

## Obstacles in the way of Town and Regional Planning.

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It will be readily admitted that in order to prepare a successful dish a cook must have complete control over his ingredients, and it is just because the component factors are not subject to control that town improvements and town developments are so difficult. Existing rights and ownerships created ages ago stand in the way. These vested interests sometimes entirely prohibit, and at other times render extremely costly, reconstructions and re-arrangements which have long been deemed to be of the utmost importance. The only way to obtain success in any scheme of development is to secure the absolute and unencumbered ownership of the entire area of the scheme. The unit of ownership must be identical with the unit of highest utility.

In built-up areas the existing interests are of a very complex and varied character. They are often of great value to those who own them. These interests can sometimes be purchased either compulsorily or by private treaty, but the price may be so large that schemes which would be most advantageous to the community as a whole cannot be undertaken because of the cost. The improvement of built-up areas must on this account be carried out gradually, and considerable ingenuity, foresight and patience is necessary.

Nevertheless as I hope to show later a great deal more might be done that is done to-day if audacity and enterprise were more common, and if the science of land values were better understood. The building of a new town in what has hitherto been an agricultural district is in some respects an easier problem than the town planning of a built-up area.

Given certain preliminary conditions it is certainly a very much more rapid business. The vested interests are fewer and they are less varied and their acquisition is easier and less costly. It is however of the utmost importance that they should be got rid of entirely and absolutely. Every vested interest within or about the area of a projected "garden city" should be purchased before anything else is done. Beyond ascertaining that the site is an appropriate site for a city by reason of its accessibility, its communications, its adaptability from the engineering point of view, its water supply and its drainage facilities nothing should be done in the way of planning or advertising or talking about the future until every vested interest within the area has been bought out. The importance of this will be seen later.

We may now perceive that the main obstacle to Town and Regional Planning lies in the fact that there are powerful influences at work to maintain the status quo. The owners of existing valuable interests do not want to be disturbed. It is not merely a question of money. Undoubtedly the onus of proof that a proposed re-arrangement is in the public interest rests upon those who make the proposal and most people are too contented with things as they are to accept easily the arguments that they

might be improved or that it is in the interests of posterity that they should be improved. Compulsory purchase in one form or another exists in most countries and a well defined law and practice of compensation has come into being. In the law of the United States there is a doctrine of 'eminent domain'. This doctrine stated in its simplest form, is that there resides in every sovereign State, either as a residuum of the proprietary rights which it creates or protects or as an incident of its sovereignty, power to take, without reference to the question of compensation, the property of its subjects for purposes of a public character.

The rule of the English constitutional law, which is normally followed in most civilised countries, is that the property of the citizen cannot be seized for purposes which are public without a fair pecuniary equivalent being given to him, and seizure can only be effected under legislative authority. In England a considerable law and practice has been evolved as regards the taking of land and interests in hand for public purposes and this includes in certain cases interference with the trading interests connected with the ownership and occupation of land and the buildings attached to the land.

There is thus no insuperable difficulty about acquiring all the existing interests which stand in the way of schemes of reconstruction and development. If the public interest in their purchase is accepted compulsory powers of purchase can, at least theoretically, be obtained by legislation. The difficulty is finally economic and financial. The interests may be so valuable that it will not pay to purchase them and destroy them. At the same time, I think it may be said that public opinion on the whole is not tolerant at the moment towards any extension of interference with private rights for a supposed common good.

A definite reaction has set in against what are deemed to be visionary and idealistic methods, and in my opinion advocates of town and regional planning have an uphill task to convince the public and parliament that compulsory powers of purchase should be given for the carrying out of planning schemes whether they deal with built-up areas or agricultural areas.

Nevertheless it is clear that if anything practical is to be done in this generation towards the improvement of congested urban areas much wider powers should be granted to local authorities to acquire the interests which stand in the way. I do not think the economic and financial aspect of the question is as serious as it is often deemed to be. Very large areas of the large cities of Europe are underdeveloped. If bold schemes of reconstruction were undertaken it is probable that the increased land values which could be created by modern development would in the long run compensate the authorities for their expenditure on compensations. It is essential that the greatest care should be exercised to create high values and to conserve the new values when they are created.

