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THE RESIDENTIAL DEVELOPMENT PROCESS
AND ITS IMPACT ON AGRICULTURAL LAND

A thesis submitted for the Degree of
Doctor of Philosophy
in the
University of Durham

by

Jeanne Bateson

(in two volumes)

VOLUME I

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November, 1989.



To my Mother and Father,
Richard, Katherine
and Sophie

ABSTRACT

Two interrelated topics, the mechanisms which underlie the residential development process, and the impact of urban development upon agricultural land and practice, provide the substance of this thesis. The adopted behavioural approach leads to emphasis upon the themes of motivation, interaction, power relationships, and conflict between and within selected participant groups: property developers, planners, councillors, landowners, estate agents, financial intermediaries and farmers. A micro-scale analysis of groups operating within the City of Durham District is used, in part, as illustrative material in a wider consideration of major issues associated with housing, planning, government intervention in the land market, changing agricultural practice and conservation. However, focussing attention upon the mechanisms and effects of small town expansion does, itself, reflect increasing concern with observed national trends towards counter-urbanisation.

Consideration is given to means of improving the performance of the residential development process, in the private and public sectors, and of minimizing its adverse impact upon agriculturalists. These are examined in the light of obstacles to progress associated with the various difficulties: defining and implementing multiple objectives; coping with fragmented decision-making structures at local and national levels; overcoming the powerful pressures exerted by political lobbies and self-interest; and challenging the inherent conservatism exhibited by many of the key decision-making groups. Attention is drawn to major issues within countryside planning, including agricultural land protection, multiple land resource use, and environmental responsibility, but these are discussed in the context of social, economic and housing issues which inevitably exert competing demands upon resources. Progress towards improved land use and user management within the study area is identified,

and comment is made on the need for, and practicality of, proposed national comprehensive land use plans for the 'rural-urban fringe' and for the countryside in general.

ACKNOWLEDGEMENTS

The completion of this work has been made possible only by the assistance of a very large number of individuals and organizations who have given advice, information, time and moral support. I am indebted to them all.

In particular, I should like to thank the Department of Geography and the late Professor W.B. Fisher for granting me the opportunity to pursue this research, and the Social Science Research Council whose funding I hope I have finally justified. Within the Department, I am grateful to Mr. A.R. Townsend for his early supervision and to Mr. R. Gazzard for his helpful discussions, but most of all to my supervisor Professor J.I. Clarke for his continual support, encouragement and belief in my ability to complete the work.

It is not possible to acknowledge individually those who have helped by participating in surveys, assisting in the establishment of contacts and providing advice and background information. Indeed, confidentiality restrictions prevent mention of the developers, landowners and landowner agents, planners, councillors, estate agents and farmers who took part, but to each one, I offer my thanks for their assistance, tolerance and hospitality.

For help in arranging the interviews, I am indebted to the National Federation of Building Trades Employers, (subsequently re-named the House-Builders Federation), the National Farmers' Union, the Ministry of Agriculture, Fisheries and Food and in particular to Mr. D. Rogerson a former employee, Durham County Council and the City of Durham Council. In addition to the interviews, many of the organizations granted access to a wealth of background material without which the study would be less comprehensive. Similar assistance was given by the Department of the Environment and the Inland Revenue.

In undertaking this research project, the likelihood of it lasting eighteen years was never anticipated. A succession of problems relating to subject material, ill-health, and subsequently career and family pressures have all contributed to the unfortunate delay in completion. The delay in itself has further protracted the study because of the continuous battle to update material and to keep abreast of research across a wide field of literature.

Over this period, many individuals have provided support and it is to these whom I owe my greatest thanks. My parents through their own sacrifices enabled me to gain a first degree and subsequently to seek this higher goal. Throughout, they have offered support and encouragement and I hope that this finished work will provide some reward.

Many friends and colleagues have assisted either with particular problems or by providing sustained encouragement. In particular, I should like to thank John Ashby, Iain Bain, Hazel Challands, Chris Connolly, Nick Cox, Ken Frankish, Liz Gawley, Jan Horbaczewski, James Lawrence, Keith Oldfield, Eric Tanenbaum and Harry Turay.

To my husband Richard, I should like to express my sincere gratitude for his unfailing confidence, patience and assistance and to my daughters, Katherine and Sophie, thanks for their amazing tolerance and patience.

Thanks are also due to Karen Gittins, David Hume and Derek Hudspeth for their assistance in preparing the maps and diagrams. Finally, I am indebted to Avril Shields for her extreme patience in waiting for this script and for her skill and good humour in typing this thesis.

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F* Large folded figures can be found in the back pocket.

DECLARATION

The work described in this thesis was carried out at the University of Durham. This work has not been submitted for any other degree and is the original work of the author except where acknowledged by reference.

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INTRODUCTION

The aim of this thesis is to unravel the mechanisms, inter-relationships, conflicts and constraints which determine the progress and outcome of the residential development process and its impact upon agricultural land and practice. It is concerned with how and why development takes place, who is in control and what responses are instigated in the nearby countryside.

Assessments and observations are based on a micro-scale study of the residential development process as enacted within and around the small urban centre of Durham City. These are placed in the context of a synthesis of secondary source material derived from similar or related British and international studies. Although the case study material is used as an illustrative example of wider processes, inference from one to the other is prevented by circumstances unique to locality and study period.

The empirical study focusses upon the behaviour of selected participant groups (Chapter 4) rather than on the visible land use impact of their actions. It is hoped that this exposition of local behaviour patterns, detailing the effects of differing attitudes, motives, external controls, power relationships and methods of communication, can contribute to the growing knowledge of processes which have important social and environmental consequences at both local and national levels.

1.1 THE STUDY AREA

Despite an underlying interest in the 'rural-urban fringe' which initiated selection of this study topic, the thesis is not concerned with the intricacies of city delimitation. The study area is defined by administrative boundaries. It comprises the City of Durham District as constituted under the Local Government Act, 1972 and effected on 1st April, 1974. The new district was an amalgamation of three former local



authorities: Durham Municipal Borough, Brandon and Byshottles Urban District and Durham Rural District.

The City of Durham District (Figure 1.1) was chosen as a subject for research because its major centre, Durham City, and several of the surrounding villages have experienced steady population and physical growth during the 1960s and 1970s (Table 1.1 and Figure 1.2). The district has been one of the growth foci in a county which has suffered from severe population decline in its eastern and western districts.

Growth during the period has been a result of both natural increase and in-migration with the latter gaining in importance during the early 1970s. In-migration, together with the trend of increasing household subdivision, and a growing demand for improved living conditions, has created a demand for additional housing in both private and public sectors. In response, over 6,800 new dwellings (5152 private and 1674 local authority) were constructed in the district between 1968 and 1979 (Chapter 3).

These statistics imply significant land use changes which are crudely reflected in the overall expansion of the built-up area (Figure 1.2). The built-up area encompasses a variety of residential, transport, industrial, commercial and utility developments but in the study area, as in the country as a whole (Coleman, 1976; Best, 1981), residential development has been responsible for the greatest displacement of agricultural land. This conflict between residential and agricultural uses for land resources prompted the decision to focus attention upon the residential development process and its impact.

Selection of a small-scale urban centre for examination was, in part, based on practicality. Given the adoption of a behavioural approach in which empirical work comprises 'in-depth' interviews with a variety of participating groups, time limitations necessitated the choice of either

a limited sample survey or a small study area. Since one of the main characteristics of the process under examination is the complex network of participants, it was considered that selection of one small area for detailed study provided a greater opportunity to identify the convoluted interconnectivity of people and decisions which underlie superficial action.

The choice also reflects an interest in ascertaining whether processes and activities previously observed in the 'rural-urban fringes' of major cities similarly occur around smaller urban centres. Over the study period, it has become increasingly recognised both nationally (Champion, 1986) and internationally (Dicken & Lloyd, 1981) that population growth has shifted from major centres and their immediate rings to smaller freestanding cities and towns. If this trend towards counter-urbanisation continues, increased knowledge of development behaviour and land use patterns around smaller towns will be of benefit to those concerned with land use planning and resource management.

1.2 THE STUDY PERIOD

The study period 1968-79 was not predetermined at the outset. The period under review has been progressively extended in order to keep the study comparatively up-to-date (the reasons and circumstances for this have been alluded to in the Acknowledgements).

Although this twelve year period provides the context for the study, some of the empirical work relates to either restricted or extended time periods where:

- a) 'in-depth' interviews held at one point in the study period provide 'snapshot' material on activities being pursued or attitudes held at that particular time;
- b) comparable data series are available only for part of the twelve year period;
- c) post period statistical trends or legislative changes are considered relevant and illuminating.

Where such modifications apply, these are indicated in the text.

Any selected time period must break into trends and miss important developments or legislative changes. Moreover, given that the processes under review are continuous, the imposition of a start and end point is both arbitrary and potentially misleading.

Whilst recognising these limitations, the period 1968-79 has encompassed significant economic, legislative and attitudinal changes in the fields of housing, planning, agriculture and conservation. For example, the period has witnessed: an economic recession; both 'boom' and 'slump' conditions in the housing market; the introduction of Housing Investment Programmes; enactment and subsequent repeal of the Community Land Act; local government reform; entry into the European Common Market and participation in the Common Agricultural Policy; and the rise of a powerful conservation lobby. This varied national background which, to varying degrees, has influenced local behaviour, has both complicated the study and enhanced its interest. Local effects are monitored, but it has been possible only to treat briefly the trends and changes themselves.

1.3 APPROACH AND METHODOLOGY

Details of the approach and methodology used are the subject of Chapter 2 where the reasons for this choice are presented in the context of recent changes and developments in geographical thought. Key decisions included the choice of a micro-scale case study approach, selection of participants for the behavioural survey (six groups: property developers, planners, councillors, landowners, estate agents and farmers), and adoption of an 'in-depth' interview technique. Many decisions were also taken in relation to the inclusion of relevant contextual material, the most important of which involved the selection of legislative and policy documents which were judged to have had the greatest influence upon the local situation.

1.4 STRUCTURE

The need to determine a coherent, manageable and meaningful framework for, a) conceptualizing the wide subject matter, b) organizing the local research, and c) presenting a cogent exposition of the resultant findings created one of the most difficult problems of the study. The adopted structure, not only relates to the stages of the research, but also, it is hoped, provides a logical, understandable and helpful presentation of its findings.

The substance of the thesis is subdivided into three parts.

Part I comprises a single chapter (Chapter 2) which examines definitional problems, seeks to place the selected method of approach in the context of recent methodological debate in human geography, and details the sources of empirical data.

The eight chapters contained in Part II are devoted to an assessment of both the context and internal workings of the residential development process as manifest in the study area.

Chapter 3 sets the scene with a review of relevant legislation and housing trends. This summary of contextual material avoids duplication in succeeding chapters although detailed policy effects are examined in depth when each appropriate stage is discussed.

Chapter 4 introduces the key participant groups and their local representatives. It comprises a series of profiles on each surveyed group comparing and contrasting local characteristics with those of the wider group. The object of the chapter is to obviate the need for lengthy digression into group characteristics within the following chapters, where attention is focussed upon activities and decisions.

The subdivision of the study findings into the remaining six chapters (5-10) is somewhat arbitrary, given the difficulty in compartmentalizing the residential development process into a series of discrete stages (Chapter 2.5). Each chapter relates to identifiable

activities which culminate in important decisions necessary for initiating, maintaining or concluding the process. The order of presentation (process initiation, land search and site selection, planning control, economic appraisal, land acquisition, and development) is consistent with the most frequently cited descriptions of process progression. In reality, however, these 'stages' may be overlapping, transposed or even missing altogether.

Progression through the process is dependent upon the acquisition of various inputs: land, capital, the legal right to develop, labour, materials and information. These are obtained by a mixture of coercion and co-operation between the groups directly involved and those external bodies who are in a position to influence or manipulate. Hence, within each chapter, activity descriptions place emphasis upon the themes of power and control, interaction, choice and conflict.

Attention in Part III switches to the impact of the residential development process upon agricultural land and its managers.

Chapter 11 presents the results of a detailed case study on the attitudes and behavioural response of farmers occupying land adjacent to the built-up area of Durham City and its surrounding villages.

Prompted by the local findings, Chapter 12 widens the discussion to a more generalized comment on the conflicts between urban and agricultural land usage and reviews past attempts at mediation and compromise.

Finally, the overall conclusion, Chapter 13, seeks to draw together the complex network of information flows, activity linkages and innumerable decision sequences which underlie both the residential development process and the agricultural response.

In so concluding, the aim is clarification rather than criticism and description of past activities rather than prediction of future behaviour and physical development. Yet where empirical evidence reveals circumstances or procedures judged to have had an adverse effect

upon the process, criticisms and suggestions for remedial action are made. Prescription of possible solutions relates primarily to the study area but the study concludes that the whole question of conflict between residential expansion and land management requires a reorientation of policy and commitment to co-operation at the national as well as local level. However, realism dictates that such change is likely only on an incremental basis and meanwhile, a continued focussing of attention on the areas of greatest pressure on the peripheries of towns and cities is considered to be of importance.

PART I

METHODOLOGICAL CONTEXT

DEFINITIONS AND METHODOLOGY

This chapter is subdivided into three sections. The first section seeks to clarify the thesis subject matter through definition of the terms used in the title. In the second section, an attempt is made to place the selected method of approach within the context of recent debate on approaches and methodology in human geography. The final section provides a summary of the adopted approach and details the sources of background material and the procedures used to obtain local information for the case study on the City of Durham District (hereafter referred to simply as Durham District).

2.1 DEFINITIONS

The two phrases in the title reflect the two interrelated subjects under consideration. Each needs more precise clarification because of the variety of definitions or implicit meanings used in similar or related studies.

i) Residential Development Process

The term 'residential development' refers to all forms of dwelling construction irrespective of size and tenure. In this thesis, however, attention is focussed primarily on medium to large scale private or local authority development projects.

The 'residential development process' is defined as the sequence of stages involved in the conversion of land from agricultural to residential use. Each stage is demarcated by the taking of decisions and completion of various activities which the main participants in the process must undertake in order to enable progression from the identification of demand to the provision of supply. This contrasts with definitions based solely on changes in the physical state of identified land plots. Adoption of the latter type of definition would necessitate emphasis on land use change (form) rather than on the mechanisms of

change (process) (Young, 1972).

The word 'process' is used with caution for as Whitelegg (1973, 1) states,

'To some practitioners it conveys nothing more than 'change' or temporal variation, a time axis. To others it conveys the image of a specific force acting on a population to transfer elements of that population between states, whether those states be temporal or spatial ... To others yet again 'process' is more of a metaphysical concept not really operational but quite vital to our thinking (process of a process)'.

In some respects, use of the word 'process' in this thesis encompasses each of these interpretations.

First, 'process' implies both temporal and spatial change; temporal in examining the sequence of change from one decision situation to another and spatial in that the residential development process operates within a spatial context and has a visible outcome in the landscape. It should be noted at this point that the changes are continuous over time and space, and that the findings of the present study are limited by the necessary imposition of boundaries both in time (a study period of 12 years) and space (the administrative boundaries of Durham District).

The second interpretation referred to by Whitelegg, which focusses on the force instigating transition between identified states, is the most important of the implicit meanings of the word 'process' as used in this thesis. In the residential development process not one but a multiplicity of 'forces' instigate transition between states. These are a combination of the actions of individual decision-makers or institutions involved and of external factors, operating at both national and local levels, either to influence or control them. Within the present study, the activities of only a selection of the key decision-makers have been examined. Of the many controlling mechanisms, which are external to, but integral with, the residential development process, e.g. the

accumulation and allocation of finance capital and the acquisition of rights to land, emphasis is here placed on national and local government controls via planning and housing legislation.

From the third interpretation, it can be seen that the term 'process' can be used as an aid to comprehension and presentation. This was also recognised by Eichenbaum and Gale (1971, 529) who commented that the concept of process aids understanding because it 'makes a new entity out of a myriad of individual happenings', an entity which can then be taken and analysed in depth. This concept is also utilized here. It is intended that by using the term 'residential development process' the domain of interest is more clearly identified, thereby excluding closely related but external activities and unifying activities essential to the functioning of the process as an entity in its own right. This 'new entity' is essentially an heuristic device which could be condemned as both academic and artificial. It is, however, a useful means of preventing attempts to analyse unduly complex and unmanageable subjects.

ii) Impact on Agricultural Land

The impact of the residential development process on agricultural land is taken here to mean the physical effect of development on the land itself and the psychological and practical effects upon the users and managers of the land.

The physical impact ultimately involves the conversion of agricultural land to residential usage. Land use is defined in terms of its principal activity (for a discussion on classification methods see Dickinson and Shaw, 1977). During the process land may go through a transitional stage, usually as vacant land, but the process, if brought to successful completion, always culminates in the covering of land with bricks, mortar and tarmac. This final physical impact is usually irreversible except at very high cost. It is clearly delimited in

spatial extent (not necessarily true of the transitional stages) and, despite its variety of development forms, is easily identifiable.

In contrast, the psychological and practical impact here taken to mean the responses of agricultural land users, is more difficult to define. It is neither spatially contained nor easily identifiable. Herein lies the complexity of human response.

The psychological and practical responses are considered together because the practical response, to which this thesis directs its attention, is determined by the user's perception of, and attitude towards, the process itself and its final product. The distinction between process and product is important since the factors, whether real or imagined, which provoke a response to the process differ considerably from those which provoke a response to its product, i.e. the dwellings or, more importantly, the occupants of those dwellings. An example of the former may be active participation in the process itself through land sale; and of the latter, a change in management practice caused by interference (Chapter 11.4).

In Chapter 11 'impact' is restricted to the responses made by the individuals and groups immediately concerned, but Chapter 12 widens the definition to enable discussion on issues of current concern relating to the broad environmental and ecological impact and the effects on national producing capacity.

In relation to both chapters, use of the word impact is not meant to convey any value judgement about the beneficial or detrimental effects of the residential development process on agricultural land. What it does perhaps convey is conflict. In the dictionary definition of the word 'impact', an alternative sense to 'influence' and 'effect' is 'collision', and although not consciously chosen for this meaning, it does reflect one of the main themes examined.

Finally, this dual definition of 'impact' relating to both the land itself and its users points to the adopted definition of

'agricultural land'. For the purposes of the case study, land is classified as agricultural when the principal occupation of the holder (owner or tenant) is full or part-time farming. In the case of part-time farmers the land is classified as agricultural where the other occupation utilizes a minimum amount of land. As such, the area considered to be agricultural comprises: arable, grass, rough grazing, market gardening, intensive livestock rearing and some non-productive land and woodland.

The 'agricultural land' definition is also relaxed for the purpose of wider debate in Chapter 12. In this chapter, a more accurate term is 'countryside' as it is concerned with the conflicts and co-operation between agriculturalists and urban uses and users, not simply close to the built-up area, but in the wider rural area.

2.2 SCOPE OF THE RESEARCH FIELD

The subject matter of this thesis places it within the large body of work in the fields of urban geography, town planning and agricultural resource management. Hence, work of direct relevance is diverse with respect to the following:

- a) specific area of concern, e.g. the housing system, competition for agricultural land, the rural-urban fringe, land use planning, suburban growth and agricultural management;
- b) methodology, e.g. factorial ecology, micro-economic analysis, simulation, behavioural analysis of decision-making and residential allocation modelling;
- c) ideological approach, e.g. positivist, humanist and structuralist;
- d) parent discipline, e.g. geography, town planning, economics, sociology and agricultural economics.

To undertake a complete survey and classification of all this work and its methodologies would constitute a thesis in itself. Moreover, this

is unnecessary given the detailed reviews (albeit of limited aspects of this work) present in the literature.

Comment is therefore made on only a selection of the methods and approaches which were considered prior to adopting the approach and methodology used in the present study. It should be noted that the terms 'approach' and 'methodology', which are often used interchangeably in the literature, are here distinguished; 'approach' conveying the philosophical and ideological standpoint and 'methodology' conveying the methods and techniques of analysis.

2.3 ALTERNATIVE APPROACHES AND METHODOLOGIES

The choice of approach was predetermined partly by existing interests, which motivated selection of the research subject, and partly by a variety of unstructured and largely subconscious ideals and values. These are implicit in the thesis aims, i.e. the concern with: a) unravelling the relationships which are perceived to make up the residential development process, b) learning about the manner in which they occur and are used to manipulate choice, and c) identifying their effects on both land use and users. These concerns effectively place the 'looked for' approach in the realm of humanism and behaviouralism rather than of positivism although, at the outset, these distinctions were not perceived to be clear cut. As the research progressed, empirically derived insights and debates in the geographical literature led to a clarification of personal values and to several modifications of the envisaged approach.

With regard to methodology, the constraints imposed by this embryo approach were not applied initially although they became more evident as each potential methodology was examined. As a result, a wide variety of methodologies was considered but many were quickly dismissed as either inappropriate or unattractive. Those given more attention were considered in terms of their:

- a) appropriateness and ability to provide answers to questions of how and why residential development takes place and effects an agricultural response;
- b) practicability with respect to information and technical expertise requirements.

For the purposes of presentation, the considered methodologies are discussed under headings which broadly reflect the group of techniques encompassed or the originating discipline. This grouping also enables a collective statement to be made about the principal reasons for rejecting particular methodologies.

i) Urban Ecology

The original concepts of urban ecology, which sought to explain urban structure in terms of the spatial distribution of social groups by analogy with the biological forces of invasion and succession, were developed by the Chicago School of urban sociologists in the 1920s. Despite stimulating the development of several classic models of urban structure (Park, Burgess and McKenzie, 1925; Hoyt, 1939; Harris and Ullman, 1945), the descriptive nature of this methodology and the explanatory weakness of deterministic ecological concepts are now generally accepted (Johnston, 1971; Timms, 1971).

Similarly, the social constructs which underlie the related techniques of social area analysis (Shevky and Bell, 1955) have been widely criticised as too simplistic (Carter, 1972). The use of computers has enabled more complex multivariate analyses of urban social structure to be undertaken using the techniques of factorial ecology. These have revealed examples of interesting socio-spatial structures (Robson, 1969) but such studies remain essentially descriptive or classificatory. The failure to examine, in any realistic manner, the mechanisms behind urban structure was seen as sufficient reason to reject ecological methodologies.

ii) Micro-Economics

The interest of economists in the structure of cities and of their surrounding areas has produced a large volume of work focussing on the economics of land use location within the city. The various theories and concepts which have emerged have been applied in a variety of forms in studies on residential and agricultural location, and on the housing market. These include: the theory of economic rent (Ricardo, 1817; Von Thunen, 1826); the derived theory of urban rent, embodying the notion that land value is dependent upon proximity to the city (Hurd, 1924); the concept of utility maximization as revealed in bid rent prices; and the 'trade-off' theories in which households are assumed to optimize choice of location by evaluating housing cost against the cost of distance from the city centre (Alonso, 1960; Wingo, 1961).

The continuing concern with distance and accessibility is seen in the method of producing models which relate distance functions to land use (Sinclair, 1967; Mills, 1970; Hushak, 1975), and in the many planning models developed since the 1960s.

Criticisms of micro-economic models (Richardson, 1971; Smith, 1977) rest primarily upon their unrealistic assumptions, e.g. of a single city located on an isotropic surface, perfect competition, perfect knowledge and rational maximizing behaviour, linear relationships, an ability to measure utility, and progression towards an equilibrium state. However, Harvey (1966) has cautioned against rejecting these models on the basis of unreality because, as normative models, they are seeking to produce a simplified ideal solution. Yet, for the purposes of a study aimed at finding a realistic explanation for, or at least an accurate description of, residential land use patterns and the processes which have produced them, the limitations of micro-economics based methodologies led to their rejection.

iii) Social Physics

The most widely used of the methods which seek to account for urban patterns by analogy with physical science is the gravity model. This deduces that interaction between two centres or zones varies directly with some function of their size and inversely with some function of distance between them. Of interest to the present study is its use in residential location models (Wilson, 1974) and its incorporation in planning models used to simulate existing, and to predict future, land use patterns (Lee, 1973).

Again criticisms abound because of the methodology's continuing reliance on economic criteria and assumptions (Edwards, 1967; Colenutt, 1970; O'Farrell and Markham, 1975). Many attempts have been made to make these models, often renamed spatial interaction models (Senior, 1973), more realistic by relaxing assumptions, imposing constraints and including supply variables (Batty, 1971; Wilson, 1971). Often these attempts have floundered at the operational stage because of technical complexity. Moreover, all such attempts at increased sophistication fail to counter the argument that prediction is invalid unless based on an understanding of the reasons which influence the outcome of aggregate behaviour. As Boddy (1974) comments, there is a danger that work in this field becomes preoccupied with 'goodness of fit' rather than explanation. Since this thesis is concerned with the reasons behind patterns, and not with technical refinement or prediction, these methodologies were rejected.

iv) Simulation

All of the above methodologies produce deterministic models in which the results can be predicted provided the set of initial conditions and relationships are known (Harvey, 1969). Simulation methodology, by developing stochastic models, seeks to incorporate randomness and to convey dynamism.

The two techniques most commonly used to simulate geographical processes are the Monte Carlo method, which was first applied to geographical problems by Hägerstrand (1965), and the Markov Chain method. The former, involves developing a probability matrix to represent the factors most likely to influence change and conducting a series of random sampling experiments in order to produce a number of potential solutions. As such, it takes into account the complexities and uncertainties characteristic of any process dependent upon human behaviour and, as the process being simulated operates over time, an aspect of dynamism is implicit in this technique (Colenutt, 1970). The Monte Carlo method has been used to simulate urban growth and sprawl (Garrison, 1960; Morrill, 1965; Malm, Olsson and Wärneryd, 1966) and the residential development process (Chapin and Weiss, 1962).

In the Markov Chain method, time is made more explicit through the notion of dependency, i.e. that each state or pattern produced in the modelling process is dependent upon that preceding it. Thus, in his application of this method, Drewett (1969) assumed land use change on the periphery of Reading to be determined by the existing use plus an increment of change. The latter was determined by a set of transition probabilities derived from empirical observations.

Essentially, simulation methodologies are concerned with prediction and learning. Since the former is not one of the objectives of the present study it was the value of its latter use which was examined. Exploratory runs of a model using different random samples and varying the probability matrix can reveal solutions which most closely replicate known patterns. However, as simulation models do not require the specification of causation or of interrelations amongst variables (Curtis, 1968), they cannot explain why these have been achieved. Thus, they can be classified as stimulus - response models in which the process itself remains a 'black box', 'whose internal characteristics (structure

and functioning) are unknown'(Harvey, 1969, 472).

Their explanatory value, albeit limited, must therefore lie in the definition of probabilities. However, the input variables are normally functions derived from the economic and gravity models which have already been dismissed as inadequate and over simplistic. Attempts to define more realistic probabilities (Chapin, 1965) have involved a detailed behavioural examination of the decision-making and activity patterns of individuals and groups. It was considered that adoption of a behavioural methodology, not as a means of producing more realistic predictive simulation models, but as a means of providing insights into the residential development process, is a more profitable avenue of approach.

v) Behaviouralism: Reorientation towards Man-Centred Methodologies

Rejection of the above methodologies was based upon the two criteria stated at the outset, appropriateness and practicability. The former excludes those methodologies whose central concern is with the outcome rather than the cause of spatial processes, and those which adopt unrealistic assumptions. The latter criterion excludes those which are technically too complex, either to be workable in themselves, or to be manageable in the context of the present study.

Reorientation towards methodologies which focus on how man acts and makes decisions to effect change within a process is a logical outcome of this methodological search. It is impossible, however, to determine to what extent the methodological choices made in this present study represent a personal response, given the strong trend during the 1970s towards disaggregation and behaviouralism, both in geography (Cullen, 1976; Smith, 1976; Johnston, 1977 and 1978) and in the social sciences as a whole.

Something of the variety of subject matter which can be brought together under the 'umbrella heading' of behavioural geography is conveyed by Rieser ,

'What is termed behavioural geography has no clear boundaries: it merges with a whole range of cognate areas of study. However, we can define the core area as the explanation of man's spatial activity and resulting phenomena, wholly or partially in terms of the psychological and/or activity characteristics of individuals, directly or indirectly observed.' (Rieser, 1973, 52).

Whether indeed it succeeds in this task of explanation is a point which Rieser himself and many others have subsequently debated.

A scan of the literature reveals a wide range of behavioural study areas which are potentially relevant to this thesis, e.g. perception, role playing, search and learning, decision-making, and managerialism. The methodologies used in these areas of study are sometimes unclear and frequently overlap with each other and with the methodologies referred to above. Hence, no attempt was made to consider these methods systematically. The methods finally adopted represent an attempt to select the most appropriate techniques and perspectives from the field of perceived alternatives available in the early 1970s. These were later modified by the influence of those advocating greater realism and relevance during the late 1970s and early 1980s. The following brief comments on a variety of study areas and methods illustrate that a restricted review based only on work directly relevant to this thesis, was made of the behavioural literature.

a) Perception, Role Playing,

Search and Learning

Perception studies recognize man's behaviour as being influenced by his perceived 'behavioural environment' (Kirk, 1963). One methodological approach to assessing 'behavioural environment' is the analysis of mental maps which itself embodies various techniques of interpretation (Gould and White, 1974; Pocock, 1976). As Cullen (1976) points out, however, interpretation of these maps rarely extends to the point whereby the hypothesized link between the perceived environment and

actual behaviour is tested in any depth.

Interviewing methods represent the other most commonly used technique of analysing perception of, or attitudes to, the 'behavioural environment.' Since perception is seen to affect both actual behaviour and the interpretations of those seeking to understand it, various interview techniques, e.g. the repertory grid and the semantic differential have been applied to minimize bias on the part of both respondent and interviewer (Hudson, 1976). However, some criticisms have been levelled against these techniques, regarding them as 'harmful artificial frameworks' (Rieser, 1973) or as no more illuminating than the use of unstructured answers (Graham, 1977).

Perception studies relevant to the subject matter of this thesis include those which have examined: consumer preferences for residential types and areas (Michelson, 1977); developer perceptions of attraction and constraint in site selection (Nicholls, Turner, Smith and Cullen, 1982); agriculturalists' perceived benefits of alternative forms of enterprise (Ilbery, 1977); and new and existing resident attitudes to exurban development (Horvinen, 1977; Smit and Flaherty, 1981). Few perception studies have focussed on firms, organizations and institutions, possibly because as Dicken (1971, 428) comments the,

'... perception mechanism of the business organization is extremely complex because it consists not only of the individual perceptions of the "coalition of individuals" involved ... but also of the "organizational perception" of the firm as a business organization.'

Instead, studies on institutions have tended to concentrate on role perception by individuals or groups within them. Several studies have examined the perceived and adopted roles of town planners (Porteous, 1977; Howe, 1980; Forester, 1982; Schon, 1982) and councillors (Keeble, 1966). Some of these are based on interview methods, others on secondary evidence, whilst a study of both councillor and planner roles by Prentice (1976) used an experiential approach. The latter

involves the researcher participating in the processes and activities under review in order to obtain better insights into motivation and behaviour.

Man's perception is partly determined by past learning and search activities, both conscious and subconscious. The fruits of these activities, information and experience, influence current behaviour. Similarly, receptivity to, and the desire for, new information and ideas influence future behaviour patterns. Much of the early work on learning and search was pioneered by Hägerstrand (1953), who was concerned with the diffusion of ideas leading to innovation amongst agriculturalists. Others have considered search and the market decision process from the viewpoint of the producer (Golledge and Brown, 1967) and the consumer (Hudson, 1975). Most of these studies adopt a predictive approach using simulation methods. In studies on residential development, learning and search behaviour are more frequently examined as an implicit stage in decision-making activities.

b) Decision-Making

Underlying many of the studies on decision-making in relation to residential development, either implicitly or explicitly, are concepts derived from the behavioural theory of the firm. Amongst these is the concept of 'satisficing behaviour' as expounded by Simon (1957). In this, man has incomplete knowledge, limited ability to perceive alternative solutions and is likely to accept a satisfactory rather than an optimum solution. This concept now forms the basis of many studies aimed at achieving a greater understanding of social processes. A modified behavioural theory of the firm put forward by Cyert and March (1963), with its explicit emphasis upon organizational objectives, expectations, and procedures of decision-making, provides the conceptual basis for Kenney's (1972) study of residential developer decision-making. Many similar studies make no reference to their theoretical bases but use

ideas initially derived from these theories.

Most studies of decision-making attempt to determine the roles of the different groups involved and to identify the external factors which influence their chosen courses of action (Coppock and Sewell, 1974). Each of those concerned with the residential development process adopt a slightly different emphasis in terms of the participants, external influences and decisions analysed. Few attempt a comprehensive analysis of the whole process although the cumulative work of researchers at the University of North Carolina at Chapel Hill has enabled an overall model of land development to be constructed. Each individual study has provided valuable insights into the behaviour of different groups, e.g. consumers (household activity analyses by Chapin and Hightower, 1965; Chapin 1968); property developers (Kaiser, 1968; Kenney, 1972) and landowners (Smith 1967; Massie 1968).

Studies on the residential development process commonly use a conceptual model identifying a series of decision-stages. This methodological tool has been used as a co-ordinating model for the various research studies at Chapel Hill (the original formulation was presented in Weiss, Smith, Kaiser and Kenney, 1966). Conceptual models have also proved useful in other studies as: a basis for both undertaking empirical work and presenting results (Bather, 1973 who adopted the Chapel Hill model); an essential preliminary to producing a simulation model (Drewett, 1969 after Fisher, 1966); a vehicle to promote further research (Ambrose, 1975); a desired end product of empirical research (Harmer and Webb, 1978); and as a framework for analysing research on the land market (Barrett, Stewart and Underwood, 1978).

Given their multiple uses, it is pertinent to comment on the value of conceptual models. Whether formulated consciously or subconsciously they are the essential starting point for any analysis. Gerard (1964, 120-1), who refers to the formulation of a conceptual

model as 'entititation', considers, 'this qualitative recognition of the important systems ... is far more important than their measurement'. Yet without measurement or the 'operational stage', the conceptual model has been criticized as merely a 'box and arrows' diagram lacking in predictive and explanatory power (Langton, 1972). It is concluded that although they have limited explanatory power, conceptual models can, in contrast to many of the mathematical models already discussed, convey the complexity inherent in decision-making processes. Moreover, by enabling the linkages between different groups and stages in the process to be highlighted, they can in themselves contribute to greater understanding.

Empirical work following the development of a conceptual model often involves interview surveys of selected decision-making groups operating in a case study area although some, more generalized, studies use secondary source material. Surveys may be based on postal questionnaires or interviews designed to obtain information on a variety of relevant topics. In seeking to ascertain the reasons for and influences on decision-making, most studies embrace the notion that the decision-maker is in a position to exercise choice, albeit limited by some external factors. Many researchers have criticized this assumption of, and focus on, choice and consider that emphasis upon constraints, power, and control provides a more meaningful and realistic perspective.

c) Managerialism

The move towards a managerialist perspective involves not so much a change in methodology, since such studies are generally still based on small-scale interview surveys, but in approach. It reflects the increasing critical awareness of researchers and their desire to focus upon problems and inequalities.

The managerialist approach originates in the field of urban sociology and stems primarily from the work of Pahl (1969), who emphasized

the need to examine the social and spatial constraints which determine opportunities for access to urban resources and facilities. As a key to understanding social constraints, he concentrated on the activities, policies and ideologies of the managers or controllers of the urban system. Their control and power are seen to shape the built environment which Pahl describes as:

'..... a result of conflicts, taking place in the past and in the present, between those with different degrees of power in society ... As the balance of power between these elements changes and as ideologies in societies rise and fall, so the built environment is affected. It is a continuing situation, with the past constraining the present and together binding and limiting the future.'
(Pahl, 1970, 60).

Power can be used to constrain access to scarce resources which, in the development process may include finance, land, information and labour. Many studies adopting a managerialist approach focus upon one group of 'gatekeepers' (a term originally coined by Palmer, 1955), who are in a position to wield power and exert control. Within the field of residential development and housing provision examples include work on: building societies (Ford, 1975; Boddy, 1980); financial intermediaries in general (Williams, 1976); estate agents (Hatch, 1973; Palm, 1976a, 1976b); and on local authority officers, particularly 'the planners' (Dennis, 1970; Davies, 1972).

The managerialist approach has been criticized, not least by Pahl (1974) himself in his later work. Although some writers continue to consider it a 'useful way of penetrating into the complex of relationships that structure urban areas' (Williams, 1978, 240), many consider this approach to attribute too much power and control to individual managers thereby ignoring the wider societal and economic constraints operating upon them (Gray, 1975; Knox, 1982; Leonard, 1982). These critics insist on the need to look beyond individual 'stage managers' to the play 'designed and produced by capitalism' (Gray, 1975, 231). Such views are

in accord with the move towards increased emphasis upon the national policy mechanisms used to allocate resources and upon the deeper economic and social underpinnings which these policies reflect.

vi) Policy Evaluation and Structuralism

The shift towards policy evaluation and assessment of macro social and economic foundations or structuralism, forms part of the wider debate on the role of geographical research and of geographers themselves in relation to the needs of modern society. The call for geographers consciously to adopt a particular role, e.g. advisory or interventionist, requires both recognition of an ideological stance and commitment. The valued ethics of academic objectivity and political neutrality are increasingly being dismissed as both misplaced and impossible to attain.

The breadth of work examined under this heading is considerable in its methodological and ideological approaches. It ranges from studies recommending incremental reform to those advocating revolution.

a) Policy Evaluation

The evaluation of policies, particularly those of central and local government, has long featured in geographical studies. Formerly, studies tended to treat policy as an external influence or as background information to 'explain' action. The call for more 'policy relevant' research (Berry, 1972) has led to increasing attention on policy itself; its formulation, implementation and subsequent impact.

Policy evaluation may be based on:

- a) a broad knowledge of past policies and their impact, as in reviews of past housing policies (Donnison, 1967; Berry, 1974; Balchin 1981);
- b) an examination of the extent to which policies, when implemented, meet their initial objectives, using techniques of interview surveys (Barrett, Boddy and

- Stewart, 1979), or analyses of planning applications (Gregory, 1970; JURUE, 1977; Gilg and Blacksell 1974);
- c) a technical assessment of alternative solutions, e.g. the cost benefit analyses of agricultural land development versus retention (Boddington, 1973) and, more recently environmental impact analyses (Clark, et al, 1978);
- d) the detailed assessment of policy impact; for example, the land use surveys of Coleman (1976 and 1977a) are used to denounce past planning policies.

Hall (1973) used most of these approaches to policy evaluation in his comprehensive assessment of the impact of post-war planning policies on urban growth.

Several of the studies referred to above have been commissioned by the policy-makers themselves, most notably the Department of the Environment. Thus policy evaluation work may cast the geographer in the role of consultant, analyst or even interventionist (Blowers, 1974).

Whichever of these roles is adopted, emphasis usually remains on the evaluation of existing policies, an approach which has been criticized as 'cosmetic', diverting discussion from the deeper causes of problems which the policies are designed, or claim to be designed, to alleviate (Anderson, 1973). Concern with the latter involves adoption of a structuralist approach.

b) Structuralism

Structuralism encompasses a variety of methodological and ideological approaches unified by the object of examining the underlying mechanisms which create and perpetuate problems in society. Some studies focus upon the distribution of resources and upon those institutions which act as regulators. For example, the regulatory role of national and local government has been examined in relation to housing management

(Harloe, Issacharoff and Minns, 1974), and to planning (Simmie, 1974; Ambrose, 1976; 1977). In contrast, other studies concentrate on social injustices and spatial disequilibria which the activities and policies of these bodies produce (Coates and Rawstron, 1971; Smith, 1977).

Many of these studies represent an extension of the managerialist approach with greater emphasis placed upon the more fundamental constraints imposed by the political and social economy. All seek, in varying degrees, to highlight 'the real problems'. Two common themes, examine the ways in which policies gain political sanction and public acceptability (O'Riordan, 1974), and the means by which policy is manipulated to maintain the status quo (Ambrose, 1977). When adopting this approach, researchers are urged to examine: to 'what kind of public policy' they are seeking to contribute (Harvey, 1974); whose interests are likely to benefit from their research (Buttimer, 1974); and their own ideological standpoint. With respect to ideological standpoints, views vary from those who acknowledge the need for critical awareness of personal value judgements (Smith, 1976) to those who consider it necessary to adopt a political viewpoint.

The former views can be aligned to a liberal and the latter to a more radical Marxist stance (Robson, 1977). Possibly following the lead of Harvey (1973), many Marxist orientated studies have concentrated on the housing system (Ball, 1977; Marcuse, 1977; Berry, 1979) and on property development (Ambrose and Colenutt, 1975). In seeking to 'demystify and explain' the workings of 'the property machine' in general and the detailed mechanisms controlling housing allocation, these studies have attempted to identify and expose the relationship between need and the distribution of wealth in society. Their conclusions are directed at students, policy-makers, and the public, whose general passivity some writers have sought to overcome by direct

involvement with community action groups (Colenutt, 1976) and the Community Development Project (CDP, 1976).

Critics of structuralism rarely disagree with their aim of looking at the world's problems in the face (Smith, 1976), but they caution against excessive concern with the macro constraints imposed by the structure of society. This, they believe, can lead to an overlooking of the fact that some individuals and groups can and do exercise choice at the local level (Dicken and Lloyd, 1981). An understanding of both is necessary to comprehend and explain fully local spatial patterns and processes.

2.4 COMMENTS ON ALTERNATIVE APPROACHES AND METHODOLOGIES

Most of the behavioural and policy-centred studies cited have, to some extent, influenced the approach and methodology selected for this thesis, which evolved over time. In not adopting one particular methodology, it is somewhat eclectic in its conception and application, a characteristic of many similar studies where subject areas and methodologies overlap linking structuralist with managerial, and decision-making with micro-economic approaches. It was considered that rejection of a methodology in isolation because of its assumptions, ideological naivety or scale of analysis may be valid, but possibly premature given that, when combined with other methodologies it may provide the depth of understanding required.

Whilst being open to the possibilities of a 'combined approach', the adoption 'rules' as stated at the outset were adhered to throughout.

i) Appropriateness

An approach can be judged inappropriate on purely technical, or on more subjective ideological grounds. Criticisms relating to the mishandling and misapplication of techniques have been referred to above. Most frequently, these are directed at studies adopting methods from the physical sciences where they are inapplicable to the study of

human geography or at examples of misuse by researchers who do not fully understand the techniques involved. Similar criticisms can be levelled at behavioural and structural studies which borrow psychological techniques and philosophical doctrines.

Technical inappropriateness may also relate to the scale of analysis. In geographical studies, macro and micro-scale methodologies are frequently cast as opposite and entrenched stances reflecting the inherent conflict between generality and realism. Advocates of one approach often dismiss the other but increasingly, it is recognized that all scales of study have potential value. In the terminology of Beer (1968), each level of analysis relates to different 'cones of resolution', all of which can make a contribution to knowledge. Accepting that each scale has a contribution to make, Hägerstrand (1973, 75) speaks of the 'necessity to explore the connexions between the large-scale expressions of human action and what is taking place in the micro-spaces where the actors actually handle their tools and materials and co-operate face-to-face!'

The difficulties, in practice, of reconciling macro and micro-scales of analysis have been explored by Hudson (1976) who concludes that the problems of fusing the two are immense. Clearly there is a danger in assuming that macro models have implications for micro studies and conversely, of inferring macro trends from micro case studies. Avoiding direct inferences, however, Chapin and associates have demonstrated the value of a variety of levels of analysis. In learning from micro-scale studies they have devised more appropriate behavioural postulates for their macro models and from the latter, they have identified the subject areas most likely to give rewarding results from micro-scale study. It is therefore considered that in order to provide improved understanding across a broad field of study, different scales of analysis must be seen as complementary even though attempts at fusion

within one particular study are likely to produce spurious results.

Non-technical criticisms frequently reflect the different outlook, opinions and objectives of the researcher and his or her critic, rather than a disagreement over the method of approach. These should not be confused. Examples of true ideological criticisms can be found amongst the literature advocating greater realism and relevance. The diversity of such work, illustrates the range of value judgements held even by those seeking a common purpose.

The presence of value judgements in the work of both researchers and their critics is now generally accepted as inevitable. In some cases they are considered constructive, 'bias is unavoidable but is also a source of perspective and knowledge' (Marchand, 1974, 18). In others, they are considered destructive, where they lead to a myopic search for solutions or to the presentation of a 'persuasive exposition of a point of view masquerading as a theorem or proof' (Mackenzie, 1969, 20).

ii) Practicability

The assessment of practicability rests upon more tangible factors such as information availability, time scale, and the extent of existing knowledge of various approaches and techniques. Acquiring a knowledge of new approaches and methodologies forms an important part of any research project, but excessive dwelling upon, for example, the intricacies of matrix manipulation or the nuances of Marxist doctrine can result in unproductive research. Hence, the approach adopted here reflects a realistic acceptance of both material and personal limitations.

