag heaps, run-down factory sites, disused gravel pits and abandoned horticultural gardens, all of which can be found in areas designated as being within the green belt.

According to the DOE no official studies have been done on just how much of designated green belt is either damaged or derelict, but research done for a 1096 programme in the Diverse Reports series on Channel 4 calculated that up to 40% of green belt was in that category.

The government is encouraging one form of development in green belts: the conversion of farm buildings to houses or new business uses. This not only implements its policy of encouraging small businesses. It also meets a need for new enterprise and employment which is present everywhere in the countryside, particularly in green belts, where much of the land is of marginal quality and poorly maintained.

There is nothing in green belt policy as such to protect the quality of landscape, the flora and fauna. Many green belt authorities have policies for landscape improvement but they lack resources to do much about them.

It means that if farmers cannot be counted on to look after the land well — and they are finding it increasingly difficult to do so without financial assistance — the green belts will deteriorate. Unless, of course, there is alternative resource funding

A viable alternative

There is a proposed retail scheme, for example, which falls in the Green Belt of Coolne Valley Park whereby in return for planning permission to build on 17 acres of reclaimed land, a proportion of the rents from the shopping centre is proposed to be put each year into an independent Trust. The Trust will be responsible for the maintenance and long-term management of an attractive 90 acre nature reserve, a country park of 75 acres, two sailing lakes totalling 90 acres, and an Environmental Education Centre which Berkshire County Council have already committed themselves to running. In other words, in return for planning permission on 17 acres of damaged land, 255 acres can be restored or improved for public use.

The proposal is that £200,000 per year will be put into the Trust for them to administer the environmental management of the 255 acres. In contrast Colne Valley Park Groundwork Trust has an annual income of only £120,000 to cover scores of schemes in its area. When these two sums are set side by side then surely there is a logical extension. In return for planning permission 17 acres of disused gravel pits that private Trust income of £200,000 could benefit not just 255 acres but 40 square miles. This is a practical example of sensitive flexibility which could be applied to the public benefit in so many other damaged areas within the Green Belt.

The principle might be to permit development on 10 acres of damaged land within the Green Belt, if in return a further 90 damaged acres are restored to pleasant greenery. The minimum ratio of 9 to 1 guarantees a substantial re-greening of damaged land. Such a policy would increase by a considerable margin the total of green land, and without cost to the public.

3. A MARKET IN COUNCIL HOUSES

The council house sector of the market is one cause of the lack of housing mobility. Indeed, to call it a sector of the market is a mis-statement, since one of its features is that it removes so many properties from the market.

The problem is that council houses are assigned by waiting list. Points are awarded for various categories of need, and applicants are graded according to their need status. A status as unmarried mother, for example, notoriously provides an avenue to housing for girls who wish to be independent of their parents.

The right to live in a council home and pay the low rents charged on average has a value. It is, for many, worth waiting for. Some prefer to keep their names on a list and wait for their turn to come, rather than make independent arrangements for private housing and thus lose their place on the list.

For those living in council homes in areas of high unemployment, the move to areas with available jobs is a difficult one. As new arrivals they might well start at the bottom of the local council list and, without suitable status in a needy category, might find themselves waiting forever. The result is that those who would move to where the work is have to give up their present council home without being able to obtain another one.

The method of allocation prevents mobility. People are awarded a council house on the basis of a points system, but few find that a similar system determines when they should leave it. The need may disappear, but not the house. This means in practice that some people are in council homes they no longer need, including some that are no longer suitable. The surviving parent, now elderly perhaps, has little need for the 3 or 4-bedroomed house when the children have gone.

The lack of mobility in council homes accentuates a housing shortage. If homes could be more responsive to market conditions, people might find it easier to be housed in areas where there are present shortages. At the root of the problem lies the fact that the tenancy of a council home has value, but not a value which can readily be transferred or traded. The value can be passed on to a surviving spouse or children who take on the tenancy, but it cannot readily be traded.

Restoring a market

The sale of council houses under "Right to buy" legislation has made some improvement in restoring market conditions. The million sold so far can be re-sold as people wish to move, and the value can thus be transferred. This leaves four-fifths, however, still in council hands and not susceptible to market pressures.