Even in the case of costly reconstructions in our big cities, where enormous sums of compensation have been paid and where for a time the financial position has appeared to be most adverse, time has had the effect of improving the balance sheet and turning loss into profit. A notable case of the kind was the building of Kingsway by the London County Council. Less onerous in the first instance and more certain in its ultimate beneficial consequences would be the purchase of vested interests in rural and sparsely inhabited areas contained in many regional plans.

Land development is essentially an operation demanding a long credit period to allow of the fructification of capital expenditure. The extent to which modern development can bring land values into being is not yet generally appreciated. The modern land developer can play with land values. He can create them how and where he pleases. He can conserve them and dissipate them according to his skill in planning and carrying out his plan. He can even attract the land values of his neighbour and remove them and make them his own without laying himself open to the charge of confiscation or depredation. He can promote conditions which will attract population. Population makes land values. He can avoid the creation of new vested interests built up at the expense of the inhabitants. He has it in his power within the common law to prevent the deterioration of property. He can make the values within his areas of control more stable and more permanent than they have ever been under the systems of land tenure of the past. By the use of leasehold covenants he can retain a real control of the amenities of the area for the common good. The most important thing is that he should know precisely what it is he is going to do and when that is decided that he should do it rapidly and decisively. To avoid unnecessary expense and delays which cause unnecessary expense he must have the power to act and he must be free from the interference of those whose interest it is to maintain the "status quo".

I have already pointed out the importance of the acquisition of all existing interests before the plan or scheme of development or reconstruction is carried too far. A few more words on this matter may be useful. The principle that the purpose for which a piece of land is required by a public authority shall not be taken into account in assessing compensation has already been adopted in England. A great deal has been written and said about 'special adaptability' but 'special adaptability' cannot be invoked in cases where the prospective type of use of the land is peculiar to the purchasing authority.

The wide-spread advertisement of a regional plan may however involve a real rise in market value and consequently increase the purchase consideration and the consequential cost of a scheme. I think this may be found to be the case in East Kent and in the East Yorkshire areas where the mere discovery of coal and the certainty of an influx of population cannot but have had already a marked effect in appreciating land values. A general rise in value has in fact taken place before any detailed scheme for regional planning has been made and long before any attempt is being made to give practical effect to such a plan and purchase becomes a necessity to the carrying out of the scheme.

I do not consider that anything is to be gained by a discussion of the various forms of land tenure or on the law of easements in various countries. These all fall into the category of vested interests whatever be the form of tenure or the period of the holding or the precise nature of the easement or right. We have cases to-day in England where the mere statutory right of the tenant under the Rent Restriction Acts, who has lost by effluxion of time all common law right of occupation is as preventive of the reconstruction or re-development of an area as any legal right for any length of term could possibly be. This is a deterrent of development in accordance with plan which the legislature has deliberately fastened upon the country and which parliament is extremely loth to remove. Technically the most recent statute on the subject gives the

County Court the power to make an order for the recovery of possession of a dwelling house to which the Act applies if it is reasonably required for any purpose which, in the opinion of the Court, is in the public interest, but the provision is encumbered with protection to the tenant as respects alternative accommodation which is normally interpreted in such a manner as to render the provision more or less a dead letter. The effect of the provisions of the Rent Restriction Acts is to-day a serious obstacle to the town planning of built-up areas. I mention this passing difficulty, not so much on account of its intrinsic importance—the difficulty is an ephemeral one and will disappear—as on account of its exhibition of the incalculability of the effect of public opinion under democratic or pseudo-democratic conditions of government. There has been no more short-sighted group of postwar measures than those which have centred upon rent restriction. They have delayed building operations and sensibly checked the erection of houses. As affecting middle class property they should have been abandoned long ago—but the mere suggestion that the statutory protection of the middle classes should be relinquished lost a cabinet minister his seat, and the Government did not feel able to face the position and the protection was at once extended.

Under the head of "vested interests" I must mention as one of the most interesting and vital, the legal right of local authorities to levy rates upon the occupants of property within their area of jurisdiction or to receive by means of precepts upon the rating authority certain sums calculated on the basis of the value of the occupancy of property in particular districts.

These areas are not absolutely fixed and unalterable but they can only be modified with difficulty and usually in the face of much opposition.