2.5 SELECTED APPROACH AND METHODOLOGY

The selected approach was devised primarily in relation to the study aims (Chapter 1) but, in its conception, application, and in the interpretation of results, the approach has drawn upon the methods,

ideologies and empirical results of related work referred to above.

At the outset, the answering of questions concerned with how and why residential development takes place and with what effects this has upon agricultural management was seen to constitute explanation. However, following debate in the literature concerning the differences between explanation and description (Guelke, 1971; Johnston, 1980), it was recognized that the chosen approach cannot meet the exactitudes required to constitute explanation, at least in the scientific sense. The approach is therefore descriptive but, in attempting to identify actions and interpret behaviour, the object is to promote greater understanding of the forces underlying the development process and its consequences as observed within the study area.

A conceptual model simplifying the development process into a series of decision-stages (Figure 2.1) forms the framework for studying its mechanisms. Any attempt to a) isolate any process which operates in a wide social and economic context, such as that of residential development, and b) 'compartmentalize' it into a series of discrete stages must be based, to some degree, on arbitrary decisions. Hence there is a variety of ways of subdividing the process. Some of these are illustrated in Figure 2.1, which demonstrates how these relate to the chosen structure. It is hoped that the latter, in providing a simplified framework for Part II of the thesis does not sacrifice too much realism in the pursuit of clarity.

A considerable amount of background research was undertaken on both the residential development process and its agricultural impact. This involved reviewing both generalized and empirically based studies from Britain and elsewhere. A synthesis of this secondary source material is used as a background against which the findings of the case study on Durham District are presented as an illustrative example. No attempt is made directly to infer interpretations from the general to

the specific or vice versa, but both are merged in the text with the intention of providing an intelligible exposition of the residential development process and its subsequent impact.

The empirical study involved the adoption of a micro-scale behavioural approach with the emphasis upon the decision-makers. Six decision-groups including individuals (farmers), firms (property developers and estate agents) and organizations (some large landowners, planners and councillors), were selected for detailed examination. These groups were seen to represent the main elements in the development process: legislative, political, and commercial as well as the farmers whose response to the process was sought.

Two notable groups were consciously excluded: financial intermediaries (banks, building societies and insurance companies) and the consumers. The decision not to interview financial intermediaries was based on the view that there was insufficient time to acquire the background knowledge of finance capital considered necessary as a basis for interviewing this group. Since this thesis focusses attention on the production side of the 'housing equation', it was deemed unnecessary to consider questions of consumer demand and need except in so far as these are perceived by the producers. Moreover, there was insufficient time available to conduct a sample household survey large enough to enable meaningful statements to be made about consumer preferences and requirements.

Face-to-face interview methods were used with the selected groups to obtain information on a variety of topics, e.g. perceived roles, relationships with and attitudes towards other groups, decision-making procedures, accountability, adaptability and responses to external stimuli and constraints. This information was sought in the context of their past involvement in the development process between 1968 and the interview dates (these spanned the period 1973-1975) and their

anticipated future involvement.

As an aid to interpreting and subsequently presenting the resultant findings, attention was directed to four themes:

a) the use of power and control to manipulate desired outcomes;
b) the methods and amount of interaction between groups; c) the degree of choice available in decision-making; and d) the nature and level of conflict resulting as each group enacts its adopted roles. Concern with power and control, which partly influenced the selection of participant groups, reflects the imposition of a managerialist perspective onto the analysis of decision-making behaviour. Each of the interviewed groups was seen to have potential to act as 'gatekeepers' at various stages in the process.

Analysis of choice and control mechanisms was not, however, conducted without due reference to the constraints, both actual and perceived, imposed by the 'operational environment' (Pocock, 1971) of each group. Nor were the macro external forces influencing the development process as a whole ignored. Two types of external control were considered albeit to differing extents. Despite recognition of the importance of finance capital as a collective force behind development, detailed analysis of the behaviour of financial intermediaries was not undertaken for the reasons outlined above. However, an attempt to comment on the function and influence of this form of external control and on those groups involved, is made on the basis of evidence from other studies.

Detailed consideration was given to the second type of external control; that of national and local government legislation. In order to understand better the constraints upon the selected decision-groups imposed by legislation, relevant national and local policy documents, e.g. Acts, White Papers, reports and guidance notes were examined in some detail (Chapter 3.3). The necessary policy evaluation component

of the research involved:

- a) reviewing all relevant documents;
- b) interviewing local government officers and members to ascertain how legislation has been interpreted and implemented; and
- c) assessing policy impact through analysis of factual evidence (planning applications) and attitudinal evidence from the interview surveys.

Whilst recognizing that national legislation and local policy interpretation is constrained by macro social and economic control mechanisms, these were not in themselves examined.

With respect to policy evaluation, the study ends on a prescriptive note making some recommendations for changes in both policy itself and the methods of its implementation (Chapter 13).

These recommendations are accompanied by a somewhat circumspect consideration of the likelihood of their being instrumental in effecting change. This circumspection was influenced by recent debate on the role and relevance of geographical research within a policy-making context (Goodey, 1973). Perhaps more importantly, it reflects post research experience within a local government planning department.

With respect to ideological stance, the approach represents an attempt to provide an accurate and truthful exposition of the residential development process and its impact as understood from the literature and observed in empirical study. Although no conscious attempt was made to impose personal value judgements upon the analysis at the formulation, data collection or interpretation stages, the inevitability of this is accepted. The nature of such judgements is difficult both to comprehend and assess given their origins in past educational, social and cultural experiences. One source of potential bias must, however, be acknowledged. Although not directly involved with policies concerned with the allocation

of land or control of development, the writer has subsequently become a member of one of the participant groups - the planners.

2.6 DATA SOURCES AND METHODS OF COLLECTION

i) Background Information

Establishment of the background context for the empirical study necessitated examination of:

- a) relevant national legislation, either in operation or introduced during the study period, relating to planning, housing, agriculture and environmental conservation;
- b) movements in house prices and construction costs based on Department of the Environment surveys and building society bulletins;
- c) statistics on demographic changes and housing completions.

The academic and professional literature provided a wealth of material from review articles and empirical studies. Where these have provided particular assistance relating to choice of approach or interpretation of results, due acknowledgement is made in the text.

ii) Secondary Source Information on the Study Area

Secondary source material was used to obtain information on the study area as a whole, background details on some of the participant groups, and on the history of planning decisions.

Published policy documents were examined, along with committee minutes and a miscellany of background files (produced by Durham County Council, Durham District Council and by the Northern Regional Strategy Team, whose initial strategy (1977) has been monitored by the North of England County Councils Association) which spanned over 30 years of local planning policies. With respect to assessing the impact of these policies two main data sources were used, housing land availability registers and records of planning applications made between 1961 and 1982.

Concerning the local development industry, various reports

commissioned by the National Federation of Building Trades Employers (NFBTE), Northern Counties Region, were made available for consultation by the organization's director with whom useful discussions were held. In addition, the annual directory and yearbooks of the NFBTE gave up-to-date information on builders operating in the area plus details on codes of practice and new construction techniques.

As supporting material to developer interviews, most respondents provided copies of annual reports and, regarding particular site developments, three respondents provided access to records on initial house purchasers. The latter facilitated an analysis of the origins, social status and age characteristics of purchasers thus providing an indication of the effective demand for different types of housing development in the study area.

Statistical sources included: the 1971 and 1981 Population Censuses, Department of the Environment Housing and Construction Statistics, Nationwide Building Society figures on house prices and Inland Revenue data on land values.

iii) Interview Surveys

As noted above, six groups were selected for detailed interview survey: developers, planners, councillors, landowners, estate agents and farmers (owner occupiers and tenants). There was some overlap between the groups, e.g. some developers and owner-occupying farmers were also landowners and two of the interviewed farmers were also elected councillors.

The interviews lasted $\frac{3}{4}$ - $2\frac{1}{2}$ hours and each one was pre-arranged by an introductory letter followed by a request for an appointment. In the case of two of the surveyed groups, the initial request for an interview was supported by a national representative body, i.e. the NFBTE for the property developers and the National Farmers' Union for the farmers. This support was volunteered by regional representatives

of each respective body from whom advice was initially sought on questionnaire design.

The size and method of sample selection varied for each group, although in all cases the samples were chosen to ensure good representation of the group's activity within the study area. Details are given in the individual group profiles (Chapter 4). In every case the response rate was very high. Across all groups only four potential respondents refused to grant an interview (3 out of 26 councillors and 1 out of 83 farmers).

Formal pre-structured questionnaires were used as a basis for interviews with developers, estate agents, councillors and farmers, although each of these contained a variety of open-ended questions giving opportunity for wider discussion (Appendices 1,5,3,8). The questionnaires were initially discussed in detail with persons experienced in the development process and, in most cases, were pilot tested on respondents operating outside the study area.

Since the interviews with planners were aimed at both obtaining the respondents' views on particular topics and establishing a basis for future data collection, a more flexible checklist was used as the basis for interviews (Appendix 2). Similarly, a checklist approach was used for the landowner group because of the diversity of respondent positions (Appendix 4).

In all cases, the interviews were designed to obtain a mixture of factual information and opinions. No attitudinal scaling of responses was attempted since it was considered that greater insights could be obtained from a series of free and unstructured responses. Interpretation of results was based on a crude form of contents analysis (Bird, Lochhead and Willingdale, 1983). Rather than calculating a series of statistical frequencies (although this was done for the farmer survey), the object was to draw out the diversity

of opinions expressed and to collate the factual responses.

iv) Ad hoc Discussions and Personal Experience

These sources represent a mixture of information derived from interviews and discussions with other individuals and group representatives who, either directly or indirectly, participate in the local development process. Examples of informants include: officers of the Ministry of Agriculture, Fisheries and Food working at both local and regional levels, the District Valuer and his officers, farmland agents, land registry officials, Durham District Housing and Finance Officers, planners working for the Department of the Environment or as sub-regional consultants, members of community action groups, and the Durham Agricultural Discussion Society.

Experience as a practising planner employed by Durham County Council in a research team has inevitably given access to more detailed information and provided opportunities for more open discussions with a broad spectrum of officers. It must be stressed that throughout the thesis, the views expressed are those of the author and not of Durham County Planning Department except where interview results are cited.

5

PART II

THE RESIDENTIAL DEVELOPMENT PROCESS

THE NATIONAL AND LOCAL CONTEXT3.1 THE LEGISLATIVE CONTEXT: A GEOGRAPHER'S PERSPECTIVE

In commenting on the legislative context of the residential development process, it is important to state at the outset that this is undertaken from an external academic perspective. This brief review of 'relevant' legislation reveals a bias towards housing, land and planning policies rather than towards measures which affect, for example, incomes, company taxation, employment or import controls. All the latter influence various aspects of the development process but were considered peripheral to the main themes being pursued and hence, beyond the scope of this thesis.

The context here presented may therefore differ considerably from that perceived by each of the participant decision-making groups whose activities the legislation directly or indirectly affects. A knowledge of current legislation is important for all groups involved, but the scope of that knowledge may vary enormously. Most participants in the residential development process have neither the time nor the expertise to be fully conversant with legislation which, although relevant to the process, does not directly impinge on their own activities. Often, it is sufficient for participants to know whether certain policies or controls are present or absent, rather than the details thereof.

The extent of knowledge held is partly dependent upon the availability of information which can be obtained from a group's national representative body (e.g. NFBTE or Country Landowners' Association), the media, local contacts, or direct from legislative and policy documents. It is even more dependent on a group's or individual's will to obtain and use information and upon the perceived benefits to be derived from knowledge of the legislation. Some groups have a

statutory duty to be informed on certain aspects of legislation, e.g. the planners and councillors, whilst others are motivated by self-interest recognizing that possession of information and familiarity with legislation can be a useful tool for manipulating other groups' actions and the overall process outcome. The former, tend to possess detailed knowledge of legislation applicable to certain stages in the process and give scant attention to the broad context, whereas the latter, in addition to an immediate grasp of relevant legislation (derived from practical application), frequently have a wider, albeit, superficial understanding of the overall legislative context.

3.2 THE BASES OF GOVERNMENT INTERVENTION

The residential development process does not take place in isolation. It is part of much wider economic and political systems, comprehension of which must underlie government intervention. As an aid to understanding the interrelationships involved, it is helpful to consider the residential development process as part of a nested hierarchy of systems linked by the exchange of capital and goods. Control of the overall 'system' is achieved by the interplay of market mechanisms and government intervention.

Government intervention may be directed at any level in the hierarchy; its subsequent effects having potential repercussions upon the 'system' as a whole. Specific attempts at control over the property market, construction industry and housing provision in general, can be traced back to the beginning of the century (Berry, 1974; Balchin, 1981). Successive governments have introduced housing-related legislation (i.e. relating to housing, land and planning issues) as a means of achieving a variety of political, economic, social, environmental and ideological objectives. Enactment has been sought via a combination of direct control and indirect manipulation.

Within overall government strategy, the relative importance of

housing-related legislation is partly a function of prevailing economic circumstances. There is a close relationship between movements in finance capital and rates of construction and hence between housing, economic and fiscal policies. Recognition of this has led to the past usage of housing policies to regulate the economy (Murie, Niner and Watson, 1976) and to the sacrifice of long-term housing objectives for short-term measures aimed at alleviating current monetary crises (Ashmore, 1975).

The degree of emphasis placed upon housing and property development is also indicative of a government's confidence and political conviction. Housing policies have long been seen to be a visible expression of the ideals of the Left and the Right. For the Left, direct intervention in the housing market provides the opportunity for pursuing goals of social welfare via subsidized housing provision, and of increased control over private capital interests. For the Right, housing legislation can achieve the dual objectives of assisting private enterprise and of promoting the ideal of a home-owning democracy. Since housing policies often embody some of the more extreme elements of political ideology⁶, their introduction may be seen to reflect political assurance.

On the other hand, they can also be an indicator of political vulnerability. The mismanagement of housing legislation can create tangible economic costs relating to health, social service provision and crime prevention, can lead to political and social unrest and, not least of all, can lose elections. Recognition of their electoral import governs many policy decisions and past legislation can often be interpreted in terms of its political expediency rather than the welfare objectives it has been explicitly designed to achieve (Ball, 1977; and, with reference to American legislation, Marcuse, 1977).

However, it is not intended here to pursue a debate on the

ethics of government intervention, nor indeed to comment in detail upon the effectiveness of past housing-related legislation since success is judged according to political outlook as well as by the direct benefits derived. Rather, the object is to examine the means by which government intervention has been attempted during the study period.

3.3 REVIEW OF HOUSING-RELATED LEGISLATION

Between 1968 and 1979, legislation has been primarily directed at four aspects of the housing market with the aims of:

- i) manipulating tenure balance;
- ii) adjusting supply between new construction and renewal;
- iii) increasing control over planning policies and land release;
- iv) imposing control over the land market.

i) The Manipulation of Tenure Balance

The balance of tenure can be controlled by either direct or indirect measures aimed at increasing or decreasing the demand for, and attraction of, the various sectors. Since houses in one sector can, in some instances, be substitutes for those in another, measures directed at one particular sector may affect the housing market as a whole. Such measures may seek to control,

- a) demand, by manipulating rent levels, mortgage availability, interest rates and tax relief, or
- b) supply, by means of direct resource allocation (subsidies and loans for local authority construction), manipulation of credit and interest rates, or control over land inputs.

Controls applied to the land market are discussed in sections iii) and iv) below.

a) The Private Sector

Throughout the study period, successive governments have directly

promoted owner-occupation, albeit with differing emphases.

Conservative governments have sought owner-occupation as an end in itself, whilst Labour governments have directed their attention to widening access to the private sector. Steps to achieve these goals began immediately prior to the study period with the introduction of the Option Mortgage and Guarantee Scheme (Housing Subsidies Act, 1967) and were consolidated by the removal of quota restrictions on local authority mortgage lending between 1971 and mid 1975 (Circular 22/71), a new Low Start Mortgage Scheme in 1975 (Local Government Act, 1974) and, in 1978, by the Homeloan (Home Purchase Assistance and Housing Corporation Guarantee Act) and Building Society Support Schemes.

The attraction of the private sector has been maintained by continued tax relief support on mortgage interest payments. The interest rates themselves have also been protected from excessive increases threatened by the widely fluctuating monetary flows over the study period. In the early 1970s, a relaxation of overall credit ceilings designed to stimulate the economy led to low interest rates and an inflow of funds to building societies which, together with a set of favourable demographic circumstances, resulted in the 1971-72 'boom' in housing construction and prices (Sections 3.5 i) and ii)). The subsequent reversal of economic and monetary policies in late 1972 led to increased interest rates and a 'slump' in the housing market during 1973/74 (Ashmore, 1975). Government concern for the adverse effects of national policies on housing construction and on existing owner-occupiers was reflected in, a) their offers in 1973 and 1974, of bridging loans to building societies, and b) the imposition of restrictions on competing investments in an attempt to maintain mortgage interest rates. Experience of this crisis period brought increased awareness of the interdependency of financial and housing policies and led the government, in 1973, to set up a Joint Advisory Commission on Building Society

Mortgage Funds with the triple objectives of maintaining a steady flow of investment for lending, stabilizing house prices, and avoiding dramatic construction cycles. Its subsequent success was demonstrated in 1978/79 when, at a time of increasing credit availability, the machinery and expertise were available to step in to stabilize lending and avert house price escalation. For political reasons, however, government decided not to intervene in 1979/80 when, following the new Conservative Government's decision to raise the Minimum Lending Rate, mortgage interest rates rose steeply to 15%.

Throughout the period, government intervention in this sector has taken the form of the indirect manipulation of bodies, most notably the financiers, who are in a position both to facilitate the satisfaction of demand and assist the provision of supply. The objectives of increasing the size of the owner-occupied sector and of improving ease of access to this form of tenure have been met to some degree, as evidenced in the statistics on private construction (Section 3.5 (i)). Whether this achievement has been a direct result of government intervention or as a result of the coinciding goals of private capital is a point for debate (Ambrose, 1976).

b) The Public Sector

In contrast to the continuous commitment to the expansion of the private sector, intervention in the public sector has been characterized by a sequence of 'see-saw' policy measures alternately reflecting the political objectives of the government in office. Conservative governments have relentlessly pursued their objectives of reducing the size of the public sector and of ensuring that the remaining properties are economically managed. They have successively sought to:

- i) reduce the attraction of the public sector by raising rent levels to represent 'fair economic rents' (Housing Finance Act, 1972);

- ii) encourage the transfer of stock from public to private sectors by promoting the sale of council houses (Circular 54/70; White Paper, Fair Deal for Housing, 1971; Housing Act, 1980);
- iii) restrict the overall level of local authority housing construction by severely reducing subsidies (Housing Finance Act, 1972; Housing Act, 1980).

The measures introduced to achieve these aims were also conceived as a means of increasing government control over the public sector and conversely of reducing local authority discretion on levels of expenditure, construction and rent fixing. This trend culminated in October 1980 with the imposition of a moratorium, albeit temporary, on all local authority housing capital spending.

In contrast, legislation introduced by the intervening Labour governments reveals their continued commitment to the public sector as a source of homes for those for whom owner-occupation is either unattractive or unobtainable. Emphasis has been placed on:

- i) improving the existing local authority housing stock (see Section 3.3(ii))^f
- ii) restricting the erosion of the public sector via council house sales (circular 70/74);
- iii) new building where necessary (Housing Subsidies Act, 1967; Housing Rent and Subsidies Act, 1975; Circular 24/75).

Labour governments have resolutely supported subsidies and imposed rent controls to facilitate public sector expansion and ease of access to council housing. At the beginning of the study period, their Housing Subsidies Act, 1967 not only provided subsidies per dwelling built (with the proviso that quality standards and cost controls were maintained by the Housing Cost Yardstick), but also protected local authority borrowing against rising interest rates. Many of their

subsequent policy measures were introduced in a direct attempt to reverse or moderate the effects of Conservative cut-backs and rent increases. Examples include the rent freeze of 1974, the introduction of 'reasonable rents' in 1975 and the resumption of subsidies on individual construction projects (Housing Rent and Subsidies Act, 1975).

The imposition of greater control over local authority building programmes, certainly as a means of contracting public sector development, was never an objective of Labour government legislation. It is therefore perhaps ironic that two of their policy measures, the introduction of cash limits on housing expenditure (Circular 18/77) and the Housing Investment Planning System (Housing Policy: a consultative document, Cmnd 6851, 1977 and Circular 63/77) opened the way for more direct restrictive controls to be applied by the incoming Conservative Government (Local Government, Planning and Land Act, 1980; Circular 14/81).

The nature of 'see-saw' intervention in the public sector is reflected in construction trends (Section 3.5 (i)). The effects of this, together with the succession of financial restraints, policy controls on new building, and the removal of local discretion on house-building programmes, have inevitably had an adverse effect on the public sector development process.

c) The Private Rented Sector

Government intervention in the private rented sector has been more intermittent. This sector can be used to serve different political ends. Conservative governments have seen it as a substitute for local authority housing, whilst Labour governments have regarded it as a complement to, and extension of, the public sector. Thus, after the succession of post-war restrictions on this sector which led to its demise from 54% of the total housing stock (England and Wales) in 1945 to 14% in 1978 (Boddy 1980), the study period witnessed some attempts to

assist its revival. In particular, measures to protect rents and improve security for tenants (Rent Act, 1968; The Rent (Control of Increases) Act, 1969; Housing Finance Act, 1972; Rent Act, 1974 and Rent Act, 1977) increased the demand for, and consumer confidence in, this sector. At the same time, extra funds allocated through the Housing Corporation provided a stimulus for new construction (Housing Act, 1972; Housing Act, 1974).

ii) New Construction versus Renewal

Although new housing construction is the subject matter of this thesis, it is only one element of the housing market. Indeed, in any one year new housing represents at most 3% of the total stock (Dicken and Lloyd, 1981) and demand arising from population growth, household formation, or movement within the market is most likely to be met by existing houses. Moreover, by the late 1960s, the basis for new construction changed when, at national level, the absolute shortage of houses was converted to an absolute surplus. Clearly an absolute numerical surplus of properties does not remove the need for new housing since such statistics hide the large numbers of households accommodated in unfit or substandard housing and the variations in the balance of supply and demand at local levels. To meet these needs plus the demand for greater choice, successive governments have sought to promote a balance between new construction and a combination of renewal, conversion and improved management.

In the public sector, government can directly control this balance by the distribution of resources and regulation of overall expenditure. Over the study period, emphasis has been placed on renewal rather than on construction. At the outset, local authorities were encouraged to pursue construction programmes under the 1967 Housing Subsidies Act but, as noted above, the 1970s witnessed a period of financial restraint and legislative restrictions on local authority building programmes. Both Labour and Conservative governments

increasingly recognized the social and cost benefits of renewal as opposed to the often extravagant and ill-conceived clearance and redevelopment strategies favoured in the early 1960s. Hence, policy controls were directed towards the pursuit of renewal programmes (White Paper, Old Houses into New Homes, 1968; White Paper, Better Homes - Next Priorities, 1973).

Similar reasoning was applied to the private sector although in this instance, renewal was considered to be a goal in addition to, rather than instead of, the expansion of new construction. Controlling the balance between construction and renewal is more difficult in the private sector since government can seek only to influence and facilitate external investment decisions. Examples of such manipulative measures include the mortgage stabilization policies referred to above and the allocation of grants for private housing improvement.

This emphasis on renewal, as evidenced by the succession of grants, subsidies and powers provided in the legislation enacted over the study period (Housing Act, 1969; Circular 64/69; Housing Act, 1971; Housing Finance Act, 1972; Housing Act, 1974; Housing Act, 1980), has led to considerable progress in improving the housing stock. In relation to the absolute and growing numbers of unfit and substandard dwellings, however, its impact has been described as 'cosmetic' (Paris, 1977; Balchin, 1981). With respect to the impact of this legislation on the residential development process, it has operated to reduce:

- a) demand for new private property by encouraging owner-occupiers to opt for housing extension or improvement rather than new purchase;
- b) the construction industry's capacity to build new houses because of the labour and materials diverted into renewal contracts;

c) available finance for construction in the public sector, where new development and renewal have had to compete for increasingly limited funds.

iii) Control over Planning Policies and Land Release

Land is one of the key inputs to the residential development process and intervention in the land market via land use regulation has been one of the main forms of government control over the housing, and property market in general, since the introduction of planning powers in 1947 (Town and Country Planning Act). Planning legislation operates two forms of control, a) long-term control of land release for development through the land use allocation proposals contained in strategic or local planning documents, and b) short-term control enforced by development control procedures. Both forms are delegated to local authorities but overall control is retained by central government (the local hierarchy of responsibility and control changed during the study period with the enactment, in 1974, of the Local Government Act, 1972, see Chapters 6 and 7).

For example, although local authorities (county councils) are empowered (under the Town and Country Planning Act, 1968) to prepare structure plans as a framework for policies on future levels of housing construction and land release (see Chapter 6.2(i)) direct government intervention and surveillance takes the form of a comprehensive set of advisory notes to which local authorities are expected to adhere, and a statutory procedure for public inquiry and examination by the Secretary of State. Through this process, government is able to intervene in establishing the local policy context for residential development activity.

Similarly, despite the delegation of development control powers, government maintains ultimate control through its powers to 'call-in' any planning applications considered to be of particular importance and

through the statutory appeals procedure (Chapter 7).

Yet during the study period, government increasingly recognized that, in practice, it possessed limited control over local planning procedures and land release decisions, and inadequate information on the efficacy of local housing policies in meeting identified requirements. As a consequence, central intervention was increased primarily through:

- a) the Vehicle of Housing Strategies and Investment Programmes, HSIPs (Circular 63/77);
- b) a series of circulars urging increased land release for residential development (Circulars: 10/70; 102/72; 122/73; 24/75; 26/76; 22/80), including a directive to maintain housing land availability registers (Circular 102/72) and to complete regular housing land returns for the Secretary of State (Circular 32/75);
- c) a review and subsequent streamlining of planning control procedures (Review of the Development Control System: Final Report, George Dobry QC, 1975; Circular 22/80).

Housing Strategies and Investment Programmes were aimed at, a) getting local authorities (district councils) to make a more comprehensive and financially realistic assessment of housing requirements and spending programmes, and b) providing government with an accurate basis for tackling overall housing policy. It has been widely noted, however, that their success as a basis for limiting expenditure has been more evident than as a foundation for devising valuable policy solutions (SAUS, 1982).

The sequence of legislation on land release was, in part, a response to lobbies from developers and landed interests who, in the 'boom' of the early 1970s were angered and frustrated by planning restraints on housing land supply. These, they claimed impeded the

development industry, produced land shortages and led to an escalation of land values and house prices. At a time when government was keen to expand the private sector and home-ownership, such claims were heeded. The resultant circulars made clear the government's resolve to secure faster land release by requiring local authorities to ensure a constant five year supply of housing land (Circular 102/72), and adopt a 'strong general presumption in favour of housing', relaxing traditional planning restrictions, e.g. relating to sewerage provision and highway capacity (Circular 122/73). As an incentive, local authorities were offered in 1972 a total of £80m in loans to acquire, service and disposal of land for private development over a three year period.

The land release legislation was imposed upon often reluctant local authorities (for the local response in relation to the study area see Chapter 6.2(i)).

The government's attitude towards land release virtually invited appeals proceedings to overrule local authority planning control decisions, a situation which further increased antagonism between central and local government. Relations were not improved by the request that local authorities should work jointly with developers on land availability assessment. This move was aimed at increasing the efficiency of the land allocation process and establishing a common basis of understanding on assessment procedures. To the local authorities, however, it represented a further erosion of their discretion and control. The request became a directive after the end of the study period (Circular 9/80) when, following the success of a joint study to examine housing land availability in Greater Manchester (DOE, & HBF, 1979), all local authorities were required to undertake similar joint studies with local developers (Chapter 6.3).

During the early 1970s government also recognized that achievement of faster land release was not only dependent upon a change in attitudes and policy decisions, but also on an improvement in the bureaucratic procedures involved in administering planning control. As a result, George Dobry Q.C. was commissioned to review the development control system (Dobry, 1975). However, many of the recommendations of this review were never implemented and private enterprise continued to remind government of the adverse effects of unnecessary administrative delay upon those seeking to invest in new development, and on the economy as a whole. The goal of increasing the efficiency of planning control procedures was again taken-up by the incoming Conservative Government when, in 1979, they required local authorities to make statutory returns on the time taken to determine planning applications. Local authorities were subsequently criticized for their poor performance (Circular 22/80) and, under the Local Government, Planning and Land Act, 1980, a new code of practice was introduced whereby local authorities were required to publish information on their handling of planning applications (Circular 28/83). In an attempt to assist local authorities to meet their targets, a charge for processing planning applications was introduced. The object of this was to deter those time-wasting applications made only to 'test the water' (Local Government, Planning and Land Act, 1980).

This sequence of planning and land release legislation received a mixed reception from the various participants in the residential development process. Their responses were determined by the perceived effects upon their respective power and control.

Overall, it would appear that the local authority decision-makers have 'lost-out'. Their discretionary and delegated powers have been eroded by increased central control and the government's support

for greater involvement by private interests and the public in general (a statutory requirement to undertake public participation exercises in plan preparation was introduced in the Town and Country Planning Act, 1968). In practice, the extra control offered to external groups is often illusory but nevertheless, it has been welcomed as a bargaining tool.

The success of the legislation in meeting the governments' own objectives has been similarly mixed. As noted above, the HSIPs legislation, whilst succeeding in achieving greater cost control, has not led to the formulation of a comprehensive and realistic national housing programme.

The land release measures aimed at speeding-up land supply, particularly during the early 1970s, came too late to meet demand during this 'boom' period (even land released under the first Circular 10/70 would not have come onto the market in the form of housing supply until up to two years later (Ashmore, 1975)). Moreover, their objective of preventing undue escalation of land values and house prices has proved contentious irrespective of the timing factor. The premise that artificial restrictions on housing land lead to land value and house price increases, although supported by many academics (Craven, 1970; Drewett, 1973; JURUE, 1977), has also been widely contested (Bather, 1973; Davidson, 1975; Neuburger and Nichol, 1976). The arguments rest upon the question of causality; the latter group sharing the view that, given the developers' residual method of calculating land costs (see Chapter 8.1(iii)), land values and house prices, although linked, are not directly interdependent (Section 3.5(ii)). Furthermore, these writers have expressed the opinion that an increase in the rate of land release will not prevent price increases because the developers and landowners themselves regulate supply levels in order to maintain their profits.

The attempts at speeding-up development control procedures have

achieved some measure of success. It may be questioned, however, whether this success has led to the sacrifice of planning standards. The answer is, no doubt, highly variable depending upon the attitudes and abilities of individual local authorities. Comment on the local position can be found in Chapter 7.2(iii).

iv) Control over the Land Market

Labour governments have long considered the solution to efficient management of the land market - efficiency being interpreted in terms of housing and social goals - to be increased direct government intervention (Ratcliffe, 1976). The study period witnessed two attempts at such legislative intervention in the forms of the Land Commission Act, 1967 and the Community Land Act, 1975. Both sought to manipulate the market mechanisms controlling land supply with the aims of:

- a) regulating the amount of land made available for development and promoting 'positive planning' ;
- b) retaining profits accruing from land sale and development for the benefit of the community; and
- c) exercising central control over private land interests.

These Acts reflected a political ideology based on the belief that land is a national asset and that profits derived from it should benefit society as a whole and not merely those with vested interests. In practice, however, these equitable objectives of community gain and of positive planning to meet social need appeared to be secondary to the political desire to manipulate and, ultimately control, private enterprise and capital.

Inevitably, land nationalization was vehemently opposed by the succeeding Conservative governments who pledged repeal and subsequently honoured their promises in 1970 and 1980 (Rossi, 1975). Although Right wing governments with their ideology on the rights of private

landed capital and of free enterprise have opposed any attempt to substitute market mechanisms with central control, they have not been averse to some forms of manipulative intervention. For example, they have maintained: planning controls to restrict landowner rights regarding usage; compulsory purchase legislation which infringes landowner security; and taxation measures which reduce financial rewards from transactions and impede the transference of rights on land. Indeed, it was the Conservative Government of 1973 which proposed a levy on landowner profits from sale, later to be applied as Development Gains Tax by the Labour Government of 1974, (Finance Act, 1974). Similarly, following the repeal of the Community Land Act, the Conservative Government, in 1980, retained Development Land Taxation albeit with an increased liability threshold and a reduced rate of 60% (later removed in 1985).

The failure of government attempts to effect a redistribution of power between public and private interests can be primarily attributed to the power of the capitalist lobby who, not only brought about the final repeal of each Act, but also, in the case of the Community Land Act, rendered the actual enacted legislation impotent from the outset.

Failure can also be ascribed to, a) the misguided notion that private enterprise would be willing to co-operate in partnership activities despite loss of the profit motive, b) an overestimation of the capacity of local authorities to step beyond their 'stewardship role' into commercial development and, not least of all, c) the ambiguities and confusion inherent in the legislation. Contemporary comment on the Community Land legislation highlighted these limitations;

'No one flaw can be singled out as pre-eminent: it is the sheer multiplicity of cumbersome procedures and arbitrary decisions compounded by a maladroit approach to a difficult and sensitive market that stamps this Bill as the basis of potential disaster. '

(Editorial comment, Estates Gazette 29.3.1975).

The local response to these direct attempts at intervention in the land and property market is discussed in Chapter 9 .3 and their overall influence upon trends in housing construction and land values is illustrated in Section 3.5 .

3.4 NATIONAL LEGISLATION, CONCLUDING COMMENTS

Despite the steady commitment to home-ownership and renewal, government legislation, as enacted over the study period, illustrates the problems created by the lack of continuity in housing-related policies.

Many writers (Meyerson and Banfield, 1964; Simmie, 1974) have commented on the adverse effects of 'see-saw' intervention based on the pursuit of political objectives and short-term electoral horizons. The instability caused by the inevitable proliferation of crisis-response policies and piecemeal legislation has been criticized by Pahl,

'Neither the tools of the Right - enterprise, private initiative and market mechanisms - nor the tools of the Left - public responsibility and public controls have provided the answer. Indeed, as housing policy has lurched from one piece of legislation to the next, so the unintended consequences of each have remained in a complex and compounded form so that a wide range of powers are available to public and private agencies together with a wide range of possible means of preventing or delaying the use of these powers.'

(Pahl, in a foreward to Harloe, Issacharoff and Minns, 1974)

This situation ultimately prevents attainment of long-term solutions (whatever these are conceived to be) to the 'housing problem' in general, and to specific problems created by fluctuations in the land and property markets. It creates uncertainty in the investment market and reduces the confidence of all participants in the residential development process particularly of those for whom involvement necessitates long-term commitment. Moreover, for the local authorities empowered or directed to implement the legislation, frequent changes in policy direction lead to the disruption of local programmes, confusion,

and significant cost and time wastage through the setting-up and dismantling of administrative machinery.

The success of legislation both at the national and local levels is dependent, not only on its continuity, timing, quality and appropriateness, but also on the ability and willingness of local authorities and private interests to implement its requirements and grasp the opportunities offered. In delegating powers for implementation on either a discretionary or mandatory basis, government must be sensitive to local capabilities and aware of potential discord between national and local political objectives. The pursuit of national election goals frequently disrupts local development programmes which are themselves the election goals of local government. The ensuing political wrangles operate to the detriment of participants in the residential development process and, not least of all, of those electors who are seeking new housing accommodation.

However, under the current democratic system, it is very unlikely that removal of the political dimension from housing-related legislation will ever be contemplated given the importance of housing to the economy and to the immediate concerns of the electorate. Recognizing this, several writers (Simmie, 1974; Ambrose, 1976) consider that the attainment of a lasting and meaningful solution to the 'housing problem' rests upon prior radical change in the democratic process and in the power structures which control the property market. What is most likely to happen is that national legislation will continue to 'muddle through' (Lindblom, 1973) with more or less awareness of, and concern for, the political and economic reverberations at both national and local levels, and their immediate and long-term social consequences.

Some of these reverberations on the market as a whole are reflected in national statistical trends in housing construction and market prices (Section 3.5). The local reverberations are examined 'in-depth' in relation to identified stages in the residential development process in

Chapters 5 to 10. The social consequences of past legislation are left to others to examine, since a topic of such importance requires detailed assessment rather than passing reference in a thesis concerned primarily with the mechanisms of local housing production.

3.5 TRENDS IN HOUSING COMPLETIONS AND HOUSE PRICE DETERMINANTS

The aim of this section is to illustrate the interrelationship between trends in housing completions, house prices, construction costs and land costs, and to demonstrate how these are influenced by movements in earnings, mortgage credit availability and inflation. All of the trends examined have been, to varying degrees, affected by the legislative changes described above. The material presented in this section also gives an indication of the nature of background statistical information available to participant decision-makers in the local development process. Where such information has been used by these participants, its perceived value is discussed in the appropriate chapters.

i) Housing Completions

Figures 3.1 to 3.3 compare trends in total, private and public housing completions for England and Wales, the Northern Region and Durham District respectively. Private sector completions are⁵ controlled by a combination of both demand made effective (Chapter 5) through rising earnings (Figure 3.6) and credit availability, and the economics of supply as reflected in construction costs (Figures 3.4 and 3.5). Public sector completions, although similarly affected by construction costs, are most closely related to changes in government policy regarding subsidy allocation (Section 3.3(i)). The two trends are, to some degree, interconnected since finance and labour resources can be redirected from one sector to another depending on economic conditions and government incentives.

Before commenting on individual sector trends, it is important to note that, in interpreting all three graphs account should be taken of the time lag between housing starts and completions. This is usually between 1

to 2 years, although the actual time lag between the decision to develop and completion may be considerably longer depending on the availability of land with planning permission (Chapter 6.1(ii)). Hence, completion statistics reflect previous economic or demand stimuli (Chapter 5.1) rather than current conditions. These time lags present a problem to the construction industry, particularly for developers in the private sector where a miscalculation of the highly variable demand can be catastrophic.

a) Overall Trends

The basic trend in total housing completions over the study period has been one of a decline from a peak in 1968 with subsidiary peaks in 1971 and 1975/76. All three areas exhibit similar trends although the fluctuations in Durham District's trend are exaggerated, as might be expected in any comparatively small area where one major housing project can significantly distort the statistics.

b) The Private Sector

The difficulties for developers in estimating appropriate start and completion levels in relation to demand are clearly illustrated by trends in the early 1970s. Immediately prior to the study period, completions were at a peak catering for demand from the post-war baby bulge. In 1968, however, the application of a credit squeeze restricted effective demand and housing starts, as both potential purchasers and developers were deterred by high interest rates. Thus, between 1968 and 1970, completions fell sharply. However, latent demand remained high given rising wage levels (Figure 3.6) and, when credit restrictions were lifted in 1970, this demand was made effective and the housing 'boom' began. Recognizing the cyclical nature of the housing market and the time lag problem, developers and financiers were initially cautious about the upturn in the market and were thus relatively slow to respond. As confidence increased, starts and completions rose rapidly in 1971 and 1972.

This confidence was not, however, well founded and, following a

downturn in the economy accompanied by a credit squeeze in late 1972, effective demand began to fall. Some momentum was maintained in 1973 as houses started at the height of the 'boom' were completed, but starts fell and, many developers, caught by the time lag effect, were left with unsold properties during late 1973 and 1974. In 1974, completions fell to their lowest level since the start of the study period.

Over these 'boom' and 'slump' periods national, regional and local trends followed the same pattern. The rise and fall was most dramatic in Durham District, where the annual rate of completions in 1972 was nearly 90% above the 1970 level, as compared with a rise of only 14% in England and Wales. This percentage rise partly reflects local market demand in a district which is one of the most attractive areas for private development in the Northern Region and which, in 1971, had only 37% of its households in owner-occupied accommodation. This low level of owner-occupation in Durham District compared with England and Wales (48%) and the Northern Region (41%) has been redressed by relatively high levels of private sector completions throughout the study period.

The delayed peak in the Northern Regional trend may be attributable, in part, to the fact that during the early 1970s the local construction workforce was heavily committed to improvement work (following the government's decision in 1971 (Housing Act) to award 75% improvement grants in Assisted Areas).

After the slump of 1974, national and regional completions recovered only slowly despite government attempts to maintain some momentum in the market (Section 3.3 (i)). A plateau was reached in 1975/76 but thereafter, there was a gradual decline relieved only by a brief upturn in 1978 following a rise in demand and an easing of credit availability. Despite the return of favourable market conditions in 1977, starts remained relatively low because of extra caution on the part of developers following their experiences during the early 1970s, the reduced profitability of development given rising construction costs (Figures 3.4 and 3.5), and poor economic prospects.

Within Durham District, the more notable recovery to 1976/77 followed by a decline to 1977/78 despite the better national market conditions, is partly attributable to the effects of the timing of estate completions on annual returns and to the problems of land availability (Chapter 6). At the local level, completions data reflect more the complex decisions of developers to concentrate on particular schemes within a region than overall market conditions.

c) The Public Sector

Nationally, public sector completions were also at their peak in 1968 following a period, during the 1960s, of government legislation and investment policies aimed at stimulating local authority building programmes (Section 3.3(i)). Throughout the remainder of the study period, the trend has closely reflected changes in government policy (Section 3.3(i)). The upturn in 1974 was a result of the policies of the incoming Labour Government, but with the effects of deeper economic recession and the associated imposition of cash restraints in 1976, completions fell from 1977 onwards.

Variations in local and regional trends are a result of social, economic and environmental factors unique to each locality. As may be expected, there was a more marked rise in the regional trend in the mid 1970s illustrating the eagerness of the predominantly Labour controlled local authorities to respond to government initiatives aimed at strengthening the public sector.

The corresponding 1974/75 rise in completions in Durham District, reflected not only the more favourable legislative controls but also, local politics. Most of the completions were in the former Brandon and Byshottles Urban District which, prior to reorganization had prided itself on its local authority building programme. Fearing the future effects of increased competition for funds following amalgamation with the Municipal Borough Council (with its relatively poor record of local

authority completions) and the Rural District Council, this council got a commitment to a substantial number of schemes before April, 1974. Similar thinking may have prompted the rise in completions in 1971 (after publication of the Redcliffe - Maud report (1969) on local government reorganization), but the marked increase is largely a reflection of a change in the data base (see footnote, Figure 3.3).

The most noticeable deviation of the Durham District trend is, however, the relatively low contribution made by public sector completions to the overall completion figures. At national and regional levels, public and private sector completions have maintained approximately the same numbers over the study period. In Durham District, public sector completions remained well below the corresponding private totals. This may be partly explained by the pre 1974 housing policies of the independently controlled Durham MBC, and by the fact that the two Labour controlled councils had already undertaken large public building programmes before the beginning of the study period.

ii) House Prices, Construction Costs and Land Supply Costs

House prices are influenced by both supply and demand in the housing market. The relationships are complicated and this, together with the following section, seeks to examine movements in the key house price determinants. Figures 3.4 and 3.5 illustrate the influence on house prices of two supply variables, construction and land costs. Data are presented only for the national and regional levels, since comparable figures are not available for Durham District. To aid interpretation, figures are indexed to their 1969 levels.

It should be noted at the outset, that average data relating to both house prices and land costs should be treated with considerable caution, particularly at the regional level. The limitations of average house price data (Fleming and Nellis, 1984), arise because of variability in the size of the sample over time, and in the nature of the product

measured, i.e. the differing size, age, type, location and condition of properties. Their effects make the comparative assessment of regional price movements difficult to interpret and render more localized statistics highly suspect.

Similar, if not greater, problems are associated with land price data. The usefulness of an average price is limited because of the unique character of each land parcel sold (Denman, 1964; Neuburger and Nichol, 1976). In addition, the number of transactions upon which annual average data are based is highly variable. Again, the problems are exacerbated at regional or local level (further comment on this can be found in Chapter 8.1 where some local figures are quoted in relation to economic appraisal exercises).

The dominant aspect of these trends at both national (Figure 3.4) and regional (Figure 3.5) levels is their sharp rise over the study period. For house prices and construction costs, this rise has been continuous, but the trend in land costs has been subject to some significant fluctuations. Although in comparison with the overall rise, the variations in rates of increase between construction costs and house prices are minor, they are nevertheless, important in determining developers' profitability levels (and hence construction levels), and in influencing land costs.