There is a limited and illegal market in council tenancies. It is well known that council tenancies change hands for cash on the black market. The purchaser hands over money to the existing tenant in return for the right to take over the tenancy. The new tenant continues to pay rent to the council in the name of the official tenant, in order to conceal the transaction. In some cases council homes have changed hands several times, and rent is paid in the name of some long-departed original tenant.

This activity permits a tenant who no longer needs the home, or who wishes to move, to realize some of the value of the tenancy. Effectively the tenancy of the house is sold by selling the rent book. The incumbent tenant can take the cash and move elsewhere, perhaps buying their way into another council tenancy, perhaps going into the private market, perhaps leaving the district altogether.

This type of transaction does enable some type of mobility to enter into council housing, but it is illegal. This means there will only be a minority prepared to engage in it, and that it is accompanied by risk of detection and punishment. It also means that the transaction contracts within it cannot be enforced by judicial process.

Legalization

There is a strong case for legalizing the trade in council tenancies. This would enable people to trade legitimately in the value of their tenancies. Instead of a move leading to lost value without recompense, it would allow a tenant to cash in the value of the tenancy vacated and put it toward obtaining accommodation elsewhere. A person wanting to move to a smaller or more suitable house could sell the tenancy in the existing one and buy a new tenancy instead. A person wanting to move districts could use the cash value of the first house to help fund the move.

Undoubtedly this would lead to a much more mobile market in housing and would release many properties into which existing tenants are presently locked. As such, it would help greatly to take away some of the pressure to put unused land into house building. The

mobility would release housing space by allowing people to trade down to smaller houses, or by permitting those who no longer need to reside in congested areas to move to more spacious locations.

Some might sell the tenancy of an unwanted council home to help them to purchase in the private market, possibly in a cheaper area. Others might cash in their present tenancy and buy one in another location. Either way, many more properties would become available. The unemployed person from the north could hope to get a job where they were available, any buy into a tenancy in that area. If necessary, they could take out a loan to help buy it, using the tenancy itself as security against the advance.

It might be argued that legalizing the sale of council tenancies means that the council will not gain vacant possession in order to house those on its priority waiting lists. The obvious reply is that they do not gain vacant possession as it is. A council tenancy is valuable asset, and people will stay with it if that is the only way to retain that value.

More cogently, use might be made of the Bromley Scheme, outlined below, in which the council itself enters the market with portable discounts, offering cash to those who leave council property to buy on the private market. This scheme, as the figures show, gives councils access to empty residences at far less than it would have to pay for bed and breakfast accommodation or for new building.

By offering portable discounts for its tenants who wish to buy elsewhere, the council is effectively buying back the value of their present tenancy. It could extend the scheme to cover those prepared to leave council tenancies for other reasons, securing thereby empty properties to allocate to priority dependents on its waiting lists.

Of course, safeguards would have to be built in to prevent people from seeking to be rehoused after having accepted cash for their tenancy. They would not be difficult to achieve in practice. Each new applicant could be asked to sign a form giving details of any previous tenancies, and councils could keep centralized records on computer.

The benefits

A legal market in tenancies would thus achieve many objectives simultaneously. The housing market would be made much more flexible, and greater mobility would be possible. Those from areas of unemployment could move to areas where jobs were available. Those who no

longer needed to live in congested areas could move easily. Councils could step in to buy tenancies for priority applicants on their lists, spending very much less than on new homes or bed and breakfast accommodation.

The overall effect would be to lessen the pressure for new building in congested areas, and to lower the demand for new houses on green field sites. There might even be a rise in home ownership as people were able to buy into the tenancies of council homes they subsequently wished to purchase.

A further point is that councils or private bodies might seek to buy the tenancies of whole blocks, and redevelop them for use by "migrant" workers from high unemployment areas. The spread of long distance weekly commuting has led to a demand for low cost pied-a-terre accommodation in areas where housing is hard to get or high priced. It is quite possible that some of the housing estates presently rated as hard to let might be suitable for this type of conversion if the existing tenancies could be bought out.

A legalized market in council tenancies might even tie in with a proposal originally put forward by members of the SDP, that people should be allowed to take lodgers, with the income from this source tax-free. People might be prepared to buy the tenancy of a larger house in order to take lodgers, especially if they were given such an incentive.