Seeing that the revenue of the existing local authority is at stake it is not surprising that it is jealous for the maintenance of its interest, and yet the efforts which authorities make to increase the value of their area vary enormously. With the exception of a few rare cases it may be said that the local authority does not deem it to be within its province to improve its values, although they are so jealous about maintaining them.

Some municipalities and particularly the local governments of some watering places have appreciated the fact that they can by wise action attract population and thereby increase their rate revenue and improve local conditions and by improving local conditions still further attract population, but little precise thought is given to the subject. The normal influence which works to improve a seaside resort is that of the shop-keeping class who see in increased amenities the force which will attract customers for their commercial gain. The rate-payers other than the shop-keeping class are usually intensely conservative and would keep their town exactly as it stands.

The present system of local finance in England is a hindrance to regional planning and also peripheral town planning. In many cases the area of undeveloped land within the boundary of a town authority is very limited. Two influences work together to deprecate municipal encouragement of development outside the area, encouragement which may take the form of extending transport facilities or the provision of public services or schemes for housing the working classes. The owners of vacant land in the town area want to get their land on to the market at the highest possible figure and the market value would fall if more land was

made equally available and equally well served. The town authorities cooperate with the landowners and deprecate the use of the city's credit to assist in the development of rateable value in the area of a neighbouring local authority. The adoption of a centrifugal policy, a thinning out of its own density, means an export of rateable value at its own expense and at the gain of the neighbour who has done nothing to create it. In my opinion no serious redistribution of population can take place, no serious thinning out of congested areas can be undertaken until this question of rating areas is dealt with.

A further influence may be noted namely that in rural counties the most important governing body outside the county boroughs is the county council. The interests of the county councils are normally rural interests which are essentially divergent from urban interests.

The county does not want the towns to encroach on the rural areas. The idea of planting new towns in what has been from time immemorial an agricultural district is an extremely unpopular idea to those who inhabit the country. Hertfordshire does not like Letchworth and Welwyn Garden City. Official Hertfordshire appreciates that it means increased rateable value and probably "beneficial" rateable value, but unofficial Hertfordshire is quite frank on the subject. It is not pleased that garden cities are being built in the county.

The position in the Home Counties of London is a very good example of the position generally. The London County Council has recently received a report which is hostile to the notion that satellite or garden cities could provide relief to the congestion of London. London County Council officials are quite frank in saying that they find it difficult enough as it is to make two ends meet without encouraging industry and population to leave the London area and settle in the Home Counties taking their rateable value with them and improving the financial position of the Home Counties at the expense of London. The county councils of the Home Counties on the other hand are controlled by those who represent the interests of the rural districts and they are by no means anxious to industrialise the countryside or as they would call it "uglify England". It is just as well to face the facts and realise that at the present time these existing vested interests militate against the carrying out of regional planning schemes and particularly against satellite towns or garden cities.

I have already pointed out that for any considerable scheme of development to be financially successful it is necessary as a condition precedent to action to acquire all the local vested interests, in other words to make the area of absolute ownership coterminous with the area of development. This can obviously be done only by compulsory acquisition. The Town Planning Act of 1925 (following similar provisions in the Housing Acts of 1919 and 1921) gives characteristic "lip service" to the garden city idea. It provides that where the Ministry of Health is satisfied that any local authority (including a County Council) or two or more local authorities jointly, or any authorised association (that is an association with a limited dividend), are prepared to purchase and develop any land as a garden city (including a garden suburb or garden village) and have funds available for the purpose, he may, with the consent of the Treasury and after consultation with the Board of Trade, the Ministry of Agriculture and Fisheries and the Ministry of Transport

acquire that land on behalf of the authority or association either by compulsion or agreement in any case in which it appears to him necessary or expedient so to do. But there is not anyone in the public departments or connected with the government of the country or anyone of any experience who is not aware that the provision is worthless. It is not intended to be used and it never will be used. The conditions are of such a nature that no-one would ever attempt to use them. In the case of an "authorised association" which might conceivably be brought into existence for the purpose, the provision is still further rendered impossible of application by the addition of a clause to the effect that any order for compulsory acquisition shall be laid before each House of Parliament and shall not be confirmed by the Minister unless and until both Houses by resolution have approved the order, nor, if any modifications are agreed to by both Houses, otherwise than as so modified. It has been unofficially admitted by the Ministry of Health that the provision is not calculated to be effective. And yet we have the interesting fact that as recently as last year parliament should have taken the trouble to include a number of clauses in a statute which those responsible for its draughting knew to be quite useless for their purpose, in fact, not intended to be used at all.