At the beginning of the period, all three national indices increased together, with house prices rising slightly slower than construction and land costs. With the onset of the housing 'boom' in 1971/72, the trends began to diverge. Over the next three years, house prices outstripped construction costs, particularly in 1973, when house prices rose by 35% and 37% in the United Kingdom and Northern Region respectively.

The rate of price increases began to slow down in late 1973 but, even in the midst of the building 'slump' of 1974, house price increases were sustained by, a) developers seeking to maintain their profit margins at a time of rising construction costs and, b) existing owner-occupiers

seeking to protect the value of their property assets. By 1975, the rate of increase in construction costs had overtaken house prices and this position was maintained until the end of the study period, after which house prices 'took-off' once again, stimulated by increased credit availability.

This relationship between construction costs and house prices is a key to understanding the fluctuations in land costs over the period (discussion on the nature of causal connections between land and house prices can be found in Section 3.3(iii) and Chapter 8). During the period 1971-74 when profit margins were high, developers could afford to pay more for land. Moreover, in their eagerness to obtain land stocks and maintain development momentum, competition between developers (Chapter 6) pushed prices up nationally to peak levels in 1973. The level of competition for land was increased by the:

- a) relatively depleted state of developers' land banks given that many companies had sold-off land during the 1969-70 credit squeeze in order to reduce heavy interest payments and gain an immediate source of capital (Ashmore, 1975);
- b) entry into the land market of both speculators enticed by potential profits, and investors keen to obtain a hedge against inflation;
- c) abolition in 1970, of the betterment levy on land sales which had been imposed under the Land Commission Act, 1967;
- d) limited supplies of land available with planning permission, a position which gave rise to the sequence of government legislation on land release (Section 3.3(iii)).

At this time, average site costs as a percentage of house prices reached a peak of 30% at the national level although considerable variation was

recorded regionally (Nationwide Building Society quarterly bulletins).

By the end of 1973, supplies of land began to catch up as decreasing levels of profitability reduced developer demand. In the Northern Region land prices fell, but nationally, the decline was delayed until 1974. Throughout the country, the decline in land costs to 1975 was exacerbated by uncertainty in the land market, following publication of the government's proposals on Community Land legislation (1974 White Paper : Land), and the imposition of Development Gains Taxation (see 3.3 (iv) and Chapter 9). Given these circumstances together with low levels of profitability in the construction industry, land prices nationally rose only slowly to 1977. Stimulated by an upturn in the housing market, they began another rapid rise in 1978, although the land cost index remained below the house price and construction cost indices reflecting the developers' continuing low levels of profitability. By the end of the study period, however, the land cost index had nearly reached the value of the other indices, as the land market was stimulated by both the pledged repeal of the Community Land Act and by more favourable housing supply circumstances.

In contrast to the national trend, the regional index of land costs has been higher than both the house price and construction cost indices throughout the study period. This may reflect the region's low land price base in 1969 compared with the national level. The erratic movements between 1972 and 1979 are more difficult to interpret. They may be, in part, an indication of data limitations, but unusual market activity in the mid to late 1970s may be associated with the Community Land Act legislation. This legislation depressed overall market transactions, as it did nationally, but several of the Labour controlled councils in the region were keen to participate (Chapter 9), possibly distorting the regional trend.

iii) House Prices, Earnings and Credit Availability

House prices and completion trends are also dependent upon

changes in levels of demand. Effective demand is determined by income levels and the opportunity to use income for house purchase via mortgage availability (Chapter 5).

Figure 3.6 illustrates, at national level, the rise in house prices relative to average earnings and the Retail Price Index (RPI). The latter index is used to demonstrate the real purchasing power of rising earnings. All three trends are indexed to 1968. Directly comparable data for the study period are not available for the Northern Region and Durham District. Commentary elsewhere on regional earnings (Northern Region Strategy Team, 1977 and monitoring reports, 1979 and 1980) indicate that the trend over the study period has been similar although actual earnings, despite some improvement in the mid to late 1970s, have remained below the national level.

The most noticeable feature of the graph is the rapid and continuous rise in all three indices, with both earnings and house prices outpacing inflation. Thus, although potential access to the private sector widened between 1968 and 1979, the actual cost of owner-occupation has risen in real terms.

At the beginning of the study period, earnings rose at a slightly faster rate than both house prices and the RPI thus making houses relatively cheap, a factor which contributed to the 'boom' in the early 1970s. However, the 'boom' itself pushed-up house prices beyond the reach of potential purchasers prompting a downturn in the market. Government intervention during this period (Section 3.3), whilst seeking to promote owner-occupation, succeeded in either generating or exacerbating the instability in market behaviour. Swings in general monetary policies, as reflected in movements in the Minimum Lending Rate (MLR) and subsequent changes in building society lending patterns, have affected access to house purchase far more than the specific policies aimed at directly manipulating mortgage credit availability (Ashmore, 1975).

As a result of these monetary policies, building societies had a surfeit of funds at the height of the 'boom' and were therefore in a position to offer borrowers larger loans. For example, at the start of 1973, the average loan made to first-time buyers was 2.26 times their average income, but fell to 1.74 times average income by 1977 (Boddy, 1980). Similarly, building societies were prepared to make bigger advances in relation to total price, and in the early 1970s advance/price ratios rose to 70% in the United Kingdom and 78% in the Northern Region. The higher regional ratio may reflect the structure of the local market in which new properties, attracting 95-100% mortgages, are more dominant. In an area with comparatively low earnings, such properties are more attractive and accessible given the difficulties of raising large deposits for house purchase.

By mid 1973, building society investments had become less attractive, leading to higher mortgage interest rates and the offer of lower proportionate advances to house prices. This, coinciding with a rapid rise in house prices (which overtook earnings during 1971/72), contributed to the market 'slump' of 1974. The causal relationship between house prices and credit availability, particularly in relation to this period of the early 1970s, has been widely debated. Several writers consider the building societies' policies to have precipitated dramatic fluctuations in house prices, demand and completions (Ashmore, 1975; JURUE, 1977), but others (Nellis and Longbottom, 1981; Hamnett, 1983) and the building societies themselves, maintain that credit availability was only a subsidiary factor in determining movements in house prices and demand.

Between 1973 and 1974, government assistance to improve the flow of credit for house purchase (Section 3.3(i)) encouraged market recovery although, until earnings once again overtook house prices in 1975, it remained very slow moving. Demand then increased and stimulated a

rapid rise in prices between 1977 and 1978. Fears of renewed house price escalation led the government to intervene in 1978, by applying measures to stabilize lending rates. Despite these, house prices continued to rise rapidly to 1979. However, there was little real chance of a repetition of the early 1970s 'boom' because of: increased government control over mortgage finance lending, the relatively higher price base at the onset of the rise, and the general circumspection about future trends following the 1970-74 experience (Boleat, 1978).

Indeed, this house price rise was short-lived. The monetary policies of the incoming 1979 government pushed-up interest rates to 15% which, together with the general economic recession, acted as a deterrent to house purchasers. By 1980, trends in house prices had levelled out and, between 1981 and 1982, the first absolute decline in 30 years was recorded.

3.6 COMMENTS ON GENERAL STATISTICAL INFORMATION

These relative movements in housing completions, house prices, construction and land costs, earnings and credit availability are useful for illustrating the interrelationships upon which effective housing demand and subsequent supply are based.

The statistics can be used, not only for interpreting past trends, an exercise aided by the benefit of hindsight, but also for predicting future movements. The latter type of exercise, although undertaken by several of the participant groups in the residential development process (Chapter 5), is potentially risky.

However, as became apparent from the case study, participants, whilst monitoring (with varying degrees of thoroughness) these national and regional trends, invariably supplement this information with specialist advice and assessments before making development decisions, policy judgements and financial commitments. For example, the local authority decision-makers rely partly on assessments made by government research

teams working at the regional level, whilst developers and estate agents consult a variety of locally based specialists, e.g., bankers, building society managers, employers, land agents and builders' merchants, who are in a good position to interpret and apply national trends to the immediately relevant local situation (Chapters 5, 8 and 9).

CHAPTER 4

PARTICIPANTS IN THE PROCESS

4.1 GROUP PROFILES

This chapter comprises a set of profiles on the five interviewed groups who participate directly in the residential development process. Each profile gives details of the interview survey together with a general description of the respondents' characteristics. The latter is presented in the context of wider comment on the group as a whole, of which the survey respondents are the local representatives.

A profile is not included for the farmers. This group was interviewed primarily to ascertain the subsequent effects of the residential development process and, in this context, the respondents' characteristics are examined in detail in Chapter 11. However, since some of the farmers are also landowners, some details of this sub-group are incorporated into the landowner profile. As noted in Chapter 2 a further group, the financial intermediaries, is examined albeit solely on the basis of secondary source material.

In addition to the key factual characteristics common to the respondent groups, the profiles focus upon four topics:

- a) the role(s) of the group members within the development process, as perceived by the respondents themselves and as interpreted by the writer on the basis of comments made on their activities;
- b) their motivation for participation;
- c) the nature and extent of their power and control over events and the actions of the other participant groups;
- d) the methods used, and attitudes towards interaction with other groups.

In an attempt to bring these four themes together, Figure 4.1 presents a matrix of potential participant roles for each stage in the process. In dividing the potential roles into three categories - suppliers, intermediaries and consumers, the elements of power and control and interaction are implicit in the concepts of dependency and interdependency.

4.2 THE PROPERTY DEVELOPERS

Several writers (Craven, 1970; Bather, 1973; Drewett, 1973; Harmer and Webb, 1978) have referred to property developers as the key decision-makers in the residential development process, at least in relation to private sector development. Their involvement is continuous throughout the process and requires a high level of interaction with the other groups.

In the widest sense of the term, a property developer is anyone who transforms certain inputs, notably capital, labour, materials and land into some form of development - industrial, commercial or residential. This function can be undertaken by private individuals, multi-national construction companies, local builders and contractors, local authorities, housing associations and central government departments. For the purposes of this study, however, the term property developer is used to denote private builders and contractors who undertake housing construction in either the private or public sectors. These may be large scale construction companies or small family businesses.

i) Interviewed Representatives

A sample of ten developers known to be operating in the study area was selected for interview. The selection of firms was based partly on information gleaned from an examination of planning applications (Chapter 7) and press advertisements, but mostly on advice received from the regional director of the NFBTE.

Although these ten firms represented a very small proportion of

the 368 building and contracting firms operating in the Northern Region at the time of the survey (1974), they were responsible for approximately 80% of all private housing output within Durham District between 1968 and 1974. Moreover, subsequent discussions (in 1980) with officers of the NFBTE, indicated that since 1974, although four new and sizeable firms have built in the study area, their contribution has been small relative to that of the ten selected firms who have continued to be responsible for the bulk of new housing development.

The survey was supported by the NFBTE (of which all but one of the ten firms was a member), whose director advised on questionnaire design. All ten firms agreed to participate and interviews were held during August/September, 1974. In each case, the respondent was either a managing director or sales director, thus ensuring ability to comment on a broad range of topics. Interviews lasted for approximately two hours and were based on a pre-structured questionnaire (Appendix 1). In addition to requesting factual information on company structure and organization, past developments, and methods of operation, the questionnaire incorporated several open-ended questions designed to prompt discussion on attitudes to, and interaction with, other participant groups, and on areas with future development potential in Durham District. No attempt was made to structure these discussions and the free ranging comments supplied, provided valuable insights into the motivation behind developer behaviour and decision-making.

The information obtained from the survey is compared and contrasted with the results derived from similar locally based surveys conducted elsewhere in Britain and abroad (Craven, 1970; Kenney 1972; Bather, 1973; Harmer and Webb, 1978). Given the diversity of background circumstances and time periods represented by these various studies, the degree of consistency in the answers was surprising. Where relevant, details of the similarities and dissimilarities are given at appropriate places in

the following six chapters.

ii) Respondent Characteristics

Property developers may be classified on the basis of their:

- a) size in terms of numbers of employees or output per annum;
- b) age and, in particular, the length of time they have been operating in a particular area;
- c) spatial scale of operation;
- d) organizational structure and degree of integration;
- e) degree of specialization.

In seeking a more complex categorization, Craven (1970) classified developers on the basis of a composite of the above characteristics plus an analysis of behaviour and management attitudes.

The ten respondent firms are below classified on the basis of both these five individual characteristics and Craven's composite categories. For the purpose of confidentiality, reference is not made to any firm by name nor to distinguishable details which may lead to their recognition.

a) Size of Firm

As an indication of their size, respondents were asked to state their number of housing completions over the previous year, i.e. 1973. This measure does not reflect the overall size of the firm since many of the largest firms concentrate on other forms of construction, but it is the most meaningful with respect to the present study. As an alternative, some surveys have used number of employees but, as Bather (1973) admits, this similarly is not a true measure given that many of their employees are not employed in the housing sector and that different firms use varying amounts of sub-contracted labour.

Using annual output of dwellings, the ten respondents can be classified (after Craven, 1970) into, four large (over 500 dwellings), one medium (50-100 dwellings), and five small (under 50 dwellings).

Although this is not an evenly distributed sample, it is a true representation of the size structure of firms responsible for the bulk of completions in the study area during the early 1970's. Recognizing, however, the variability in annual completions and the possibility of presenting a misleading classification based on the special 'boom' conditions of 1973, the firms were reclassified on the basis of their 1979 completions. The result was a breakdown of two large, three medium and five small firms, revealing a contraction of output by the larger firms during the relatively depressed market conditions of the late 1970s.

b) Age and Origins of Firm

All of the ten firms are well established: two date back to the last century; six were founded between 1920 and 1940; and two were established during the 1960s.

Only one of the firms originated in the study area itself, but eight of the remaining firms are indigenous to the Northern Region. The exception is a multi-national firm which established a Northern Regional Office in 1937. Although some other outside firms have infiltrated the local market since 1974, the territory is still closely guarded. The difficulties of entering the housing market in the region, and in the study area in particular, for any firm other than a very small local builder, were expressed in an additional interview held with a national contractor. This firm, operating from a well established regional base, had sought to extend its housing division operation to the region and study area, but failed because of difficulties in acquiring land (as a result, the firm concentrates on contraction work (not housing) for government and local authorities and was thus omitted from the survey results).

c) Spatial Scale of Operation

The multi-national firm builds houses throughout Britain. Although the three large North Eastern firms have kept their headquarters

in the region, their house-building activity extends into many other regions and, in one instance into Europe. The medium-sized firm operates throughout the North East and in North Yorkshire. Of the smaller firms, two which are primarily general contractors, build at the regional scale, whilst the remainder are very localized, preferring to restrict their development activity to within 10 to 15 miles of their headquarters.

d) Organizational Structure and Degree of Integration

At the time of the survey, only two of the firms were public companies, subsequently to be joined by one of the other large firms between 1974 and 1979. The remainder are private firms although one of the contracting companies is a subsidiary of a national construction group.

The degree of integration in a firm's structure affects its level of dependency upon other participant groups and hence its behaviour, amount of control and attitude towards interaction at each stage in the development process. All of the respondents claimed to be integrated in that they undertake most stages in the residential development process. However, the degree to which they were self-sufficient in respect of both expertise and material inputs varied considerably, primarily in relation to the size of the firm. All of the firms have a diversified, skilled workforce although even the largest firms sub-contract some specialist activities, notably roofing, plastering, plumbing and heating. The range of 'in-house' technical skills is size dependent with only the large firms employing their own surveyors, architects, engineers, sales personnel, solicitors and accountants. Control of material inputs is important, particularly for the smaller firms who have less bargaining power over the suppliers. Thus, the three small firms who have their own joinery works are in a more favourable position, at least with respect to one key input.

e) Degree of Specialization

Degree of specialization can relate to either the emphasis placed on residential development within the firm's overall construction programme, or to the degree of concentration on particular types of house-building activity.

With respect to the former, only five of the ten firms concentrate on residential development, i.e. with house-building (private and public) representing between 60-90% of their total annual output. According to the size classification, three of these firms are large, one medium and one small. The other five firms concentrate primarily on general contracting work principally for local authorities, e.g. housing revitalization, public utility provision, hospital, school and industrial construction. For these firms, residential development is a subsidiary activity, the importance of which fluctuates significantly according to market conditions. The one large firm which does not specialize in residential development is a very large contractor and thus although subsidiary to its own overall output, its rate of annual housing completions is one of the largest of the ten respondent firms.

Each of the five firms concentrating on residential development tends to specialize in particular types of housing construction. The four larger firms specialize in low to middle-priced 'bread and butter' housing which involves the construction of sizeable estates with a limited range of standard house types. Despite a high level of competition for this market, good profit margins can be secured particularly where economies of scale are employed (Chapter 6). The survival of small firms is often dependent upon their ability to specialize and to identify niches in the market which do not involve direct competition with the large-scale developers. As an illustration of this, the fifth firm specializes in small-scale, high-priced 'executive' schemes which incorporate a considerable variety of house types. This observed

specialization by size is consistent with the findings of similar surveys elsewhere (Craven, 1970; Bather 1973).

Specialization is less common amongst the five general contracting firms. Essentially, they seek to fill any spare capacity in the market. Thus in times of housing 'boom', they build 'bread and butter' houses alongside the large developers, whilst in times of market contraction, they may seek to compete on the smaller 'executive' schemes, although the latter often require greater market expertise and experience.

f) Craven's Composite Index

This classification is based upon the scale and nature of operation together with the degree of dynamism exhibited by a firm. The latter is demonstrated by the firm's willingness to move out of an established niche and take advantage of wider opportunities, and by the attitudes and personality of the entrepreneur or managing director. He identified three categories:

- i) the stagnant entrepreneur with a localized sphere of operation, centralized and hierarchical management structure, and an unwillingness to expand and upset the status quo;
- ii) growth companies who are flexible and adaptable in production, willing to take risks and expand, and who possess a broader management structure;
- iii) regional developers characterized by large-scale operations, product diversification, a bureaucratic management structure, and stability.

Of the ten respondent firms, three may be allocated to the 'stagnant entrepreneur' category, three may be regarded as 'growth companies', whilst the remaining four are most closely aligned to the 'regional developer' category.

iii) Group Behaviour

a) Role of the Property Developer

Focussing solely on residential development activities, the role of the property developer is to produce or supply new housing. In practice, this encompasses a variety of roles at different stages in the process (Section 4.8 and Figure 4.1). For example, he can be an: assessor of demand, initiator of development, co-ordinator of inputs, builder, and finally salesman. When operating in the private sector he is largely a free agent, whereas in the public sector, he acts as a contractor subject to the instructions of the local authority.

b) Motivation

The property developer's overriding motive is profit. Whether operating in the private or public sector, residential development is regarded as a commercial venture. The profit motive is waived only in very special circumstances, e.g. in a crisis where avoidance of risk is essential to ensure the survival of the firm, or where a decision is taken to forego profit in a goodwill gesture designed to enhance the firm's reputation or relationship with the local authority.

Emphasis on the profit motive prompts comment on the developers' speculative activities. A speculator can be anyone engaged in a commercial operation which incorporates the possibilities of risk and profit. Yet when applied to developers, it often becomes an emotive term conjuring up images of:

'... self-interested, almost Machiavellian figures, exercising a shadowy and powerful influence over the urban development process by all possible means socially acceptable or not' (Neilson, 1976, 151)

Some developers have earned this reputation by their disreputable dealings and accumulation of vast profits, but it is no more applicable to many developers than it is to any firm engaged in commercial ventures. Awareness of this general criticism, may explain the defensive stance adopted by four of the respondents who were eager to express their

'social welfare' motivation. Although this may reflect the honest personal response of the individual respondents, for the wider group or even for their own firms, the desire to be (or at least appear to be) socially responsible is primarily a cosmetic or promotional screen behind which commercialism remains the driving force.

c) Power and Control

Property developers are one of the most powerful of the selected participant groups, yet their power can be circumscribed by two groups - the legislators and the financiers (particularly those operating at national level). The power diminishing impact of British planning legislation (Chapter 3) is demonstrated by comparing the behaviour and degree of control held by British, American and Australian developers (see Chapter 7 on the planning control stage). Financiers exert control because developers are directly dependent upon borrowed capital to finance production and, are indirectly dependent upon capital loaned to finance house purchase. Thus, in this respect, the developer may be regarded as merely an intermediary between financiers and consumers.

Working in an area subject to severe market fluctuations (Chapter 3) and strong competition, developers must be both astute and flexible in order to maintain control of both their own operation and, to a considerable degree, of the development process as a whole. They must also be adept at manipulating the other participant groups. Their role necessitates risk-taking since an unwillingness to take risks circumscribes power. However, excessive risk-taking is rarely synonymous with profitability and thus developers are known to be conservative decision-makers (Neilson, 1976). This characteristic is examined in more detail in Chapters 5 to 9.

Despite their conservatism and dependency upon financiers and on those empowered with legal rights to permit or refuse development,

developers retain control because they perform a function which potentially benefits all other groups. This fact, together with their expertise, experience and direct involvement in all stages in the process enables them to exercise power and control over the decisions and actions of the other participants.

d) Interaction

Developers cannot perform any of their varied roles in isolation. For example, they are reliant on landowners for the supply of land, local authorities for permission to develop, financiers for capital and on consumers to complete their cash flow cycle. Moreover, at all stages in the process they are dependent upon a multiplicity of groups and individuals for the supply of information. As implied above, however, dependence does not necessarily imply a loss of power and control. Invariably these inputs are offered and received on either a reciprocal or commercial basis beneficial to both parties (except in the instance of acquiring planning permission, Chapter 7).

The methods of interaction with other groups vary considerably from the informal 'friendly' contact approach to formal, legalistic exchanges. Developers enter into most forms of interaction by choice. Even at the planning control stage when interaction is enforced, many developers seek to initiate additional contact in order to further their case. Not all exchanges are entered into in a spirit of mutual respect and co-operation. Indeed, many are conducted on the basis of innate mistrust and antipathy. Detailed examples of the differing methods of interaction are given in the following six chapters.

4.3 THE PLANNERS

In behavioural terms, this group labelled 'the planners' or more accurately, the town planners, cannot be totally separated from the councillors (Section 4.4) with whom they together represent the local authority decision-makers. Nevertheless, their professional role is

sufficiently distinct to merit their separate consideration. Within this thesis, attention is directed to the characteristics and actions of planners working at local, i.e. district, or county levels.

i) Interviewed Representatives

An introductory letter was sent to both the District and County Planning Officers requesting an opportunity to discuss with appropriate officers, planning policies and the planners' role in new housing provision. The responses determined the number of planners interviewed. In each instance, two senior officers were delegated to act as respondents, one involved with policy formulation and the other with development control functions.

The interviews lasted up to one hour and were loosely structured on the basis of a checklist of discussion topics (Appendix 2). A pre-structured questionnaire was considered inappropriate given the small number of respondents, their differing experience and duties and the aim of introducing requests for additional secondary source material within the framework of the interview.

The four respondents were asked about their own professional roles within the planning department and were invited to comment (as officers of the local authority rather than as individuals) principally on, a) the procedures involved in both planning for and controlling residential development; b) the effects of national legislation on their actions; c) the areas within Durham District considered to have potential for future housing provision; and d) the relationships between planners and councillors and between planners and the other key participant groups in the development process.

The need to consult planning records and statistical material held within the respective planning departments led to subsequent informal contact with these and other officers from which further insights into the planning process were obtained. In addition, post research planning

experience (Chapter 2) inevitably provided greater access (principally at County level) to factual information and to the opinions and views (both personal and official corporate attitudes) of the planners.

In subsequent chapters the information obtained is considered in the context of general studies on planning practice (Davies, 1972; Eversley, 1973; Simmie, 1974).

ii) Respondent Characteristics

The small number of interviews precludes any meaningful classification of respondent characteristics. The responses made reflect a mixture of experience, the unique duties of the post held, and the personality of the individual being interviewed. Although this is true for all respondents in each of the decision-groups surveyed, the diversity of planner duties within a local authority department and their split roles as both professionals and agents of a large bureaucratic and political organization make comparative assessment of their responses difficult.

iii) Group Behaviour

a) Role of the Planner

The planners' involvement in the residential development process takes place primarily in the earlier stages, i.e. assessment of demand, site selection, and planning control, although enforcement work may be undertaken during the development phase.

Since 1909 (Housing, Town Planning Etc. Act), local authorities have been required to examine their housing needs and to make provision for new housing development. In a succession of subsequent legislation, this duty has been clarified and placed within the ambit of statutory land use planning. In order to carry out these duties, local authorities have engaged professional planners whose duty is to apply their technical expertise to decisions relating to residential land use development and to present their reasoned conclusions in the form of recommendations

to the elected representatives of the authority.

Within a planning department, this technical expertise may take a variety of forms particularly at county level where specialist staff may be involved in, for example, the: statistical analyses of housing need; assessment of the design and landscape impact of development proposals; preparation of comprehensive land use plans to accommodate the residential, economic and social needs of the community; and examination of submitted planning applications.

Officially, the planners' role is purely advisory, i.e. to the councillors, but as will be discussed below, this is an inadequate description of their actual behaviour both as perceived (or admitted) by the respondents, and as observed in practice. Their roles as policy-makers, arbiters of 'good design', and controllers of land utilization cannot be denied and is certainly not overlooked by the decision-makers within the other participant groups.

b) Motivation

The official motivation of planners, as officers of the local authority, is to serve the local community and to perform the duties imposed by central government. They are usually represented as technical experts who seek to utilize their knowledge in an apolitical manner. Several writers including Simmie (1974) have, however, condemned this image of the 'rational, impartial and altruistic' planner as either self-delusion, or a positive attempt to erect a 'smoke-screen' to increase public acceptability and hide their real motivation which is to promote the interests of their employers - the dominant polity.

At this point, a distinction must be drawn between motivation relating to choice of career in which it is valid to debate the problems of reconciling personal versus collective ideals (Schon, 1982) and motivation with respect to direct participation in the residential development process. It is with the latter that this thesis is concerned.

Planners participate in the development process because it is their duty to their employers, the local authority, to undertake those functions relating to housing provision as laid down by government and as promised by the locally elected councillors. Clearly, their work involves making value judgements which reintroduces the question of personal motivation, but the influence of the latter is constrained by the bureaucratic structure of which the individual planners form a small part. Hence, personal and also professional motivation is often suppressed by the political motivation reflected in both national and local government objectives. Where personal or professional judgements and the direction of political objectives are at variance, however, the planners can seek to present their recommendations in such a way as to make them politically acceptable. The latter approach demonstrates realism and the desire for self-preservation. Their actions therefore reflect a desire to ensure, as far as possible, that the residential development process and its impact on the surrounding environment meets their ideals of 'good planning', albeit moderated by acceptance of political expediency.

c) Power and Control

It is important to distinguish between the power and control held by planners within the local authority decision-making structure, and that held by virtue of their position as local authority representatives (i.e. the power of the local authority decision-making group as a whole).

As individuals or even departmental groupings of professional planners, their potential power and control over the residential development process is heavily circumscribed by their accountability to the democratically elected body. Moreover, the very structure of the local authority bureaucracy operates to minimize the extent of individual or even group control and initiative. In particular, the

latter tends to be stifled in a process of over didactic accountability whereby decisions or recommendations are re-examined and re-written at every tier of the hierarchy.

Yet, it has already been stated that the planners are not impotent advisors. The group, and even key individuals, do possess a measure of power and control by virtue of their experience, continuity, expertise and ability to manipulate information flows. The extent to which their potential power is exercised is largely dependent upon the forcefulness and political astuteness of the chief officers (Schon, 1982) and on the balance of power within, and stability of, the elected council. Within the study area, the existence of strong planning leaders in each council and the political composition of the two councils (i.e. one party domination), has enabled the planners to exert considerable control over policy formulation and implementation throughout the study period.

The power and control exerted by planners as local authority agents is both facilitated and restricted by national legislation. Their powers are frequently contested by other participant groups, particularly in respect of their land allocation and development control functions (Chapters 6 and 7). Often these groups have considerable success in their challenges, not least because the control of the planners as a professional group is often weakened by internal schism created by their allegiances to different local authorities.

Although they possess statutory powers to maintain a negative control over the progression and outcome of the development process, they have no comparable positive controls. For the promotion of residential development, the planners, at least in the private sector, are dependent upon the decisions of developers and financiers. Attempts to introduce land 'nationalization' (Chapter 3) were partly aimed at increasing the planners' powers of positive control, but these moves were quashed by vehement opposition from private interests and capital.

d) Interaction

Since the principal role of planners involves acting as intermediaries in the supply of information, advice and policy decisions, interaction with other groups is a necessary part of their day to day activities.

Clearly, the basis of this interaction is different in the case of the councillor group by whom the planners are employed. In this instance, interaction, internal to the local authority, is conducted via well defined procedures and protocol (certainly at county level where interaction is restricted to the most senior officers). Actual contact may be formal through committee interchanges, but is frequently informal and flexible. At district level, the basis of contact is wider with more officers involved, but even here, most interaction takes place between councillors and chief officers. This protocol of hierarchical contact is preferred by both the councillors, whose authority is affirmed by such contact, and the planners for whom it acts as a 'safety mechanism' ensuring communication of an agreed group viewpoint.

Interaction with other participant groups may be conducted on a formal basis, e.g. following the statutory procedures for the submission and processing of planning applications (Chapter 7). However, there is often a more informal dimension to interaction through which information is exchanged and mutual solutions to conflicts on housing land allocation and site applications are sought. The nature and success of this type of interaction is largely dependent upon the attitudes and personalities of the individual participants. Further comment on the levels of co-operation and conflict, particularly between planners and developers, is made in the succeeding chapters.

4.3 THE COUNCILLORS

The councillors are the democratically elected 'partners' in the local authority decision-making group. Primarily they are politically

motivated laymen who are committed to 'serving' the community.

Before commenting on the councillors themselves, it is pertinent to make some background comments on the changes in council structure between 1968 and 1979.

Over this period, the study area has been administered by five different councils. Prior to local government reorganization in April 1974, the area was administered by the County Council plus three local councils, Durham MBC, Brandon and Byshottles UDC and Durham RDC. The size and changing political composition of these councils is given in Table 4.1. In 1974, a new two-tier structure was introduced with administrative duties divided between the county and new district councils. The new County Council was significantly different having lost control over several of its major urban centres and of approximately 193,000 people. As a result of these changes, Durham City became its second largest urban centre after Darlington. The area administered by the new District Council represented a direct amalgamation of the three former local authority areas. The political composition of these newly constituted councils is also given in Table 4.1.

The functional divisions between county and district councils are founded on the basis of recommendations made by Bains (1972). Most housing and planning responsibilities relating directly to new housing development were passed from the County to the District Council, the latter having acquired its own planning staff to cope with this workload. However, the County Council retained a significant measure of control via its broad strategic planning functions.

The councils, to a degree, work together sharing joint meetings and some joint members, but in reality, the smooth working relationship envisaged by Bains has not been achieved. Many writers have commented on the existence of friction between county and district councils and those operating in the study area provide no exception. Their conflicts

have been made public through press statements and through the formal objections lodged against the County Structure Plan (Chapter 6.2). At councillor level, however, the respondents indicated that this degree of friction was no greater than that which existed between the County and the three local councils prior to 1974.

i) Interviewed Representatives

Since most of the responsibilities for new residential development (both private and public) had passed to the District Council by the survey date (1974), it was decided to restrict the interview survey to members of this council. The initial intention was to interview all councillors who sat upon committees concerned with any aspect of the residential development process, but upon discovery that this would include all councillors, a sample selected on the basis of area (ward) served was taken.

One councillor from each of the 26 wards was invited to participate (without prior knowledge of his or her political affiliation). Of these, 23 agreed to participate and a further two councillors volunteered to be interviewed. Interview times were highly variable ranging from half an hour to three hours. The interviews were conducted on the basis of a pre-structured questionnaire (Appendix 3), but the inclusion of several open-ended questions provided ample scope for the respondents to express their views on housing issues. The questionnaire requested factual details about the individual councillors, e.g. their political affiliation, length of service, length of residence in the study area, and occupation, which are used below to classify the respondents. In addition, the questionnaire was designed to gain an insight into: councillor attitudes towards other participant groups; the respondents' perceptions of the councillor's role; and their views on housing performance and potential.

ii) Respondent Characteristics

Of the following councillor characteristics, the most important,

with respect to its influence upon decision-making on new housing development, is political affiliation. This is so because it is rare for councillors to act or make decisions on an individual basis and most collective decision-making is based on political party allegiances.

a) Political Affiliation

Of the 25 councillors interviewed, 14 were Labour, 3 Liberal and 8 described themselves as Independent. The existence of the latter group raises questions about the importance of this characteristic, but effectively this non-aligned group, although publicly committed to their neutrality and their aim 'to first and foremost serve the needs of their electorate rather than a political party', collectively form their own 'party'. Given the structure of the council, however, their powers are very limited rendering them comparatively impotent to serve their electorate. In terms of principles, their political neutrality was questioned by several of the survey respondents who expressed the cynical view that many Independent councillors are, in practice, undeclared Conservatives who are unwilling to admit their political allegiance for fear of losing their seat.

With respect to the political balance of the overall council, this sample is not representative since both the Independent and Liberal councillors are over-represented. This situation arises because of the selection of councillors on an areal basis and the tendency for Labour councillors to group together in the larger wards from which only one respondent was interviewed.

The changing balance of power in both the pre and post 1974 councils is reflected in Table 4.1. The councillors most affected by reorganization were the Independent members who had formerly controlled Durham MBC and who, upon merger with the UDC and RDC, found themselves swamped by the Labour group. It is notable, however, that over successive elections the degree of Labour domination on the District Council has been eroded

(67% in 1974/75, 56% in 1978/79 and, following ward boundary changes in 1979/80 Labour lost overall control).

b) Length of Service

The upheaval of local government reorganization meant administrative and political changes but many of the individual councillors retained their seats. Of the 25 respondents, 3 were former members of the Municipal Borough Council, 8 of the Rural District Council and 5 of the Urban District Council. During the remainder of the study period, or more specifically up to the 1978/79 election, 18 of the 25 respondents retained their seats on the council. The extent of past experience varied considerably from 1 to 26 years (Table 4.2). It was interesting to observe that of all the councillors interviewed, the Liberal members were most lacking in experience, a characteristic which corresponds with the findings of Prentice's (1976) survey.

When length of service was compared with ward location, it was found that the most long-serving councillors represented wards outside the city, notably in the area of the former Brandon and Byshottles UDC. As may be expected, some of the least experienced councillors represented the wards comprising mostly modern housing estates on the periphery of the City, e.g. Belmont and Framwelgate.

c) Length of Residence in the Study Area

Although many years of residence in an area does not guarantee knowledge of its housing requirements and potential, it may be reasonably assumed that it ensures some familiarity with past housing developments and general community views on local housing need. The responses demonstrated, however, that little can be gained by classifying the councillors on this characteristic since the majority of respondents have lived in the study area all of their lives (many in the same ward). Even 4 of the 5 'newcomers' have lived in the area for over 10 years.

d) Occupation

For ease of classification, the diverse responses to the question on occupation were translated into socio-economic group categories. However, before commenting on this classification, it is interesting to note that the largest proportion of councillors (8 respondents) were employed (primarily in administrative posts) by either central / local government or the health authority. The remainder work in a variety of occupations with coal mining and farming having a notable representation.

Table 4.3 provides a socio-economic group breakdown of the respondents and their political affiliations. With some knowledge of political party membership in general and of council membership patterns elsewhere (Prentice, 1976), the results were not unexpected. Further comparisons between socio-economic characteristics and both ward location and length of service produced no recognizable patterns, although there was some indication that many of the longest serving councillors hold skilled or unskilled manual jobs.

iii) Group Behaviour

a) Role of the Councillor

Within the local authority decision-making group, the official role of the councillor is to take all final decisions, relating to both policy formulation and implementation, on the basis of advice and recommendations received from the professional officers. In carrying out this role, the councillor is also acting as an agent of central government to which the local authority is accountable a representative of his or her local electorate and, in the majority of cases, as a member of a political party.

In response to the question on the role of councillors, all respondents referred to their function in looking after the interests of their electorate. In most instances, 'their electorate' meant first and foremost the residents of their ward, and the interests of district residents, in general, were regarded as a wider responsibility. In

developing this response, however, differing interpretations of their 'community role' became evident.

Some stated, that it was their duty 'to carry out the wishes of the people', others 'to put forward the views of the people - to be their voice', whilst one councillor considered his role to be an 'interpreter of the views of the people'. Each of these comments carries different connotations and, to the extent that they are considered responses rather than dismissive clichés they reflect slightly different perceptions of the councillor's role.

In order to become familiar with the views and wishes of their electorate, the councillor must be available for public consultation, either through formalized surgeries, or an 'open-house' invitation to discuss problems. Through such contact, the councillor also enacts the roles of supplier of information, advisor, and mediator between individuals and the often incomprehensible bureaucracy of local government. As advisor and mediator, their most frequently cited task was to tackle council house problems relating to letting or improvement work.

Their role as policy-makers was specifically mentioned by only three respondents although two further respondents referred to the need 'to ensure that the ratepayers' money is spent wisely', which implicitly relates to policy decisions. The low emphasis apparently placed on policy-making may result from the view that this is merely a means of carrying out their principal task of 'serving the people' rather than an identifiable role itself.

Reference to the councillor's role as an agent of central government was even more scant. Indeed, only one councillor referred to his responsibility for enacting national legislation.

With particular respect to the residential development process, the councillor's official role is to draw attention to any perceived or expressed need for new housing or improvement work, and to undertake

action to ensure that it is adequately satisfied. In carrying out this duty, the councillor is responsible for all housing sectors. The statutory duties of an elected council require it to: ensure that sufficient land is available for all forms of development (if necessary by enforcing compulsory purchase); facilitate 'suitable' private development; and organize, finance and manage local authority housing programmes.

The efficiency and enthusiasm with which these different roles and duties are carried out varies according to both personal and collective commitment, experience, ability and political and social motivation.

b) Motivation

The motivation behind, first the decision to stand for election and secondly their subsequent actions is difficult to ascertain, particularly since it was felt that responses to questions on motivation were rationalized and often idealized. Most respondents reiterated their desire to serve the community and to 'negotiate for its well-being'.

Often the decision to stand for election was prompted by a particular event or development or by recognition of a community problem. A motive rarely admitted is the desire for power and status within a political party and within the community as a whole. This was referred to by only two respondents and then, ostensibly, in reference to other councillors. There was no indication in the study area of councillors seeking to use election onto the local council as a 'stepping-stone' to national politics.

The motivation behind decisions on new housing development, represents primarily, an acceptance of (sometimes reluctantly) their statutory duty to enact national housing legislation, a sense of moral duty to meet the social needs of their electorate, loyalty to party policies, and personal conviction about housing, planning and environmental issues. Local councillors are aware of the importance of housing issues to their

electorate and of the value of visible action (either new construction or improvement) in securing future votes.

Given the dominance of the Labour vote on the council and the potential for the councillors' more direct intervention in the public sector, it is not surprising that many of the respondents appeared to be most concerned with council housing provision (the Labour councillors eager to pursue an ideal to which they are politically committed, and the non-Labour councillors eager to ensure that their voters are not 'left out' in the allocation of money for new schemes and improvement work).

With regard to private sector development, the respondents made a variety of comments illustrating their desire to encourage new building as a means of stimulating in-migration and economic growth and of improving the 'living environment' within the district. Several recognize, however, the potential conflict of motivation underlying the promotion of new development. Although new housing development can enhance the district in terms of both facilities and often environmental improvement, it is frequently opposed by existing ward residents. As a result, a councillor promoting new development may find himself in a position of alienating his supporters in order to benefit a group of unknown voters. In this situation, the problem of possessing a split motivation between seeking to serve the district as a whole and of ensuring personal re-election is ever present.

c) Power and Control

The councillors' multiple accountability to a ward electorate, district population, political party and to central government reduces both their individual and collective power. In addition, their power is limited by their status as laymen and hence dependence upon professional advice.

Moreover, the potential power of this group as a whole is diminished by internal power struggles between councillors sitting on the same

council and between those sitting on the District and County Councils, all of whom claim to be seeking to serve the community in Durham District.

Within the District Council, power struggles are based primarily on political allegiance and, to a lesser degree, on parochial loyalties. The latter were notably evident at the time of the survey when ex-members of the former local councils were frequently accused of 'sticking-together' on policy decisions. Whilst this source of internal friction no doubt lessened over the study period, power struggles associated with political allegiance are likely to have increased as Labour dominance began to decline.

The political parties exert control over their member councillors. The Labour Party in particular maintains strict accountability and support by holding group meetings prior to committee dates in order to decide a party view on any particular issue. Given the Labour dominance on the council, this procedure has two significant effects. First, the power of non-Labour councillors to pursue policies, either for the benefit of the district as a whole, or their own electorate, is severely limited. Their ideas tend to be accepted only when they correspond to the 'collective Labour viewpoint'. Secondly, the power of all councillors is undermined by the influence of powerful political group members who are not democratically elected representatives of the community.

Political control over all aspects of council decision-making is maintained by the division and allocation of councillor responsibilities relating to committee management and membership. For example, during 1974/75 all committee chairmen and vice-chairmen were Labour councillors. This is significant given the measure of power and control conferred by these positions. In particular, the committee chairman, in his role as arbitrator, organizer of agendas and intermediary with chief officers, can exert considerable control (Prentice, 1976).

On each of the specialist committees concerned with aspects of the

residential development process (Housing Services Committee, Development Services Committee, Land and Buildings Sub-Committee and Finance Sub-Committee), Labour councillors comprise between 67-69% of all members. However, on the non-specialist but most important decision-making committee (Policy and Resources) only three of its 36 members were non-Labour (indeed, when initially constituted all 36 members were Labour).

Irrespective of their political composition, all councils are subject to central government control. This dependency can, according to the political persuasion of the government in power, either accentuate or moderate local political control. Submission to central government control is generally accepted, albeit reluctantly. Certainly with respect to housing-related legislation, few local authorities have challenged government policies despite their often devastating effects on local housing programmes.

The power balance between councillors and planners has been commented on in Section 4.3. Despite frequent reference to the councillors' power as the decision-makers (seven respondents), a further eight respondents commented on their 'real position' as amateurs with little training and insufficient time to digest the volume of technical reports, papers and government circulars relevant to particular issues. In practice, they are frequently unable to assess critically the recommendations made by planners, or to put forward any reasoned alternatives. The majority feel confident only to challenge recommendations which impinge on parochial detail, although a few notable exceptions where councillors have challenged major policy proposals have been recorded (Chapter 6.2). Indeed, one councillor admitted that nine out of ten officer recommendations are upheld and hence, the planners (and other departmental officers) make the major policy decisions. Thus the power and control of councillors, as envisaged by Maud (1967), the councillors themselves, and by their electorate, is frequently an exaggeration of reality.

Their power and control is greatest when applied to public sector development, in relation to which, the councillors are more aware of, and confident in, the use of their statutory powers. A first-hand knowledge of council housing needs, a willingness to use, where necessary, compulsory purchase legislation, and command over the local authority's direct labour organization, all instil confidence in their ability to ensure that their housing programmes are both initiated and carried out. It is, however, a great source of annoyance amongst councillors that their ability to use these powers is itself often severely frustrated, and even prevented, by the overall monetary controls imposed by government spending restraints (Chapter 3). Criticism of, and dependency on, the latter was mentioned by most of the respondents and was put forward as the main reason for examples of the council's failure to meet housing needs.

In contrast, the councillors' dependency on developers, financiers and landowners to both initiate and undertake the necessary private sector development to meet the district's housing demand, was not acknowledged by any of the respondents.

d) Interaction

Councillors interact primarily with two groups, their electorate and officers within the local authority. Interaction with the former is part of their democratic duty and, in relation to the development process, it provides a means of acquiring information on housing needs and on public reaction to policy proposals. With the latter, interaction is a necessary part of the working relationships within the local authority bureaucratic machine (see Section 4.3). From the viewpoint of the councillor, the informal meetings held with officers are seen as a means of exchanging ideas and of discussing possibilities for policy action, whilst in committee, communication is essentially one-way with the officers being required to present factual information and to defend their recommendations.

Most interaction with other participant groups is conducted on

behalf of the local authority by the officers rather than councillors. This is partly in recognition of the officers' (in this instance, the planners') expertise and knowledge of handling such discussions, for which they are employed. It is also a function of time limitations for the councillors for whom such negotiations are outside his or her accepted role. In addition, the expressed personal reluctance to become involved with private business interests may reflect the respondents' fear of corruption allegations, a particularly sensitive subject at the time of the survey following the disclosures of the Poulson case.