Certainly there is sufficient merit in the proposal for a legal market in tenancies, even without these extras, to make it a very attractive option. A government concerned about the pressure for building on unused land should regard the acceleration of the housing market within cities as an important option.

4. THE PORTABLE DISCOUNT SCHEME

The Bromley Method

Following the sale of council houses at a discount to sitting tenants, the idea was conceived of a portable discount, whereby incentives would be offered to council tenants who wished to buy private houses upon the open market.

Bromley agreed a pilot scheme in 1985 and took counsel's opinion on the legality of such a scheme. Having heard of conflicting opinion, counsel's opinion was taken again before the scheme was commenced in April 1986.

In the early stages it was thought that a 10% deposit would attract tenants to buy on the open market. At that time the average price of private sector property was about £50,000, so the grant was a standard £5,000. A report presented to Housing Committee had to define:

1. The housing need in the Borough and
2. That the scheme was making best use of public funds

£1 million was allocated in the first year, which could have given 200 tenants the £5,000 grant. To build 200 properties in the Borough would have cost over £8.5 million, and it could have been 2 years before they would become available for occupation.

All qualifying tenants were informed individually of the scheme, and initially there was a very good response — 87 families moved out in 1986 and 39 in 1987. This reduction appears to have been caused by the inflation in property prices, and in December 1987 the slow down was reported to the Housing Committee. The grant was increased to £10,000 if the property being vacated had 2 bedrooms increasing in a rising scale to £13,000 if it had 5 bedrooms.

This increase in grant generated a great deal more interest in the scheme, and already this year 35 families have moved, with about another 100 in the pipeline at various stages.

Last year the Department of the Environment arranged for a survey to be carried out of families who had moved under this scheme and of the 72 interviewed:-

88% were living in flats and therefore very few had gardens

75% were aged under 40 years

51% were not satisfied with their council home because of crime, vandalism, neighbours noise, or resale problems.

80% purchased houses

The average family income was £12,000 compared with £17,000 for first time buyers in the GLC area.

50% had no savings

11% had over £5,000 in savings

4% were experiencing some financial difficulty.

There was concern that grants might be paid to households who would have moved to the private sector anyway. The results of the research suggest that relatively few fell into this category, based on statistics such as household income, average mortgage advance and other resources available to fund the purchase. In addition the households were asked about their moving intentions before they applied for a grant, and whether they could have purchased without the grant. By May 1988, 161 tenants have moved into the private market vacating

76 2-bedroomed flats and maisonettes

57 3-bedroomed flats and maisonettes

12 2-bedroomed houses

13 3-bedroomed houses

2 4-bedroomed houses

1 5-bedroomed house

There was a bonus of a 1–bedroomed flat where the tenant also took her mother with her.

The scheme has proved so successful that Bromley Council have made it an ongoing project.

A survey of the last 69 families to move shows that:–

29 remained in the Borough

8 moved within the London area

16 moved into Kent

12 moved further afield, 3 to Wales
 1 to Scotland
 1 to Northumberland

 others to Milton Keynes,
 Doncaster
 Leeds etc

The average price of property purchased was £49,750.

The scheme has certain safeguards. The property to be purchased must be freehold or on at least a 21 year lease. It must not create overcrowding. The applicant must have been a tenant for more than a year and maintained a reasonable rent record. Information has to be supplied as to the ability to maintain a mortgage and the cheque is sent to their solicitor and held to order until completion or complete vacation of the Council property occurs, whichever is the latter.

60–70 authorities from all over the country have so far requested information on the scheme.

Bromley is also one of the most successful authorities under the 'Right to Buy' legislation. They have so far sold 33% of their stock, with last year's sales alone amounting to 7.6%.

5. GREEN BELT AND SOUTHEAST REGIONAL DEVELOPMENT

Two formidable pressures are shifting UK economic activity into the South–East. The first is membership of the EEC, which has switched the preponderance of external trade from ports on the North and West coasts to the South and East. The second is the rapid growth of the financial services and ancillary industries, which historically are rooted in the London area. The relatively high prosperity of the population in the South East in turn generates growth in requirements for service industries and light manufacturing in the region.