To conclude this short paper I would say that proposals for regional and town planning cannot to-day be effectively carried out because of the number of existent interests which are incompatible with or hostile to their fulfilment. These vested interests cover a large field of private and public rights and until these can be acquired compulsorily and until it is recognised that it is in the best interest of the whole community that reconstruction should be carried out and provision is made to enable this to be done we shall continue to plough the sands with the danger of our getting tired of that fruitless pursuit. The contents of this paper may be deemed to be too pessimistic. The conclusion I have arrived at cannot be said to be comforting, but it is folly to live in a fool's paradise and to believe that the great activity we see in theoretical regional and town planning will be translated into practice while conditions remain as they are.

### Summary.

Existing rights and ownerships, often long established and valuable, stand in the way of practical reconstruction. These vested interests tend to the maintenance of the status quo. To obtain success in any scheme of development of land it is necessary to secure the absolute and unencumbered ownership of the whole area of the scheme. The unit of ownership must be identical with the unit of highest utility.

The building of a new town is in some respects easier than the town planning of a built up area, vested interests are fewer and less costly to buy out. They must, however, be completely cleared out of the way.

The main obstacle to Town and Regional Planning lies in the fact that there are powerful influences at work to maintain the status quo. The owners of existing valuable interests do not want to be disturbed. It is not merely a question of money.

If anything practical is to be done in this generation towards the improvement of congested urban areas much wider powers should be granted to local authorities to acquire the interests which stand in the way. If bold schemes of reconstruction were undertaken it is probable

that the increased land values which could be created by modern development would in the long run compensate the authorities for their expenditure on compensations. It is essential that the greatest care should be exercised to create high values and to conserve the new values when they are created.

If progress is to be made in the carrying out of Town and Regional Planning it is necessary that compulsory powers of purchase shall be given to the authority responsible for the execution of the plan and the purchase of interests should be effected prior to the publication of the plan, since the plan itself will raise the market value of the interests which have to be secured.

The paper draws attention to the question of rating areas of local authorities and shows that the present system of local finance in England is a hindrance to regional planning.

Municipal authorities deprecate the active encouragement of development outside their own financial area, as this lessens their resources of municipal income.

On the other hand the authorities of rural areas deprecate the urbanisation of their areas.

There are thus two main influences hostile to the building of satellite cities in agricultural districts.

It is necessary to face the various influences which are at present adverse to the carrying out of schemes of Town and Regional Planning.

### Sommaire.

Des propriétés et des droits existants, souvent établis depuis longtemps et estimables, s'opposent à une reconstruction pratique. Ces intérêts investis tendent au maintien du statu-quo. Pour réussir, dans n'importe quel plan d'aménagement du terrain, il est nécessaire de s'assurer la propriété absolue et sans entrave de toute l'étendue englobée par le plan. L'unité de propriété doit s'identifier à l'unité de plus grande utilité.

La construction d'une ville nouvelle est à quelques égards plus facile que l'aménagement d'une zone déjà construite, il y a moins d'intérêts investis et il est moins coûteux de les racheter. Ils doivent, toutefois, être complètement écartés du chemin.

Le principal obstacle à l'aménagement urbain et régional se trouve dans le fait que des influences puissantes s'emploient à maintenir le statu-quo. Les possesseurs d'intérêts existants estimables ne désirent pas être troublés. Ce n'est pas simplement une question d'argent.

Si quelque chose de pratique doit être fait dans cette génération pour l'amélioration des zones urbaines congestionnées, des pouvoirs plus étendus devraient être accordés aux autorités locales pour le rachat des intérêts qui leur barrent la route. Si des plans hardis de reconstruction étaient entrepris il est probable que les plus-values foncières qui pourraient être créées par un développement moderne dédommageraient à la longue les autorités de leurs dépenses.

Il est essentiel que le plus grand soin soit apporté à créer de fortes plus-values et à conserver les nouvelles valeurs quand elles sont créées.

Si un progrès doit être accompli dans l'exécution de l'aménagement urbain et régional, il est nécessaire que des pouvoirs obligatoires d'achat soient accordés aux autorités responsables de l'exécution du plan et que l'achat des intérêts soit effectué avant la publication du plan, car le plan lui-même élèvera la valeur sur le marché des intérêts qu'il faut s'assurer.