4.5 THE LANDOWNERS

A landowner is any individual or firm possessing the legal rights to land. These rights vary considerably and are all subject to the Crown and national legislation. There are many different types of landowner including: private individuals, finance companies, institutions, charities, nationalized industries, local authorities, property developers and central government departments.

Discovering the identity of landowners and the pattern of land tenure within any particular area is very difficult because of the complexity of ownership patterns and the level of confidentiality attached to ownership deeds and records. The lack of a national land ownership register has been lamented by several writers (Munton, 1974a). The problem of information difficulties is particularly evident for researchers enquiring into landownership patterns on the rural-urban fringe, where land frequently changes hands and, where a knowledge of landownership, may influence adjacent land values.

i) Interviewed Representatives

Within the study area the major landowners are: the National Coal Board, the Church (Church Commissioners and the Dean and Chapter plus small estates belonging to some of the oldest churches in the district), the local authorities (District Council, County Council),

the Health Authority, two private estates (Lambton and Salvin) and the University of Durham. The remaining land is held by a variety of private individuals, owner-occupying farmers, property developers, public utilities, solicitors, businesses, educational and charitable institutions, the National Trust and British Rail.

The actual amounts held by these individual owners are unknown. A record of areas held by the larger owners is maintained by Durham District Council, but access to this was refused on confidentiality grounds.

Some general information on landownership patterns in the study area was obtained from discussions with the District Valuer, officers of the Ministry of Agriculture, Fisheries and Food, and officers of the County and District Councils. In addition, the farmers' survey provided some detailed information on ownership patterns since tenant farmers were asked to name their landlords. The farm survey also highlighted the complexity of ownership patterns. Of the 82 farmers interviewed, 32 were outright owners, 25 owned part of their farm holding and tenanted the rest, whilst 25 were wholly tenants. Many of those holding a mixture of tenures were the tenants of several landlords, having acquired the lease of various parcels of land either immediately adjacent to, or nearby, their own land. Of the wholly tenanted units, over half (15) were owned by only one landlord (6 by the NCB, 3 by private institutions, 2 by the County Council, 3 by the Church and 1 by a private estate). The remainder of the tenanted units had up to 5 landlords, many of these units being small and highly fragmented. Such units generally represented either an amalgamation of piecemeal parcels, or a unit on which the land has been sold to several different purchasers and is being leased back to the original farmer owner pending development.

A decision was taken to interview representatives of each of the main groups of large landowners. Hence, interviews were held with: the estate manager for the NCB; the land agents for the Church



Commissioners and the Dean and Chapter; the assistant buildings officer of the University of Durham; the District Valuer on behalf of Durham District Council, and one private estate owner in person. Representing the smaller landowners, 32 outright owner-occupying farmers were interviewed and the developers' survey provided further information on developer owners (three of the developer respondents having been cited as landlords by the interviewed tenant farmers). No attempt was made to interview private individuals owning small plots of land scattered throughout the study area.

Given the variety of respondents, the interviews were conducted on the basis of a checklist of topics (Appendix 4) rather than a pre-structured questionnaire. This provided a measure of consistency in the topics covered, whilst enabling flexibility of discussion appropriate to the differing circumstances of the respondents. The pre-arranged interviews lasting approximately 1½ hours were aimed at obtaining information on the area and location of land owned, any history of land sales for residential development, and past involvement in planning applications. In addition, they sought to ascertain: landowner attitudes (where interviewed in person) or policies towards acquisition and disposal; information on methods of interaction with other participant groups; and opinions on the development potential of their land. It was recognized that where the respondents were land agents or estate managers, all attitudinal responses were potentially unreliable because of the element of personal 'interpretation' of their client's policies, and their lack of a true knowledge of the landowner's motivation behind land transactions.

ii) Respondent Characteristics

The diversity of positions held by the individual respondents, and of the landowners whom they represent precludes any meaningful classification of landowner types. Moreover, information on potential

classification criteria was either frequently withheld, e.g. on size of land holdings or amount of land sold for development, or subject to agency misrepresentation.

iii) Group Behaviour

a) Role of the Landowner

A landowner may enact a multiplicity of roles: investor, farmer, benefactor, manager of inherited property, landlord, developer and speculator. Within the context of the residential development process, the landowner is most frequently cast as an intermediary supplying the necessary land input for other groups to use as a means of either initiating or facilitating progression of the process. In some instances, the landowner may adopt a more active role, himself initiating the development process and even, in a few cases, undertaking the overall feasibility assessment and construction phases. In others, by withholding land, he may simply represent an obstacle to be overcome by the other participant groups.

b) Motivation

Adoption of a particular role within, or attitude towards, the development process is strongly influenced by the landowners' original or continuing motivation for acquisition or holding.

It must be noted here, that most of the land in the study area held by the major owners has been in their possession for a long time. For example, the NCB lands date back to nationalization of the coal industry in 1947 and the consequent acquisition of private mine holdings, the private landed estates have been held for generations and the Church lands comprise a succession of bequests and trusts originating from the time of the ecclesiastical Palatinate of Durham. Even 16 of the 32 owner-occupying farmers inherited their land. Hence, the motivations of the current holders or managers may differ considerably from those who originally purchased or acquired the property.

Of the interviewed landowners, only the property developers and the local authority decision-makers stated that their express purpose was in securing the land's development potential. For the developers, land represents both a source of financial gain and a means of ensuring continuity of production, whilst for the local authority, it principally represents a necessary input for carrying out their council housing, educational, community and industrial development programmes. Although land surplus to local authority requirements may be lucratively disposed of for private residential development (the most notable example of this in the study area being the Newton Hall site, see Chapter 6), this is not (at least never admitted) a motive for acquisition or holding. Attempts to encourage acquisition for private development under the Community Land Act (Chapter 3) failed to produce much of a response from the local authorities within the study area (Chapter 9).

Although not their primary motivation for land holding, it may be speculated (in some instances verified by tenants) that some land parcels have been acquired or are at least retained by the large landowners with the express hope of future sale for development. Indeed, many of these landowners admitted that they were not oblivious to the development potential of their land and considered future sale as one option to be considered in evaluating the long-term value of their assets. Similarly, over 60% of the farmers owning land in the study area are both aware of, and open to, offers for purchase for development, although again this was not their initial motivation for land acquisition (for further details of farmer behaviour see Chapter 11). The motivation behind the ownership patterns of the private individuals and businesses, is unknown, probably representing a mixture of reasons associated with speculation, business expansion, and family ties.

For all owners, the likelihood of future participation in the development process is dependent upon the reasons for landholding. Clearly, this is very high for the speculative owners and local authorities but for others, competing financial returns or land requirements for particular uses must be evaluated. For example, where land is held for investment purposes, either as a hedge against inflation or as a source of steady income from farm rents, the financial rewards of immediate sale as opposed to the long-term earning potential of the land is likely to be the key factor to be considered when contemplating sale. In such circumstances, the loss of a long-term capital asset may be replaced by purchase of land elsewhere or reinvestment in alternative assets. Such decisions may be open to those owners with large private estates or to the Church which continues to manage its large and ancient bequests of land on a strictly commercial basis. In both instances, questions relating to taxation (see Chapters 8 and 9) frequently motivate action. It is here relevant to note that at the time of the survey, the Church as a registered charity, was exempt from Capital Gains Taxation on land transactions thus making sale for development a particularly attractive proposition.

Where, on the other hand, specific plots of land are held for a particular purpose, the likelihood of sale despite its obvious financial attractions is considerably reduced. For example, the NCB holds land assets primarily as a safeguard against future compensation claims or because of its future opencast mining potential, whilst the University of Durham retains land as a means of securing sites for future expansion.

c) Power and Control

Landownership confers power to control both usage and access. As stated at the outset, this power is contained by national and local legislation. In particular, the landowners' choice on sale decisions is

eliminated by compulsory purchase legislation (Chapters 9 and 11).

As a group, however, they have shown themselves to be resilient against any greater 'infringement of their land rights' as evidenced in their successful battle against the Community Land Act legislation (Chapter 3).

Within the residential development process, the landowner is in a potentially powerful position given his control over an essential input to the process. The landowner's ability to use this power and to maximize his advantage in monetary terms is, however, dependent upon information and knowledge of market values, past experience and expertise in conducting negotiations, and on his financial circumstances (Chapter 9). The large landowners permanently employ professionals to advise and negotiate and any landowner may seek the advice of land agents on particular transactions although inevitably, this involves both a loss of control and a reduction in financial returns from land sale.

Power and control is increased when the landowner adopts the role of initiator by, offering land direct to a particular developer, putting it up for public auction, or by applying for planning permission prior to sale. Most of the large landowners and (39% of the farmers stated that they had adopted an initiatory role at various times during the study period although where this involved the submission of planning applications many were unsuccessful (Chapters 6, 7 and 9).

The landowner's opportunity to exercise power and control ceases with the relinquishment of proprietary rights and some owners seek to either avoid or delay this by, for example, entering into option agreements with developers pending planning permission negotiations, or the retention of freehold rights and the imposition of ground rents on developed properties.

d) Interaction

The landowners cannot participate in the development process without interaction with other groups (even the local example of a

landowner turned developer had to negotiate with the local authority decision-makers in order to obtain planning permission). The large landowners who are likely to participate in the process more than once employ professional land agents and solicitors through whom all face-to-face contact and legal negotiations are conducted. Many of these agents have established long-standing if somewhat wary, relations with the local authorities, local developers, estate agents and financiers and informal information exchange with these groups often facilitates process initiation and land transactions. Relationships were referred to in less amenable terms by the smaller landowners, particularly the farmers. Many of these expressed their mistrust of developers, land agents and estate agents, and their antagonism towards 'the planners' who obstruct the realization of their capital assets by their 'over rigid policies and petty rules'. The small owners tended to deny vigorously their dependence upon the other groups (except where this is legally enforced), whilst the large well established owners and their agents commented on the potential advantages of both acknowledging and exploiting the interdependence between themselves and the other groups. The first of these attitudes reflects the misplaced self importance and naivety of the small landowner seeking his 'one big sale', whilst the second reveals the experience and business acumen of the large landowners for whom land sale represents a regular element of their land management plans.

4.6 THE ESTATE AGENTS

Estate agents act primarily as intermediaries between those buying and selling land and property. They are in business to make a profit from their expertise in information dissemination and negotiating property transactions. Collectively, they comprise a group of individuals or small firms connected by function rather than a professional identity or accountability to a single body (although the Estate Agents' Council and the National Association of Estate Agents impose a measure of overall

control).

In practice, their functions are diverse including the: co-ordination of house and land transactions; management of private estates and property; and the valuation of property for building societies, probate duty, insurance purposes, rating appeals, compulsory purchase compensation claims and capital gains taxation. The balance of these functions varies according to staff expertise, perceived gaps in the market, individual interests, experience and local contacts.

i) Interviewed Representatives

General observation confirmed by press advertisements revealed that nine estate agents were operating from either head offices or branch offices located in the study area during the survey year, 1974. From amongst these, the four firms which, from their office displays and advertisements appeared to handle the largest volume of housing transactions, were selected for interview. All agreed to participate. Interviews, based on a pre-structured questionnaire (Appendix 5), lasted approximately two hours. Clearly, this is a very small survey, albeit covering a large proportion of estate agent activity in the study area. Hence responses to the range of questions on methods of operation, and opinions on the local housing market are highly specific to the particular firms and to the individual respondents who, in all cases, were senior partners.

ii) Respondent Characteristics

In so far as any classification based on only four firms can be meaningful, the two potential distinguishing characteristics for use as categories are scale of operation and degree of specialization in housing transactions.

a) Scale of Operation

Each of the interviewed firms operates within a 10-12 mile radius of its Durham City Office. However, none of these offices operates in

isolation. Two of the firms had their headquarters in Durham City, one of which had a branch in Consett and the other had associate offices in Newcastle, Sunderland, Washington and South Shields. The two firms with their branch offices located in the study area had headquarters respectively located in Bishop Auckland (with an additional branch in Sedgefield) and Chester le Street (with an additional branch in Lanchester). It is a characteristic of estate agents that, through a network of branches and associates they can maintain small-scale offices offering 'personal' service whilst, in practice, deriving the benefits of information and market knowledge provided by larger-scale operation.

Between 1974 and the end of the study period, competition between estate agents in the study area increased. Two new firms were established and many of the existing ones expanded. Of those firms interviewed, three have set up new branches and two have moved to larger premises. In addition, two of these firms have effectively expanded their scale of operation, or at least their information base, by joining regional and national computer networks producing registers of available properties. The introduction of this new technology in part reduces the need for a chain of branches although, the additional market information received from agents operating 'on the ground' far exceeds that derived from a computer listing.

b) Degree of Specialization

In practice, it was discovered that there was little differentiation between the firms in relation to the balance of their work. All four respondents indicated that over 50% of their firm's business was in negotiating the sale of property, and of the transactions handled, between 70-90% were residential. In the majority of instances, these transactions took place within the second-hand housing market. Only two of the firms referred to their handling of sales of new houses and in neither instance

could this be regarded as a speciality, rather a chance occurrence of mutual benefit to themselves and the developers.

Similarly, all undertake valuation work, principally for building societies and all are involved, to varying degrees, in estate management. One firm does specialize in land transactions partly because of family connections with an agricultural land agent, and another in the management of private rented housing. In general, the involvement of estate agents with the private rented sector has diminished considerably following the demise of this type of accommodation (Chapter 3). However, there remains some demand for the management of rented accommodation within the study area because of the market generated by students and young professionals.

iii) Group Behaviour

Although few of the questions asked were directed specifically at estate agent motivation and behaviour (the emphasis in this survey being placed on the extraction of detailed information on the local housing market), some insights into the nature of their involvement in the residential development process were gained from comments made about their contacts with other participant groups.

a) Role of the Estate Agent

As stated above, estate agents primarily operate in the second-hand housing market and direct involvement in the residential development process is essentially peripheral to their main activities. By direct involvement, reference is made to the buying and selling of land for development or the disposal of finished properties on behalf of the developer. Several studies (Whitehouse, 1964; Marriot, 1967; Harloe et al, 1974; Williams, 1976) have given evidence of estate agent speculation in the land market particularly in 'boom' conditions similar to those prevailing in 1970-72. This activity may also involve the estate agent in seeking planning permission and, in some cases, even adopting the

role of developer. However, none of the local respondents admitted to this type of activity. Sales promotion and negotiation by estate agents is limited by the widespread practice of developers conducting their own sales. Two respondents did, however, refer to their involvement in new property sales, one on behalf of a developer who did not specialize in house-building and hence did not possess any sales expertise, and the other of a developer who was new to the area and was thus seeking local marketing knowledge.

Indirect involvement in the form of information supply and exchange forms, on the other hand, an important and continuous part of their day-to-day function.

All four respondents indicated that their role as information suppliers involves regular contact with developers, landowners, planners and potential consumers. Information may relate to housing demand (by location and type of property), landownership, land values and competition. The supply or exchange of information which forms a considerable part of their work, is often conducted on a mutual assistance basis. Contact may be initiated by the estate agents themselves or by the other participant groups.

Another type of intermediary role involves the supply of information on credit availability and the arrangement of contacts between potential purchasers and mortgage lenders, e.g. solicitors or building societies. This role may be conducted on an open, informal basis (strengthening the local contact network), a semi-formal basis via a joint directorship (CDP, 1976), or on a formal basis whereby the agent acts as an agency for a particular building society.

b) Motivation

In undertaking all of these functions, estate agents are motivated primarily by profit and the desire to sustain and expand their business. Their income is derived from fees and commissions for handling

transactions, property management, valuations and agency work. Given the highly competitive nature of this business, they are strongly motivated to maintain and increase their local contacts and public reputation as a means of generating more business.

c) Power and Control

Estate agents can exert power and control through their manipulation of information, client decision-making and mortgage allocations. Their knowledge of the local market is a valuable commodity, which can be sold to those buying and selling property and exchanged to mutual advantage with the other key decision-makers in the housing market.

The measure of control exerted over client housing choices and house prices was not investigated as part of this study but from evidence gained elsewhere (Palmer, 1955; Hatch, 1973; Palm, 1976b; Williams, 1976), it would appear that this is not insignificant. Indeed, several of these authors have been critical of estate agents in their self-appointed role as 'social gatekeepers' because of their discrimination against particular groups of purchasers and particular areas within certain towns and cities. The two main methods of exercising such control are their manipulation of mortgage allocations, a practice which usurps some of the power and control traditionally held by the financial intermediaries (Ford, 1975), and their valuation work for building societies. Through these two functions they can influence both the eligibility of potential consumers for mortgage loans and the potential saleability of particular properties (Lambert, 1976). Hence, they have the potential power to influence both market demand and sales within a specific area, affecting not only the second-hand housing market, but also the competing market for new properties. In this somewhat indirect manner they can exert some control over the residential development process, a recognition of which prompts developers, financial intermediaries, landowners and, in some instances, planners to consult them on trends in market demand

and supply.

In conducting their activities, estate agents are less accountable to national bodies and less subject to government control than the other participant groups. Since estate agents are not unified by a single professional qualification (although most are qualified surveyors; auctioneers or valuers and are members of either the Royal Institute of Chartered Surveyors or the Chartered Auctioneers and Estate Agents' Institute) or by a corporate body (except the National Association of Estate Agents), they are not bound by a stringent code of conduct or ethics. During the 1960s and 1970s government sought to gain greater control over this group with the intention of protecting the public interest. The 1978 Estate Agents Bill and the subsequent Act of 1979 led to the imposition of restrictions on persons entering the business, the application of minimum standards of competence, and the provision of extra financial protection for estate agents' clients. Moves to go further and institute the nationalization of estate agencies have never been implemented.

d) Interaction

In order to exercise any degree of control over the residential development process, the estate agents must accept their dependency upon sustained housing demand from potential consumers and the continuing operation of those participant groups ensuring housing supply, i.e. the developers, financiers and landowners. Interaction with all of these groups must be maintained for without interaction the role of the estate agent ceases to exist. The methods of interaction may vary from formal agent / client relationships to informal friendship and family linkages. Interaction with groups other than potential consumers is characterized by reciprocity, but the attitudes behind these exchanges are often far from mutual trust.

Interrelationships with building societies are based on reserve and wariness, whilst both estate agent and developer respondents expressed little mutual confidence in their abilities and exchanges. Indeed, most of the large-scale developers stated that, at least in relation to the residential development process, their existence was superfluous and often a positive hindrance. A state of even greater antipathy between estate agents and planners was implied by the comments received from the respondents of the two surveys, although planners working at district level have slightly moderated their views following completion of a joint exercise on the District Plan (Chapter 6). Essentially, all of these interrelationships are founded on a basis of often reluctant tolerance and awareness of the need to protect and promote both individual interests and the overall smooth progression of the residential development process, achievement of which serves to fulfil the differing group objectives.

4.7 THE FINANCIAL INTERMEDIARIES

This group encompasses a variety of financial institutions which act as intermediaries in the residential development process channelling money from the investment market to potential developers, land speculators, and house purchasers. Their activities provide an essential link in the process since both the construction and subsequent purchase of residential property is primarily dependent on an initial advancement of credit.

i) Local Representatives

Despite the importance of this group to the development process, a local survey of its representatives was not undertaken for the reasons outlined in Chapter 2.

The comments made here, and in more detail in subsequent chapters, are thus based on secondary source material except where reporting the views expressed by the other interviewed groups. The secondary sources used include both general studies on the housing market and the activities of financial intermediaries (Harloe, Issacharoff and Minns, 1974;

Williams, 1976; Boddy, 1980) and studies which examine the specific impact of their operation on surveyed areas (Lambert, 1976).

ii) Group Characteristics

Given the lack of local information, no attempt is made to classify these intermediaries in terms of their organizational structures and lending activities. It is, however, necessary to comment on the variety of institutions involved and on the type of credit advanced.

The intermediaries include: different types of banks, e.g. clearing banks, merchant banks, commercial and joint stock banks; finance houses; insurance companies; estate agents; mortgage brokers, and building societies. In the public sector, the government and the local authorities themselves can operate as financial intermediaries controlling the flow of finance for development projects from either central funds (Public Works Loan Board) or local authority corporate funds (Consolidated Loans Fund), (Chapter 8.2). In addition to their direct funding of council housing programmes, the local authority can act as a 'second tier' financial intermediary in the private sector, e.g. through their participation in the Building Society Support Lending Scheme (Chapter 3.3).

The type of credit advanced can take the form of loans, shares, bonds, grants or mortgages. Although most intermediaries finance both production and purchase, there is a high degree of specialization with banks and finance houses providing the bulk of the capital for development, and building societies the bulk of mortgage advances for house purchase (Boddy, 1980).

iii) Group Behaviour

General discussion on the behaviour of financial intermediaries can be found in the above mentioned references. The national importance of this group is reflected in government concern with, and intervention in, their activities (Chapter 3) and locally their importance was revealed

in the comments made by respondents in each of the interview surveys. The surveys did not incorporate specific questions relating to dependence on, or interaction with, financial intermediaries but these issues were raised during discussions with all of the groups except the planners. This in itself reflects the recognition of, and even preoccupation with, finance as an essential process input for all types of project in all sectors.

a) Role of the Financial Intermediary

The role of financial intermediaries is implicit in their collective title. They are dealers in money, acting as a repository for investment funds and as a vehicle for increasing these funds through prudent reinvestment. In reinvesting the money, they frequently perform a lending role which is crucial to the housing market as a whole and to the residential development process.

Most institutions invest in the housing market (advancing capital for construction or mortgage lending) only when circumstances make such investments competitive. The only exceptions are the local authorities whose lending policies for development or house purchase are determined by local housing needs and government directives, and the building societies whose original and continuing *raison d'etre*, albeit now somewhat diversified, is the financing of private house purchase.

b) Motivation

In carrying out their investment and lending roles, most financial intermediaries are motivated by profit. There are, however, two notable exceptions, the building societies and the local authorities neither of which are profit making organizations. The primary motivation of these organizations is the protection of their investors' deposits or, in the case of local authorities, of the ratepayers' interests. Hence a desire for security and the minimization of risk underlie many of their decisions.

Despite their non-profitmaking status, building societies operate

on a strictly commercial basis with lending policies founded on financial rather than social criteria. Over the study period, government has sought to increase their social awareness and responsibility. Compliance with this is evident in their increasingly flexible lending policies, but these may reflect not so much a fundamental change in motivation, but an attempt to placate government and forestall further intervention and control. Conversely, over the same period, government has sought to introduce greater 'commercial awareness and efficiency' into local authority finance decisions. Given the time necessary to implement changes in local authority procedures, the effects of such 'improvements' made towards the end of the study period and beyond, have yet to be observed in Durham District.

c) Power and Control

The ability of financial intermediaries to apply their own lending criteria gives them considerable power over the development process as a whole and over the other participant groups.

Lending policies vary between the different groups of institutions and between the individual organizations or authorities within these groups. In all cases, however, lending is conditional on the character of the prospective borrower or on the nature of the proposed development project. The criteria applied inevitably create differential opportunities for those competing to build, obtain land or to purchase the completed properties. This control over participation in the process and access to its final product is obviously strongest over the weakest participants or potential participants in each group, e.g. the mortgage applicants with poorer prospects or the 'non-established' development companies. As a result, conservatism reigns and the same types of applicants continue to receive mortgages and the same development companies obtain finance, leaving little scope for others to enter the housing or development markets. The ways in which the interviewed participant groups seek to

reduce or manipulate this power and to secure the financial intermediaries' assistance to further their own objectives are examined in Chapter 8.

One further effect of the conservatism of the financial intermediaries' behaviour, reflecting their preoccupation with minimizing risk, has been their continued preference for mortgage lending (at least for first-time buyers) on new properties which are seen to present a more secure investment. This policy has served to increase effective demand for new housing and has thereby stimulated the residential development process.

Financial intermediaries are themselves controlled by the overall finance market and by government intervention. The latter can be direct or indirect, advisory or mandatory and, over the study period, has been aimed at both private financial institutions and local authorities (Chapter 3.3). The effects of these external controls are seen in the fluctuations in credit availability for both construction and purchase. The subsequent impact of these fluctuations on completion rates and house prices for the period under review is examined in Chapter 3.5.

d) Interaction

The intricate linkages between financial intermediaries and other participant groups have been demonstrated by CDP (1976) following their research into local contact networks in Tyne and Wear. Interaction may be based on formal or informal exchanges which may be initiated by either side. Comment has been made above (Section 4.6) on the close interaction between financiers and estate agents and, from their examination of linkages between financiers and developers, both Williams (1976) and Boddy (1980) have observed that these can be either internal via joint chairmen and directors or external via long established local networks through which block mortgage allocations can be negotiated.

Within the study area, the respondents to the developer survey discussed the importance of credit availability for construction and

of mortgage funds to facilitate subsequent sales. However, other than making passing references to block mortgage allocations offered by local building societies, few developers volunteered detailed information on the mechanisms through which their finances were obtained. The availability of credit for development is equally important to the local authority developers although a large proportion of this is derived from regular funding direct from government block allocations and the rates. The application of such funds to individual development projects is, however, regulated by government controls (Chapter 8) with often an equal if not more stringent conservatism than by private sector financiers.

The extent of interaction and interlinkage between groups particularly in the private sector reduces the potential power of the financial intermediaries, but at least in so far as lending for purchase is concerned, their power is rarely contested or compromised because of shared objectives. A different situation frequently arises in respect of lending for development where the differing objectives of security and profit may clash. In these instances, where interaction is characterized by bargaining and often conflict, the full extent of the power and control of the financiers is demonstrated. On the basis of comments made by the local developer respondents, such clashes are infrequent, possibly indicating the level of understanding and mutual commitment between these two groups.

4.8 THE PARTICIPANT GROUPS - CONCLUDING COMMENTS

This section seeks to draw together the threads which have emerged in the succession of group profiles. The complexity of characteristics, motivations and interrelationships is the most obvious point to emerge. The residential development process involves manipulation, negotiation, compromise and, above all, interdependency. Interrelationships take a long time to develop and may have differing degrees of permanency.

A notable characteristic of the interviewed respondents was, however, the fact that nearly all were well established having operated together in the study area since long before the start of the study period. Hence at the time of the surveys, the groups formed part of a long-standing network of local contacts operating on a basis of mutual understanding and assistance.

With reference to the model of process stages presented in Chapter 2, Figure 2.1, the variety of inter-connected roles enacted by the participant groups at each stage is illustrated in Figure 4.1. With the exception of the section on financial intermediaries, the information contained in this figure represents a compilation of the responses made by the interviewed groups.

The roles are subdivided into 'suppliers', 'intermediaries' and 'consumers'. With regard to the notion of power, the first two types of role provide an opportunity for exercising control, whilst the third implies dependency. In theory, the final housing consumers have the ultimate power since the whole process is dependent upon their continued demand or need. However, they too tend to adopt a dependent role, their potential power being limited by their inability to exercise collective control and by the restricted scope for exercising choice maintained by the suppliers.

At any stage in the process each group, or individuals/firms/organizations within each group, may be enacting several different roles simultaneously. Frequently these are undertaken in conjunction with, or in some instances in conflict with, the actions of other participant groups. All of the possible interlinkages and permutations cannot be shown on any single diagram nor, indeed, be conveyed in any concise form. The diagram presented here seeks only to summarize the complexity of roles and relationships inherent in the residential development process as a preliminary to their amplification in the succeeding six chapters.

PROCESS INITIATION5.1 STIMULI RECOGNITION

Stimuli recognition is presented as the first of the defined stages which make up the adopted conceptual framework for studying the residential development process (Chapter 2, Figure 2.1). In relation to the other schema identified in Figure 2.1, it corresponds in temporal sequence to: land held in agricultural or non urban use, a state of 'urban interest' on the part of the developers and other potential participants, and a period of interaction during which the key participant groups seek to ascertain if such interest is justified.

Observations from the study area reveal that the stimuli which generate action to initiate the development process are highly varied and may be applied to, or perceived by, any of the main participant groups at different stages in the process. For example, developers may be stimulated to act following receipt of information on local housing demand, or on the offer of a piece of land with development potential. The local authority decision-makers may be prompted to act by a government directive on land release or by the disclosure of a deficiency in current housing stocks. Awareness of favourable market conditions or particular personal circumstances, e.g. relating to health, liquidity or taxation, may spur landowners into action, whilst knowledge of market conditions, government fiscal policies and of movements in credit availability may prompt estate agents and financial intermediaries to participate and adopt a catalytic role.

An attempt to record all possible stimuli or even all those cited by survey respondents would be unhelpful at this point. Instead, examples are discussed at whatever stage in the process they occur together with an examination of the subsequent behaviour of the recipient group.

As a general point, however, it is appropriate here to comment on

the differing levels of receptivity to stimuli demonstrated by the participant groups. For the selected groups except the landowners and estate agents, involvement in the residential development process is an essential activity necessary for, or at least important to, their continued operation. Hence, they must be continuously open to stimuli which draw attention to opportunities for participation or, in the case of the local authority decision-makers, require action under their statutory duties. The state of being 'continuously open to stimuli' may range from active systematic search for stimuli to a more passive willingness to receive information from external contacts.

Researchers at the University of North Carolina at Chapel Hill (Smith, 1965; Weiss, Smith, Kaiser and Kenney, 1966; Kenney, 1972) identify two basic approaches adopted by decision-makers to ensure both their recognition of stimuli and their readiness to grasp opportunities to participate in the process. These are the 'marketing' and 'contact' approaches.

The former involves the continuous and conscious assessment of opportunities to: build in a particular area (developers); dispose of land for development (landowners); pass on relevant information on market demand or credit availability (estate agents and financiers); or to meet local housing requirements (planners and councillors). The latter represents a more 'hit and miss' approach which relies on a network of contacts with a variety of groups and individuals through whom information on favourable conditions for participation or on particularly advantageous propositions can be obtained.

On the basis of responses made in the interview surveys, it became apparent that these two approaches do not represent alternatives but are regarded as complementary. For example, the general awareness of market conditions provided by a systematic 'marketing' approach increases receptivity to stimuli received via the 'contact' approach.

All groups interviewed adopt both approaches although the balance of emphasis varied considerably both within and between the groups. As a generalization, those groups whose livelihoods depend on the operation of the development process place greater emphasis on the more reliable and 'scientific' marketing approach. This is particularly true of the larger firms and organizations who have both a greater capacity to undertake continuous and comprehensive monitoring, and a greater need to identify a range of participation opportunities in order to ensure continuity of large-scale operation.

The only group for whom 'marketing' is generally not the dominant approach is the landowners, whose involvement in the development process is only either a chance or subsidiary concern. Even amongst this group, two of the large landowners indicated that they undertake continuous surveillance of the land and property market and of planning policies in order to identify opportunities for profitable disposal.

Having perceived appropriate stimuli, subsequent action may again be highly variable. Opportunity, ability and willingness to act are not synonymous. Attitude to risk is important, since any decision to act carries some degree of risk in terms of potential time or money wastage. Those incurring the least risk are the intermediary groups (estate agents and financiers) whose decisions are primarily involved in encouraging other groups to make a commitment to process initiation or participation.

Of the participant groups involved, the developers are usually considered to be the main instigators of private housing development and the planners/councillors of public sector development. However, given the complex interdependency between participants which is characteristic of the process, initiation is unlikely to occur until favourable stimuli are perceived by several decision-groups (except for local authority action under direction from central government). Moreover, for a positive response to be made, by one or several groups a

series of contextual factors must also be deemed favourable.

5.2 ASSESSMENT OF DEMAND

In labelling the next identified stage in the residential development process 'assessment of demand', the writer is aware that the terminology used is both imprecise and potentially misleading. In this specific context, housing demand is taken to encompass all individuals and households who either require or have some aspiration to acquire (through purchase or rental) a newly constructed dwelling.

Immediate concern only with the demand for new housing clearly eliminates the bulk of overall housing demand which is satisfied by the existing dwelling stock. However, despite their concern with only one segment of demand, the assessors must first examine the overall situation because of the interconnectivity of the housing sub-markets.

Given that the adopted definition also incorporates an element of housing 'need', particularly in relation to the public sector, a more accurate heading may be the assessment of 'housing requirements' (Housing Services Advisory Group, 1977; Leather and Bramley, 1978). However, despite acceptance of the criticisms levelled about misuse of the term 'demand' (Niner, 1976; Murie, 1976), it is retained here because of its general usage by all of the interviewed respondents (even by the planners and councillors). Where it is considered necessary to clarify the concept being conveyed, the term is elucidated in the text.

This stage in the development process comprises a series of exercises through which information is obtained pertaining to both general market conditions and detailed circumstances operating in particular localities. In practice, demand assessment may precede initiation of the process, its conclusions providing the stimulus for action, or it may follow receipt of other stimuli such as the offer of land for sale. It is perhaps the least investigated stage in the development process (at least by those researchers adopting a comprehensive

approach) and Barrett, Stewart and Underwood (1978), in their review of work on the land market and development process, described studies on demand assessment as the 'weakest link' in existing research.

This section seeks first to comment briefly on the nature of housing demand and, in particular on what constitutes 'demand' for each of the key participant groups. Secondly, it focusses attention on the different methods used by these groups in their assessment procedures. Since demand is an essential prerequisite to the process and has no substitute, the accuracy of these assessment procedures is essential in preventing often irretrievable disaster in financial, social or planning terms.

i) The Nature of Housing Demand

Housing demand is made up of a mass of potential consumers differentiated on the basis of their requirements and their abilities to make these requirements effective in market terms.

In order to simplify the concept of demand, a four-way classification of consumers can be adopted, Figure 5.1. Essentially, consumers can be subdivided on the basis of either attitudinal and psychological characteristics into 'active' and 'latent' demand, or social and economic characteristics into 'effective' demand and 'need'. The resultant categories are mutually exclusive but there is potential for movement between each one.

The distinction between active and latent demand is related to the presence or absence of particular housing goals (Grigsby, 1963).

'Active demand' encompasses all potential consumers who have both perceived a housing opportunity and have responded by either searching for a suitable house or enrolling on a local authority waiting list, whereas 'latent demand' represents the unknown remainder who have either failed to perceive new housing opportunities or have been unwilling to respond to them.

Personal stimuli which generate heightened perception of housing

opportunities and initiate action include changes in household structure, economic circumstances or job location, and dissatisfaction with the physical or environmental character of existing accommodation. Such stimuli have been widely studied using data derived from movers surveys (Michelson, 1977). Contextual stimuli including market conditions, the general economic climate and government policies on credit availability (Chapter 3) may similarly prompt the search for, and recognition of, new housing opportunities and also provide the means by which they can be attained. .

Some of these stimuli are not open to interpretation and require action. For example, the need to move and seek other housing opportunities invariably follows eviction, divorce or a long-distance job change. In other cases, the impact of various stimuli is determined by the receptivity and attitudes of the individual recipients. Some potential consumers are open to all stimuli and, according to Grigsby (1963) are 'market orientated', seeking to derive benefit from changes in the housing market irrespective of any immediate desire or need to move.

Failure to respond to stimuli may stem from ignorance of alternative opportunities, an assumption, valid or otherwise, that the alternatives are unsuitable, inertia, satisfaction with existing accommodation, or an acceptance of financial constraints.

The ability to respond to stimuli is determined not only by consumer characteristics, but also by the entrance criteria imposed by those 'gatekeepers' who determine access to particular housing sub-markets. The subdivision of demand on this basis creates two categories:

- a) 'effective' demand, comprising those who are able to meet the entrance criteria for their chosen sub-market; and
- b) 'need', comprising those who are unable to meet the criteria for their desired, or in some instances, for any sub-market.

It should be noted at this point that 'need' as defined here, does not simply equate with the social concept of need (Needleman, 1965) which necessitates a local authority response. Indeed, it may include a household which has perceived the possibility of moving into a four bedroomed house and has actively searched for suitable accommodation, only to find it impossible to raise sufficient capital.

It is relevant here to digress a little and to examine in more detail the criteria which govern access to the three main tenure groups and the extent to which the surveyed participant groups are involved in 'gatekeeping' roles.

Economic factors determine access to the private sector. The two key controls are cost of housing and credit availability. The prices of new houses are largely controlled by the property developers. They are determined after careful costing exercises (Chapter 8) and are aimed at generating profits whilst not deterring sales. In addition to setting general price levels, developers influence the price of property in any particular area by their selection of housing schemes and individual house types. In making this choice, the developer is aware of the inter-relationships between earnings, credit availability and cost (Chapter 3) which determine consumer accessibility. Such factors are considered to be of greater importance than consumer preferences which may reflect unattainable aspirations. House price levels in an area may also be influenced by estate agents through their sales promotion and valuation work (if their activities also influence the developers when setting the price of new properties, the whole pricing process can become circular). The more controversial effects of planner and landowner decisions on house prices are discussed in Chapters 3 and 8.

Ability to purchase a house is not simply determined by the actual house price but by its effective price set by mortgage lenders and calculated on the basis of size of deposit and monthly repayments. In

practice, the financial intermediaries who determine these effective prices exert the controlling influence upon accessibility to the private sector. The entrance criteria they apply relate primarily to the income, age and marital status of potential purchasers (Williams, 1976; Doling and Williams, 1983). Within this group the degree of stringency in applying controls is variable, with the building societies exerting the most rigorous controls and the banks and finance houses adopting a more flexible approach (Karn, 1976). Whether comparatively stringent or flexible in approach, all financiers are more accommodating towards applicants who are seeking to buy new properties, transactions which are seen to represent less risk.

Inability to afford house prices or to obtain credit may mean that the potential consumers must remain in their present accommodation. For those, however, without accommodation or those forced to move, their housing need must be met by either the public or private rented sectors.

Accessibility to the former is determined by local authority letting policies. The entrance criteria applied typically include: age, residential qualifications, household size, and nature or existence of alternative accommodation. These are applied irrespective of whether the housing sought is new or second-hand. Despite many attempts to encourage open access and to abolish the distinction between 'effective demand' and 'need' in the public sector (CHAC, 1969; HSAG, 1977), the local authority decision-makers continue to adopt a 'gatekeeping' role.

Within the study area, the new district council relaxed some of the more stringent entrance criteria imposed by the former controlling authorities. Examples of these changes include: the relaxation of the minimum age limit from 40 (1974) to 30 (1976) and eventually to 25 (1979) - further reduction is unlikely because of fears of generating student demand; and the modification of the previous residence criterion to enable all private tenants living and working in the district to claim eligibility.

'Out-of-district' applicants may apply (except for aged persons accommodation) provided they have been previously resident, are employed in the district, or are closely related to existing residents. Their admission to waiting lists is permitted in a ratio of one out-of-district to nine district applicants.

In the management of council letting policies, the gatekeeping role is undertaken by the district housing officers and ultimately by the councillors who tend to be particularly active in this area of their duties (Chapter 4.4). In exercising this role, comments received from both housing officers and the councillors themselves indicated that some political prejudice is evident on occasion, particularly in relation to the treatment of applicants who are existing owner-occupiers.

For some categories of applicant, the local authority has a statutory duty to provide accommodation, the most notable being the homeless and persons evicted from tied accommodation. Other applicant characteristics such as ill-health, social circumstances or residence in unfit accommodation may increase, but not necessarily ensure, access. As a result, a group representing true need may still exist and this sub-group of housing 'demand' must seek accommodation in the private rented sector.

The entrance criteria applied to the private rented sector are more difficult to ascertain because of the large number of landlords, i.e. of individual 'gatekeepers' or their agents, each of whom apply their own criteria. Income is a key factor but its influence is reduced by the wide price range of available property and by the government's rent allowance scheme. Income may therefore prevent access to certain types or quality of accommodation but is less likely to prevent access to the sector as a whole.

Various criteria relating to consumer characteristics may be applied (legally or illegally) based on the prejudices of landlords against certain groups, e.g. young families, lone parents, ethnic

minorities and students. To some degree the inequities caused by these 'gatekeepers' are redressed by the more humane and flexible letting policies operated by the housing associations.

Returning to the four-way classification of housing demand, not all categories are the concern of the differing groups undertaking assessment exercises. Only the local authority decision-making group attempt to comprehend overall housing demand, a duty imposed by the HIP legislation (Chapter 3). Even they, in practice, do not treat assessment of the four categories of demand (across all types of tenure) equally. Instead they, like the other participant groups, tend to focus upon that segment of demand which they have an immediate desire or duty to accommodate, i.e. the effective demand and active need for public sector housing. Moreover, since knowledge of latent demand represents only a further burden to the local authority decision-makers (in contrast to the developers for whom it represents a source of potential income) they are less eager to undertake detailed research exercises to assess its extent. The calculation of latent demand and need is, however, a necessary element of the local authority's statistical forecasting exercises. The developers, estate agents and financial intermediaries are all concerned with assessing only two categories of demand - active effective demand and latent effective demand since all of their potential consumers are derived from these two groups. The former represent the immediate market for their products or services, whilst the latter represent the possible future market providing their aspirations can be stimulated and their inertia overcome.

ii) Methods of Assessment

This section seeks to examine how each of the surveyed participant groups approaches the task of demand assessment. Not only does the field of interest differ in terms of what constitutes relevant demand, but also the methods used vary considerably in scope and sophistication. Differences

in methodology occur both between and within participant groups.

Although all groups are considered, particular attention is given to the property developers and to the local authority decision-makers for whom accurate assessment is imperative to ensure, in the former instance financial solvency, and in the latter, fulfilment of statutory duties.

a) The Property Developers

The assessment methods adopted by developers range from the detailed and rigorous to the sketchy and intuitive. Whichever method is favoured, a developer's profitability and survival is determined by, a) his foresight and astuteness in identifying the promising localities and groups of potential consumers for detailed assessment, b) the accuracy of his chosen method, and c) his ability to 'follow through' with decisive action.

Using the terminology adopted in Section 5.1, all of the interviewed developers apply both the 'marketing' and 'contact' approaches to demand assessment. The relative balance between the two is dependent upon the size of the firm, its scale of operation, degree of establishment within the local business community, and type of development practice. The marketing approach involves the continuous monitoring of housing market activity and of factors likely to influence levels of demand. Exploratory exercises to identify pockets of demand may be initially conducted over a wide geographical area with the intention of undertaking more detailed exercises in areas considered to exhibit potential. On the other hand, the contact approach involves the random receipt of information which is usually site, or at least, locality specific. The element of randomness must not, however, be overstated because, in practice, the developers operate within a well established network of contacts (Chapter 4.2) from whom they expect to receive regular information.

In three of the largest firms interviewed, the comprehensive and sophisticated assessment exercises are undertaken by staff within their

sales departments, whilst the fourth large firm has its own specialist market research team. None of these large firms commission external market research. The remaining six firms interviewed in the survey stated that they undertake more informal market research exercises, referred to by several of the respondents as 'back of an envelope' assessments. In these latter instances, assessment is based more on experience, local knowledge and intuitive judgement than on large-scale statistical analyses.

The importance of experience and intuition in these exercises should not be underestimated, even for the large development companies with their complicated assessment methods. Both Kenney (1972) and Bather (1973) commenting on their research into developer behaviour in the USA and Britain respectively, emphasize the important contribution to successful demand calculations made by experience, hunch, and sensitivity to trends and people; a contribution which cannot be replaced by any number of market research exercises. Indeed, for the small developer working in a particular locality, Kenney considers that,

'judgement based on information from complementary business activities and in-depth experience in a relatively confined market area may negate the need for formal market research and the extensive collection of quantified factual information.'

Kenney (1972, Preface)

Despite variations in approach and in information sources, the same basic factors underlying changes in levels of demand must be taken into account. These can be subdivided into two groups, those:

- a) directly affecting levels of demand, e.g. demographic trends, movements in income and credit availability, and changes in social attitudes;
- b) affecting supply, including economic changes which have an impact on the construction industry, national fiscal policies and, with respect to particular localities, planning policies and levels of competition.

In examining these factors, attention must be given to future trends. Because of the time lag involved between the identification and satisfaction of demand (Chapter 3.5), even short-term demand evaluations must incorporate either an element of sophisticated forecasting, or at the least, of inspired guesswork. The reliability of resultant forecasts is dependent not only on the methods used, but also on the quality of the input information. Forecasting is a notoriously difficult and risky task and many of the interviewed developers revealed that in preference to attempting their own comprehensive calculations, they seek opinions or estimates from specialists in each particular field.