The two pressures have, in turn, compelled the siting of the three major airports in the South–East region. Like sea–ports, these most modern of international gateways generate work and jobs in their own immediate hinterland.

There is nothing novel or extraordinary in changes in regional fortunes, either in the UK or overseas. Prior to the Industrial Revolution, the majority of Englishmen lived in the South. It was the availability of coal for steam–power which pulled industry and population northwards in the 18th and 19th centuries. We should not be particularly surprised at a reversal in the trend.

Placing artificial obstacles in the path of migration to the South incurs substantial economic and human costs. One measure of the human cost is the disparity in regional unemployment. There are no statistics, but plenty of visual and anecdotal evidence, of a growing army of weekly commuters from the North, leaving families behind and living in unsatisfactory accommodation in the London area during the week. It is becoming a form of economic apartheid, using migratory labour.

The practical obstacle to workers' migrating South is the high level of house prices in the South East. Vested interest groups have advanced the economically illiterate argument that house prices determine land prices, not the other way round. Of course it is a truism that without demand for the final product (in this case, the house), there is no value attaching to the inputs (land, building materials). However, if the volume of an input (land) is artificially constrained, the price of that input must rise and the price of the final product must also go up.

The preservationist lobby also argue that the release of more land for building would not reduce house prices but simply give windfall profits to the developers. If the additional release of land for development were limited to a few large blocks, it is indeed quite conceivable that a handful of large developers would collude to maintain housing prices. However, if a great many parcels of land, some in small lots, were made available, land and therefore house prices would fall as a result of competition. Barriers to entry into the housebuilding industry are very low if land can readily be purchased in small parcels.

Agricultural land

A favourite bureaucratic objection to development is the 'loss of valuable agricultural land'. The simple answer to that is that land is most valuable in the use to which the highest bidder intends to put it. The very fact that prohibitions are required to prevent the development of agricultural land implies it would be more valuable in alternative applications.

In any event, the productivity of agricultural land is increasing much more rapidly than any reduction in the total acreage used in agriculture.

Implicit in the notion of an absolute value attaching to agricultural land is the belief that the nation should be as nearly as possible self-sufficient in food. However, even if that were a sensible objective, it could be more efficiently attained by increasing production in the east of England rather than the Home Counties. In practice, the problem throughout the EEC is, notoriously, the over-production of foodstuffs. Proposals are now afoot to pay farmers to take land out of production.

The argument against uncontrolled development really reduces to one of living environment. As anyone who has had the misfortune to visit a Japanese city will acknowledge, that consideration is not to be lightly dismissed. Economic theory has long accepted the principle of 'external diseconomies' — that activities which may be profitable to individuals may inflict amenity losses on others, or the community at large.

However, a fundamental weakness in the preservationist case is that current farming practice in the Green Belt creates a far from optimum landscape. Modern intensive farming methods require unsightly structures. Hedgerows are ripped up to provide a more viable field size. Excessive quantities of fertilizers may be applied. Many fields are allowed to degenerate into unsightly rough grazing for horses. Land on the urban fringe is left to deteriorate because of trespass and vandalism, and in the hope of improving the chances of obtaining planning permission for development.

Loss of amenity

Most of the Green Belt does not even presume to provide any amenity to the general public other than the very dubious aesthetic value. Only 9% of the Green Belt provides 'informal recreational sites'. Efficient farming practice tends to lead to restriction of public access to the countryside.

Nevertheless, most existing residents in areas bordering or within the Green Belt would suffer loss of amenity if it were developed. The increase in population would inevitably result in greater road congestion, more noise pollution, aesthetically less pleasing landscapes and, potentially, a loss of community identity. Combined with the reduction in scarcity of building plots, these factors would reduce, at least in relative terms, existing property values. Residents would have ample cause for resentment.

A critical point is that the incidence of the environmental nuisances is predominantly local. (Increased congestion on major roads linking several communities provides a partial exception). County authorities are not at the appropriate level to determine the optimal location of new development; under present arrangements they find themselves assuming a god-like role in the selection of communities upon which to inflict population expansion.

A local solution

A solution, therefore, might be to delegate planning powers down to local district or parish level and — the very essence of the proposal — let the parish strike its own deals. The parish would decide which parcels of land could be put to which use within its boundaries, and negotiate with the landowner its share of the proceeds of disposal.