Le rapport attire l'attention sur la question des circonscriptions financières des autorités locales, et montre que le système actuel de finances locales en Angleterre est un empêchement à l'aménagement régional.

Les autorités locales négligent d'encourager activement l'extension hors de leur zone financière, parce qu'elle diminue les ressources alimentant leur budget municipal.

D'autre part les autorités de zones rurales négligent l'urbanisation de leurs zones.

Il y a donc deux influences principales hostiles à la construction de cités satellites dans les districts agricoles.

Il est nécessaire de faire face aux diverses influences qui s'opposent actuellement à l'exécution de plans d'aménagement urbain et régional.

### Auszug.

Vorhandene Eigentumsrechte, die oft auf einen weit entlegenen Zeitpunkt zurückreichen und hohen Wert besitzen, behindern den praktischen Ausbau unserer Städte. Die im Boden investierten Werte begünstigen die Aufrechterhaltung des vorhandenen Zustandes. Wenn man eine Grundfläche nach irgendeinem Plan erfolgreich der Überbauung zuführen will, so muß man unbedingt das absolute und uneingeschränkte Eigentum des ganzen von dem Plan umfaßten Gebietes haben. Die Einheit des Besitzes muß gleichbedeutend sein mit dem höchstmöglichen Nutzungseffekt.

Die Errichtung einer neuen Stadt ist in verschiedener Richtung leichter als die Planbearbeitung für ein schon überbautes Gebiet, weil im ersten Falle weniger Vermögenswerte investiert sind und der Ausbau weniger kostspielig ist. Dieses Hindernis muß vollständig aus dem Wege geräumt werden.

Das wichtigste Hindernis für Stadt- und Landesplanung liegt in der Tatsache, daß mächtige Einflüsse bei der Arbeit sind, um den gegenwärtigen Bestand beizubehalten. Die Besitzer der vorhandenen großen Werte wünschen nicht gestört zu werden. Es handelt sich hierbei nicht allein um eine Geldfrage.

Wenn in dieser Generation irgendein praktischer Schritt getan werden soll, um die überfüllten städtischen Bezirke besser auszugestalten, so müssen den örtlichen Behörden sehr viel weitergehende Rechte bewilligt werden, um die Rechte zu erwerben, die ihnen im Wege stehen. Wenn kühne Sanierungspläne in Angriff genommen werden, wird wahrscheinlich der Wertzuwachs, der durch die zeitgemäße Stadtentwicklung geschaffen wird, die Behörden für die Ausgaben entschädigen, die sie als Entschädigung zu zahlen haben. Wichtig hierbei ist, daß man sich große Mühe gibt, um hohe Werte zu erzeugen und diese neugeschaffenen Werte auch zu erhalten.

Wenn es auf dem Gebiet der Stadt- und Landesplanung vorwärts gehen soll, so müssen den auf diesem Gebiet verantwortlichen Behörden Enteignungsrechte gegeben werden, und der Erwerb der Besitzrechte sollte der Veröffentlichung des Planes vorausgehen, da der Plan selber den Marktwert der Besitzrechte heben wird, die erworben werden sollen.

Der Bericht weist ausdrücklich auf die Frage der Grundstücksschätzung durch die Gemeindebehörden hin und zeigt, daß das gegenwärtige System der Gemeindesteuern in England ein Hindernis für die Landesplanung bedeutet.



Die Gemeindebehörden wehren sich heftig gegen jede aktive Förderung der baulichen Entwicklung außerhalb ihres eigenen Finanzbereiches, da das die Quellen ihres Gemeindeeinkommens beeinträchtigt.

Auf der anderen Seite wehren sich die Behörden der ländlichen Bezirke gegen die Verstadtlichung ihrer Gebiete.

Dies sind die beiden hauptsächlichsten feindlichen Gewalten, die der Errichtung von Trabantenstädten in landwirtschaftlichen Gebieten ganz besonders hinderlich sind.

Es ist notwendig, sich über die verschiedenen Einflüsse Klarheit zu verschaffen, die dem Fortschritt der Durchführung der Stadt- und Landesplanung feindlich im Wege stehen.