For example, although the developers are aware of the main information sources for data on demographic and economic trends, e.g. census reports, planning reports, government reports and economic studies, the need for analyses of these was dismissed by all of the respondents on the basis that the facts and forecasts contained are invariably outdated and that such exercises are over complex and time wasting. In preference, they opt for information obtained from face-to-face discussions with planners, building society managers, occasionally estate agents, local industrialists, job centre managers, bank managers, and industrial promotion officers working within local authorities. From these, they can gain either actual specialist forecasts calculated by the individual organizations, or sufficient information on relevant forward policies and plans, and prospective job creation and expansion schemes, to enable them to be reasonably confident of future changes in the key demand and supply factors operating within a particular locality. Usually this type of information is sufficient to provide the basis for decision-making on individual ventures. However, on occasion the developers, either individually or collectively, seek to challenge existing policies which threaten their future markets and in such

instances, they are willing to undertake very detailed statistical analyses of demand in support of their propositions. Examples of such exercises were seen at the Examination in Public of the County Structure Plan, when the developers tabled alternative demand assessments to those put forward by the County Council (Leech Builders Ltd., 1979; NFBTE, 1979).

This degree of reaction to policies or decisions perceived to be prejudicial to their future operation reveals the developers' full recognition of the potential effects of planning policies on the level and distribution of future housing demand. The interviewed respondents, particularly those representing the large firms, were fully conversant with local authority policies on population distribution, settlement growth, industrial location, transport provision and environmental protection. They accepted that such policies can either stimulate or suppress demand within a particular locality and acknowledged that a shrewd developer must be able to predict any consequent pattern of created or deflected demand. All of the respondents reiterated the importance of discussing such policies with the planners rather than simply obtaining information on their policies from published material. From such discussions, the developers attempt to gain insights which may point to the means of challenging or circumventing obstructive policies.

Planning policies may have a controlling influence upon levels of supply but another key determinant of supply, and hence of future demand, is competitive developer activity. All of the survey respondents emphasized the importance of being aware of the detailed development programmes of their competitors. Such information is essential in order to enable them to avoid direct competition, steer clear of areas subject to market saturation, and to remain 'one step ahead' in 'cornering' the market in areas of untapped demand.

Not all developers are in direct competition for the same segment

of demand, for example, a large developer building a large estate of medium-priced housing is not in competition with the small developer building for the executive market. However, the activities of the one may affect (either positively or negatively) the market demand for which the other is seeking to cater. To elaborate, a medium-priced development project will destroy the appeal of a locality to the potential consumers of executive properties who are eager to ensure the exclusivity of a chosen neighbourhood. Hence, a small developer who is seeking to satisfy this type of demand will search for sites elsewhere. On the other hand, a proposed 'executive development' can raise the overall attraction and 'snob appeal' of an area, an asset which developers of medium-priced estates are keen to exploit.

Direct competition between the large developers catering for the 'average consumer', i.e. in the study area, those requiring a three bedroomed semi-detached house, can be fierce (particularly at the site selection and acquisition stages, Chapters 6 and 9). The saturation of demand is always a danger especially in smaller towns and villages in areas where the prospects for future growth are at best mediocre. As a consequence, it is rare for developers to build side-by-side, although in the study area the large Newton Hall Estate is a successful example of this type of venture. Its success may be attributed to the circumstances prevailing in the early 1960s when Durham City, with its relative dearth of modern private houses, was experiencing a period of rapid in-migration.

Information on the forward programmes of competitors is obtained from 'contacts' using varying degrees of ethics. The most frequently quoted sources were: building society managers, local authority building inspectors and estate agents. Building inspectors provide information on landownership patterns and on the location of land held under option which are important indicators of future development

locations. Details on the location of future schemes can also be obtained from planning application registers, but only the three largest developers quoted this source.

Unofficial contact between sales personnel within rival firms provides some information, but this clearly requires careful assessment. This source can supply invaluable information on the timing of proposed schemes, which is crucial to competitors who are seeking to schedule their development programmes with the aim of either usurping their rivals and commandeering the market, or delaying construction until demand has revived.

Finally, 'groundwork' was cited as an information source. This may refer to anything from ad hoc discussions with local residents (often held in the local public house), to the collection of information held in development site offices by persons in the guise of potential buyers.

To assist in their interpretation and evaluation of accumulated information on factors influencing levels of demand and supply, the developers often draw upon their knowledge of the past sales performance of estates (both their own and their competitors') in the locality of interest. This knowledge may be rigorously collected from sales records and studies of movements in the new and second-hand market. However, the ability to undertake such detailed assessments is dependent upon the availability of carefully catalogued records, an asset found only in the largest firms which possess their own sales departments (three of the firms in the survey). The smaller firms have insufficient time and manpower to maintain such records, and past sales information tends to be held either in a jumble of unclassified notes, or subconsciously in the memories of the company director and his staff. Cited external information sources include: building society managers, solicitors, estate agents and the sales personnel of other development companies, but most respondents stated their reluctance to rely on

such information (particularly that obtained from estate agents whose motivations for promoting particular areas were considered to be suspect).

The actual application of knowledge of past sales performance to a 'market research exercise' may occur at any stage in the assessment procedure, and amongst the interviewed developers there was no observed regularity in practice. Most use sales performance information to refine, confirm, or give weight to conclusions derived from assessing information on population, economic and planning trends, but some initiate their assessment exercises by the examination of market trends, whilst others simply absorb a jumble of information and impressions in indeterminate order.

The fact that all of the developers take past sales performance into account and attach considerable weight to this indicator, reflects both an assumed predictability and regularity in market behaviour and the developers' conservative approach to decision-making (Chapter 4.2). Essentially, developers gain confidence from identifying localities in which market characteristics correspond to those which have proved successful for earlier schemes.

In dwelling upon past performance, it is thus a desire to identify repeat favourable conditions rather than an assumption that past performance rates in an area will continue, which motivates the developer. Although, on occasion, developers cite past building rates as an indicator of future levels of demand (e.g. in the NFBTE's statement on structure plan population forecasts (NFBTE, 1979), there is wide recognition that the figures derived relate more closely to the levels needed to ensure continuity of developer production than to actual levels of consumer demand. Assessments on past building rates may therefore be valuable in making a point to planners and government, but for individual market research exercises upon which decisions and financial commitments are made, they are considered inadequate if not inaccurate.

In order to illustrate the type of information which can be obtained from detailed sales performance records, an exercise was undertaken to analyse the estate records for five separate developments which were made available by three of the interviewed firms. The aim was to select examples of medium-priced and executive schemes located both within Durham City and in the surrounding villages. However, choice was restricted by the tendency of all three firms to build large-scale, medium-priced schemes and by their concentration of construction activity in Durham City rather than in its adjacent settlements (most development in the surrounding villages has taken place since the completion of this exercise in 1974).

The five selected developments are described below.

- i) High Grange, Gilesgate Moor - situated on the eastern periphery of Durham City, this sizeable estate of medium-priced houses was built between 1963 and 1970.
- ii) Newton Hall, Framwellgate Moor - this very large estate built by three separate developers is located on the northern periphery of Durham City. Development commenced in 1963 and continued in a succession of construction phases throughout the study period. Although the bulk of the estate represents medium-priced housing, it contains a variety of properties and price ranges.
- iii) Gilesgate Riverside (The Sands) - a comparatively small and more prestigious estate located close to the centre of Durham City. It is not, however, representative of the small executive developments located elsewhere in the city. Construction commenced in 1966.
- iv) Shincliffe Bank Top (subsequently renamed High Shincliffe) - situated close to, but not in, Shincliffe Village which is regarded as one of the most desirable residential areas

within the district. It comprises medium to high-priced housing but its size prevents it being classified as an 'executive' development. Construction commenced in 1967.

- v) Chase Park, Sherburn Village - a small, medium-priced estate located in one of the larger villages situated approximately $3\frac{1}{2}$ miles east of the city.

For each estate, the records provided information on: cost and type of property, date of purchase, and the previous place of residence of each purchaser. In addition, information on the occupation of purchasers was available for four of the five estates.

Table 5.1 indicates the origins of purchasers on each estate. The proportion of purchasers from outside Durham District was highest (82%) at High Shincliffe, the three Durham City estates averaged over 70%, whilst on Chase Park, the proportion fell to under 60%. Taking the five estates together, approximately 75% of purchasers were external to the district. However, 58% of these were short-distance movers who had previously resided elsewhere in either County Durham (20%-since the North East New Town category cannot be subdivided, Washington has been included in the County Durham total), or Tyne and Wear County (38%). There was considerable variation between the estates in terms of the distance moved. The Newton Hall, High Grange and Gilesgate Riverside estates attracted most of their purchasers from Tyneside, and the dominant origin of purchasers on Chase Park was Sunderland. In contrast, most of the non Durham District purchasers at High Shincliffe had moved from the South East of England.

On all five estates, the movers internal to Durham District were predominantly former residents of Durham City although High Grange and Chase Park estates had a higher proportion of purchasers who were former residents of villages within the district. The records of

Newton Hall estate provide evidence of intra-estate movement; purchasers seeking to 'trade-up' in terms of house size and cost without leaving their immediate neighbourhood.

The sales records also provide information on the occupation of purchasers which can be translated into a socio-economic group classification (Table 5.2). It should be noted, however, that data were available for only four of the estates and even for these, the records were often incomplete, e.g. Gilesgate Riverside recorded 20% of its purchasers as unclassified. From the available data, the resultant pattern was consistent across all estates in so far as the majority of all purchasers were in 'white collar' occupations, i.e. managers, professionals and non-manual workers. Within each estate, the balance between these three groups varied with High Shincliffe recording the highest proportion of employers and managers, Gilesgate Riverside demonstrating a bias towards professionals, particularly university lecturers and teachers, and the two larger peripheral estates of Newton Hall and High Grange revealing a dominance of non-manual workers, especially local government officers and sales representatives. Purchasers in skilled manual occupations represented between 15-20% of the total on the larger peripheral estates, dropped to under 6% on Gilesgate Riverside and were totally absent from the list of purchasers for High Shincliffe. Demand from the semi-skilled group was virtually non-existent.

From this sort of information, the developers can build-up a picture of the type of consumers attracted by particular locations and estate characteristics. This enables them to gauge the response to various types of schemes, and to gear their house type selection and 'sales pitch' to the appropriate market. In addition, the data on purchaser origins is valuable in estimating future levels of demand and in pointing to the relevant demographic and economic trends for

assessment. For example, a simple assessment of economic prospects and earnings of residents in the immediate area, or even within the North East, is completely inadequate if the likely market is to be purchasers from outside the region.

Developer Views on Housing Demand within Durham District

On the basis of their knowledge of past market trends and recent exercises to ascertain levels of demand in the study area, each of the developers was asked to comment on the nature and variability of housing demand across Durham District. Their responses reflected differences in the 'target markets' defined by firms specializing in particular types of development, but there was a considerable measure of agreement on both the nature and preferences of existing and predicted future demand.

All ten respondents made a clear distinction between 'incomer' and 'local' demand. 'Incomer' demand, i.e. originating outside Durham District, was predominantly associated with Durham City itself and a few of the small attractive commuter villages nearby, e.g. Shincliffe, Hett and West Rainton. They referred to 'incomers' being attracted by the presence of employment opportunities in Durham City, particularly in the higher income professional and managerial jobs associated with the Post Office Savings Department, County Hall, the Police Headquarters and the University and colleges. In addition, the character of the historic city and its excellent communications were considered to be important market attractions. It should be noted that these comments were made in 1974 and reflect both immediate experience of a period of economic expansion and prosperity in the late 1960s, and a reasonable optimism for the future which prevailed at that time.

In predicting a continued in-movement of purchasers from outside the district and county, the developers did, however, acknowledge that despite this demand being both 'effective' and 'active', a proportion will remain

outside of their reach because of preferences for older second-hand properties. Information obtained from surveillance of the second-hand market and from personal observation, clearly reveals that the group able to afford higher prices (often purchasers who have moved from areas with higher house prices in general) is most strongly associated with the market for town houses in the city, inter-war properties on the outskirts and old cottages in the surrounding villages. Some new small prestigious developments have, however, proved to be strong competition for these older properties, e.g. Archery Rise, Aykley Green and Margery Lane within the city and St Mary's Close at Shincliffe, thus encouraging further construction activity by the specialist 'executive' developers.

In numerical terms, the bulk of 'incomer' demand has been successfully attracted to the large peripheral estates at Newton Hall and Belmont. At the time of the survey and, indeed, throughout the study period, these estates have accommodated the demand for new medium-priced housing. Their sustained popularity does not necessarily reflect consumer preferences, rather the lack of alternative choice, and three of the respondents admitted that these large estates are not always what the consumers want, but are successful because they are 'what the customers can afford'. The respondents felt confident that the demand for this type of estate would continue, although they were aware that an element of market saturation within Durham City itself and the likely lack of new sites within the built-up area may deflect this demand to some of the nearby villages.

The assessment of existing and prediction of future 'local demand', was considered to be a more difficult task, since they are influenced by a greater variety of factors. 'Local' demand may be generated by newly formed households, e.g. married couples who wish to stay in their local community, but most local movers are existing householders who wish

to change their home in order to: improve their accommodation, obtain more space, increase their social prestige, trade-up and make a profit, or change tenure group to owner-occupation. Unlike most of the 'incomer' demand, however, a proportion of 'local' demand is neither active nor effective, creating greater assessment problems.

In commenting on 'local' demand, the respondents drew a distinction between 'local' demand generated within the city and that originating in the smaller villages. The former, comprises mainly movers who are seeking to trade-up and move to larger or more prestigious properties. Many seek to move within existing estates or to older properties within the city and thus the market created for new houses is comparatively limited. 'Local' demand generated elsewhere in the district is more strongly associated with first-time buyers, e.g. new households or households seeking to move out of local authority or private rented accommodation. Trading-up does occur, but this usually involves movement from older poor quality housing to low / medium-priced new housing.

Within the city, the respondents were confident that 'local' demand would continue at similar levels to those experienced in the past providing the slump (1973/74) in the housing market did not continue to depress prices, and further restrictions were not imposed on credit availability. In the remainder of the district, the respondents expressed the view that several of the villages (especially those without alternative modern properties) could generate sufficient 'local' demand to enable an astute developer to make a profit from an appropriately priced scheme. However, this was qualified by comments that few developers are willing to risk investment in a scheme which is primarily dependent upon demand created by geographical inertia. The settlements considered to offer the best potential were therefore those which would prove attractive to both 'local' and 'incomer' demand.

Confidence in the future market potential of the district as a

whole was shared by all of the respondents, although the differential attraction of particular villages and localities was emphasized by each of the ten developers. Details of the latter are discussed further in Chapter 6, where market potential is examined from the point of view of site and environmental characteristics rather than consumer preferences. Only when these two elements of market potential are considered together can an accurate evaluation of an area and the likely commercial success of a particular scheme be made.

b) The Local Authority Decision-Makers

Before examining in detail the methods of housing demand and need assessment used by the County and District councils, comment must be made on the complexity of these exercises caused by the fragmented responsibility for this local authority duty (a duty re-defined during the study period by legislation on structure and local plan preparation (Town and Country Planning Act, 1968) and on HIPs (Circular 63/77).

Assessment may be undertaken by either the district or county council or, more frequently as in the study area, by both. Overseeing all exercises, the DOE both recommends methods of analysis and vets the results. Within the local authorities, responsibility for assessment rests, in practice, with the planners and other officers (mostly in the housing department), but, in name, with the elected councillors. In order to illustrate the variety of individuals and departments involved, the following list summarizes the main participants and their varied roles in contributing to the local authorities' assessment exercises.

- a) The County Planning Officer is responsible for calculating overall population targets and dwelling requirements, and for monitoring the effects of the council's settlement policies which partly control the distribution of demand.
- b) The District Planning Officer is similarly responsible for calculating overall dwelling requirements but, for the

purposes of preparing annual HIPs statements and of formulating detailed district plan policies, his assessment must incorporate details of demand and need broken down by tenure, type and location.

- c) The District Housing Officer manages housing waiting lists and calculates levels of need within the public sector.
- d) The Environmental Health Officer identifies unfit housing and controls demolition programmes, activities which provide valuable information on the level of demand or need generated for replacement housing.
- e) Administrative officers handle mortgage applications and requests to purchase local authority properties, and supply data on these transactions which can influence both levels of demand and supply within the public and private sectors.
- f) County Councillors sanction decisions on assessment methodology and input assumptions, and are ultimately responsible for taking policy decisions on population distribution, settlement growth, and housing land release, which considerably influence levels of housing demand.
- g) District Councillors similarly sanction decisions on demand assessment and take decisions on relevant policy issues, but in addition, they tend to be more personally involved in demand / need assessment at ward level.

Amongst these individuals, demand assessment may be varyingly regarded as a duty imposed by central government, a service to their electorate, or merely as a job to be undertaken on behalf of their employers. The approaches adopted, and conclusions reached frequently differ, often generating friction particularly between the officers and councillors working within the two authorities.

On this, as in other major decision-making areas, there are,

however, attempts at co-operation and co-ordination between the two authorities. For example, regular joint meetings are held between the County and District Planning Officers, a district monitoring group meeting between senior officers from each authority takes place on a monthly basis, and many informal meetings take place between more junior staff. In order to settle or avoid disputes internal to each authority, senior staff meet on a regular basis in management team meetings.

The success of both the inter-authority and inter-departmental attempts at assessment co-ordination is, however, severely hampered by the differing objectives of the assessors. These, reflecting the priorities and ambitions of the individuals, departments and councils involved, result in the production of conflicting numerical findings and contradictions in policy decisions. For example, the discrepancy in the County and District Councils' assessments of housing demand and its corollary housing requirements can be primarily attributed to their differing objectives. The District's calculations were based on the premise that growth should be both promoted and facilitated, whilst the premise underlying the County's assessment was that the centrally located districts should not be permitted 'excessive' growth in the interests of reviving the more disadvantaged districts in the east and west of the county. Within the District Council, the problem of conflicting departmental objectives was illustrated during the 1970s, when one department was pursuing a programme of housing modernization by converting four into three bedroomed dwellings, whilst simultaneously, another was striving both to demonstrate, and act upon, the need for more four bedroomed dwellings.

With reference to the actual methods used in demand assessment, examples of both 'marketing' and 'contact' approaches can be found. Emphasis rests on the former in assessments conducted by the planners

and housing officers, whereas assessments made by the councillors themselves tend to be reliant on the contact approach, i.e. based on information received from members of their electorate. The planners do, however, gain some information via contact with developers, estate agents, applicants for planning permission (especially those involved in appeal disputes), and the public in general through participation exercises. Such information is used, where appropriate, to support or supplement the findings of statistical analyses which provide the basis for their assessments. The most common method of statistical assessment is called the total housing stock method which incorporates calculations of demographic trends and dwelling stock changes. Where individual authorities undertake their own detailed assessment exercises, as an alternative to relying on DOE calculations (HSAG, 1977;) variants of this general method are adopted.

Durham County Council is one authority which has adopted its own methodology, details of which can be found in published technical papers (Durham County Council, 1979b). In brief, the method involves identifying the balance between the number of potential households and the number of available dwellings at a specified future date. This equation is derived from:

- a) calculated household projections based on past trends in: population size (derived from census data and numbers of electors), age and sex structure, birth and death rates and average household size;
- b) assumptions about anticipated growth rates and migration levels based on knowledge of economic trends and planning policies, which are applied to statistical projections in order to produce population and household targets;

c) estimates of future stock levels, obtained by adjusting the stock levels at a particular base date by applying data on completions and demolitions plus an agreed vacancy rate.

Many of the input assumptions are open to question and, during the Examination in Public of the County Structure Plan when the method was effectively 'put on trial', various aspects were challenged. Criticism was levelled at the treatment of migration as a residual, but the most controversial debate centred on the use of subjective targets instead of statistical trend projections. The latter were charged to be self-fulfilling in relation to key structure plan objectives, notably those seeking to maintain a stable county population and to reduce population losses from the eastern and western districts of the county.

Instead of reflecting and projecting past trends, these targets, in some instances, represented a reversal of existing trends whereby declining districts were targeted to grow and those expanding in population, to remain stable or experience restrained growth. The study area came into the latter category and, along with the other constrained districts, expressed its vehement opposition to the results of the assessment exercise and their policy implications.

In their formal objection to the structure plan, the District Council expressed the view that the proposed diversion of population away from the district would be detrimental not only to the district itself, but also to the county as a whole. At a detailed level, they condemned the methodology whereby, having decided on planning principles that no further releases of housing land should be made in Durham City, the projected population target for 1991 was 'worked backwards' on the basis of the capacity of existing housing sites and an assumed average household size.

Revised population targets were tabled by the County Council at

the Examination in Public, but these remained considerably below those calculated by the District Council. The County Council estimated a total district population of 86,000 in 1991 (84,600 in private households subdivided between the city 38,700 and the rest of the district 45,900). When converted into households (assuming an average household size of 2.60 and allowing for a 5% vacancy rate) a derived total housing stock requirement of 34,200 was obtained which, when compared with the 1978 dwelling stock of 31,200 left a deficit of 3,000 dwellings by 1991 (increased to 3,700 taking into account clearance rates) (Durham County Council, 1979a). In comparison, the District Council's 1991 population figure for Durham City was 43,500, some 4,800 higher than the County Council's estimate. In the ensuing debate, the County Council expressed a willingness to accept an upper limit of 40,000 (total population) whilst the District Council refused to accept a reduction below 42,000. The DOE's inquiry panel recommended adoption of the 40,000 population limit in view of the need to protect Durham City from further major releases of housing land. However, this decision was amended by the Secretary of State who chose to approve a compromise figure of 41,000 citing the fact that the city's population in 1979 already exceeded the proposed 40,000 level. On this basis a revised and updated calculation of dwelling requirements was undertaken by the County Council which concluded that in order to accommodate a 1991 total District population of 87,000 an additional 2,800 dwellings would be required (Durham County Council, 1981). Unfortunately, it has not been possible to quote entirely self consistent data in the above discussion. This is because of the confusion which exists in the published documents between total population and population in private households.

This altercation has been reviewed in order to illustrate the importance of these calculations to the decision-making groups involved.

These statistical analyses can set the context for long-term policies which in turn can control physical development and investment patterns. Yet as revealed here, the figures produced can be easily changed or manipulated by the simple adjustment of technical assumptions, and significant differences in assessment findings can result from relatively minor changes in methodology. Those who take these decisions are in a position of considerable power. Invariably given the complex technical nature of these exercises, it is the officers, i.e. the planners, who possess this power rather than the councillors to whom the technicalities of statistical analyses are often incomprehensible. Some councillors can evaluate these exercises, but most realistically opt to trust their officers and relinquish their control. Murie (1976) in commenting on this practice, has pointed to the potential dangers of its misuse by planners who can pursue their own ends behind a screen of spurious objectivity and unnecessarily complex technicality. However, as in the case cited above, local authority assessments are often subject to external regulatory vetting mechanisms, which are applied either on a statutory basis by central government, or on a voluntary basis by groups, e.g. other councils, individual developers or the NFBTE, who are seeking to protect their own interests.

The value of the total household/stock method and of similar statistical techniques used to assess total housing requirements has been widely criticised by academics. In particular, Niner (1976) comments on the inherent problem of circularity in the methodology in that population levels, whilst determining housing requirements are themselves partly determined by the availability of housing. As a result, any projections made on this basis have a tendency to become self-fulfilling. Wider criticism relates to their over simplistic character and the omission of questions on tenure balance and mismatch within the existing stock (Lomas, 1975). These methods produce purely numerical estimates and

it is a criticism of the assessors rather than the methodology itself, that a preoccupation with the 'numbers game' leads to a disregard for the social and economic factors which underlie levels of demand and need for new housing provision. Local authority decision-makers may counter that these factors are both implicit in the past trend data upon which the projections are based, and taken into account in the production of targets, but this type of analysis does not reflect a full understanding of the mechanisms involved.

The promotion of greater understanding of the housing market was one objective of the HIP system and, as part of their annual return, local authorities were encouraged to undertake more meaningful assessments of housing demand and need. In practice, however, the methods used by Durham District and, indeed, by most district councils fall far short of this ideal. This is as much a reflection of central government's failure to ensure that 'meaningful' assessments are carried out as it is of individual local authority attitudes. Indeed, a district housing officer revealed that attempts to provide detailed realistic assessments can prove to be detrimental in terms of subsequent monetary allocations (Chapter 8) and, as a consequence, submissions tend to be based on 'hastily drawn up statements' using information collected for various ad hoc district plan exercises.

Many of the alternative methods of assessment are, in practice, unrealistic. For example, the method devised by MacMurray and Shoults (1973) and commended by Niner (1976), whilst promoting an understanding of the housing market and the behaviour of the decision agents and consumers involved, cannot supply the necessary answers for the local authority decision-makers, i.e. it does not enumerate the number of dwellings required. Despite the inadequacy of numbers in conveying the 'real picture', it cannot be ignored that they form an important input to plan preparation exercises and are of even greater importance to local

authorities in providing the basis for bids for financial allocation. These two activities are of central concern to local authorities, and exercises aimed at finding a theoretical optimum housing solution were considered by the respondent planners and councillors to be potentially over-controversial (judging by the reactions to the inclusion of a fair 'realistic' assumption and the target projections), time wasting and superfluous.

Yet it would be unfair to convey the impression that housing demand assessment at both county and district levels consists of only general statistical analyses. The following two sub-sections outline some of the additional work undertaken to supplement their calculations and to improve, to some degree, their understanding of housing demand in both public and private sectors.

The Public Sector

The most widely used method of calculating both the demand and need for additional council housing involves an assessment of the housing waiting list (SHAC, 1972; Niner, 1976). This technique is used by officers (housing department) employed by Durham District Council upon whom responsibility for public sector housing rests. Information from the waiting list is fed into both district plan exercises, e.g. relating to housing land allocation, and the annual HIP statements. The data extracted include details of applicant requirements in respect of the size, type and location of preferred accommodation, and the age, household size, social and employment characteristics of the prospective tenants.

By applying the council's method of priority classification to the waiting list applicants, an indication can be gained of short and long-term demand / need which, if related to figures of existing stock, known clearance rates and a knowledge of turnover rates in tenancies, can provide an estimate of new dwelling requirements. Clearly, this type

of assessment is subjective in that by adopting the priority classification an implicit assumption is made about the immediacy and degree of need (as opposed to demand) represented by the list. If these derived figures are subsequently fed into wider analyses, the true picture of housing need and demand may be underestimated. The problems are compounded if waiting list data are used in projections given the great variability in rates of entry onto the list, tenancy take-up and dwelling clearance, all of which condition the level of demand at any one time. Other factors which control the availability of existing stock are also highly variable being dependent upon government decisions on financial allocations for building programmes (Chapter 3) and rates of deterioration in the existing stock (these can fluctuate considerably especially if defects are uncovered caused by errors in past building techniques).

With regard to the housing list itself, this is maintained within Durham District by the District Housing Officer whose actions are vetted and endorsed by three Area Housing Committees. These committees administer the district's two housing areas which are subdivided into six housing districts. The 'housing list' is, in practice, six separate lists, with one for each housing district. Table 5.3 gives the numbers of applicants on each list for the year 1978. The relative size of each list reflects a mixture of social need, available stock and the desirability of each respective housing district. The lists reflect the variability in housing demand across the district as a whole with housing districts 1 and 2 (together comprising the area of the former Brandon and Byshottles UDC) possessing a surplus of houses over applicants, whilst applicants for homes in housing districts 3 and 4 have to wait for up to five years.

The element of consumer preference is significant within these lists and even within districts 1 and 2, people are willing to wait for some of the more 'desirable' estates and houses. Similarly, people on the lists for districts 3 and 4 could be accommodated immediately

elsewhere at distances of under five miles. Given this behaviour, the housing officer asserted that these lists reflect not only housing need, but also housing aspiration and greed.

Moreover, waiting lists provide a restricted view of public sector dwelling requirements because they measure only those households who represent active and effective demand. These and other limitations have led SHAC (1972), Cullingworth (1972) and Niner (1976) to recommend usage of these data only as a guide to the location and type of new property required rather than to the actual numbers needed. In addition to the use of lists for straightforward numerical assessment, these writers suggest a valuable use might involve the identification of mismatch between prospective tenants and available stock. In practice, however, the findings of any mismatch exercise are difficult to interpret and even more difficult to apply given that the results may prompt violation of council policies regarding security of tenure.

As an additional data source to waiting lists, the District Council's Housing Department has undertaken various ad hoc surveys of specialist needs for local authority housing. As an example, a survey of demand/need for aged persons accommodation was undertaken in 1978 because of a growing recognition of the scarcity of supply. The results of this exercise were fed into district plan policy documents and the forward building programme.

Further insight into both the public and private sector markets was provided by a home interview survey which was commissioned by the County Council in 1974. This illustrated the relationship between tenure and socio-economic group which can be used in the prediction of future effective demand for individual sectors. The survey also provided information on levels of latent demand through questions asked on preferred tenure. In response to these, only 40% of household heads expressed a preference for local authority housing compared with 44% already living in this tenure group, indicating a net demand (although

not necessarily effective demand) to move out of, rather than into, the public sector. However, given the small sample size of this survey (2½% of all households in County Durham) the reliability of its findings must be open to question.

These statistical and ad hoc surveys represent a marketing approach to demand and need assessment, but further information is provided through use of the contact approach, primarily via the councillors. The councillors collect information, usually on a ward basis, through ward surgeries and informal contact with their electorate made in the local club, church, shop, community centre or in the councillor's home.

However, assessments made on the basis of this type of information are often subject to bias and parochialism. The direct involvement of individual councillors in assessing the immediate needs of his or her ward electorate may impair their ability to make objective decisions on assessments of overall district housing requirements. Moreover, it may result in pressure being exerted on officers, political groups or even on the council as a whole, to ensure that policy recommendations reflect the needs and desires of particular ward residents. Where successful, housing demand assessment may be based on political expediency rather than on a statistical or factual basis, and result in policy decisions which are neither efficient nor efficacious in meeting the demands, or more importantly, the urgent needs of potential consumers throughout the district.

The Private Sector

Despite their acknowledged duty to consider all housing requirements, as stated in the Cullingworth Report (1969) and made even more explicit in the HIP legislation, both the District and County Councils have tended to place greater emphasis on assessing (and fulfilling) public sector requirements. This bias is partly a reflection of, a) the political objectives of the two Labour dominated councils, b) the prevailing attitude amongst most officers and councillors working in the study area

that the 'private sector can look after itself', and c) the lack of national guidance on private housing demand assessment. The latter was demonstrated by the HSAG report (1977) which failed to make any recommendations on methods of quantifying private housing demand.

Often the local authority decision-makers feel less of a duty to meet private sector demand considering much of this to be generated by external consumers rather than their own electorate. They are also aware that new private development can be controversial, causing upset amongst existing residents because of claimed adverse social, economic and environmental effects (consideration of similar adverse effects which may equally apply to public sector development is rarely taken into account). As a result, private sector demand is often treated as a residual in assessments of total housing requirements, this being the case in the County Council's total household/stock assessments and in their calculations based on housing land availability.

There are, however, examples of more positive attempts to assess private sector demand. Most of these have been made by the District Council, but at county level some additional information has been collected from the home interview survey referred to above, and from surveys made for the aborted Central Durham Study (Chapter 6). The former survey revealed an existing owner-occupancy rate of 44% of interviewed households compared with a stated preference rate of 54%. This differential is indicative of latent demand but provides no indication of the extent to which this could become effective. The latter surveys provided some data on house price levels within the district, derived from press advertisements and discussions with estate agents but, without detailed 'follow-up' work on sales performance, their value was limited.

As part of the district plan preparation work, the district planners have made a more concerted effort to assess private housing demand. Three separate exercises have been undertaken: an examination

of in and out-movement within the private market; a study of house price differentials within the district; and a joint assessment with the NFBTE of housing demand and development potential within each settlement.

In their house movers survey (which took place between February and July 1979), a sample of out-movers was derived from amongst households whose properties were advertised for sale either in the local press or by estate agents. Although not directly comparable in time, the in-movers sample was taken from the occupiers of houses built since 1977. From the survey they discovered that although a high proportion of the total moves were internal, the in-movers to post 1977 properties were predominantly from outside the district, confirming the findings of the search through developers' estate records. The major source of in-movers was Tyne and Wear County where the majority of the district's new residents continued to work.

The information on price differentials was obtained from two major local estate agents (both of whom were interviewed by the writer as part of the estate agent's survey). These data were considered valuable particularly in highlighting demand for 'executive' housing in the district. For example, one of the agents revealed that in December 1979, he had 140 persons (excluding local residents) on his lists seeking houses within Durham City at a price of £45,000 or over. Both planners and estate agents fully recognize that this demand stems not only from the nature of consumers seeking property in the city, but from the general scarcity of higher priced houses in the city and especially within the surrounding villages.

The third exercise examining the market potential of individual settlements, was undertaken on a joint basis with the NFBTE and local estate agents. The idea was provided by publication of the Greater Manchester Housing Land Availability Study (DOE, 1979) and the District Council was quick to seek similar assessment co-operation in the study area.

The study was launched prior to Circular 9/80 (Chapter 3.3 (iii)) which directed County and district councils to undertake joint land availability studies with local developers (Chapter 6). The independent assessment already conducted by the District Council, plus continuing conflict between the two local authorities, led to the District Council's refusal to participate in the County Council's first Circular 9/80 exercise. Although the District Council's exercise provided considerable insight into levels of demand within the study area, its findings relate more directly to site rather than demand assessment and are thus reported in full in Chapter 6.

Each of these exercises involved interaction with other participant groups in the development process and it was conceded by the interviewed planners that these exchanges had been useful in raising their general awareness of the private sector housing market. Education was not, however, the primary object of the local authority decision-makers in initiating these exercises or in participating in general discussions. Rather, all information was collected with the specific object of supporting district policy objectives, challenging adverse policies devised by the County Council, and of supporting cases made to central government for monetary assistance.

These private demand assessment exercises may be classified as examples of the marketing approach although each involves contact with other groups. Simple assessments made on the basis of impromptu contacts are less evident in relation to the private sector. In particular, the councillors rarely seek any direct involvement in private demand assessment, having less immediate contact with potential consumers, and being wary of interaction with the suppliers of private housing (Chapter 4.4).

The Private Rented Sector

For completeness, comment is made on the methods used to assess

demand for this smallest market sector. These, however, are most marked by their absence. If, in terms of demand assessment, the private sector is treated as a residual, the private rented sector is treated as a residual of a residual. The planners monitor changes in the size of this sector on the basis of census data (in 1971, 17% of households lived in private rented accommodation but this fell to just under 10% in 1981). They are also aware of the location of concentrations of private rented property, notably in Durham City where there is a special student demand, and in some ex-mining villages where property is still owned by the NCB. Beyond this, little attempt has been made to assess the nature and extent of demand for this sector except for the routine monitoring of university and college expansion programmes and policies on residency.

c) The Estate Agents, Financial Intermediaries and Landowners

Demand assessment is not only undertaken by the two principal housing suppliers, estate agents, financial intermediaries and landowners may also participate in this stage of the development process. Indeed, for the estate agents and financial intermediaries demand assessment forms an integral part of their day-to-day activities. Their approach to assessment differs slightly from the developers and local authority decision-makers because their objective is not to reach a final decision about the wisdom of progressing the development process with respect to the locality under scrutiny. Rather, it is to provide a service to the main housing suppliers, whereby the information and level of assessment provided, is sufficient to enable the housing suppliers to make their own final assessment prior to committing themselves to further action. Where a landowner participates in this stage, his actions and motives are more akin to those of the main housing suppliers, since the exercise is undertaken with a view to deciding upon future action. However, unlike the developer who is

questioning where housing demand is concentrated, the landowner is seeking to discover if it is concentrated on his land.

Although the estate agents, financiers and even the larger landowners may be described as adopting a marketing approach to demand assessment, they each rely heavily on the contact approach to provide up-to-date information on market trends. The following sections provide a brief comment on the methods of appraisal used by each group.

The Estate Agents

Given their role as disseminators of information and as intermediaries between vendors and prospective purchasers (Chapter 4.6), estate agents are in continuous contact with both potential consumers and suppliers of private and private rented housing. Essentially they need undertake no special demand assessment exercises since their mode of operation constitutes a method of assessment itself. However, one of the interviewed agents referred to his attempts to extend his 'working knowledge' of demand by completing several separate studies based on past transaction data.

All estate agents possess knowledge of current consumer preferences and market capacities, information which, if supplemented with data on credit availability, is a valuable and saleable commodity to house suppliers. With respect to future demand prediction they, like the other participants, must rely on a combination of information gained from published planning strategies, media reports, personal communication networks and assumptions about the continuation of past trends.

When asked for opinions on current (1974) and future levels of demand within the study area, they expressed similar overall views to the developers about the general attraction of Durham District which one agent described as 'socially fashionable'. However, they were less confident about both existing and future demand for large estates of medium-priced housing, considering the market for this type of property

to be saturated by the existing peripheral estates. The respondents were united in the view that the greatest future demand was for medium to high-priced small estate developments within the central city area and in the more attractive villages of Shincliffe, Shadforth and Brancepeth. Having stated this, however, they qualified this opinion accepting that, given the limited capacity of both the central city area and these selected villages, future demand is likely to be deflected to less optimum locations.

The Financial Intermediaries

In order to exercise judgement on mortgage lending, or on credit supply for housing construction, the financial intermediaries must have a sound knowledge of the local housing market in general and of the detailed nature of consumer demand. Although some financiers offer credit for local authority housing projects, their involvement is principally with the supply of, and demand for, private housing. Again, their information is primarily based on a working knowledge of the market obtained from daily contact with applicants for credit. In this respect, they rely heavily on the contact approach, although this is solidly backed by statistical monitoring exercises conducted by their national or regional offices.

Given their dual knowledge of consumer demand for, and movements in, credit availability which can either enable or prevent that demand from becoming effective, they are in a good position to act as advisors to other participant groups at this stage in the development process. Their performance of this role was confirmed by the respondents in the developer and estate agent surveys who cited the financial intermediaries as information sources.

Since a local survey was not undertaken of this group, no comments can be made on their opinions of existing or future housing demand within Durham District.

The Landowners

Most landowners assess demand only on an ad hoc basis when prompted to act by the receipt of information on favourable market circumstances or by the need to sell some land. However, some large landowners, e.g. the NCB and the Church, adopt a marketing approach whereby they are constantly monitoring the agricultural and housing land markets in order to find a propitious time for land sale or the initiation of planning application procedures.

Unlike the estate agents and financiers, landowners are concerned only with the demand for new housing (across all tenure groups), which in turn generates a demand for building land.

Few landowners, or their agents seek to undertake assessment exercises themselves, preferring to rely on the analyses made by the planners and developers. In relying on the assessments of others, the landowners are not taking any significant risks since the miscalculation of demand will damage the purchaser rather than the original owner. However, the landowner must be wary of developers who seek to purposefully underestimate levels of demand in order to purchase land at an undervalued price.

Opinions on housing demand were not requested in the landowner survey and hence, the views of this group on variations in patterns of market demand across the study area could not be examined.

CHAPTER 6

LAND SEARCH AND SITE SELECTION

The boundary between the assessment of demand, and land search and site selection stages is particularly difficult to define and justify. In practice, the two stages often merge. Demand assessment may begin with an examination of market trends and consumer characteristics across a wide area but, in most cases, general conclusions must be refined in order to identify the specific demand within a locality which it may be feasible for the assessors themselves or other suppliers to satisfy. Similarly, land search and site selection often involves an initial search for all potential sites within the firm's or authority's sphere of operation culminating in a detailed appraisal of particularly attractive localities and land parcels. It is at this detailed locality or even site specific level that these two stages meet to provide a combined evaluation of development potential.

This stage is subdivided, again somewhat arbitrarily into:

- a) land search representing the mechanics of search for land which may be available for residential development, i.e. for land which is not subject to serious physical, environmental, planning or ownership constraints; and
- b) site selection, involving the detailed assessment of site characteristics from the viewpoints of technical feasibility and 'saleability' (or in the public sector, social utility and acceptability).

Essentially this dual stage comprises various information collection and evaluation exercises which necessitate contact between the participant groups. Indeed, in the schema identified in Figure 2.1, it roughly corresponds to the stage referred to by Harmer and Webb (1978) as being characterized by informal interaction. Interaction takes place between three types of participant - the searchers and assessors, the owners of

land, and those applying constraints to development. In terms of the six interviewed participant groups, the searchers and assessors role is most frequently performed by the two major housing suppliers, the property developers and the local authority decision-group; the ownership role is obviously carried out by the landowners who include the District and County Councils; and the regulatory role is principally conducted by the local authority decision-group. The two groups of intermediaries, the estate agents and financiers, may adopt the searchers and assessors role but, more frequently, they act as information channels between landowners and searchers, or simply as sources of ad hoc information gleaned from their general involvement in the land and property markets.

The following sections direct attention to those two groups most strongly associated with the searcher and assessor roles, i.e. the property developers and local authority decision-makers. For the latter group, there is a problem in that discussion of their role as searchers and assessors must inevitably overlap with their role as regulators. This is because of their dual function as suppliers of public sector housing and regulators of all types of housing development. Each role is, however, differently motivated.

As housing suppliers, the local authority decision-makers, like their private sector equivalents, are concerned with finding a site which is both appropriate for the development scheme envisaged, and financially acceptable in relation to available funds and government cash limits (Chapter 8). On the other hand, financial considerations rarely enter into assessments made by the local authority decision-makers when performing their regulatory planning allocation and control roles (Ambrose and Colenutt, 1975). Instead, they are motivated by a desire to achieve a socially and environmentally 'desirable' and responsible pattern of land development, a motivation which has generated considerable external

conflict between the local authorities and the developers and even, on occasion, internal conflict between planners and councillors.

Sections 6.1 and 6.2 seek to present the differing methods of approach adopted by the property developers and local government decision-makers, whilst Sections 6.3 and 6.4 comment on the relationship between the two groups and on their differing interpretations of market potential within Durham District. In presenting these findings attention is given to the degree of interaction and conflict between these two and the other participant groups and, to a lesser extent, to the measure of power and control which they exercise. The latter theme is developed more fully in the planning control (Chapter 7) and land acquisition (Chapter 9) stages.

6.1 THE PROPERTY DEVELOPERS

Land is an essential input to the residential development process; it has no substitute. Therefore, land search and site selection is one of the main preoccupations of developers. The maintenance of land stocks is necessary to ensure continuity of production and cash flow within the company.

The actual size of stocks maintained, or of 'the land bank', varies with the size of the company, but all of the interviewed developers stressed the necessity of having a minimum of two to three years' supply (measured in terms of their annual building rate). This response was similar to those recorded in surveys conducted elsewhere (Weiss et al, 1966; Craven, 1970; Drewett, 1973). All but one of the interviewed firms, however, carry stocks well above the minimum, usually between four to seven years' supply of which one to three years' supply must have planning permission. It should be reiterated that these responses were made in 1974, and it is likely that, given increasing costs of land holding, the size of these land banks was reduced during the later part of the study period. The distinction between land held with and without permission

was considered to be critical because it is only the former which guarantees continuity of production.

Because of its importance to the development process, competition for land can be fierce. Although not all developers are in direct competition for sites of the same size or type, they are all searching for a limited supply of land which is physically suitable, potentially saleable and either has, or is likely to receive, planning permission. Within these broad requirements each developer has his own detailed site selection criteria which are discussed below, but first comment is made on the methods initially used to identify available land.

i) Methods of Land Search

As in the case of demand assessment, the 'sophistication' of land search exercises varies with the size of the development company, ranging from large-scale, complex 'saturation' exercises to simple 'one-off' assessments based on intuition. This variation primarily reflects the company's geographical scale of operation and the resources - money, manpower and time - which it is able, or willing, to devote to this stage of the process.

Search procedures can be classified into general and 'open' or specific and 'closed'. In the former case, sometimes referred to as the 'saturation approach' (Craven, 1970), the developer searches for land which may be suitable for a variety (in terms of size, type and price) of schemes, whilst in the latter, search activity is restricted to sites which may be appropriate for only one particular type of scheme (or even one specific venture). Despite the tendency of the survey respondents to specialize in certain types of housing development (Chapter 4.2), most adopt the open saturation approach to land search. Using the terminology presented in Chapter 5, their methods of search may also be classified as either 'marketing' or 'contact'. Unwilling to rely entirely upon others at this critical stage in the process, all of the respondents place

emphasis upon the 'marketing' approach which entails continuous surveillance of available land.

Depending upon the size of the firm and the attitude of the director(s), land search may be undertaken by the company owner or director himself or by employed searchers. Only four of the interviewed developers employ land search teams or land scouts whose functions are to, visit various localities, find and assess the market potential of possible sites, and make tentative approaches to landowners. Another developer, said that similar functions are carried out on a less formal basis by persons outside the firm who are 'paid to keep an eye on the land market'. In the U.S.A. this type of surveillance, known as 'bird dogging', is widespread (Weiss et al, 1966; Kenney, 1972). In their British surveys, however, Craven (1970) and Bather (1973) considered this approach to be declining. The present study confirms that it is still practised, particularly by the larger companies, although the 'cloak and dagger' activities of the land scouts' referred to by Craven were probably more evident in the 1950s and 1960s when landowners were less knowledgeable about the land market.