Those nearest to the development will be most affected by it, and would expect most compensation to be offered. Those a little further away would be affected less, and those further off might find roads a little more congested and local facilities a little more used. Perhaps a bulls-eye might be drawn over a map of the area near the proposed development, with different levels of compensation on offer to those living at various distances and affected to different degrees. A vote by the community to accept the proposed development would thus be a vote to accept the level of compensation on offer. Those which went ahead would do so with a majority of local support.

Like all market solutions, this system has the great virtue of delegating decisions to the people whose interests are directly involved, and giving them an economic incentive to weigh alternatives. The 'NIMBY' (not in my backyard) syndrome arises when people are placed in a position where they have everything to lose in terms of amenity and nothing to gain by way of financial compensation.

The effect of the proposal is to allow parishes to self-select how much, or how little development they endorse. In the lush reaches of the Chilterns, parishes could be expected to sanction only a few very high quality residences situation on large blocks in inconspicuous places. Perhaps residents in Hillingdon would welcome not only large scale housing development but employment-creating light industry.

The funds raised by communities from grant of planning permission could be either used to improve local facilities or distributed to residents. Ratable values would be the most rational basis for sharing the proceeds, but if rates are to be abolished, distribution per head of adult population would serve. For tax reasons, many residents might prefer to take the benefits through remission of poll tax. That would add to the incentive to sanction new developments.

It is a hallowed tradition of planners that the coalescence of communities should be prevented. Even a separation of two settlements by a few hundred yards of agricultural land is thought to help foster a sense of local identity and avoid an impression of unbroken urban development. Both to help encourage this sentiment and to prevent one parish from 'dumping' its less desirable development right on its boundaries, land lying within a stipulated distance from each community boundary should be subject to planning sanctions from both the contiguous communities, and the community share of the proceeds of land sale should be split by negotiation. The effect would be to discourage (but not prohibit) the development of boundary land, because the community in which the land is situated would receive less than 100% (perhaps not much more than 50%) of the proceeds.

Although it is not an essential argument, it may also be noted the proposal would have a very benign effect on local government. Few people nowadays are very enthused at taking responsibility for street lighting and refuse collection. Local government elections have accordingly increasingly attracted candidates whose ultimate aim is to use local government as a stepping stone to national politics and in any event introduce irrelevant issues of national party politics into the local council chamber. But all residents have a natural interest in local development schemes, and there would also be plenty of scope for healthy debate on the allocation of development proceeds as between community projects and poll tax rebates.

In summary, the proposal happily combines a national need to facilitate migration into the South-East with local choice on the siting and nature of new developments. Nevertheless, vehement opposition could be expected from several quarters.

Some objectors

Professional planning officers would probably be instinctively hostile on the understandable grounds that their jobs would go. However their professional skills would be in great demand as consultants, because any sensible community is going to seek expert advice before permitting a development.

Politicians at county level will be very angry at their loss of patronage. It is interesting that at national level all political parties have virtually endorsed the status quo, despite the visible damage it is wreaking upon the economy and the social and geographical divisiveness it foments. Cynics suggest an unholy alliance between Tories holding Home Counties constituencies threatened by invading hordes and Socialist inner-city constituencies threatened by outward migration. The Liberal / Alliance has tried to stake out a claim to 'Green' faction support.

The proposal will be condemned for bestowing windfall profits on 'greedy developers'. Ironically, developers holding large planned land-banks in the South-East stand to lose potential windfall profits as the scarcity premium on development land erodes. The gainers will be landowners who dispose of land previously zoned for agriculture; local communities; and the purchasers of newly built houses. There is no reason to assume that in a free market landowners will be able to negotiate a disproportionate share of the sales proceeds. The community council, as monopsonist, will simply reject unfavourable deals.

Vigorous opposition will certainly be mounted by the 'Merrie England' faction, which perpetrates the myth of a pleasant landscape predominantly populated by farming communities. In reality only 20% of the Green Belt is rated prime (Grades I and II) agricultural land and the optimum methods of farming it may well cause detriment to the landscape. A more typical picture might be of scrubby, neglected land used for rough grazing by horses. The proportion of the national work-force employed in agriculture is now only 1.5%, and of the 1.75 million existing residents in the Green Belt Ring, it is unlikely that more than a few tens of thousands derive their principal income from farming.

Preferences

Such is the emotive power of the 'Merrie England' myth that advocates of Green Belt development are immediately branded as insensitive, money-grubbing Philistines. Yet the truth of the matter is that the Green Belt actually militates against the living style preferred by the majority of the existing population in the South East. Relative property market values and observed behaviour patterns suggest that the average person would prefer not to ride the Clapham omnibus, but to:

- (a) Live in a green suburb, preferably in a detached house but in any case with reasonable physical separation from neighbours.
- (b) Commute in his or her own car along a reasonably uncongested road with ample parking space at his place of employment.
- (c) Walk, play games, or otherwise take casual outdoor recreation in a reasonably well kept and organized local park.
- (d) Use long summer weekends to drive to the more picturesque National Parks in the North and West of England, or to the coast.

The planning/ preservationist lobbies in the South East are determined to thwart these aspirations. They want to encourage inner-city, high density housing, constrain road capacity along the corridors out of London, and restrict the development of recreation areas in the Green Belt. We should not be too surprised, because they are the spiritual heirs to the planners who knew it was good for people (themselves excepted) to live in tower-block apartments.

The planners will certainly be appalled at the preposterous idea that communities should be allowed to shape their own living environment. It will be darkly implied (not proclaimed, for fear of appearing elitist) that the rabble will sell off the best landscape to the highest bidder for building, say, noxious chemical plants. Let us ignore the possibility that, improperly applied and controlled, modern agricultural chemicals can be more dangerous in the fields than in the plant from which they emanate.

In any event, market forces will operate to protect the best landscape from the most disfiguring uses. The community may well prefer not to sanction development in these locations at all, but if they do, the common interest of landowner, community and developers will be served by permitting only low density, high quality residential development. It is

certainly true that in current circumstances, the developer attempts to pack as many dwellings into an acre as possible, but that is precisely because there is an artificially–contrived scarcity of building land. As soon as land becomes more plentiful, the housing market will segment into a wide price range with purchasers at the upper end prepared to pay a high premium for space and quality of neighbourhood.

Understandably, the idea of planning derestriction provokes images of 'burying the whole of the South East under six inches of concrete'. Countless bureaucratic man–hours are squandered in producing projections of the increase in population and households in the South East. These exercises typically ignore the economic incentive to move from North to South. The South East county and regional authorities are then able to prove to their own satisfaction that much of the new housing 'needed' in the region can be squeezed into existing urban areas.

Rate of development

We cannot pretend to be able to predict the rate at which land will be developed under this proposal. The new phenomena of the weekly migratory worker and the heroically long–distance rail commuter both suggest a considerable latent demand for housing in the South East. The enduring popularity of 1920s and 1930s semi–detached housing may indicate a preference for less cramped conditions than the typical modern estate development provides. Therefore it is futile to try to predict the outcome.

A yardstick, however, is helpful to the debate. The 1918 norm for housing density was 12 to the acre, equivalent to 29.6 dwellings per hectare. Existing densities in the outer metropolitan area and the outer South East average about this figure. At the last count in 1983, the average number of persons per household in England and Wales was 2.69 and although this figure is projected to fall to 2.48 by 1991 it is plausible to assume that one or two person households are likely to opt for smaller gardens and living area.

At the present average household size an additional one million people in the South East would generate a demand for about 372,000 dwellings, requiring 12,546 hectares of land at the 1918 density norm. The approved Metropolitan Green Belt contains 445,400 hectares, so the additional housing could be accommodated within 2.8% of the green belt's area.

The addition to the population would also create a requirement for extra commercial and industrial sites, public amenities and major road widening. Because most developments would be grafted into existing settlements, and many of the additional workers would find employment within the London area, it is very difficult to estimate the 'greenfield' space needed for these purposes, but in total, including housing, it would be safe to conclude that less than 5% of the Green Belt would be required to accommodate an influx of one million people.

This crude arithmetic is merely intended to set down a marker in a terrain which has hitherto been left rather featureless, perhaps because vested interests prefer to rely on emotive slogans. As to the realism of the key assumptions, the figure of one million for inward migration is simply a convenient round figure, since it is impossible to forecast the size of the population movement if cheaper housing were readily available.