Even where comprehensive land search exercises are conducted 'in house' the developers are reliant on information obtained via interaction with other groups. As in the earlier stages, interaction may be initiated by the developers themselves or by the other participants. The list of contacts is familiar, remaining relatively constant throughout the process: landowners, estate managers, farmland agents, solicitors, building society managers, estate agents, bank managers, planners, building inspectors and valuers (these are not listed in any order indicative of importance). The size of this contact network varies between developers, being most extensive for the small, long established local firms who are more dependent upon external sources.

All respondents referred to their receipt of unsolicited

information on available land, particularly during periods of rapidly rising land prices. However, this 'volunteered' information is often prompted by the developers themselves through their media advertisements and operation in a particular area. The motivation for offering information is usually direct or indirect profit although, in some instances, information is provided on a reciprocal basis, e.g. estate agents may supply information on available sites in return for the sales rights on a completed scheme.

Table 6.1 shows the frequency of citation of particular information sources. Not all sources are listed, however, because of the reluctance of the interviewed developers to reveal some of their sources.

This reluctance is understandable given the sometimes crucial role of these sources in the highly competitive activity of land search and acquisition.

The landowners were the most frequently cited source, reflecting both the predisposition of many landowners in the area to come forward with land offers in the hope of high returns, and the preference of developers to interact directly with them.

Despite this preference for direct contact estate agents, in their capacity as intermediaries between developers and landowners, were the next most cited source together with local authority officers. Estate agents or realtors are prominent in most reported studies on developer land search behaviour (Craven, 1970; Kenney, 1972; Drewett, 1973; Harmer and Webb, 1978). In his study conducted in Kent, Craven observed estate agents to be taking over the role of land scouts, especially for non local firms for whom the agents' local market knowledge is valuable. This was not observed in the study area, but all of the interviewed developers were long established in the area, thus possessing their own local market expertise. Two of the respondents who cited estate agents as sources were small firms without their own search staff. These

respondents considered estate agents to be part of their normal 'business circle'.

Where developers cited local authority officers, these included planners, building inspectors and land agents. Information exchange with this group may take place on a formal or informal basis. Information held within the local authority may be obtained by extracting data from land availability registers (Section 6.2(i)) but, as in the case of demand assessment, most respondents expressed a preference for face-to-face discussions. The planners were quoted as an important source of information on attitudes to land allocation, i.e. on land with, or likely to receive planning permission, whilst the building inspectors and land agents provide information on the general land market and on pending local authority land transactions. The latter is relevant in a district where, in 1979, 23% of all available housing sites were in council ownership, some of which may be sold for private housing development.

The media as an information source was interpreted differently by the respondents. Two developers said they placed local advertisements for suitable land to which local landowners replied, one referred to advertisements placed by landowners offering land for sale, whilst another cited notifications of forthcoming auctions as information sources. This last developer clearly did not benefit from direct personal contact with auctioneers which was a source cited by two other respondents.

Since a considerable proportion of land in the study area is owned by sizeable estates, it is not surprising that at least two of the developers cited estate managers as information sources. From these, advance information can be obtained on the sale of land surplus to requirements or subject to disposal as part of death duty payments or for other taxation reasons.

The remaining cited sources included the usual members of the local contact network referred to above plus, in one instance, a consultant

and in another, other developers. The consultant was cited by a developer for whom residential development tends to be a sideline (Chapter 4.2) and for this company, the purchase of external expertise in land search is a more viable proposition than the employment of permanent staff. Information from other developers may be obtained directly or indirectly. Some developers intentionally put out information on land which is surplus to requirements. Additional land may, however, be sought and obtained via company take-overs particularly by non local firms seeking to gain a foothold in a new area. In such instances, less direct methods may be employed in obtaining information on land banks. Within the study area, none of the interviewed firms referred to past company take-overs, but two cited instances of being offered, and subsequently acquiring, land under development from a firm which had got into financial difficulties.

Whichever method of search is adopted, each developer undertakes the exercise with a predetermined idea of the type of land parcel required. This may not be clearly formulated in terms of size or location, rather it is more likely to be a set of notional characteristics which the developer perceives to be his 'successful formula'. The conservatism of developers has been alluded to in Chapter 4.2 and Chapter 5.2 and their behaviour at this stage in the process confirms this characteristic. Developers like to find something that 'works' and then to repeat their decisions and actions in the hope that profitability can be repeated and risk minimized. This approach has been widely observed elsewhere both with particular regard to developer land search behaviour (Kenney, 1972; Neilson, 1976), and with general reference to business decision-making (Dicken, 1971).

In searching for a site which incorporates all or most elements of the 'successful formula', developers tend to start by investigating the most 'conspicuous sites' (Kenney, 1972), i.e. those similar, and often locationally close, to existing development

schemes. A predeliction to continue developing in a particular locality (assuming confidence of continuing demand) may also be related to the desire to achieve economies of scale. Within the study area, however, it is difficult to ascertain whether the concentration of large-scale developer activity within the Framwellgate Moor and Belmont areas of the city is an example of this type of behaviour or merely a reflection of imposed planning controls.

The 'successful formula' represents for the large developers, mainly large sites capable of supporting volume building methods (Chapter 10), and for the smaller companies, 'infill sites of character' located either within the city or the surrounding villages. Over time, modifications are made to these 'formulae' in the light of past successes and experience gained from the necessary selection of non-optimum sites in areas with a lack of market choice. Optimality was not the stated goal of any of the interviewed developers in their land search activities. All expressed the realism that no one site will meet each desired selection criterion. Moreover, they stated that since speed and decisiveness are imperative in the competitive land market, the search for an optimum site is likely to be self-defeating. All respondents emphasized that astuteness in accepting a compromise determines a successful venture.

Although in their continuous search for land developers may be presented with a variety of alternative sites, they tend to adopt a sequential approach to land search. Thus, when a site is found which is 'intuitively favourable' and offered at a price which looks 'reasonable', a decision is usually taken to go ahead to the detailed assessment stage without comparison with alternatives. The practice of selecting several sites from which a final choice is made was dismissed as impracticable and over costly given manpower limitations and the pressure of work. An exception to this occurs, however, where a comparative assessment is

made between a new site and land already held in a land bank.

ii) Site Selection

The general principles of land search have already been established: predetermined standards, conservatism, non optimality and compromise. The procedures adopted may involve unstructured 'gut reaction' assessments or detailed research exercises but in all cases, they effectively comprise the three elements of initial screening, physical and locational assessment, and detailed appraisal in relation to site capacity, market demand and estimated cost of development. Since this third element involves mainly a cost appraisal balancing land purchase and development costs with estimated sale value, it is more appropriately considered as part of the economic appraisal stage (Chapter 8).

Although differing emphases are given to various site characteristics, they are broadly considered in four groups by the developers: size, planning status, physical characteristics, and locational attributes. Size and planning status are normally regarded as being of sufficient importance to be used as preliminary eliminators and are thus considered at the initial screening stage. Physical characteristics may be similarly treated, although they may instead be considered as part of a detailed physical and locational assessment.

a) Size Requirements

Whether land is sought for a specific venture or for addition to a land bank, developers have a preconceived and preferred size requirement. Five of the developers (four large and one medium in size) stated that the potential for economies of scale in development is an important consideration in site selection. Each of these companies specialize in large, medium to low-priced estates and for such schemes, sites of over five acres (two hectares) are essential. This, however, is a minimum and much larger sites are often sought (Newton Hall estate, built jointly by three developers, covers over 250 acres (110 hectares), and Cheveley Park / Moorpark

Estate at Belmont is approximately 130 acres (52 hectares) in size).

In discussing the benefits and disbenefits of large sites, these five developers made the following points. Large sites require the payment of only a single fee (or the internal cost equivalent) for the expensive stages of site investigation, plan preparation, land purchase and service provision. Inevitably the scale of these fees / costs involve greater initial outlays but, in terms of cost per dwelling built, one large scheme is considerably cheaper to 'work-up' for development than a series of smaller schemes. In addition, large schemes enable the developer to negotiate more favourable rates from sub-contractors, provide security by ensuring continuity of production, and reduce overheads on site maintenance. With specific reference to the minimization of site overheads, Drewett (1973) indicated that some developers adopt different size criteria in relation to distance from their headquarters. Potential disbenefits include the tying-up of a significant proportion of company resources in a scheme which has only one sales outlet, and the extra costs associated with community service provision, e.g. of shops, community facilities and play areas, which is frequently a condition of planning permissions granted for large sites. In weighing up these potential benefits and disbenefits, these five developers considered large sites to be not only advantageous but, on occasion, essential.

During the 1950s and 1960s, large sites were in demand both in the study area and elsewhere (Craven, 1970). They appealed to developers for the reasons stated above and were also favoured by the planners who, seeking to promote neighbourhood scale developments, approved the release of large-scale sites. Attitudes changed in the 1970s when, as interest rates rose, developers became less eager to borrow the capital sums needed to purchase large sites, and planners began to decry large 'soulless' estates lacking in community facilities and identity. As a result, the large developers altered their size criteria to accommodate

the search for, and subsequent purchase of, smaller sites. This situation inevitably placed greater competitive pressure upon the smaller companies who hitherto had considered small sites to be their own preserve. On these small sites, land prices per house built are high but the total outlay is smaller and is likely to be recouped quickly. These features are necessary considerations for small companies who are unable to raise large sums in loan capital and withstand high interest rates.

At the time of the survey (1974) the differing size requirements of the large and small developers were sufficiently distinct to enable both to coexist profitably within the study area. However, towards the end of the study period, the increased overlap of size requirements no doubt led to some 'squeezing' of the market for the small developer.

b) Planning Status

All developers seek only land which either has, or is likely to receive, planning permission. The degree of concern about planning status is linked to the priority given to speed of development and to the firm's attitude towards risk. Only one developer stated that all non-permissioned land was excluded from consideration at the outset; a decision taken because he was neither able to spare the capital to invest in long-term land holding, nor willing to take the associated risks. Attitude to risk is an important factor behind site selection; a factor which is often imposed by the conservative financiers who are especially reluctant to advance credit to small firms for purely speculative ventures (into which category comes the purchase of non-permissioned land).

The remaining developers like to maintain a balance between land with and without planning permission and attitudes towards planning status at the land search stage are dependent upon the current balance within existing stocks. All non-permissioned land carries a degree of risk but this varies considerably between land which is zoned for residential development on a formal plan and thus 'likely to be approved', and

'white land' sites whose status is merely a reflection of developer hopes. Only two of the respondents expressed an active interest in 'white land', both of whom had made large profits on such land throughout the North East during the 1950s and 1960s. The rest favoured sites on which some formal or even informal indication of planner acceptability could be obtained. Even on these sites, some fears were expressed about the cost implications of protracted application negotiations (Chapter 7).

c) Physical Characteristics

Physical characteristics determine the technical feasibility of development and thus, for many of the respondents, they act as an initial screening filter alongside size and planning status. To the developers 'physical characteristics' encompasses two sets of attributes:

- a) landform -especially the presence of slopes, stability, soil type, and existing physical encumbrances including buildings; and
- b) availability of services including water, sewers, electricity and gas.

Landform features can present formidable obstacles to development particularly steep slopes, standing water and running sand. Some of these can be overcome but only at very high cost in terms of both time and money. A developer's willingness to overcome adverse physical characteristics is dependent upon the other site characteristics, i.e. its potential 'saleability', the initial cost of the land, and upon his scheduled timetable for development. Physical obstacles are most likely to be tackled on either large sites where they represent a small proportion of the total area, or small sites purchased for 'executive schemes' where 'interesting', albeit 'difficult' landform features may be a sales asset.

The concern with service availability is less pressing for the small developer since services may be presumed to exist either on, or

close to, small infill sites. Moreover, small sites are unlikely to create problems relating to service capacity. On the other hand, for developers contemplating large site development, service availability is important because the cost of connections, additional pumping stations, and electricity sub-stations can represent a considerable proportion of the construction or site preparation costs.

The importance of gas as an 'on-site service' was stressed by one developer, following his experience of one 'slow selling' site within the study area. He considered his failure, when selecting this site, to recognize the unpopularity of electricity for heating, to be a major error of judgement. Consumer preferences for gas or electricity must be taken into account particularly when selecting sites for schemes which have ready market substitutes and which are not seeking to cater specifically for 'rural orientated' purchasers.

Assessment of physical characteristics is most likely to be undertaken by either the developer (managing director himself) or his staff of surveyors 'walking the land'. Critical observation may be backed-up by more technical soil tests and discussions with the NCB regarding stability, but detailed assessments are more frequently deferred until the economic appraisal stage unless major reservations are to be resolved prior to purchase. Investigations into service availability usually involve direct discussions or communication with each statutory undertaker.

d) Locational Characteristics

Unlike physical characteristics which are either fixed or subject only to changes made internal to the site (although adjacent developments can affect service capacities), locational characteristics are subject to continuous external change, deriving their value from the site's location relative to other forms of development and from social attitudes. Locational factors are of primary importance in determining the 'saleability'

of the finished development scheme.

Each of the developers was asked to indicate which locational characteristics are taken into consideration when selecting sites. A prompt list of seven characteristics suggested by the NFBTE's director was used in the interviews, but this was introduced only after discussion following an open-ended question. Table 6.2 lists the cited criteria and each developer's evaluation as to their importance or unimportance. The table also gives an indication of varying attitudes according to size of company.

Proximity to schools was the only criterion mentioned by all ten developers, and in this one instance, their opinions were unanimous. The importance assigned to nearby school provision reflects not only their perception of consumer requirements, but also their concern about an essential community facility over whose provision they have very little control.

The small and medium-sized developers commented on their routine procedures to ascertain information on the capacities and reputations of local schools (giving attention to all age groups and denominations). Those who concentrate on prestigious schemes, which are often aimed at families with older children, emphasized the importance of school quality and reputation. As a selling point, this was confirmed at the time of the survey by the large number of estate agent advertisements in which location within the catchment area for the Durham Johnston School (former grammar school) was cited as a bonus feature.

In some respects, proximity to schools is less critical for developers specializing in large-scale schemes since they may be confident that the local education authority will provide additional necessary facilities. The timing of provision may, however, cause problems and the confidence expressed by respondents in 1974 was no doubt weaker later in the study period following cutbacks in local government budgets.

Preoccupation with proximity to schools is not confined to developers operating in the study area and this selection criterion was placed high on the lists quoted in other developer surveys (Kenney,1972; Bather,1973).

Proximity to employment opportunities was also cited by all respondents but there was a difference of opinion in respect of its importance. Attitude to this criterion is dependent upon the type of scheme normally undertaken or envisaged for a particular site. As a generalization, it appears to be important only for medium or low-priced development schemes.

The whole question of residential location and journey to work has been widely debated in the literature (Chapter 2), but invariably research relates to major cities rather than to settlements the size of Durham City. Within the study area, Durham City is the major employment centre but the distances involved and the degree of traffic congestion at peak times are not inimical to estate locations anywhere on the periphery or in most of the surrounding villages. Thus within Durham District, the cost / distance ratio from the city centre tends not to be related to transport costs but to amenity value.

Given the attraction of Durham City as a residential location choice for persons who commute to work in Tyneside and Sunderland (Chapter 5), accessibility to these employment centres was often considered to be of equal, if not greater importance, to proximity to local jobs. For this reason, Belmont was considered to be a good location because of its motorway interchange and proximity to major routes to Sunderland.

The importance attached to the visual quality of a site was similarly related to the envisaged price range of completed properties. The two developers (4 and 8) who regarded visual quality as unimportant were the two largest developers in the survey. These two companies who concentrate on low to medium-priced housing, considered their potential

consumers to be interested more in obtaining a house at a reasonable price than in particularly attractive surroundings. One of these developers did point out that by purchasing large sites it is possible to 'create' a pleasant visual environment by landscaping. However, given the time taken to mature, this ploy is often little help in sales campaigns. Although consumers may be unwilling to pay significantly higher prices for improved amenity, developers recognize that a desirable environment helps in competitive sales, and in distinguishing one large modern estate from all the rest.

With regard to small, highly priced developments, the respondents were unanimous in considering high visual quality, i.e. a good landscaped setting, interesting landform, and open views to be important, if not essential. Even a cursory examination of past executive developments in the study area reveals that this criterion has been important in site selection. For example, the houses at Margery Lane have views across to the cathedral, at South Street new town houses back onto the river, whilst at Archery Rise the use of a steeply sloping site has created visual interest and open views. Similarly, prestigious village developments have made use of interesting local features to provide high visual amenity, e.g. the village green at Hett and the church at Shincliffe. The respondents did, however, point out that the importance attached to the visual amenity of sites within Durham City was effectively reduced by the high premium given to any site which is located in or near the centre of this attractive, historic city.

Although accessibility to public transport is generally considered to be an important selection criterion especially taking into account the preferences and needs of wives and children, the developers expressed mixed opinions. Nine out of the ten cited this criterion but there was little consensus as to its importance even for similar types of scheme. Clearly for prestigious schemes public transport is less important and one

developer simply stated that for him it was almost irrelevant because his schemes cater for two car families. The mixed responses on this criterion may, in part, be a reflection of the availability of frequent and reliable services throughout most parts of the study area.

In addition to visual environment, the majority of respondents also referred to the importance of social environment. This relates to both the physical quality and tenure characteristics of nearby housing and the social qualities which these characteristics evoke. When discussing social environment, the respondents differentiated between the general quality of housing in the immediate neighbourhood and the specific proximity to local authority housing. The former was cited with particular reference to the search for prestige housing sites. Potential purchasers of these sites are considered to be sensitive to the visual entrance to the site, to external views and to the 'class of person' living in the vicinity. From the opposite point of view, two of the developers catering for the 'mass market' also considered social environment to be important, since proximity to a 'high class neighbourhood' can be used as a sales feature (Chapter 5).

Every city or town has its socially fashionable areas and Durham City is no exception. These lie either close to the city centre or on its western or south western fringes. Within the district as a whole, particular villages can be singled out as desirable and fashionable, notably Shincliffe, Brancepeth, Sunderland Bridge, Hett and Shadforth.

Mixed opinions were expressed about proximity to local authority estates. All respondents agreed that when selecting sites for executive housing, proximity to council housing is a strongly negative, if not prohibiting characteristic. Three of the developers maintained this view for all types of scheme but another four respondents considered that for low-priced schemes, sites adjacent to council estates can be

advantageous in that they can stimulate demand from nearby tenants (Chapter 5).

To summarize, the comments made on each of these selection criteria reflect the developers' predetermined standards and prejudices upon which assessments are based. The actual acquisition, processing and evaluation of information on these characteristics may be more notional than strictly analytical. For some firms it may comprise a complex exercise analysing detailed information collected on pro forma sheets (for an example see Appendix 6). In these cases, search and site selection may involve lengthy discussions with planning officers, surveyors, estate agents, education officers, and highway officers as well as with the statutory undertakers. Others adopt 'hunch assessments' based on a simple visual inspection.

ii) Subsequent Action

Whatever the methods used or the preconceived selection formulae adopted, all developers stated that on gaining a favourable impression of a potential site, emphasis must be placed on action to proceed further without procrastination. Delay can result in the loss of a valuable site. Even if proved over-optimistic, progression at this stage is not irreversible although significant costs can be incurred in submitting planning applications or conducting more detailed economic assessments. The loss of a certain amount of time and money on subsequently aborted schemes is considered inevitable, despite their reluctance to admit mistakes. Any errors of judgement in site selection should, however, be detected prior to the acquisition or development stages after which the financial and overall company commitment cannot be rescinded without major, if not catastrophic, effects.

6.2 THE LOCAL AUTHORITY DECISION-MAKERS

As stated in the introduction to this chapter, the local authority decision-group possess a dual role as land searchers and assessors prior to

public sector construction and as regulators of all forms of development.

In the former role, their objectives and behaviour are similar to those described for the property developers, although social utility and value for money replace potential saleability and profitability in governing site selection. In making their choices, however, the local authority group can be more confident because of their greater control over subsequent stages in the development process, notably planning control and land acquisition. Moreover, given their other regulatory role, the land searchers and assessors have access to advance information on planning strategies and land use allocation policies.

The performance of a regulatory role is a duty imposed by government. This role can be subdivided into land use allocation and development control. The former is the practice of identifying areas considered suitable in principle for development, whilst the latter is the statutory procedure through which these allocation decisions can be enforced. It is with allocation procedures that this chapter is concerned.

In allocating land for residential development, local authorities are motivated by:

- a) their duty to ensure that sufficient land is made available to meet all anticipated housing requirements;
- b) their responsibility to identify sites which will provide a 'good living environment' and which will 'fit into' the overall plan for the social, economic and environmental development of the district or locality.

Like property developers, they seek land for both long and short-term use. Search for the former is normally undertaken as part of a large-scale plan preparation exercise in which the level of detail sought in search and site selection activities is partly determined by government guidelines, i.e. the requirement to prepare either vague policy-based statements or detailed 'blueprint' proposals. Search for

land required for short-term use may be prompted by the need to accommodate a proposed public sector scheme (this rarely occurs because of the forward planning of housing programmes and the possession of sizeable land banks), or by a government directive to release more land to the private sector.

The whole procedure of land search and site selection is complicated by the fact that local authorities must: seek to cater for all types of development scheme; meet the constraints of past policy decisions; respond to government directives; and produce at the end of the day an acceptable land use pattern. This latter should: satisfy the multiple objectives of the council; enable identified housing need and demand to be met; accommodate the needs of the housing suppliers; placate the demands of competing land users; and be acceptable to the electorate.

i) The Context for Land Search

Before examining the land search methods employed by the local authority decision-makers, it is necessary to examine the influences and constraints imposed on their actions. These come into two main categories:

- a) directives and advice issued by central government;
- b) existing planning policies devised by former councils.

These can either initiate or inhibit search activity and their effects upon land allocation decisions taken during the study period have been significant.

a) Government Directives and Advice

Government directives or guidance on land allocation for housing development can relate either to the principles of allocation within the context of forward planning procedures, or to the amount of land allocated or released for development. During the study period, little guidance has been issued on the former since government has been increasingly advocating local discretion in land use planning. In contrast, directives and

advisory documents relating to the amount of land released have been numerous.

This legislation has been summarized in Chapter 3 and attention is directed here to the responses of Durham County and District Councils.

Circular 10/70 urged local authorities to release immediately land sufficient to meet existing and foreseeable needs for the next five years. In response, Durham County planners conducted a housing land availability survey in 1971 which reassured the planners that sufficient land was allocated to meet the government's five year requirement. As a slight qualification, however, they acknowledged that some of the land was subject to problems of service provision, access, land hoarding and stability.

The position was made public when, following publication of Circular 102/72, local authorities were required to set up public registers of land available for residential development providing, for the first time, a comprehensive record of local authority land allocation decisions. This was seen by government to be a means of checking the validity of developer claims of land availability deficiencies. However, since the circulars provided no clear guidance on what realistically constitutes 'available', the adopted definitions themselves became the point of contention.

Durham County Council's register included sites: possessing current planning permission; delineated on approved development plans; identified in village plans or other non statutory studies; and those subject to a firm commitment that approval will be forthcoming, all of which were retained on the register up to the point of completion. This latter point in particular produced severe criticism by developers and subsequently by the District Council planners, because they claimed it led to the production of unrealistic overestimates. The register also gave no indication of the quality of sites nor of the feasibility of

their development within a reasonable time period. As a result, many claims about the technical or market unsuitability of the sites were made, both in direct communication with the local authority and via public media debate. Despite the County planners' recognition that some of the land was subject to problems, they maintained that even disregarding these, there was more than sufficient land available.

In addition to requiring the upkeep of registers, government sought to secure faster land release by encouraging local authorities to adopt a general presumption in favour of housing development at the planning control stage (Circular 122/73). From the records of planning consents and refusals made at that time there is little evidence of this presumption being applied within Durham District or within the county as a whole. Rather, when interviewed in the following year, the planners stated that their main concern at that time was to safeguard their planning policies in the face of developers attempting to get large amounts of land released by 'playing off' local against central government via the appeals procedure.

A recurrent theme in the circulars was the promotion of co-operation between planners and developers at the land allocation stage. There was, however, no directive to ensure such contact and other than a few meetings arranged with developers and a few large landowners in 1971, there appeared to be a general reluctance on the part of the County Council to hold external meetings on housing land allocation. This attitude was contrary to those held by Durham MBC and the regional planning body - the Northern Regional Planning Council - both of whom recommended more frequent contact with developers. Nevertheless, rebuffs to meeting requests continued as the County Planning Officer re-affirmed his confidence in the adequacy of available housing land. Instead, he suggested that the NFBTE should direct its attention to persuading its own members to release some of the land held within their considerable

land banks. Problems of monopoly ownership were not considered to be planning concerns.

Undeterred, some local developers continued to criticize the County Council accusing it of restricting development and causing high land prices. In order to strengthen their case, the NFBTE commissioned, in 1973, an independent survey of housing land availability within Durham District (Gazzard, 1973). This study incorporated: a survey of NFBTE members and estate agents to ascertain availability problems and information on preferred development locations; an analysis of the planning registers; and, with the assistance of university students, a field assessment of potential sites. In total, Gazzard identified 1205.6 acres (487.9 hectares) of land which he considered to be 'suitable' for housing development compared to the 247.9 acres (100.3 hectares) allocated in the County Council's register. With respect to the local authority's register, he concluded that less than half of the land was truly available, and stated that, should existing planning attitudes continue, there would have to be a 30% reduction in construction rates. He therefore urged the incoming District Council to make more housing land available.

The response to this study by the County Council was brief and almost dismissive. The County planners considered it to be based on 'dubious information' and a 'misunderstanding of housing needs and building rates'. In particular, they were critical of the use of students in identifying potential sites because of their lack of both commercial and planning expertise. The incoming District Council agreed with the view that insufficient housing land had been allocated, but this was a view based primarily on its own planning and political aspirations and little attention was given to this 'academic study'.

Whether in response to continued pressure from the developers or to internal concern, the County Council did undertake a new housing land availability survey in 1974. This confirmed the developers' claims

and revealed that insufficient land was allocated to meet the five year requirement. The planners attributed this shortfall to high levels of completions in the previous year.

The identification of extra sites was treated as a priority by the County Council, not simply to satisfy the developers, but to safeguard their own interests since the deficit could have been used to gain the release of 'unsuitable sites' in appeals proceedings. The whole procedure was complicated by local government reorganization and the subdivision of land allocation responsibilities between the County and District Councils. After consultation and a somewhat 'ad hoc search' to find 'preferably small sites within the constraints of existing policies', an additional 62 acres (25 hectares) were suggested for allocation. The additional sites were located in Pitlington, Pity Me, Bearpark, Framwellgate Moor, Sherburn, Cassop and Bowburn. However prior to their final approval, an error was detected in the calculations indicating that only 15 to 25 acres (6 to 10 hectares) were required to make up the deficit.

Reference is made to this exercise because it reveals the ease with which planners can, if necessary, identify a considerable number of additional sites which are acceptable in planning terms. The decision not to allocate all 'suitable' land is based on, a) a lack of confidence in the market to regulate development, and b) a fear that 'excessive allocation' may prejudice accomplishment of policy objectives particularly those relating to settlement growth and population distribution.

From 1974 to 1979 the government, through its land nationalization legislation, sought to encourage local authorities to adopt a new approach and positive attitude towards land search and allocation. The role envisaged was more akin to the land search and assessment role of property developers, and since government recognized the inexperience of local authorities in preparing 'land portfolios' for private sector development,

further encouragement was given to co-operation with developers (Circulars 26/76 and 44/78).

The County Council's response to this legislation was to fulfil its statutory duties to a minimum. In practice, it largely ignored the exhortations regarding increased co-operation with developers and did not take-up the challenge of adopting a more positive role in land search and site selection for housing development. This response was partly attributable to the transfer of housing responsibilities to the District Council. From 1974 onwards, the County Council's direct involvement in residential land allocation virtually ceased, although several of its structure plan policies directly influenced locational choice. The County planners did, however, continue to maintain land availability records, partly in order to monitor the effects of their structure plan policies and partly as a means of maintaining some surveillance over District Council activities.

The District Council similarly largely ignored the Community Land Act in relation to land search and acquisition, but its officers did seek improved communication and interaction with developers. It is unlikely, however, that government legislation had anything to do with this attitude. Rather, liaison with developers was probably sought because of, a) a desire to adopt a more 'balanced' approach to site selection, and b) the recognition that alliance with the developers would give weight to its moves to oppose County Council policies.

Immediately after the end of the study period, Circular 9/80 sought to remove the element of choice about co-operation by directing local authorities to participate in joint land availability assessments with local developers (Chapter 5). The object of these studies was to inject an element of commercial realism and social responsibility into land assessment and to identify sites which were 'free, or easily freed, from planning, physical and ownership constraints' and which were 'capable of

being economically developed, in an area where potential house buyers are prepared to live'. Preparation of the County Durham study did increase liaison between planners and developers but, as regards improving relations and understanding between these two groups, there is little evidence to promote optimism. Indeed, the final (Stage 2) report (Durham County Planning Department, 1984) carried a dissenting rejoinder by the NFBTE criticizing the local authorities' principles of land availability assessment. In addition, the exercise increased intra-group dissension amongst the planners. As a point of interest only, since the findings relate to the post study period, the report concluded that there was an inadequate supply of land available within Durham District, with the shortfall concentrated in sites suitable for low-priced housing.

The nature of the responses made by the two local authorities to this succession of legislation reflects a combination of professional opinions and political attitudes. In terms of professional response, the planners resent interference by government especially on issues which are considered to require detailed knowledge of, and sensitivity to, local circumstances. With respect to land allocation, the government's 'blanket approach' to support increased land release was considered by the interviewed planners to be an unjustified response to the development industry lobby made without consideration for local planning implications.

In terms of their responses to national legislation, the planners must be subject to, or at least have consideration for, the political attitudes of the council. Since both the County and District Councils were heavily labour dominated, its members were less predisposed to following Conservative Government edicts about land release. As a result, the councillors advised their officers not to 'go out of their way' to assist the private developers but to concentrate on the pursuit of their own policies. The negative response to the Labour Government's land nationalization proposals was primarily based on technical and practical,

rather than political considerations (Chapter 9).

b) Existing Planning Policies

In addition to the influences exerted by contemporary legislation, local authority decision-makers must conduct their land search and allocation exercises within the framework imposed by existing land use policies which, in part, reflect past government legislation. Although plan preparation and policy formulation are continuous activities, major or even minor plans can have a long-term impact upon land allocation decisions. As a result, it is possible that current decisions are constrained to such a degree that they reflect more the effects of a combination of outdated legislation, past political motives and outmoded officer opinions, than current objectives and identified needs.

During the study period the policy context for housing land allocation decisions was set by:

- a) the County Development Plan (initially approved in 1951, revised in 1964 and amended in 1969 and 1972); a statutorily approved Town Map for Brandon and Byshottles (1971); and the Durham City Comprehensive Development Area Map (1964); plus various ad hoc or informal planning documents produced by the County Council prior to 1974;
- b) policies drawn up for inclusion in the County Structure Plan which was in preparation throughout most of the study period (finally approved by the Council in 1979 and granted ministerial approval in 1981);
- c) policies devised by the District Council for inclusion in the District Plan (subsequently renamed Local Plan) on which preparatory work commenced in 1974 (a draft was produced for consultation in 1982 and a copy certificated by the Secretary of State was issued in 1986).

In each of the following subsections, the effects of these policy documents on decisions relating to residential land allocation and to the development process as a whole are examined.

The County Development Plan

This plan (County Council of Durham, 1951) affected control over residential location decisions throughout the study period by means of both its major policies, particularly those relating to settlement growth, and the County Map upon which certain land uses and constraints to development are delimited.

With respect to policy controls, it is not intended here to examine in depth the County Council's controversial settlement policy, nor to comment on the rights or wrongs (both ethical and practical) of village categorization. It is sufficient to state that this policy (originally incorporated into the North East Development Area Outline Plan, Pepler and MacFarlane, 1949), in its attempt to produce a more 'efficient' settlement pattern into which investment could be concentrated, inevitably channelled residential development into certain settlements and away from others. The resultant impact upon housing land allocation has been widely debated and frequently vigorously contested.

In defence of its settlement policy, the County Council (1969) stated that it,

'... has not restricted the availability of housing land nor slowed down development in any area. It has ensured that development has been carried out in the right centres where ample land has been made available and more can be agreed if necessary. As time goes by it will result in a faster rate of development than could be expected without it.' (County Council of Durham, 1969, 43)

Critics question the selection of the 'right centres'. Are the 'right centres' for additional housing development those where recorded need

or demand is greatest, or are they places where, on the basis of an imposed planning ideology, development is considered to be most suitable. It is difficult to ascertain whether the subsequent growth of the selected centres was based on self-generated demand or on deflected demand resulting from restrictive policies in operation elsewhere. The restrictive impact of this policy on villages classified as C and D (later reclassified as 3 and 4) has been very evident in terms of housing land allocation. Attitudinal responses to this policy differed significantly on the bases of ideology, commercial considerations and parochial allegiance.

Even within the County Council there were elements of dissent within the successive councils which supported continuation of the policy during the 1950s, 1960s and early 1970s. These emanated principally from councillors representing the most adversely affected wards. Opposition was more open and vehement amongst councillors on the local Urban and Rural District Councils and, when these councils amalgamated to form the new Durham District Council, the anti settlement policy campaign intensified. The prevailing mood in 1974 was reflected in the responses made by the interviewed councillors to questions on the County Council's settlement policy. Of the 24 interviewed, 19 councillors were condemnatory of the policy and were opposed to its continuation within the framework of the forthcoming structure plan. Further comment on controversy surrounding the inclusion of settlement policies within the structure plan is made below.

Another influential policy which was initially pursued on a non-statutory basis but later incorporated into the County Development Plan Review of 1969 and again into the County Structure Plan, was that pertaining to the containment of Durham City. Since the 1950s, this policy has been based on three objectives:

- a) the preservation of the historic city and its

- setting, in particular it sought to preserve the long views of the cathedral - 'to prevent destruction of the cathedral's sylvan backcloth';
- b) the prevention of unsightly sprawl and coalescence with nearby villages;
 - c) the protection of the high quality agricultural land and areas of high landscape value to the south and west of the city.

The policy was put forward in the 1950s when contemporary planning thought and government policies were emphasizing the importance of creating green belts, preventing ribbon development along trunk roads, and protecting the countryside. Within the study area, the prevention of sprawl and preservation of areas of high landscape value were given priority, whilst the protection of agricultural land, although frequently cited as an area of concern, appeared to be a secondary objective (Chapter 11).

Containment was most stringently enforced to the west of the city (west of the A1 trunk road which subsequently became the A167). In support of its refusals to allocate or release residential land in this area, the County Council most frequently cited the risk of undesirable coalescence with the nearby villages of Langley Moor, Bearpark and Ushaw Moor, and the problems of traffic congestion and road safety.

Initially, the City Council (Durham MBC) was in agreement with the policy and supported the County Council's bid in 1955 to get the area designated a green belt. This application was rejected because the area was not considered to be under sufficient pressure, but the minister did agree, in principle, that a partial green belt would help to maintain the unique character of the city. Hence, the policy was retained and was given statutory status when, in the 1969 amendment to the County Development Plan this area, together with areas to the east and south of the city, was designated an Area of Great Landscape Value. The plan stated that within

this area,

'... the only purposes for which development will ordinarily be permitted are for agriculture and forestry, sport, cemeteries, institutions standing in large grounds and other uses appropriate to an open area'

(County Council of Durham, 1969, 5).

Although in agreement with the need to preserve the landscape around the city, the MBC were subsequently opposed to strict adherence to this containment policy particularly west of the A167. This point of contention was taken up by the new District Council and remained an issue of conflict throughout the study period and beyond (Section 6.3 and Chapter 7).

Negative controls in one area inevitably lead to a channelling of development to other parts of the city, especially of residential development which has tended to be treated as a residual in overall land use allocation. This effect was seen in the early 1950s when sites were sought for new housing to accommodate the anticipated rapid growth of the city. In particular, the search focussed on identifying a site for a large 'neighbourhood unit'. Sites at Sniperley, Newton Hall and Belmont (an area identified as suitable for housing in the Pepler and MacFarlane Plan of 1949) were considered. These are respectively located to the north west, north and north east of the city. Other suggested housing sites were located at Crossgate Moor, Arbour House (west of A167) and south of Gilesgate, but these were rejected on various grounds including size, planning status and 'earmarking for other uses'.

Eventually the choice was narrowed down to either Sniperley (located west of the A167) or Newton Hall, and the Newton Hall site (originally proposed by the planning consultant Thomas Sharp) was selected because of lesser objections raised by the NCB and by MAFF. Initially the proposal was for large-scale public sector development and for this purpose Durham MBC purchased land from the owners including Durham RDC who, having undertaken some housing development in the vicinity, held land surplus to their

requirements. By 1960, however, the MBC declared this land to be surplus to its own requirements and sold out to a private developer, thereby precipitating development of one of the largest private housing estates in the county.

This brief history of Newton Hall estate is relevant since it reveals the extent to which residential development activity within the study period has been determined by allocation decisions taken many years previously. Indeed most of the sites referred to as under consideration during the 1950s were subsequently under construction at some point during the study period (the two exceptions being Sniperley and Arbour House, significantly the only two sites located west of the A167).

In addition to the negative channelling of housing development by policy measures, the statutory County Map itself reinforced the residual treatment of residential land since it demarcated only those areas in which residential development could not take place, i.e. by virtue of earmarking for other uses or protection by physical policy constraints. Housing land was, however, positively demarcated on Town Maps which the County Council was required to prepare for each of its major urban centres.

One of the most obvious candidates for the urgent preparation of a detailed Town Map was Durham City, the county's administrative centre, an historic city in need of conservation, and an urban centre which was growing steadily in the 1950s and 1960s. Yet, throughout this period its 'proposed Town Map' was only 'under preparation'.

Town Maps for other parts of the county were completed including one for Brandon and Byshottles, approved in 1971. It is likely that this was given priority because under the settlement policy, Brandon was selected as the 'regroupment centre' for the area west of Durham City. Similarly, the Durham City Comprehensive Development Area Map, a necessary precursor to implementation of the County Council's major road proposals for the city, was produced in 1964.

With regard to the Town Map itself, there was always yet another land use or other survey 'under way' or in need of analysis before it could be completed. At this time many informal policies were formulated and used in defence of planning application refusals; being cited as 'policies included in the draft Town Map'. Over time, these became accepted County Council policies, some were later incorporated into the County Development Plan or the structure plan, but others were never formally presented in a published plan or given ministerial approval.

By the late 1960s, Town Map preparation was still 'under way' with discussions on possible boundary changes generating extra work. More importantly, the planners proposed a new approach to policy formulation and land use allocation based on the land use transportation studies which were 'in vogue' at the time. Such studies incorporated complex models, and a range of 'new planning techniques' such as linear programming, all of which were being advocated by planning schools and consultants. Despite enthusiasm and a willingness to attempt this type of approach, the County planners, in practice, lacked the time, money and expertise to mount such an exercise. The resulting Central Durham Study, which was based on dubious methods and crude assumptions, was shelved in 1970. This left the Durham City Town Map still 'in preparation'.

Soon after, debate on local government reorganization began and the County Council accepted the likelihood that its local planning functions would be lost. It was therefore envisaged that concern with Town Map preparation would cease and attention would be directed to the preparation of a structure plan for the whole county.

Yet even following reorganization, the Durham Town Map 'saga' did not cease. In a struggle for power and control, the County Council effectively managed to retain its local planning interest in the study area by stating its intention to prepare an urban structure plan for Durham City under the Regulation 8 clause of the 1971 Town and Country

Planning Act (similar plans were proposed for Chester-le-Street and Darlington). The District Council's initial acceptance of this proposal probably reflected its preoccupation with the magnitude of its new development control functions. However, the District Council soon came to resent both the principle of County 'interference' and the practical lack of consultation, a factor which probably accelerated the deterioration of relations between the two local authorities. The County Council's urban structure plan was finally abandoned in 1977 because of the accepted lack of justification following a significant reduction in the pace of growth. Meanwhile, the District Council had seized its local planning role and was earnestly starting work on its District Plan.

From an external viewpoint, these events surrounding the failure to produce and approve a Town Map for Durham City sound like a catalogue of excuses and stalling tactics and this is possibly what they were. Given their record elsewhere in the county, the reasons for this 'failure' cannot be attributed to the incompetence of the planners within the County Planning Department, nor to the inefficiency or inability of the County Councillors to exert pressure on their officers to finish the work. The real reasons cannot be fully discovered from the council files, but it is probable that the failure to submit a Town Map over the 20 year period reflected a combination of officer manipulation and political power struggle. The absence of a Town Map enabled both officers and councillors to exert more positive power and control over land use decisions in Durham City. It gave them more flexibility in decision-making and reduced the power of 'the opposition', i.e. Brandon and Byshottles UDC, Durham RDC, and, especially the Independently controlled Durham MBC who, without the existence of a statutorily approved document, had less basis for challenging County Council policies.

The County Structure Plan

The existing County Development Plan plus various long established

informal policies provided the starting point for work on the County Structure Plan which commenced in 1973. Although not statutorily approved until 1981, the preparatory and consultation stages had an important effect upon housing land allocation decisions during the study period.

An examination of the various consultation documents produced for both the County Structure Plan and the Durham City Urban Structure Plan (Durham County Council, 1976, 1977, 1978a, 1978b) revealed that in relation to housing land allocation, planning objectives in the mid 1970s differed little from those expressed in the 1950s and 1960s.

None of the structure plan 'aims' relate specifically to the location of housing development but several directly affect land allocation decisions. For example, aim number 4,

'To provide for the greatest number of people the best possible range of opportunities for work, shopping, education, personal social services and other community facilities'.

when interpreted means,

'... encouraging new house building and other developments in those settlements which offer or have good access to such opportunities and generally preventing development outside settlements, including preventing additions to or infilling of ribbon development and sporadic groups of houses' (Durham County Council, 1977, 138).

This aim clearly re-echoes the settlement policies referred to above, although with respect to those settlements where new housing development was not normally allowed, the document indicated greater flexibility with a prospect of either general housing development in sizeable settlements with a reasonable range of facilities, or replacement housing in the smaller settlements.

Durham City, however, was presented as an exception to this aim because of the continuing importance attached to containment policies.

'The City offers the widest range of facilities and opportunities in the District and, judged on that basis alone, would be the best location for all the additional houses required. There are, however, major constraints to further expansion here'. (Durham County Council, 1978b,54).

These major constraints were listed (Durham County Council, 1976, 128) as:

- i) to the north east - an area of good quality landscape which penetrates into the city centre as a green wedge; the London to Edinburgh railway line; and a reserve of brick clay;
- ii) to the east - part of the Area of Great Landscape Value, the railway line and the A1 (M);
- iii) to the south - part of the Area of Great Landscape Value; some Grade 2 agricultural land and, alongside the River Wear, land liable to flooding;
- iv) to the west - part of the Area of Great Landscape Value; land liable to flooding and an area of derelict land to the west of Neville's Cross.

As a result, only two locations were considered to have potential for major housing development - Belmont adjacent to the existing estates at Moor Park and Cheveley Park, and Newton Hall. Essentially these were the same conclusions as those drawn in the early 1950s.

These sites were not, however, the preferred options of the County planners who sought to divert all major housing development away from the city to nearby villages. This preference was based on a desire to protect the environment of Durham City and ensure its containment, and on a reluctance to release above the minimum amount of land needed to meet estimated requirements (Chapter 5.2). Since a large proportion of the district's allocated land was located in the surrounding villages, the provision of additional sites on the periphery of the city would necessitate greater overall land release than dispersal of development to

surrounding villages.

This preference was evident in the public presentation of the options at the consultation stage (Durham County Council, 1978a, Public Participation Leaflet, Figure 6.1). Not surprisingly, the response came out strongly (89%) in favour of diverting growth to the large surrounding villages. It is significant that in presenting these options reference was specifically made to the 'large surrounding villages', again indicating the planners' continuing commitment to some form of settlement classification.