One can only comment that, firstly, inward migration has recently (1983–84 and 1984–85) averaged only 40,000 per year and a rate of 100,000 per year sustained for a decade accordingly represents a very sizeable movement on an historical perspective. Secondly, with the explosion in the variety of alternative leisure pursuits and travel opportunities, it is possible that house buyers would on average opt for rather smaller gardens than in the inter-war years.

Worst possible case

Let us hypothesize, however, that by the year 2000 as much as 10% of the Green Belt has been given over to new development to receive a migration of two million people. Would that be an environmental disaster? The first insidious trap is to assume this means that 10% of the Green Belt will be 'under concrete'. The typical house and drive will occupy only about a third of the one-twelfth of an acre plot, and the remainder may well be cultivated in a much more presentable manner than by today's riding school proprietor, intensive livestock breeder, or state-of-the-art arable farmer.

The second trap is to visualize the housing as an unvariegated red rash, an amalgam of the standardized living boxes and unimaginative linear layout of the pre-war and immediate postwar estates, and the huddled conditions of even quite up-market developments of recent times. Local stipulation and more enlightened clientele will both favour the more sympathetic treatment of natural landscape features such as one already finds in the better recent developments, and the low density will in itself facilitate a more imaginative and aesthetically pleasing layout.

A third misapprehension is to visualize the development taking the form of several self-consciously planned new towns. With several local authorities in a position to offer land for building, the developments will occur in a more scattered fashion throughout the Green Belt, though always in a shape and size which will be acceptable to the local community. The casual traveller through the Green Belt will scarcely be conscious of the increase in population, though the resident of long-standing will no doubt harbour wistful memories of the time when 'all that hillside was covered in green fields'.

It would be quite idle to claim that nowhere will there be any loss of landscape attractiveness. It could, however, be far less than the carefully fostered, stereotyped images of the preservationists would suggest, and it will be in places and in a form acceptable to existing local communities. Offsetting the detraction will be an improvement in national prosperity, an end to the North/South divide and above all a fairer deal and more equal career opportunities for the 70% of the UK's population which lives outside the South East.

6. TRANSPORT AND THE URBAN EDGE

A sticker seen recently on the back windscreen of a car in London said: 'Actually, I do own the road'. There is a bite to such wit that must cause concern, for the problem of urban transport, including transport in and to London, is just that no-one owns the road. The hard fact is that the roads, as an asset, do not appear in any balance sheet, whether public or private. Not even those built by the state, like the motorways, under powers of compulsory purchase.

There exists of course the road as a 'rite of passage'; the 'King's Highway'. There are 19th century Highways Acts that define the road as being for the citizens' use, to 'pass and repass' about their lawful business (and not, be it said, to use as a warehouse, by parking their vehicles on it). Hence that inter-war catchphrase, 'the freedom of the roads'.

No better way out of this confusion can be found than to treat the roads as a manifestation of the land factor, and to observe that it is in the nature of cities for land to be in short supply. The city exists because many people seek to congregate together to maximize, they hope, their marginal satisfactions. They require land for building for many purposes, and they require land to be able to move about. These requirements cannot all be satisfied, since they must compete for land whose scarcity is itself a product of the demand for urban life. So urban road space is in short supply.

This being so, some form of rationing is necessary. It may be by price; it maybe physical discrimination; in practice it is by the most inefficient means — the 'do-nothing solution' — by congestion. The consequent inefficiency is to be seen on the streets of London, more than most British cities, every day of the week.

The 'Singapore solution', which involves a tax on motorists entering the central business district with less than three passengers in the morning rush-hour, is hardly relevant to the London situation, which has a multiplicity of central business districts, and a day-long rush-hour. Further, a high proportion of the cars which congest the centre of London are owned by people domiciled within the aggregation, and kept on the highway itself. The problem must be tackled instead at a higher level of generalization. Setting aside the issue of who does own the roads, the fact to be faced is that the price paid for using them is zero at the margin.

This is true also of water, and just as people are not troubled by a dripping tap (in contrast to an electric light left burning in an empty room), so they have no incentive to economize in the use of this scarce commodity, urban road space.