This was made more explicit in the published structure plan where, a distinction was made between major centres, places considered suitable in principle for housing development, small places suitable only for limited infill development, and ribbons or sporadic groups of houses where houses will 'not normally be approved'. With respect to major centres, the plan stated that housing land would be made available to accommodate specified target populations by 1991. However, Durham City, was again treated as an exception and Policy 6 stated that, 'In Durham City no further major releases of housing land will be allowed'. Following argument between the District and County Councils at the Examination in Public (Chapter 5.2 (b)), this policy was amended by the Secretary of State to add the additional clause 'but land will be made available to accommodate a total population of up to 41,000 by 1991.'

Further dissension about the 'over restrictive interference of the County Council in housing location policies' led the Secretary of State to modify the phraseology of Policy 7 to imply greater flexibility. (Durham County Council, 1981, 35). Nevertheless, the classification was essentially retained and, in relation to very small 'settlements', was strengthened by the Secretary of State who imposed a minimum settlement size of 30 houses.

Thus despite the extent of external and internal opposition to the County Council's settlement policies, they have survived in an albeit modified form since 1951. This has largely been a result of officer commitment and conviction in their necessity and value in bringing about improved living conditions throughout the county. As noted above, the councillors have been less committed, being aware of the policy's unpopularity with their electorate and, in 1976, the County Council rejected initial officer proposals for its continuation. The subsequent retention of the settlement policy (despite modifications) within the final plan makes a comment upon the degree of power and control held by the planners.

As noted above, settlement classification has a major impact both upon residential land allocation by the local authorities and upon land selection by developers since few are willing to waste effort on sites which they know will be rejected at the planning control stage. Table 6.3 indicates the changing status of settlements within Durham District as the policy has been redefined. By the beginning of the study period, the old categories A, B, C, and D, which were associated with levels of investment given envisaged changes in population, had been replaced by categories 1 to 4 (1964, 1969, and 1972 amendments to the County Development Plan). These referred more directly to future housing development and to levels of provision in accordance with existing facilities and planning policies on the appropriate scale and character of development in villages. The two basic structure plan categories listed under Policies 7 and 8 are based on similar principles, with categories 2 to 4 amalgamated into Policy 8. However, several of the category 4 settlements have now declined to the extent to which they are no longer regarded as settlements and are thus prevented from future growth under Policy 11.

In addition to setting general principles relating to housing

land allocation and release, the structure plan imposed some detailed locational constraints. With respect to Durham City, these reinforced the earlier policies about conserving the immediate physical and visual environment around the city (Policy 126, Durham County Council, 1981, 133). In the surrounding villages, development is to be normally permitted only within the existing framework of the village, particularly for those classified under Policy 8 for which the County planners have delimited the existing framework on a series of unpublished maps. Initially the County Council sought to include further constraints relating to layout and design in its 'basic principles for housing development', but these were deleted by the Secretary of State.

The structure plan preparation and consultation period witnessed considerable antagonism between the County and Durham District Council both at officer and councillor levels. The District Council expressed either reservations or outright opposition at every stage in the preparation process, i.e. to the plan's objectives, its factual findings, and the final policies. Before elaborating on these points of conflicts, it should be recognized that these comments are made in respect of housing-related policies which were some of the most contentious, and that there was broad agreement between the two authorities on many issues. Comment has already been made on the non agreement on population targets and calculated dwelling requirements (Chapter 5). In addition, the District Council criticized the County planners' factual assessment of available site capacities and their policy of diverting growth from the city to the surrounding villages (City of Durham District Council, 1979b). With respect to this policy, the District Council considered it to be based on a false assumption that such development would satisfy market demand in the central urban area; questioned the public participation exercises quoted in its support; and concluded that the 'penal proposal for no further major releases of housing land in the central urban area' was

unjustified (City of Durham District Council, 1979a) Whilst in agreement with the objective of conserving the historic city, the District Council does not believe that this necessarily precludes peripheral expansion. Finally, the District Council objected to the attempt to usurp its detailed planning functions in matters 'which should be resolved through the preparation of local plans'.

Similar criticisms were levelled by the NFBTE who considered the policies to be too inflexible and the calculated housing requirement levels insufficient to cater for future demand and differentiation in the market. They also stated support for the District Council in contesting Policies 9 to 14 on detailed development considerations. This support was perhaps given in recognition of their greater chance of influencing local authority decisions if those are taken at district level.

The City of Durham District Plan

As in the case of the structure plan, the district plan (renamed in 1982 as a local plan), which was under preparation during the later part of the study period, exerted some influence upon housing allocation decisions. Although necessarily in broad agreement with the statutory County Structure Plan, the objectives of the district plan were subject to differing interpretation. In particular, with respect to housing land release, the District Council has expressed the hope that some of the County Council's 'restrictive policies' will be modified in the future.

In examining the question of housing land allocation and site selection, the District Council adopted a more open and flexible approach, considered by some to be unrealistic and irresponsible. The local plan (City of Durham Council, 1986) indicated that in preparing the plan the development potential of about 600 hectares of land on about 100 sites had been examined. At the initial public consultation stage the District planners put forward over 50 possible sites with a capacity of over 5,800 dwellings (approximately 1400 in the central urban area and over

4,400 in the rest of the district, Figure 6.2). This compared with a calculated structure plan housing requirement of an additional 1,100 houses in Durham City and 1,400 in the rest of the district. Clearly the District planners had no intention of approving all of these sites, but the mere plotting of such sites on a map no doubt raised the hopes of many landowners and developers and, despite the subsequent rejection of many of these sites, some are likely to be the subject of future contention between the local authority and prospective applicants.

Adverse public reaction plus direct criticism from the County Council, statutory undertakers and the House-Builders Federation, led the district planners to reject many of these sites and the first draft District plan included 34 sites with a capacity of 1526 dwellings (956 in the central urban area, and 570 in the rest of the district, Figure 6.2).

This action did not placate the Council's critics and in the report on this consultation stage (City of Durham Council, 1984) 21 of these sites were classified as 'sites where support or no objections received'; 7 as sites 'where conflicting comments or objections relating to detailed matters received'; and 6 where 'there were objections and/or difficulties'.

The sites without objections provided for only about 40% of the capacity required to meet the needs of the plan which created major problems for the Council in land allocation. In particular, the selection of sites within the central urban area presented some of the most difficult decisions in plan preparation. Three options were considered. First to plan for the population levels set out in the plan and attempt to find sites in the central urban area to accommodate approximately 800 dwellings. Second, to cater for the same overall population levels but to alter the split between the central urban area and rest of district. Third, to lower the envisaged population by reducing the housing allocation within the central urban area. The District Council selected the compromise option 2, which necessitated extra development in Langley Moor, Broompark and

High Shincliffe plus the inclusion of two sites subject to objections (Tollhouse Road and South Road) and one new site (Aykley Heads) within the central urban area.

The County Council was in broad agreement with the overall level of development proposed. Indeed, the level of provision suggested for the central urban area vindicated the County Council's own calculations and contradicted the District Council's earlier criticisms of the County Council's 'penal restrictions on housing land release'. However, several of the proposed sites violated structure plan policies. These were sites at: South Road (Cock o' the North) and Tollhouse Road within the city, and at Croxdale, Littleton, Broompark and High Shincliffe. The County Council also criticized the policy of permitting new building to restore the historic form of 'settlements' which they considered to be merely sporadic groups of houses in the countryside, e.g. Old Cassop, Hamilton Row, and Aldin Grange. In addition, it objected to the amendment to the designated Area of Great Landscape Value in order to permit inclusion of the Tollhouse Road housing site.

Some of these points were conceded in the final plan approved by the District Council in 1985. For example, the District Council reduced the size of the Croxdale site. On the other hand, the County Council compromised over the South Road site, since its basis for objection became difficult to sustain given its agreement for industrial research and development provision on the Mount Oswald golf course. However, on the question of the housing sites at Tollhouse Road, Littleton and Broompark, and on the amended Area of Great Landscape Value, the County Council remained implacable and contention on these points led to its refusal to certify the plan in 1985. The differences were left to the Secretary of State to resolve but, after a year's deliberation he partly sidestepped the decision by stating that the County Council's case for non conformity was insufficient to prevent certification and that these issues should be

resolved at a local plan inquiry. Meanwhile, the County Council successfully fought an appeal on the Tollhouse Road site which, until final approval of the local plan, remains protected by the 1969 boundary of the Area of Great Landscape Value.

Although most of this land allocation debate took place after the end of the study period, it is summarized here because it illustrates the continuity of thinking and policy application on housing land release by both the District and County Councils.

ii) Methods of Search

The local authority is committed to ensure that a sufficient overall supply of housing land (calculated in numerical terms) is available in sites which do not contravene existing, or jeopardise future policy decisions. Planners are therefore more preoccupied with identifying the broad principles controlling land allocation than with conducting detailed land search and site selection activities. Moreover, except for in the selection of public sector sites, this level of detail is considered unnecessary since, having established the principle of a site's suitability in planning terms, they can leave its subsequent selection or rejection (on marketability and technical grounds) to the prospective developers. Some planners regard this essentially passive approach to be inadequate revealing their relative impotence in positive planning and feel that they should play a greater role in ensuring the development of their favoured sites. Yet, when presented with improved opportunities for positive planning under the Community Land Act, the planners' response, not only in the study area, but in the country as a whole, was less than enthusiastic.

Despite various government exhortations for planners to adopt more commercially realistic and socially responsible land search and site selection procedures, such exercises tend to be based on a brief locational examination made in relation to existing policy constraints.

In describing their somewhat 'ad hoc' and often less than rigorous land search methods, the interviewed planners stressed the time limitations involved both when search is prompted by government directive or when part of an overall land use planning exercise. In the latter instance, the need to identify an acceptable compromise 'patchwork' of interconnected uses may mean that optimum housing sites are never sought let alone allocated. Indeed, as in the assessment of demand (Chapter 5) and as implied in relation to past policy formulation, housing land allocation tends to be treated as a residual in plan preparation, although this was less evident in the preparatory work for the Durham District (Local) Plan.

The scope of land search activity is dependent upon the stimuli prompting the search. At its most extensive, it will cover the whole administrative area, but frequently it will cover only the area designated by a local plan or village study. In so far as the stimuli for search mostly comes from within the authority, a marketing approach is adopted and although some information may be sought from external contacts, the local authority is largely self-reliant at this stage in the process. Again the District Council adopted a wider approach seeking advice and information from local developers, the NFBTE, and estate agents. Moreover, in the preparation of more detailed local plans the public is given greater opportunity to provide information and express their views. This can be via questionnaires or public meetings. An indication of the District Council's method of steadily narrowing down acceptable sites for inclusion in its District Plan is given above.

The local authorities on the whole require less information than developers prior to allocating sites, and they tend to have less of a predetermined idea of the type of site they are seeking. On the other hand, they have fixed ideas and prejudices about sites considered to be unsuitable. These reflect not only the effects of existing policy

constraints, but also the professional preferences of planners and social and political beliefs of the councillors.

The selection of sites via the elimination of unsuitable sites subject to planning, physical or social constraints is sometimes referred to as the 'sieve map technique'. In practice, this may involve either a 'back of an envelope' exercise or a detailed desk study. A relatively detailed version of this technique was used in the search for housing sites in the Central Durham Study (see Section (ib)above). Figures 6.3 to 6.5 illustrate the criteria used to exclude unsuitable areas. These are all related to physical or planning constraints and public utility capacities.

The exercise revealed that the land subject to the least constraints was located to the north and east of the city, and close to the villages of Brandon, Bowburn, West Rainton, Kelloe and Bearpark. This largely reaffirmed the conclusions drawn in the 1950s and was used in support of options for new housing locations presented in the County Structure Plan. In referring to this study, the interviewed planners were, however, quick to point out that areas not subject to constraints cannot automatically be assumed suitable for development, since many penetrate well into open countryside and that on this basis alone, residential applications would be refused.

The receipt of planning applications is another means by which the local authority's attention is directed to potential housing sites. In areas of 'white land', these prompt site assessment but many are immediately dismissed because they are unrelated to the existing built-up area. The level of detail considered varies but, particularly in cases taken to appeal, the assessment exercise must be rigorous not only to enable defence of the decision but also to put forward alternative 'suitable' sites for development.

Potential housing sites may also be suggested by councillors who, using their local knowledge, are particularly concerned with the

identification of sites for public sector acquisition. Other cited information sources are the District Valuer and County Land Agent who, as part of their official functions, acquire knowledge of potential sites which are likely to become available.

iii) Site Selection

Detailed assessment of site characteristics may be undertaken when preparing and defending sites allocated in local plans or formerly in village studies. Alternatively, it may only take place on receipt of planning applications made with respect to either allocated or unallocated land. Given that this assessment role is often adopted at the planning control stage, there is a danger of overlap between this section and the following chapter. In an attempt to minimize this, attention is here focussed on the actual criteria used in assessment, whereas Chapter 7 examines the mechanics of control procedures.

The following comments are based upon the criteria used for both detailed site selection (those used by the District Council for its district plan are listed in City of Durham Council, 1984, 8-9), and the determination of planning control decisions (an amalgamation of the factors cited by the interviewed District and County planners).

Collectively, these criteria are distinguishable from those cited by the developers because of the general viewpoint adopted. For example, instead of assessing the effects of the surrounding physical and social environment upon a site, the planners assess the potential impact of the proposed scheme upon the surrounding environment. This is a reflection of the differences between the assessor and regulator roles.

Whether assessing sites for inclusion in plans or determining applications, evaluation begins with policy considerations, i.e. to determine if the proposed site contravenes any policy decisions relating, for example, to development in the countryside, on agricultural land, in areas of special landscape, or in areas without satisfactory access to the road

network. When determining application decisions, the planners stressed that a residential planning allocation in a village study or local plan is not sufficient to ensure final approval since a multiplicity of schemes (many unsuitable in shape, access provisions, or design) may be submitted for development in an area shaded on a map. This point has caused considerable conflict and misunderstanding between planners and other participant groups (Chapter 7).

With respect to physical and locational characteristics, a site is assessed in terms of its:

- a) comfiture, i.e. the extent to which it is exposed;
- b) proximity to other buildings especially if these are of architectural merit;
- c) visual relation to the surrounding environment;
- d) the proximity and capacities of existing shops and schools;
- e) the capacity of, and access to, the road network;
- f) land stability and drainage;
- g) capacity of public utilities.

These are all considered from the viewpoint of the local authority as a 'steward' of the land and servant of the existing community. As a result, when considering, for example, proximity to shops and schools, the planners are not only concerned with determining whether a site meets their requirements for providing a 'good living environment', but also with examining whether the proposed development will either put a strain upon, or alternatively assist, the retention of existing services.

Criteria concerned with the availability of services (physical and social) may be waived in the case of large housing sites on condition that additional facilities are provided (or at least that sufficient land is reserved for their provision). Such safeguards have not, however, always prevented the development of estates lacking in community facilities and many of the interviewed respondents (planners, councillors, developers

and estate agents) were critical of the level of service provision on Newton Hall estate.

Planners have often been criticized for not considering the ownership characteristics of a site but this has been defended on the basis that, for proposed public sector sites the planners can, if necessary, impose a compulsory purchase order upon the owner, whilst for private sector sites, the planners can be reasonably confident that prospective developers will be able to persuade owners to sell. This argument may not apply where problems arise because of the multiplicity of ownerships and this was cited by Durham District planners as an assessment criterion for their plan sites.

Similarly, planners have been condemned for ignoring marketability criteria, a criticism acknowledged by government legislation in the immediate post study period (Circulars 9/80, and 22/80). This applies in particular to local plan site selection. Comment has already been made upon the District Council's attempts to overcome this problem by obtaining developer comments on environmental and locational attraction. Nevertheless, of the 34 sites identified in the draft local plan, only nine sites were regarded by the NFBTE as 'good sites', and the rest were criticized on physical or marketability grounds. Noticeably, six of these 'good' sites were located in the central urban area, with only three sites (two in West Rainton and one in Croxdale) in the rest of the district, an area which the developers consider has less market potential.

It is notable that these selection criteria are associated with the planners although all final decisions on site suitability whether for inclusion in a plan or for planning consent are made by the councillors. At this stage, the councillors have an opportunity to apply their own selection criteria (referred to by several of the councillor respondents as 'gut reaction'). In practice, it is rare for councillors to reject planner recommendations

either on individual applications or on land allocation. With respect to individual applications the councillors recognize that planner recommendations are largely based upon policy decisions which they have previously made (or at least endorsed) and thus by opposing the planners they are effectively opposing themselves. The reversal of officer recommendations requires a consensus of opposition from the councillors (or at least from the dominant political group), which provides a safeguard against personal prejudices which could lead to either the increased stringency or the relaxation of selection criteria with respect to particular areas or individual sites.

Thus at the land search and site selection stage, power and control within the local authority decision-making group rests principally with the planners who adopt their own selection criteria (albeit within the constraints of approved council policies), interpret a site's suitability, and possess the experience and expertise to defend their conclusions. Throughout the study period this position was broadly accepted by the councillors who perceived it as an indication of confidence and trust in their appointed officers rather than of the usurping of their democratically appointed powers. Some interviewed councillors were concerned about the situation, but individuals have little chance of challenging the bureaucratic structure of officer control. On the basis of knowledge of local government and discussions with planners in the post study period, it appears that this situation is changing as persons standing for council election become more assertive and eager to exert and defend their democratic powers.

6.3 THE DEVELOPERS AND PLANNERS - CONFLICT AND CO-OPERATION IN LAND SEARCH AND SITE SELECTION

This section seeks to bring together the points of consensus and contention between these two participant groups. These are important given that eventual agreement on a site's suitability for housing, at

least for private development, is essential to progress the development process. The nature of their relationship is determined by each group's attitudes both to the development process and to each other. The following comments are based entirely on views expressed by the interviewed representatives. 'The planners' rather than the local authority decision-makers as a whole are examined in this section partly because of their powerful role, but primarily because all of the developers commented on the behaviour of 'the planners' rather than of the local authority. In some cases they may have been using the planners as the scapegoat for the council as a whole, but most of the developers perceived the planners to hold the power.

Given the abundance of criticism levelled at the planning profession in general by developers and their representative bodies, and the much quoted antagonism between local developers and planners working in the study area, it was anticipated that developer responses to questions on the adequacy of land allocation and on the roles of planners as both assessors and regulators would reveal a high degree of local antipathy.

With respect to the adequacy of housing land allocation, the ten respondents gave a surprisingly favourable response. This was unexpected since the interviews, although predating the structure plan conflict, were conducted after the NFBTE's criticism of land availability in 1973, and after a period of boom conditions when, nationally, planners were blamed for the developers' inability to meet rapidly rising demand. In particular, criticism was expected from the smaller developers, given the pattern of past land release on large peripheral sites. This was not forthcoming and each of the respondents expressed their satisfaction with the availability of infill sites. Where problems of availability were recounted, blame was attributed to the activities of two local developers (included in the survey) who have 'sewn up the area', rather than to the planners.

There was considerable support, in principle, for some form of

planning allocation and control within the study area. Eight of the developers regarded planning as necessary although their support was often qualified by criticism of specific policies. Six respondents even expressed the need to protect the environment from 'developer pressure', and one admitted that without the Durham City containment policy 'several developers would run amock in the landscape'.

On the other hand, the respondents were critical of the nature and location of much of the land listed in the housing land availability register. Seven out of ten respondents considered that a significant proportion of sites were not 'in the right places', being located in areas of limited local demand or in areas of unattractive environment. In addition, many were critical of the planners' apparent disregard for technical problems especially related to stability and service availability. Such constraints make 'available' sites a non-viable proposition, at least in the short-term.

Within these two sets of comments there is an apparent contradiction in that it may be expected that if many of the housing sites allocated are unsuitable, there must be an overall shortage of truly available land. The expressed satisfaction with the land allocation must indicate that, either there is more than sufficient land allocated in numerical terms to take account of these unsuitable sites, or the interviewed developers have been lucky or very astute in their land selection and acquisition activities.

The developers became more vociferous and condemnatory in their responses to questions about planners in general and their roles within the development process. Most of their comments were made in the form of generalizations about the 'planning system' and 'the planners'. Whether this type of remark was made because of strong opinions held on the failure of planning practice, or because it is both expected and fashionable to make unsubstantiated condemnations of planners, is a matter of conjecture. Most

of the respondents appeared to hold strong opinions on the subject but these tended to be expressed with an evident degree of bias.

Most frequently the developers criticized the planners' 'inflexible and negative approach'. This was attributed either to their 'lack of understanding of the market' or their 'incompetence'. Seven of the developers commented on the former with varying degrees of censure from mild to vitriolic. As examples, the planners were variously described as:

'out of touch with reality'; 'ivory towers';
'having got their feet firmly planted in the clouds - they do not understand the financial burden of development'; 'lacking an understanding of the economics of development - they've never had to sell houses'; 'little Hitlers - they don't understand the development process and lack practical knowledge and experience of the real world'.

Underlying these comments is the basic conflict between the economic objectives of the developers and the objectives of the planners for whom economic considerations are often secondary to social goals and planning ideals. This antipathy and lack of common understanding was anticipated but the allegations about incompetence were unexpected.

Three developers emphatically stated that they had no confidence in the local planners given their witness of past inconsistencies in plan implementation, and evidence of erroneous decisions. Such views are subjective and, for example, criticisms of the Newton Hall estate, and of housing development at High Shincliffe and Broompark, are not necessarily shared by other developers, especially by those who have been involved in these schemes.

The developers' reference to inconsistencies in plan implementation emphasizes the long-term impact of past errors of judgement or of ambiguous policies which have been open to misinterpretation or abuse. Cited examples of inconsistencies were not always related to housing development, such as the construction of Durham High School in a 'sacrosanct Area of Great Landscape Value' but others, including the permission granted for housing in the 'green wedge open space of

Flass Vale' were much quoted. Inconsistencies undermine the credibility of planners and can have a lasting and damaging effect upon future relationships not only with the developers but with the public as a whole.

However, perceived inconsistencies of either action or judgement may not be a simple reflection of planning incompetence. The interviewed planners pointed out that apparent inconsistencies may arise as a result of unavoidable circumstances, for example where:

- i) the local authority's decisions have been overruled
by the Secretary of State following appeal proceedings;
- ii) decisions have resulted from extreme pressure from
various external groups or from within exerted by
councillors;
- iii) decisions have been based on long-standing and irrevocable
commitments made prior to the approval of current planning
policies.

Others may be attributable to the inadequacy of the statutory plans to cope with unforeseen circumstances (planners consider it unreasonable to expect a plan to cover all contingencies). The likelihood of this occurring obviously increases as the plan becomes outdated after which the planners consider it justifiable to make modifications. The developers tend not to share this view and were united in expressing a lack of confidence in the planners' ability to prepare forward plans. Their views can be summarized in the comments of one respondent, 'they do not look forward enough - instead, they move from crisis to crisis making short-term ad hoc decisions which have a bad effect on the building industry and house prices'. Against the background of long-standing policies operating within the study area (6.2(ib)) this comment was surprising.

Whether valid or otherwise, perceived inconsistencies or lack

of control weaken the planners' authority and can be exploited by groups who are seeking to overcome policies which are an impediment to their own development objectives.

The whole question of understanding, competence and credibility can also be considered from the other side. The interviews with planners produced equally vehement criticisms of developers, not so much about their technical incompetence (although a few pointed comments were made about the design capabilities of some developers), but about their ethics and 'self-centred' approach to the development process. Just as the developers tend to criticize the planners 'en masse', the view of one respondent developer that 'planners lump all builders together as evil speculators and despoilers of the environment', was shown to have an element of substance by the implied and often overt comments expressed by the interviewed planners.

Although both groups stated a desire to increase co-operation, especially on residential land allocation exercises, there remained an apparent inability and even unwillingness to comprehend the other group's approach and requirements. Blame for this fundamental obstacle to real communication can be apportioned to both groups.

The planners' full understanding of the development process is often difficult to assess since some of their actions, which flout commercial logic, may be either deliberate (sometimes required) attempts to impose a non-economic rationale, or examples of ignorance and incompetence. There was little evidence from the interviews of planners seeking to understand and be sympathetic towards the developer's motives. These were usually dismissed as profit-making. On the other hand, despite their expressed support for planning policies, the developers demonstrated an unwillingness to accept the compromises and social responsibilities upon which these policies are based.

Yet co-operation does exist and although disputes over land

allocation and specific planning applications are the most frequently voiced and publicized in the media, many discussions and interchanges between developers and planners are conducted in a co-operative and amicable manner and produce agreement or compromise. Informal co-operation has been developed over many years during which time the developers and planners have 'gained a measure of each other' and have become aware of each others' attitudes and prejudices.

Collective co-operation has been more limited, reference has been made above and in Chapter 5 to the joint assessment of demand and site selection undertaken by the District Council and the NFBTE during preparatory work on the district plan and by the County Council and the NFBTE as part of the Circulars 9/80 and 15/84 studies. This more formal contact has led to further improvement of relations between the two groups but it is probably unrealistic to imagine that the mutual understanding attained is anything more than superficial; a useful basis for ad hoc liaison when deemed convenient by either group. Such mutual understanding and consideration is likely to be quickly dissipated in circumstances where either, a) an improvement in market conditions leads the developers to become frustrated with planning procedures and forget their increased awareness of, and sensitivity to, planning objectives; or b) a shift away from the current emphasis upon co-operation with private enterprise leads the planners to forget their increased acceptance of the need for greater realism and commercial awareness.

Given that one group is invariably attempting to gain control of, or at least influence the actions of the other, conflict is inevitable. In general the activities of the two groups at this land search and site selection stage proceed in parallel until the decisions of one directly interfere with those of the other. Over time the planners' objectives in site selection are met (or at least are not jeopardized) by refusing development outside their chosen areas, whilst the developers' objectives

are eventually met after a process of trial and, less frequently, error in the submission of applications. With respect to private sector development, initiative in the choice of location can lie with either the developers or planners, but the final control over site selection rests with the local authority decision-makers.

6.4 PRIVATE HOUSING POTENTIAL WITHIN DURHAM DISTRICT - A COMPARISON OF OPINIONS

To conclude this assessment of the differing attitudes and approaches to land search and site selection, this final section compares the opinions of the local authority decision-makers and the developers on the potential for future private housing development within each settlement in the study area.

The interviews with planners, councillors and developers provided an indication of the disparate views on future development potential, but since the questions were open-ended, the answers received were not sufficiently site or locality specific to enable a detailed comparison to be made. The differences in opinions which emerged from analysis of the interview material were confirmed and expanded by a survey commissioned by the District Council in 1979.

The survey, organized by the NFBTE requested a sample of its members operating within Durham District to assess the potential scale of future housing development in each settlement, taking into account marketability and land availability factors. As a guide to the District planners' own views, the survey also included a section listing their assessment (sanctioned by committee) of an appropriate scale of development.

Table 6.4 highlights the differences and points of agreement between the developers and District planners. It also indicates the final scale of development proposed for each settlement in the District Council's local plan (1985). In addition, an indication is given, albeit less specific, of the County Council's opinions as reflected in their

structure plan settlement 'classification'.

The table reveals a consensus of opinion on only five settlements. All agreed that future development in the two conservation areas of Brancepeth and Sunderland Bridge should be 'restricted', although the developers pointed out that the former had unlimited market potential. Similarly, all agreed that development should be respectively 'restricted' and 'limited' in the less attractive settlements of Cassop and Broompark. In contrast, all agreed that Coxhoe is an appropriate location for moderate levels of development (100-300 new dwellings). It should be noted, however, that the categories used by the developers and District Council differ from those used by the County Council and that, for example, their 'limited' category (30-100 dwellings) implies considerably greater development than envisaged by the County Council in their use of the term 'limited infill'.

Broad agreement was also reached on a further five settlements although, in each case, the developers opted for a slightly higher level of provision. These include Brandon and High Pittington, which were considered suitable for 'moderate' to 'substantial' levels of development, and Low Pittington, Ludworth and Shincliffe Village where the proposed level of future development was 'restricted' or at most 'limited'.

In respect of 19 settlements, the opinions of one group were noticeably out of accord with the other two. In the majority of instances it was the County Council which was at variance with the District planners/Council and developers. The most significant of these is Durham City itself, or more specifically its 'central urban area' where the agreed level of market potential assessed by the developers and District Council was rejected, at least in policy terms, by the County Council. Despite the acknowledged market demand for development within the city, the County Council's structure plan contained a strict policy that no further major releases of housing land will be allowed (Section 6.2(i)).

Other examples include two former category D settlements, Langley Moor and Meadowfield, which the developers and District Council designated as suitable for 'moderate' to 'substantial' levels of development, whilst the County Council remained isolated, if not implacable, in its attitude towards future growth. In respect of these two settlements, the County Structure Plan recorded 'no decision' on appropriate levels of development pending completion of detailed local plans.

The remaining instances of County Council deviation in development potential appraisal were all examples of settlements, many ex-mining villages, which it felt could, or should, grow to accommodate significant levels of new development. These settlements include: Bearpark, Esh Winning, Kelloe, Kimblesworth, New Brancepeth, Quarrington Hill, Ushaw Moor, and Witton Gilbert. Since most of these settlements are not noted for their environmental attraction, the developers did not share this view. The interviewed District planners acknowledged the potential of Bearpark, Esh Winning, Kelloe, Quarrington Hill and Ushaw Moor but, following their District Plan housing site assessment and public participation exercises, these opinions were moderated.

The effect of adverse public opinion upon suggested development sites also led to the revision downwards of the District planners' assessments of the potential of Bowburn, High Shincliffe, Sherburn and West Rainton as a result of which, the District Plan categories for these settlements were out of accord with those of the other two groups.

The developers were notably at variance with respect to four settlements, Croxdale, Hett, Shadforth and Sherburn Hill. The County and District Councils did not share their optimism about the potential for revitalizing Croxdale and Sherburn Hill and, whilst accepting the irresistible market attraction of Shadforth and Hett, they feared that any development 'out of scale and character' with these villages would

destroy the very assets which make them attractive. The developers themselves were not insensitive to the 'saturation problem', but there has been a history of conflicting opinions on the sensitive balance between market potential and conservation in many of the district's most attractive villages.

Within the table, there is one notable settlement, Littleton, upon which all groups disagree. The County Council, after consistently classifying it as a category D (4) village, no longer acknowledge it to be a viable settlement. Instead, it is classified as 'sporadic development in the countryside'. The District Council, whilst officially recognizing it as a settlement, considered its future growth potential to be 'limited'. The developers, on the other hand, regarded it as an attractive rural village (following successful County Council reclamation work) which is now capable of attracting and accommodating moderate levels of development.

Overall, it is evident that conflicts of opinion between the groups arise more from differing attitudes to policy constraints and environmental issues than from disagreements about market demand and potential. The conflicts are, however, significant in some instances and, when attempts are made to wield power and control to ensure that a particular opinion is upheld, the degree of conflict can be severe, adversely affecting both the participants and the development process as a whole. Such conflict usually reaches its peak at the following stage, that of planning control.

CHAPTER 7

PLANNING CONTROL

The acquisition of planning permission which confers the legal right to construct houses on a particular site is an important and unavoidable stage in the residential development process. Planning control procedures through which permission is granted may be regarded as a fine filter through which all development proposals, both public and private, must pass. This filter may be passed through once or twice depending upon whether the applicant submits first an outline application in order to gain approval in principle for development. Many applicants consider the submission of a full application at the outset to present too great a risk.

Applicants include potential housing suppliers for whom planning permission is a prerequisite to progression of the development process, and intermediaries who seek permission to enhance the value of land offered for sale. These can be acting either for themselves or on behalf of an owner or prospective purchaser. The applicant need not have a legal interest in the land, but an application can be made only with the knowledge of the owner and after notifying any agricultural tenants.

In the adopted sequence of stages (Figure 2.1), planning control precedes economic appraisal and land acquisition, but in some instances it may follow land acquisition (Chapter 2.5). It corresponds with the 'urban shadow' land use state during which uncertainty regarding future land usage is at its height; a situation which creates considerable disruption of agricultural practice on 'greenfield' sites (Chapter 11). As an 'activity stage', it involves active consideration for development by both the applicants and assessors. This requires both formal and informal interaction between the applicants and the local authority decision-makers in whom power is vested to determine final decisions.

The local authority decision-makers as the principal 'gatekeepers'

at this stage are in a controlling position. Their decisions can be overruled by recourse to statutory appeals proceedings through which power is passed to the Secretary of State or his representative inspector, but this is a highly uncertain and always costly procedure. Through their control of planning decisions, the local authority possesses the power to render fruitless previous work and expenditure on demand assessment, site selection, plan preparation and, sometimes on land acquisition. Moreover, even the procedure itself and the time taken to reach a decision can strongly influence the viability of a development scheme.

From the viewpoint of the local authority decision-maker, this procedure provides the opportunity both to facilitate and prevent development in accordance with existing policies. As stated in Chapter 6 planning control is used to regulate all housing development, although for public sector proposals, the acquisition of planning consent is rarely an obstacle to development. With respect to the private sector, planning control can represent a preventative mechanism defended on 'stewardship' and 'public interest' grounds. The power to confer or withhold planning permission is not simply a means of policy control but provides a means of differentially allocating monetary resources, through the values attached to land rights, to various participant groups and individuals (Smith, 1977).

Alternatively, from the viewpoint of the applicants, the necessity of obtaining legal planning sanction for their proposals introduces an unwelcome uncertainty into the development process. A range of attitudes to planning control was expressed by the ten interviewed developers who described it as anything from a 'nuisance factor' to an 'oppressive and often insurmountable obstacle'.

This stage is inevitably a point of controversy and tension given that, certainly for developer applicants, it necessitates a removal of process control into the hands of a group seeking different

objectives, at a time when 'stakes are high', risks considerable, and a level of commitment in both time and money has already been made. Given the stringency of British planning law, the degree of conflict between the public authorities and applicants is often greater than in the United States or Australia where zoning ordinances and policies are more malleable (Clawson and Hall, 1973).

Yet the applicants are not completely powerless at this stage in the process. Many, through long experience of past negotiations have become adept at submitting applications which the local authority decision-makers have difficulty refusing. Applicant objectives may be achieved through presentational skill, manipulation and an ability to 'play the system' (Dobson, 1984). The practice of 'preparing the ground', i.e. of holding pre-submission consultations with the planners is also an important means of gaining local authority confidence and support and of minimizing abortive effort.

Whether manipulative or co-operative, negotiation and bargaining are key features of this stage in the process. Despite their ultimate statutory power and control, the local authority decision-makers recognize that an inflexible and unreasonable pursuit of planning objectives and the rigid observance of detailed standards may in reality jeopardize the fulfillment of their own goals. In order to achieve planned growth and residential expansion, they are reliant upon the private developers and other applicants (Chapter 4.3). A failure to facilitate their activities may not only damage the authority but their own standing with their electorate. Negotiations are fought hard since success is important to both applicants and assessors. To the former, the failure to gain permission often represents a loss of existing capital and of potential profit. To the latter, the failure to enforce a satisfactory decision means a loss of credibility and threat to future control (Chapter 6.2).

The following subsections examine the adopted roles of the

applicants and the local authority decision-makers, and the nature and degree of interaction between the two groups. In addition, an assessment is made of the impact of past planning control decisions upon residential development in the study area. Given that planning control is a statutory procedure and that applicants must act within the regulations imposed by the local authority decision-makers, it is to the actions of the latter group that attention is first directed.

7.1 THE LOCAL AUTHORITY DECISION-MAKERS

i) Statutory Duties

Local authorities are both required and empowered by law to undertake a development control function as a means of regulating land use (during the study period, these functions were defined under the Town and Country Planning Acts of 1968 and 1971). All forms of new residential development of whatever type and size must comply with planning and building regulations (although the procedures involved in obtaining permission vary for some types of local authority development and for development by statutory undertakers).

The local authority is charged with the responsibility for enacting the law and the councillors as elected representatives of the authority are responsible for taking the final control decisions. However, as stated in relation to previous stages in the development process (Chapters 5 and 6), their appointed power is effectively delegated to the planning officers. The latter in their professional capacity assess all applications and make recommendations to committee which are infrequently challenged.

Prior to April 1974, development control functions were the duty of county councils although they were empowered to delegate decisions to local councils. Durham County Council did delegate the final decisions to the individual local authorities (i.e. to the MBC, UDC and RDC) within the study area but, since these authorities did not have their own planning staffs, officer recommendations came from the County Planning

Department. In the event of the local authority councillors rejecting these recommendations, a complicated procedure involving both the local authority and the County Council was brought into operation. Essentially, the power lay with the County Council which resulted in some local animosity especially over control decisions designed to implement or maintain unpopular County Council policies such as settlement classification (Chapter 6.2). However, splits both within and between councils were as much based on personal and political factors as on straightforward council allegiances.

Following local government reorganization in 1974, the balance of power in controlling residential permissions shifted to the local level. The bulk of residential applications (86%) were handled by the new District Council but a vestige of County Council power lay in its duty to determine applications declared out of accord with development plans or County Council policy statements. After the end of the study period (January, 1981) these powers were also removed.

Between 1974 and 1979, many problems arose in determining and maintaining an amicable division in responsibilities between the two authorities. Both councils (planners and councillors) were keen to exercise their rights to the full - the County Council to preserve its control and the District Council to exert its new powers and freedom. To minimize conflict, a classification system was drawn up to facilitate the allocation of incoming applications to the appropriate authority (Durham County Planning Officer, 1974a, 1974b). In the event of disagreement, powers of direction (for refusals only), were granted to the County Council (under paragraph 19 of Schedule 16 of the Local Government Act, 1972). These, however, were regarded as a last resort to which recourse was not normally expected.

Between 1974 and 1979, there were only 12 instances of disputes between the two authorities with respect to residential applications for development of over five houses. Of these, five were treated as 'County matters', three as 'District matters' and in only two cases did

the County Council exercise its power of direction (two applications were withdrawn). When a decision is directed, the County Council issue the refusal certificate. One of the interviewed developers referred to the practice of the District Council and formerly the local authorities issuing either formal or informal disclaimers designed to placate the 'would be' developer and to encourage him to try elsewhere in the District.

The legislative changes enacted in 1974 therefore had a marked effect upon planning control functions and upon the participants involved in this stage of the development process. The interviewed group representatives were asked to comment upon these changes with respect to their own experience of both beneficial or detrimental effects. The District Council planners, despite being in favour of additional control, were critical of the problems associated with the system's complicated administrative and liaison procedures, particularly with the need to co-ordinate committee meetings. The District councillors, on the other hand, considered the new system to be much improved. Of the 17 councillors who commented on the changes, 16 felt that the new system had increased the speed and efficiency of processing applications. This response was not surprising since the new system gave these councillors more responsibility, control and direct access to the officers processing applications. The views of County Councillors were not sought, but the interviewed County planners insisted that the new system had slowed down the speed of processing even the most straightforward applications.

The interviewed applicants (developers, estate agents and landowners) were unanimous in their criticism of the new system which was seen to further complicate an 'over elaborate bureaucratic process' and add to their frustration. In particular, several developers referred to the increased delays in processing applications and to their confusion regarding which council should be contacted for discussions both prior to and after application submission.

In order to illustrate the changes in official procedures for handling planning applications, Figures 7.1 and 7.2 respectively trace the path of an application under the pre and post 1974 systems.

ii) Adopted Roles and Attitudes

In Chapter 6 the role of the local authority decision-makers at this stage in the process was described as regulatory in order to distinguish it from the 'assessor' role associated with residential land allocation. Yet planning control is about the assessment of received applications, a duty which has remained unchanged despite the procedural and administrative changes referred to above. Each application may pass through two assessment stages. First the professional planners examine each application and make a recommendation to the councillors who then may themselves assess the application prior to pronouncing the final local authority decision.

a) The Planners

Several studies have made reference to the development control function as one of the less attractive duties a planner may undertake. From their survey (undertaken in 1970) of planners working in 17 local authorities, McLoughlin and Webster (n.d., 25) commented on the widely held view that development control was the 'Cinderella of planning', underpaid, under-educated and possibly looked down on by the 'development plan whizz-kids'. The comments made by the interviewed planners, and personal work experience in planning indicate that although this may have been true in the late 1960s when the prospect of a new form of strategic planning was exciting, attitudes began to change during the 1970s. Within the study area, certainly amongst planners other than chief officers, this change was manifest in an increasing disillusionment with the role of policy-making which does not produce immediate tangible results, and in the revival of interest in the practical and 'interactive' functions of development control. Individual attitudes are inevitably determined by personality and specific work experience and a difference was noted

between planners working at County and District levels, since in the latter, interest in the policy-making role was sustained by the challenge of preparing a new type of district plan. During the mid 1970s and no doubt throughout the whole study period, it was revealed by a national survey (Knox and Cullen, 1981) that senior planning officers were principally concerned with their managerial and organizational roles, accepting development control as just one of the functions which they must efficiently accomplish.

Development control work does not simply involve the following of routine procedures for application assessment, but incorporates an important advisory role which, in part, represents a public relations exercise. The planner handling applications is often the 'public face' of planning within the local authority and his or her attitude and behaviour towards applicants or their representatives is important in establishing the tone of interaction at this stage in the process. Since interaction is a very necessary part of their assessment role, planners must have an ability to communicate with applicants and a variety of both internal and external consultees.

The following description traces the procedures used by the planners to determine decisions. Since all applications prior to 1974 were determined by planners working for the County Council, this description relates to the methods adopted by the Durham County Council planners. It is based upon the interviews held in 1974 and subsequent discussions with development control officers. The post 1974 procedures used by planners working for Durham District Council are very similar to those described below. This is understandable given the limitations of statutory requirements and the fact that a considerable proportion of the control staff employed by Durham District were employees of the County Council prior to the 1974 reorganization.

It should be noted at the outset, that there are three types of

application:

- a) outline applications which seek approval in principle for proposed development;
- b) full applications which provide details, not only of the location, but also of the layout and design of the proposed scheme;
- c) reserved matter applications which seek approval of scheme details on sites already in receipt of outline permission.

In addition, applications may be submitted to gain approval of amendments to an existing planning permission.

Once an application has passed through the administrative procedures of logging its receipt, plotting on a map and, post 1974, through debates to determine its classification, the planner to whom the task of assessment is allotted begins work. The methodology adopted is determined by a mixture of statutory regulations, the departmental code of practice and personal initiative.

The first decision taken relates to choice of external consultees. In some instances the General Development Order makes clear requirements, for example, MAFF must be consulted on all applications for development on sites over four hectares (10 acres). Similarly, the Department of Transport must be consulted on sites which require access onto a trunk road. Generally any body or group considered to have an interest in the site is given a chance to comment. Typically these include: the NCB, Gas Board, Electricity Board, Water Authorities, British Rail, CPRE and local amenity groups, the containing or adjacent local councils, and parish councils. One group notably absent from this list is the public. The law requires advertisement of all applications out of accord with approved development plans which, in relation to residential sites, usually relates to the Town Map. Exceptions arise where, for example,

development is proposed in an Area of Great Landscape Value designated on the County Map (Chapter 6.2). Since Durham City has never had a Town Map (Chapter 6.2), most applications were not classified as 'official departures' and were thus not subject to public consultation.

Internal consultations within the planning department and with other County Council departments proceed on the basis of agreed codes of practice. Within the department, discussions are held with planners involved in policy matters, design, and landscape planning. The accepted codes of practice sometimes produce internal conflict and frustration for the development control officers to whom general policies often appear either too inflexible or ambiguous, preventing, in some cases, a realistic assessment of applications based on individual merit. Departmental or council policies reign supreme and can stifle personal initiative, but any ensuing friction is invariably submerged beneath a 'blanket' departmental or council allegiance.

Within the County Council, the County Engineer is the most frequently consulted of the other departmental heads. This accords with findings of McLoughlin and Webster (n.d.) who commented upon the apparent lack of consultation with bodies or departments concerned with the social implications of development proposals, e.g. with the Directors of Education and Social Services. During the interviews and in subsequent discussions, few planners made a reference to these departments but for those who did, liaison was seen more as a 'nuisance factor' than as an aid to determining applications. Such attitudes reflect the dominance of physical, locational and planning criteria in assessing applications, a dominance which has increasingly become the subject of criticism by those who feel the assessors of planning applications should be more socially aware and responsible (Harrison, 1972; Ambrose and Colenutt, 1975).

The physical and locational bias imposed by the information and views supplied by consultees is compounded by a similar physical bias

inherent in the other two key information sources - site histories and approved policy documents (although it is acknowledged that the County Development Plan and certainly its successor the County Structure Plan have economic and social foundations).