Road pricing

It was this that the late Professor Reuben Smeed recognized in his work on the subject that led to the Report *Road Pricing: the Economic and Technical Possibilities* (HMSO, 1964), summarized in Gabriel Roth's monograph *A Self-financing Road System* (IEA, 1966). Roth was a member of the Smeed Committee. These texts deserve immediate and extensive study. Always relevant, the *Smeed Report* is now also timely. An updated version can be produced, making use of new technology.

Briefly summarized, the solution is to insert induction coils in the road at suitable intervals. These are similar to the devices we have already in use to activate traffic signals, and are easily and cheaply installed. Each vehicle must then carry a solid-state device, into which is inserted (in today's technology) a 'smart card', not unlike a British Telecom Phonecard, which causes a light to glow, visible from outside the vehicle.

It would be an offence for a vehicle not to show such a light while in an urban area. When passing over a coil that has been activated, an audible sound informs the driver that he has 'spent' a unit of value from his card; he would obtain the card from a retail outlet of a Post Office, and carry a spare to insert when the card in the 'black box' is life-expired, and the light goes out. The system would lend itself to the pricing of on-street parking, in place of the parking meter.

The induction coils could be turned off at night, or when traffic is low. 'Rat-runs' through residential streets could be discouraged. Road freight operators would be discouraged from imposing the penalties of noise, vibration and visual intrusion upon the more civilized parts of the city.

The scheme could be a low cost one. The meter in the car itself would cost roughly £15 or £20, and would represent a one-off purchase. The roads would not need to be dug up for the coils to be inserted. This is done by using a blade-type implement and sliding in the coils, much as is done for traffic lights. Those coming in to the area for only one or two days in a year would not necessarily need a meter. It might be possible to have them buy 'scratch' cards from Post Offices, much as are sometimes used for one day bus passes.

Politically, the scheme is 'saleable' if combined with a drastic reduction in the excise license, and it has the great advantage of not adding to the burden of the rural population (more dependent upon the car) than the alternative of an increased fuel tax. Indeed, the fuel tax could then be recognized for what it is: an example of sumptuary taxation, characteristic of any commodity whose demand is markedly inelastic.

Public transport

The further attraction of such a form of road-use pricing is to make it possible to favour public transport — politically necessary if the scheme is to appear equitable. The problem of the bus in London is the 'ratchet' procedure, whereby the first few passengers gain when they transfer to the car, but the gain becomes progressively less as others follow suit.

Eventually all are penalized by the resultant congestion, but there is no comparable gain for the first few to go back to using the bus. Therefore they do not, and a heuristic progression does not take place. Were the car-users to become aware of their unit costs, and given a bus industry geared to market success, a substantial transfer could be expected, as the buses moved more effectively through the congestion-free streets.

Thus it is plain that the deregulation and privatization (or restructuring) of London's public transport is a *sine qua non* for the success of road-use pricing. Minicoaches, such as are now being introduced to serve up-market estates in Leicester, would appear, and luxury commuter coaches for the businessman, with drinks and papers aboard, such as are planned in Holland. What is more, the authority responsible for road-use pricing would receive a very substantial cash flow, which should be used to improve off-street public transport, by schemes such as that currently proposed for light rapid transit (LRT) in Croydon.

Providing access

Access from the provinces to the newly traffic-free streets of London must turn upon the same issue. The motorway system and the main-line railways offer spare capacity still for the daily or weekly commuter, until the vehicles reach the congestion that slows down all traffic at about the line of the M25 motorway. LRT schemes that could transfer traffic from suburban railways could make capacity available for the longer distance commuter, paid for, as we have seen, by the charge for road use.

Equally, the removal of street congestion would make coach commuting a more comfortable and reliable form of transport. And the motorist who wished to do so should have the opportunity to 'park and ride' from suitable staging points around the 'priced' area.

The new light rapid transit systems could be financed by a new partnership between public and private sector. The capital from the public sector could be financed by the payments made to drive in congested cities. In some cities, perhaps including London, a shortage of land for new rapid transit routes might be solved by the use of narrow 'on-street' systems.

London, and the south-east, could become far more pleasant for those living there, and far more accessible for those elsewhere in the country who would like to work there. The economics are cogent; the technology is available; and the benefits are far-reaching.