A further indication of the level of concern with physical, planning, locational and visual characteristics is given in the list of 25 standard refusal reasons (Appendix 7) consulted by development control staff when preparing decision statements and committee reports. This unofficial list was prepared for internal use only but similar lists are in common usage within most planning departments. The interviewed staff were insistent that such lists are not a substitute for careful individual assessment but are merely guidelines for assessing relevant factors. They also provide a defence against the possible, or at least alleged, personal prejudices of individual officer assessors.

The assessment procedure invariably requires a site visit and often necessitates further discussion with the applicant in order to clarify details. Discussions on, for example, layout, access and service provision, may take place at various stages in the assessment procedure. These may take the form of informal meetings, sometimes held prior to submission, or formal meetings held in the presence of legal advisors. The latter particularly applies when the local authority, under Section 52 of the 1971 Town and Country Planning Act, is seeking to enter into a special agreement with the applicant.

Such agreements give the local authority a greater measure of control (Hawke, 1981) and have been popularly referred to as arrangements leading to 'planning gain'. They are a means by which the local authority can ensure that certain aspects of development are achieved which would normally have fallen outside the scope of legitimate planning conditions. For example, where a developer owns land adjacent to the application site which the planners fear they may be subsequently

under pressure to approve for an extension of the site, they may seek an agreement to prevent access across this land. Alternatively, they may ask the applicant to agree to landscape the area adjacent to the approved site. Initially, a local authority could seek only agreements whereby the applicant agreed not to do something, e.g., not to offer dwellings for occupancy until the local authority was satisfied that service provision was adequate. Since 1974 (Housing Act), however, positive agreements have been more common. One of the most frequent forms is an agreement by the applicant to contribute towards the capital cost of services necessary for the proposed development.

Section 52 agreements although increasing in popularity, at least with the local authorities for whom they provide an additional 'achievement' to present to the electorate, have not been very common in the study area. Prior to 1974 they were rare, and since 1974, Durham District has handled approximately between 8 to 12 per annum, of which only one or two have been associated with residential applications. Applicants tend to be wary of this move towards greater local authority 'manipulation' and agreements are entered into primarily by persons or companies who are either seeking to foster good relations with an authority or who can see little chance of gaining planning approval without this type of co-operation. Recommendations relating to the adoption of agreements are presented to committee as part of the final application report which incorporates a range of arguments in support of the recommended decision. This decision may take the form of an unconditional approval, a conditional approval or a refusal accompanied by a series of reasons.

Although this recommendation may represent a crucial point in the development process, responsibility for its full import is rarely felt by the individual assessing officer since his or her sense of power and control is diluted by:

- a) the hierarchical decision structure within the planning

department which ensures that prior to submission to committee, the report and its decision are vetted by several tiers of officers, each of whom may modify the decision, or at least the presentation of its supporting case;

- b) the knowledge that the final decision rests with the councillors despite a recognition that dissent is infrequent.

On completion, responsibility for the report rests with the County Planning Officer or his deputy who initiates contact with the councillors. The application may be discussed with the Chairman of the Environment Committee, either as part of a general pre-committee meeting on the agenda, or as the subject of a specific meeting if the application is considered controversial.

Through these meetings, the County Planning Officer can gauge the likely political acceptability of his recommendation, an advantage which may not be shared by chief officers working for more politically balanced councils. The comments received may also assist the planner in formulating a suitable approach should he be called upon to defend his recommendations in committee. At a more general level, experience gained from these meetings helps both the chief planner and senior councillors to improve their mutual understanding of attitudes and objectives. From the viewpoint of the planner, such an understanding is essential to enable him not only to meet some of the objectives of the democratically elected councillors, but also to protect the interests of his staff by maintaining councillor support.

When finally presented to committee, the report and its decision may be quickly ratified without debate or the chief officer may be asked to comment on the salient points of his report. For non-controversial applications, the former practice is the norm. Once the formal council

decision has been taken, responsibility for notifying the applicant and explaining the reasons for the decision, is passed back to the planning officers, although in practice this is often a clerical task.

The statutory time allowed for this assessment procedure is two months. Given the necessary stages of assessment and reliance upon information from external sources, this limited time allocation demands efficiency and hard work on the part of the planners who, at any one time will have to meet committee deadlines in respect of a number of applications. The legislation permits the planners to seek an extension period where necessary and this provision appears to have been frequently utilized (Section 7.2(iii) and Table 7.1).

Criticism of the time taken to process applications (Section 7.2 (iii)) cannot simply be levelled at the planners' inefficiency since the planners' abilities to meet this two month deadline vary according to the size, complexity and contentious nature of application proposals, and to the degree of co-operation received from the applicant and consultees.

The whole procedure is extended by up to a further 18 months if the applicant exercises his statutory right of appeal, either against the decision itself or its imposed conditions. An appeal against conditions is, however, rare since the Secretary of State possesses not only the power to uphold or dismiss the contested conditions, but also to add further conditions or even reverse the decision.

Appeal procedures involve the planners rather than the councillors although the latter may sanction the adopted line of defence. It is the planners who are called upon to defend the council's decision at a quasi-judicial public inquiry. Depending upon the deemed importance of the case, the defending officer is either the initial assessor of the application or a more senior officer. For whoever involved, the task is particularly difficult if the decision is one which the councillors have made themselves in opposition to officer recommendations. In making his

or her defence, the planner is assisted by a County Council solicitor and the whole procedure is presided over by a government inspector who, in some cases, is delegated to take the final decision on behalf of the Secretary of State (Heap, 1982).

An examination was made of 30 residential applications which ended in appeal decisions. Of these, 7 were allowed, 12 dismissed and 11 withdrawn. The large number of withdrawals may indicate evidence of the practice described by Dobson (1984) of lodging an appeal with the intention of using the forthcoming proceedings as a bargaining lever and means of putting pressure on the planners to achieve a compromise solution (which can be approved as a revised application) prior to the inquiry.

The successful defence of a decision was regarded as critical by the interviewed planners since the loss of an appeal case calls into question both their own and the Council's authority and credibility (Chapter 6.3). Moreover, an appeal which is allowed, can create an unwelcome precedent encouraging further appeal proceedings or the submission of applications in areas previously regarded as sacrosanct. The decision of the Secretary of State is final and legally binding except in the rare event of High Court proceedings being initiated.

Once an approval has been issued, either directly by the local authority or via an appeal, it is valid for a period of three years (for an outline permission before the necessary submission of a reserved matter application) or five years (for a full permission before development must commence). This stipulation was introduced in 1968 (Town and Country Planning Act) and enacted on April 1st, 1969. Prior to this, permissions were indefinite, a situation which created many problems in the 1950s and 1960s when firms or owners sought to implement early permissions which were no longer considered suitable. A notable example of this was the large estate at Broompark (see Section 7.3(ii)). All outstanding applications granted before April 1st, 1969 were subject to the new

time limits but these could not be enforced if development had already started on site, i.e. if foundations had been dug. Minimal work can ensure that a permission does not lapse and, on sites which developers do not intend to develop for many years, trenches may be dug simply as a means of 'keeping the permission alive'.

Information on lapsed sites is provided by the District Council's building inspector (based in the District Engineer's Department) who, in accordance with building regulations, must monitor the start, various stages of construction, and completion of permitted development. Prior to 1974, this function was performed by the Surveyors' departments of the respective local authorities.

The acquisition of building regulation approval is a separate but equally necessary stage in the development control procedure. The assessment of individual applications is based upon the safety and design aspects of the proposed development, and approval or refusal is independent of the planning decision. Within Durham District, powers to take decisions on building regulations are delegated to the assessing officers and are reported to committee retrospectively.

The somewhat erratic and often unreliable means of monitoring the outcome of development control decisions confirms the findings of McLoughlin and Webster (n.d.), who found 'an almost universal lack of feedback about case outcomes to the case workers (development control officers)'. Another important point made by these authors and borne out by evidence from the study area, is the general lack of information exchange between planners working in development control and those working in policy teams. The monitoring of control decisions can illustrate the areas under pressure for development and the extent to which the final decisions have complied with existing policies. Yet in the 17 authorities examined by McLoughlin and Webster (including Durham County Council), it was apparent that little monitoring work was undertaken.

During the 1970s, a Durham County Council development control monitoring system was set up which was expected to provide an input to overall structure plan monitoring work. The information was never fully utilized, however, and the system was abandoned in the mid 1980s.

In conclusion, the planners' role at the development control stage of the decision-making process necessitates an:

- i) awareness of changing national planning legislation;
- ii) accurate knowledge of council policies and proposals to avoid making recommendations which either conflict with existing, or pre-empt future plans;
- iii) aptitude for synthesizing a variety of information and comments, and for presenting a well reasoned and balanced recommendation;
- iv) ability to communicate with, and gain the confidence of, colleagues, other professionals, and confused but suspicious laymen.

Above all, the planners must be able to retain their own planning ideals when faced with vehement criticism from applicants, and occasional lack of support from colleagues, councillors and the Secretary of State.

Individually, the planners have some power and control in their assessment, interpretation and presentation of a case but, as noted above, this is constrained by the bureaucratic framework within which they work. This is particularly the case in a large department as at Durham County. The interviewed development control officers working within Durham District indicated that they enjoyed a greater degree of personal responsibility.

Collectively, the planners as a sub-group of the local authority decision-makers possess a considerable measure of power and control both within the local authority and over other participant groups in the development process. This is maintained by astute and sometimes manipulative

professionalism and is sanctioned by a mixture of government legislation, a largely acquiescent elected group, and a comparatively passive public body.

b) The Councillors

Within Durham County Council, planning applications are considered by the Development Control Sub-Committee of the Environment Committee and within Durham District Council, by the Development Services Committee (one interviewed District councillor said that this committee was so called in order to avoid use of the term planning which arouses public antipathy).

In carrying out their perceived and statutory duties at this stage in the process, the councillors are in the unenviable position of trying to:

- i) uphold the policies and plans which they have previously approved;
- ii) maintain their favour with the electorate from whose ranks both the applicants seeking permission and their opponents may emanate;
- iii) make judicious political decisions with respect to the type of developments approved.

Their decision-making role is responsive to both the application itself and the planning officers' recommended decision. The extent to which the former is assessed by the councillors is dependent upon, a) its controversial nature, especially in relation to parochial interests, and b) their confidence in, and wariness of, the planners. The interviewed District councillors expressed considerable confidence in their officers and their recommendations. The record of council approbation of officer recommendations at County level indicates that the County councillors possess a similar level of confidence in their officers.

Although it is stated above and in Chapter 6 that councillors

rarely reverse officer decisions, the councillors are more likely to become actively involved in, or to challenge, development control decisions than many policy recommendations, since the assessment of planning applications is more easily undertaken by the layman. More direct involvement may also be sought because development control decisions provide an opportunity for councillors to make a visible demonstration of their activities on behalf of a particular ward. This is particularly true in the case of controversial applications which are given wide media coverage. Such involvement may simply involve active debate in committee or it could lead to a motion to defer a decision pending an opportunity for the councillors themselves to visit the proposed site and obtain further information.

Councillors recognize that their role as 'decision-makers' in the regulation of residential and other land use decisions is politically important since a popular decision may increase their local standing, whilst an unpopular decision may result in non-election. They are eager to gain media recognition for popular decisions but, when taking unpopular decisions, the councillors are happy for blame to be apportioned to either 'the planners', to whom an adverse reaction tends to be automatically directed by the media and many of the process participants (Chapter 6.3), or central government.

It would be incorrect to state that the councillors' power is cosmetic, but it is adeptly circumscribed by the planners' expertise - professional, administrative and political. As noted in Chapter 4.4, this was acknowledged by some individual respondents but most councillors prefer to affirm their control. The extent to which public affirmation of their position and control is a reflection of true belief or of fear of public rejection, is unknown. No doubt within the group as a whole, opinions on this subject of control vary considerably, indicating differing individual perceptions, aspirations and realism.

7.2 THE APPLICANTS

i) Approach to Application Submission

In submitting a planning application, all private applicants are seeking: to make money through the subsequent sale of 'development land'; the receipt of a fee for negotiating planning permission; or the development of a residential scheme for which the acquisition of planning permission forms an essential part. Public sector applicants are primarily seeking to obtain legal sanction for their land development proposals (although effectively the same monetary advantages accrue to the local authority applicant whether applying in the role of landowner or developer).

For all private applicants, this stage in the process is regarded as a 'risk'. The level of risk incurred is dependent upon the applicant and the amount of time and money already invested in the proposal submitted for approval. For developers, the risk can be avoided by the acquisition of only land already in receipt of permission but, as noted in Chapter 6.1, this approach is rare. Successful methods of minimizing risk include: the selection of only those sites already committed in some form to future residential usage; the submission of tentative outline applications prior to undertaking detailed scheme preparation; and the arrangement of early 'sounding out' discussions with planning officers about the prospects for a development proposal.

Most of the respondents acknowledged the need for a planning control system (Chapter 6.3) and accepted the inevitability of the attendant uncertainty and risk. This stage appeared to be viewed partly as a game whose rules are unfairly biased in favour of the local authorities. In particular, three of the ten developers displayed a rather 'cavalier' attitude stating that 'the planners must win some of the time'. However, beneath this superficial bravado, the game is treated very seriously and despite making some positive generalizations, all respondents changed their attitudes significantly when discussion turned to the outcomes of particular applications.

Prior to the submission of an application, many applicants, i.e. all developers, estate agents and many landowners, are well aware of the procedures involved. They are generally knowledgeable about the local planners' views on various types of housing development and about the balance of decision-making power between planners and councillors. This level of expertise is not shared by individual 'one-off' applicants, often landowners, and recognizing this many landowners seek the services of professional intermediaries, usually estate agents, land agents, planning consultants or solicitors, to act on their behalf.

ii) Submission Procedure

In simple procedural terms, the submission of an application for residential development entails the:

- a) completion of the requisite forms supplying information on the site, ownership status and nature of proposed development (for an outline application data required on the latter is minimal);
- b) preparation of accompanying maps, for an outline application a simple map identifying site boundaries is all that is required but for full or reserved matters applications, precise site diagrams illustrating the layout, engineering and architectural details are necessary.

When submitting a full, detailed planning application, the applicant must make a corresponding application to the local authority for building regulations approval which is necessary prior to the commencement of construction (Section 7.1 (ii)).

As noted above, during the period immediately prior to and after submission, the applicant may initiate informal discussions with the planners. If the application is submitted by a large developer, discussions especially on full applications are likely to involve the firm's architect (internal or commissioned). Gracey (1973) commented on the importance

of the relationship between the developer's architect and the planners in improving working relationships between these two groups. He cited examples of representatives of the two professions acting jointly to 'educate' the developers in the principles of good design. However, neither the interviewed developers nor the planners gave any indication of this approach operating in the study area. Solicitors may also be involved in these discussions especially where legal agreements (Section 7.1(ii)) are being considered as an adjunct to the planning application.

The waiting period between submission and receipt of the final decision was described by most respondents as a period of frustration and anxiety especially if interest payments are being made on capital borrowed to purchase land. For the landowner applicant these anxieties are less, but in submitting an application, the landowner introduces an element of uncertainty either for himself as a farmer landowner or for his tenant. In terms of existing land use returns this uncertainty can be both disruptive and costly (Chapter 11).

Given the attitudes and emotions prevalent during this waiting period, the applicants' preoccupation with the time planners' take to reach a decision is not surprising. Many respondents voiced strong criticisms of the planners' ineptitude or, in some cases, obstructionism in failing to reach a decision within the statutory two month period. They objected to the planners' right to seek a time extension and were scornful of their own right of appeal against delay (after two months or an agreed period, the application may be treated as a deemed refusal) because such proceedings themselves can take many months.

Notification of the local authority's final decision (invariably referred to by the respondents as the planners' decision) prompts the applicants to take the next key decision in the development process.

Receipt of an unconditional approval, which, for a new housing estate development in the study area is rare, provides the opportunity

for developers to proceed directly to land acquisition, economic appraisal or even development, or for landowners and intermediaries to enter negotiations for the sale of the land in question. Receipt of a conditional approval requires the potential developer or any subsequent land purchaser to consider carefully the cost and time implications of the imposed conditions. Most of the interviewed developers expressed their annoyance at the planners' imposition of conditions which inevitably result in either additional expenditure on special materials or service provision, or reduced returns because of reductions in site densities. Either way, conditions usually result in reduced profitability.

Faced with non-prohibitive conditions, the options of dropping the project, re-submitting a new application or of appealing against the decision, are rarely taken because the costs of these options are likely to exceed those to be incurred by satisfying the original conditions. For the landowner or intermediary applicant, a conditional approval simply results in a slightly reduced market value for the land, but since any form of planning approval for residential development is likely to prove very lucrative, significant objections are not often raised.

Receipt of a refusal certificate categorically preventing development on a particular site (outline permission) or the development of a particular project (full permission) presents the applicant with three options to:

- a) modify the proposal to make it acceptable, an option which is feasible only if refusal is based upon points of detail rather than principle;
- b) accept the decision and, if a prospective developer, to cut his losses and re-initiate the process elsewhere;
- c) appeal against the decision.

Election of option c) prolongs this stage in the development process. Nine out of ten of the interviewed developers said that they regularly

use the appeal system. The frequency of taking an application to appeal varied considerably being, in part, dependent upon the size of the firm and the financial resources available. Cost was cited as a major determinant of the decision to appeal. If successful, the returns can be very high but these must be weighed against the high cost of lodging the appeal, i.e., of financing capital tied up in a high risk scheme, and the professional / legal fees and staff time incurred in preparing for an inquiry.

Most of the interviewed developers indicated that appeals are lodged only when they are convinced that their case is sound and that a 'good political climate' at national level is likely to favour their submission. With respect to outline applications, a successful appeal can be very profitable if it can be used as a precedent to get further land released. As a result, several of the developers admitted to lodging 'try-on' appeals on white land. One respondent said that these help to 'wear down the planners' and that his estimated 10% success rate was worth all the extra effort involved. Two developers hinted, however, at the potential dangers of lodging appeals in so far as these can antagonize local councils. No elaboration was made of these statements and they may thus be interpreted as indicative of either, a desire to remain 'in favour' with the councils, or a fear of future recrimination in subsequent application assessments.

iii) Applicant Criticisms of Planning Control Procedures

Any activity which either threatens to, or succeeds in, interfering with the commercial development process, is likely to be the subject of intense criticism. This section examines the different types of criticism levelled by the interviewed applicants, differentiating between the condemnation of individual decisions and censure directed at the procedure as a whole. This distinction is somewhat arbitrary, however, since general views are based upon experience of past decisions.

With respect to individual decisions, it is inevitable that the receipt of a refusal certificate will give rise to protest, although one developer respondent said that on some occasions he has to adopt a 'c'est la vie' attitude. The strength of protest aroused by a decision appears to be related partly to the reasons for refusal. For example, refusals based upon locational and strategic planning policy grounds, although criticized were generally regarded as legitimate, whereas those based upon design criteria were bitterly opposed. Details of design and layout were considered to be outside the realm of legitimate planning concern. Seven out of the ten developers criticized the planners' 'undue preoccupation with minutiae' and their attempts to impose design or layout criteria which frequently make a project non-profitable and hence non-viable (although given that after much negotiation these planning criteria are often met in re-submitted applications, many claims about non-viability appear to be over-exaggerated).

Various methods can be employed to avert or reduce the likelihood of refusal on design grounds. For example, Gracey (1973) quoted a developer in the Midlands who sought to overcome anticipated design obstacles by engaging a well-known architect whom the planners were reluctant to challenge. If this ploy fails at the outset, it can be used to advantage in appeal proceedings at which the developer can act the role of the injured altruist who is simply trying to give the people what they want and has 'even gone to the trouble of getting a good architect to produce a good design'. Some of the interviewed developers in the study area prefer to adopt a more direct bargaining approach whereby applications are submitted for projects with excessive densities and with 'the design and landscape corners cut' in the recognition that, 'the inevitable haggling' with the planners will eventually result in a project design similar to that realistically envisaged. This approach can, however, 'backfire' by prolonging this stage in the process and creating an atmosphere of

hostility with the planners who are fully aware of their intentions. Moreover, it often produces poor 'compromise' standards of design which neither enhance the firms' reputation nor assist their sales on individual developments.

Another cited approach is that of repeatedly submitting the same type of design and layout known to be technically, professionally and politically acceptable (although the local authority may suddenly 'change its mind' prompting extreme frustration on the part of the applicant). This practice can also be counter-productive because it stifles new initiatives and perpetuates 'safe' statutorily adequate but unimaginative schemes. From an environmental viewpoint this approach is undesirable and it may also be commercially suspect especially for those developers aiming to attract more selective and discriminating purchasers.

The whole question of aesthetic control is controversial. Comments received from both applicants and planners confirmed the existence of prejudice on both sides and indicated that there is an element of truth behind the allegations that,

- a) applicants, particularly developers, are less interested in 'good design' than profit maximization (which is more easily achieved if minimum standards are adopted);
- b) planners are often preoccupied with either their own architectural predilections or with a somewhat mechanistic interpretation of planning standards (a stance which at least minimizes allegations of partiality).

Although throughout the study period the local authorities, supported and advised by government, maintained their control over the aesthetics of residential development, there was widespread national dissent from private enterprise and individuals. This was acknowledged by the incoming 1979 government which adopted a sympathetic approach to applicant criticisms of oppressive and over-fastidious development

control. The Secretary of State for the Environment (Hesletine, 1979) questioned the role of democracy as an 'arbiter of taste or as a judge of aesthetic or artistic standards', and local authorities were urged to apply detailed design control only where justified by the sensitive character of the area. This attitude was expanded in Circular 22/80.

'They (planning authorities) should not therefore impose their tastes on developers simply because they believe them to be superior. Developers should not be compelled to conform to the fashion of the moment at the expense of individuality, originality or traditional styles'.

In an effort to minimize conflict over design issues, some local authorities have produced design guides. These are aimed at encouraging improved design (from the planners' perspective) and represent a means of promoting planning objectives. Nevertheless, some applicants have welcomed them as an aid to submitting applications. Within the study area, where there are no published guides, one developer respondent expressed the hope that they would be introduced because they save time and effort. Other respondents, however, were not in favour of these guides regarding them as a further example of interference.

Interviewed County planners considered residential design guides to be a 'good idea', but from 1974 onwards their direct involvement with residential applications declined and the County Council's design function focussed more on design standards within conservation areas. Durham District planning department, despite its strong design orientation, has similarly produced no design guides for residential development (except a house extension guide). Instead the District planners, on receipt of an outline residential application for an appropriate site, prepare an individual development and design brief

for the proposed development. This is presented to the applicant and approval is generally conditional upon compliance with the design and landscaping criteria set out in the brief. These briefs ensure a high design standard but are considered sufficiently flexible to give the applicant scope to exercise his own initiative. Full applications are treated on their individual design merits.

Conflicts over design problems and over all adverse planning conditions are most pronounced during peak building periods when developers and other applicants are eager to get as many submissions approved as possible.

In particular, antagonism associated with the time delay involved in awaiting a decision, whether favourable or unfavourable, is intensified. When interviewed in 1974, the developers were still very aware of their frustrations sustained during the 'boom' years of 1971 to 1973. They claimed that during this period, whilst they were seeking to 'gear-up' to increase the speed of their operation, the planners were 'slowing down', a response principally attributed to inefficiency. It did not appear to occur to the developers that, unlike their organizations which can utilize spare capacity (or hire additional labour) in periods of 'boom', the local authorities have to cope with the increased pressure on existing staff levels (see Table 7.2, Section 7.3). Moreover, in 'boom' periods, the planners have to process a larger proportion of non-conforming applications and applications made by persons with little previous experience of the process, both of which tend to require longer processing times.

A study of planning control in the West Midlands during the period 1968 to 1973 (JURUE, 1976, 1977) revealed that planners did manage to speed up their processing times during the 'boom'. However, these processing times were not considered to be the critical factor in determining the rate of the developers' response to the increased demand. Rather, the team concluded that this response was largely determined by

the amount of land already in receipt of permission, or at least already submitted for approval, at the onset of the 'boom', and that the developers' allegations of planning inefficiency were partly a cover for their own unpreparedness for the rapid rise in demand.

Yet the team's findings did indicate that the developers' criticism about delays had some foundation since at their speediest, the West Midlands local authorities failed to meet the statutory two month processing period (taking an annual mean based on both full and outline application processing times).

Moreover, they calculated that the overall planning control stage took about 32% of the development process time from submission of the outline application to building start, and 21% of the time to process completion (excluding the assessment of demand, land search and acquisition stages).

As noted in Chapter 3.3, the immediate post study period government placed emphasis upon facilitating not hindering private enterprise and sought to streamline the planning apparatus. From 1979, local authorities were required to make returns about application processing times and the 1980 Planning and Land Act sought to improve the local authorities' performance and accountability, by requiring them to publish details of their success or failure in meeting the two month time limit.

The need for improvement varied across all local authorities and, in order to evaluate the degree to which the local authorities operating in the study area failed to meet the statutory time limits, a study was made of the mean processing times for outline and full private residential applications submitted between 1968 and 1979 (Table 7.1).

This table provides considerable support for the developers' claims about slow processing times in the study area. In each consecutive year, the mean processing time was over the two month limit, exceeding it by

over one month in eight and by over two months in four of the study years. The developers' criticisms are particularly understandable given that they were interviewed in 1974 when, together with the previous year, mean processing times were longest, perhaps partly a result of the backlog of applications following the 'boom' in submissions in 1972 and 1973 (Table 7.2). The interviewed planners stated that a further contributory factor to the delays at that time was the turmoil associated with local government reorganization and the split in development control responsibilities between the County and District Councils.

Applicant criticisms of processing times became even more vehement when reference was made to the extra delays incurred by appeal proceedings. One developer was particularly bitter about the costs of delay and the lack of compensation received if the appeal is finally won. On the other hand, several academics have voiced the opposite viewpoint. Ambrose and Colenutt (1975) criticized the appeal system within which the local authority must defend its decision at ratepayers' expense in an inquiry called on behalf of the applicant. Similarly, Pearce (1981), in questioning the economics of the whole development control system, commented on the high social cost incurred by the community to regulate those seeking private gain. He estimated that the system cost the country over £40 million per annum in planning staff costs alone - an average processing cost of £65 to £100 per application (figures based on a 1975 DOE estimate).

In a move to recoup some of these costs, the incoming 1979 government introduced fees for planning applications (under Section 87 of the Local Government, Planning and Land Act, 1980). The fees payable are: for outline applications, £40 for each 0.1 hectare of the site area, subject to a maximum of £1,000; and in other cases, £40 for each dwellinghouse to be created by the development, subject to a maximum of £2,000 (Heap, 1982).

The government's steps to improve the efficiency of this stage in the process, which began in 1975 (Dobry, 1975, see Chapter 3.3), and the subsequent local authority responses must have deflected some of the applicant criticisms (no applicant opinions were sought after these moves were implemented and thus the local response cannot be ascertained). These moves are unlikely, however, to have fundamentally improved relations between applicants and local authority decision-makers.

In the immediate post study period drive for increased efficiency, the planners were put under pressure from both external (i.e. government and applicants) and internal sources (i.e. from councillors and departmental heads). Internal pressure stemmed from protectionism of departmental, authority, and individual reputations, particularly following the government requirement that performance tables be made public.

For the development control officers, this increased pressure threatened to jeopardize the quality of assessment but, within any authority, the extent to which standards were allowed to slip was dependent upon the attitudes of individual officers and the departmental accountability structure. It is likely, however, that all planners resented this level of interference and public censure of their abilities, especially as many considered the delays to be 'not their fault'. Attitudes of resentment and low morale did little to assist the moves to improve general relations between planners and applicants initiated in the late 1970s.

Increased understanding and co-operation at the planning control stage was the subject of the national Development Control Forum set up in 1979. Following this national example, local authorities were encouraged to set up local fora, and a local meeting initiated jointly by Durham County Council and each of the County Durham districts was held later in 1979. Its aim was 'the mutual exchange of information and experience', and to the quarterly meetings, representatives were invited from: DOE, Department of Transport, N.C.B., Regional Water Authority, Association of

Parish Councils, Federation of Master Builders, NFBTE, RIBA, RICS, Amenity Societies and the County Engineer. The Chairmanship was held by the chief planning officer of each local authority in rotation.

From the minutes of the meetings, it appeared that after an initial flurry of enthusiasm and activity (particularly in debating the issue of efficiency in handling planning applications), the meetings became less frequent and less effective. The forum attempted to improve the level of communication between the participants but the minutes hinted at an underlying wariness and friction and it can be assumed that the feelings which led the interviewed developers to denounce the planners as 'anonymous' 'bureaucratic', 'aloof', 'dictatorial' 'dogmatic' and 'arrogant' were not far beneath the surface of this co-operative intercourse.

7.3 THE IMPACT OF DEVELOPMENT CONTROL DECISIONS ON RESIDENTIAL DEVELOPMENT IN THE STUDY AREA

The analysis of planning applications and subsequent development control decisions provides a further indication of participant attitudes towards the potential of various localities within the study area for residential development (Chapters 5.2 and 6.4). However, as a means of providing an accurate measure of development pressure on particular areas, it is fraught with difficulties (Gregory, 1970; JURUE, 1977). This is primarily because the overall planning refusal rate is depressed in areas where prospective applicants are discouraged from submitting applications owing to the recognized futility of a blatant challenge to stringent policies.

i) Data Sources

These comprised development control records held by Durham County and Durham District Councils. Analysis focussed upon applications made within the period 1968 to 1979 but, in order to trace much of the development which took place during this period, applications made between 1961 and 1967 were also examined. Similarly, applications submitted

between 1979 and 1982 were recorded since many of these sites were, by the end of the study period, either under consideration by, or in the possession of, developers. The pre and post study period applications are incorporated in Figure 7.3 but are not included in the analysis of refusals and approvals (Table 7.2).

The County Council made four separate data sources available: application registers; map registers; files containing complete site histories; and microfiche summary records of those applications whose site histories had been discarded. These provided information on all applications made between 1961 and 1974 and all subsequent residential applications designated as county matters. Access to comparable post 1974 records was requested from the District Council, but only access to the statutory application and map registers was granted.

The initial intention was to undertake a comprehensive analysis of all residential applications for sites with a capacity for five or more houses, by examining: site location, type of applicant, existing land use, size of proposed development, time taken to process the application, and the final decision. However, given the incompatibility of the County and District Council material and, indeed, the incompleteness of even the full data records provided by the County Council, this proved impossible. Thus attention was directed to the comparable data series provided by application registers. These comprised information on site location, time taken to process the application, and the final decision. The name of the applicant was recorded in all cases, but this did not always convey the type of applicant, e.g. prospective developer, landowner or agent. Nevertheless, some attempt has been made to estimate the proportion of applications submitted by two key participant groups - developers and farmer landowners - but the results are inevitably subject to error.

In analyzing these data, care was taken to try and avoid the double counting of outline, full and reserved matter applications for the

same site. However, since this was not always apparent in the registers, and recourse to site histories was not always possible, some degree of duplication is inevitable.

For the period 1968 to 1979, 341 private and local authority applications for residential development of five or more dwellings were examined. Of these, the approval rate was 53% for private applications and 98% for local authority applications. Table 7.2 indicates the number of private approvals and refusals in each consecutive year distinguishing between applications submitted for development in the city (using the District Council's central urban area definition, City of Durham Council, 1986) and in the rest of the District.

Over the period as a whole, the city had a relatively higher success rate, 64% compared with 48% in the rest of the district. These statistics should not, however, be taken to imply that it is generally easier to gain permission within the city. In practice, the reverse is true since the city is subject to more stringent planning controls. The comparatively higher approval rate can be partly attributed to the greater awareness of areas restricted by planning policies. Although many prospective applicants were no doubt put off by known policy constraints, the record of applications does indicate that both landowners and prospective developers regularly made submissions in restricted areas to test the continuing strength of policy controls and to establish if external support could be gained via the appeals procedure .

Despite problems of identifying the status of successful and unsuccessful applicants (not least because many applications are handled by intermediaries on behalf of the real applicant), all applications submitted by known developers or by farmer landowners (many of whom were interviewed in the farm survey, Chapter 11) were examined separately. Out of the total private applications, 103 (37%) were made by identifiable developers and 45 (16%) by farmer landowners. Their respective success

rates were 65% and 40%. This difference was expected given the developers' greater experience and expertise in site selection, application submission and negotiation with the planners. The lower success rate of the farmer landowners is also a reflection of the fact that most of their proposals would constitute 'unrelated development' and a 'physical intrusion into the countryside'.

ii) The Spatial Pattern of Control Decisions

Figure 7.3 plots the distribution of residential applications made between 1961 and 1982. An attempt was made to restrict the applications plotted to only those sites with a capacity for over five houses but in some cases, especially pre 1968, this information was unclear.

When examined in the light of major planning policies (Chapter 6.2) it can be concluded that the development control decisions taken over the study period have been largely in support of, rather than at variance with, overall plan objectives. For example, the containment policy applied to the western periphery of the city (Chapter 6.2 (i)) has been adhered to despite the level of applicant pressure illustrated in Figure 7.3. Similarly, the policy of preserving open spaces and 'green wedges' within the city has been maintained by a succession of application refusals in the Crookhall / Frankland area.

Some of the apparent anomolous approvals in policy terms have arisen because of decisions taken, either by the Secretary of State or prior to policy formulation (i.e. 'indefinite' approvals granted prior to 1968, see Section 7.1 (ii)). The reversal of existing planning approval involves very costly compensation implications. These proved too great in the case of proposed 'unrelated' development at Broompark on a site which had originally been granted approval for public sector development by the Minister for Housing and Local Government (Chapter 7.3). In another case, however, at Flass Vale, the local authority backed by vigorous public support managed to deflect development on a permissioned

site in the city's green wedge to a site in the nearby village of Bowburn.

With respect to infill sites, the map shows that a variety of sites have been approved within the city during the study period, e.g. Springfield Park, Margery Lane, Alnmet Barn, Back Western Hill, Church Street, Archery Rise, and The Avenue. It is inevitable that over time appropriate infill sites will become more scarce unless sites can be created by the demolition of obsolete buildings as in South Street where the site of the former Durham Johnston School was used for a luxury townhouse development scheme.

In the rest of the district, the pattern of applications and refusals reflects both the relative attractiveness of each settlement (see Chapters 5.2 and 6.4) and the stringent operation of the County Council's settlement policy (Chapter 6.2). Many of the refusals were for proposed extensions to settlements which were considered to be excessive in relation to the existing framework of the built-up area. There are, however, some notable counter examples to this including the northward extension of Bowburn (a local authority scheme) and the private development scheme on the periphery of High Pittington.

Overall, the primary impact of planning control decisions has been one of containment. In achieving this the planners, supported by successive councils, have met an objective which has remained central to planning policy within the study area, and indeed throughout the country (Hall et al, 1973), since the introduction of formal planning control in 1947. Interviewed representatives of the other participant groups and many of the local authority decision-makers themselves (mostly councillors) were less than appreciative of the final physical and social outcome in Durham District.

It is obviously easier to assess the implications of planning control and policy implementation decisions with hindsight. Many of these implications could not have been apparent at the time and most decisions were taken with an optimism which was never fulfilled. For example, the

release of large tracts of land to the north of Durham City was conceived as an opportunity to create a comprehensively planned neighbourhood - far from the reality of the 'anonymous sprawl' which it became (Chapter 6.2).

Mistakes and achievements are visible in Figure 7.3 but the interpretation of these is dependent upon the opinion of the onlooker. Many would say that little harm would have been done if most of the areas cross-hatched on the map had been developed. The city would have grown, several villages would have changed in character but some consider such change necessary in the names of both progress and of the freedom of individuals to exercise choice. Others would be horrified at the prospect of destroying the city's environs and of a straggle of development linking the city with neighbouring villages. They counter that uncontrolled expansion may also be condemned in the names of progress - a progress towards increased environmental awareness and conservation - and of freedom of choice for all those persons not directly involved in the development process, but who wish the city and its surrounding villages to remain untouched. The author adopts a compromise viewpoint which upholds the planners' environmental protection and containment policies, but expresses concern about the danger of reducing housing opportunities by the application of rigid physical controls.

7.4 PLANNING CONTROL - CONCLUDING COMMENTS

The subject of planning control and residential development will always generate conflict. Any attempt to fuse the two types of attitude plagiarized above would weaken the ideas of each group and could lead to a mediocre planned environment which neither protects the countryside nor satisfies the demands for growth. Yet the prospect of a healthy interaction between the expansionists and conservationists must be contemplated since this holds the only possibility of achieving an enterprising compromise. This, however, could only be achieved in an atmosphere of mutual respect, a prospect already dismissed as unlikely,

if not untenable.

The planning control stage does provide some opportunity for improved interaction, although this might be more profitable in terms of final land usage if initiated at the land search and site selection stage. Interchange at the planning control stage is, however, important since it represents the last opportunity for the local authority decision-makers to exert control (except in relation to public sector development) over the actions of private landowners, developers and intermediaries whose motives lie primarily outside the realms of social welfare and environmental protection.

Following receipt of an approval decision, power and control over private sector development is transferred to these participant groups (despite government attempts to promote further local authority intervention via land nationalization legislation, Chapter 9). Even over public sector development, the control of local authority decision-makers is heavily circumscribed by their dependence upon, and accountability to, their government financiers.

CHAPTER 8

ECONOMIC APPRAISAL

Although economic appraisal is treated as the next discrete stage in the residential development process, in practice it comprises not one but a series of stages which precede major decisions on choice of site, land purchase and the commencement of construction. Regular financial reassessment is necessary because each of these decisions may either impose constraints or offer differing options which will affect the viability and profitability of any proposed scheme.

Within the private sector, the most rigorous of these economic appraisal exercises usually precede the commitment of capital investment in land purchase, hence the selected sequence for presenting this stage in the process. In the public sector, however, the most detailed costing exercises are usually associated with the application for government grant approval prior to construction, although applications for loan sanction on land purchase proposals entail a similar, albeit simpler exercise. Comment on the developers' pre-construction economic appraisal procedures is deferred to Chapter 10.

As indicated in Figure 2.1, all of the various economic appraisal exercises occur when the proposed development site is under the 'urban shadow' and the various participant groups are involved in the intensive interaction which characterizes the 'active consideration for development' stage.

The initiative to undertake economic appraisal exercises rests with the potential housing suppliers, principally either the developers or local authority decision-makers. It is they who evaluate the relevant factors but their choices and subsequent decisions are heavily circumscribed by their respective financiers. Given that both developers and local authorities mainly use borrowed finance to purchase land and construct their housing schemes, it is the intermediaries involved in private sector finance and government ministers who effectively possess the power at this stage in the process.

This stage is primarily about the assessment of each proposed project in relation to its estimated net cost, profitability and cash flow characteristics. These characteristics are important to both private and public sector schemes, although the emphases upon costs and profits are necessarily different given the differing objectives of developer and local authority assessors. The complexity of appraisal exercises is increased by the fact that the key elements in costing equations, i.e. construction costs, credit costs and the market or rental value of completed properties, are continuously changing because of market externalities and site specific considerations.

A further complicating factor is timing. The cost of any project is related to the cost of borrowed finance and this is heavily dependent upon the time taken to complete a project and obtain a return on investment. Therefore a time element must be included in the economic appraisal exercise, an element which introduces a considerably greater degree of unwelcome uncertainty into the calculations.

Several of the interviewed developers described this stage as a 'financial juggling act', adeptness at which is essential to avoid cash flow difficulties or even bankruptcy. In the public sector, this 'juggling act' may have less extreme implications in relation to 'company' solvency but it is no less complicated. Indeed, with the necessary involvement of local and central government bureaucratic vetting procedures, it is inevitably more complex and protracted.

In detail, the appraisal procedure may vary for each individual project because of site specific operating costs and potential returns. However, both the developers and local authority decision-makers adopt general formulae, derived from a mixture of past experience and financier requirements, upon which their assessments are based.

This chapter focusses upon the assessment procedures as described by the interviewed property developers and local authority decision-makers.

Private and public sector assessment procedures are presented separately in Sections 8.1 and 8.2 respectively since in most instances they are conducted independently. There is, however, some overlap, e.g. where local authorities having costed a scheme request tenders from developers for its construction, thereby necessitating a degree of private cost appraisal, or where developers and local authority decision-makers form a partnership in order to undertake a particular project. Each section is introduced by a discussion on sources of available finance and the constraints imposed by their suppliers.

8.1 THE PRIVATE SECTOR

i) Sources of Finance for Private Residential Development

As noted in Chapter 2.5, an examination of the financial basis of residential development was not initially contemplated in this study. As a result, the financial intermediaries as a participant group were not interviewed and nor were the developers questioned about their sources of finance. In some interviews this was discussed in a general response to questions on methods of economic appraisal, but the information received on this topic was insufficient to present any firm conclusions about the practices of local developers. The comments made below are thus primarily based on secondary sources mostly comprising observations from developer surveys conducted elsewhere (Craven, 1970; Drewett, 1973; Ambrose and Colenutt, 1975; CDP, 1976).

A variety of financial intermediaries offer credit to developers (Chapter 4.7), but the range of options open to any one developer is dependent upon the firm's size and standing within the local business network (Chapter 4). These two characteristics affect a developer's deemed credit worthiness, but in addition to a firm's general standing, the availability of credit is dependent upon the merits of each individual development proposal.

Large, well-established companies potentially have the widest choice of credit supply because they are generally regarded as a better

security. Beyond a certain size, i.e. public companies (two in the interviewed sample), firms tend to rely on the stock exchange and issuing houses as major sources of loan capital. These largest firms also tend to use a supply of internal capital derived from the reinvestment of profits or the transfer of profits from one section of the company to another. This, however, is usually used only as a 'back-up', since the heavy commitment of internal funds to any one scheme is not regarded as sound business practice.

Other potential sources include clearing banks and building societies. Many large companies have long-standing agreements with the latter, whereby block mortgage allocations made in advance of development are used to finance construction. These agreements are indicative of the nature of interaction between large developers and financial intermediaries, relationships which offer minimum risk to the financiers and to the developers, security and protection against the most severe fluctuations in credit levels and interest rates.

Medium-sized developers, especially those seeking to expand their operations, are generally less fortunate in their choice of options. They represent a greater risk particularly when funds are sought for anything other than a conservative development scheme. Given the reticence of building societies and clearing banks to finance such companies, they tend to try and establish links with finance houses, merchant banks, or insurance companies (Ambrose and Colenutt, 1975). Occasionally, these developers form partnerships with finance institutions creating joint stock companies whose profits are shared in proportion to the equity held. These finance sources tend to be both more costly and more uncertain as their short-term lending policies are strongly influenced by fluctuating market conditions.

Small developers tend either to use their own capital to finance small-scale projects, or to be heavily dependent upon bank overdrafts. As part of the local business network (Chapter 4), they usually have close

links with local bank managers who are willing to provide loans, albeit at high interest rates. Other financiers regard well-established small firms as a relatively small risk and, because the monies they require are comparatively small, local solicitors and estate agents may also be willing to offer credit in return for agreed conveyancing or mortgage business. One other source of finance is the builders' merchant who, although willing to offer credit to all developers, may represent a significant financier to the small developer (Chapter 10 and Drewett, 1973).

ii) The Property Developers' Assessment Procedures

Each of the interviewed representatives described his firm's approach to the economic appraisal of potential residential sites, and the factors taken into account when assessing the cost balance of inputs against estimated gains. As in each of the preceding stages, the level of complexity in economic appraisal exercises is related to the size of the development company.

Four respondents indicated that they undertake a separate full scale cost analysis for each proposed site, three make an assessment on the basis of past experience plus an estimate of site specific road and service costs, and three adopt a general, non site specific approach based on experience and intuition. These three groups of respondents broadly correspond to developer size groups (Chapter 4.2), although the representative of one of the largest firms in the sample claimed that in order to maximize the speed of the development process, little more than an informal cost analysis is undertaken on most sites.

Full cost analyses involving technical, market and economic research can be very detailed and expensive to undertake but even these, were described by one respondent as incorporating 'a lot of crystal ball gazing'. Usually a full scale appraisal necessitates the:

- a) estimation of selling prices on a predetermined
number and mix of dwelling types;

- b) calculation of development costs comprising construction, services, engineering, sales, administrative and credit costs;
- c) calculation of the differential between estimated costs and returns in order to derive the residual from which both the capital to pay for land acquisition and the profit element must be found.

Stages a) and b) can be manipulated to obtain the largest residual although the developers' decisions are constrained by planning conditions (Chapter 7.2), and standard wage and material costs. The importance of achieving the right balance was stressed by one developer who said that, for every estate built, three alternative site layouts and costings are calculated in order to ascertain a maximum potential return. Despite the monetary and time costs of this extra work, he indicated that the financial benefits gained from this approach more than offset the costs incurred.

iii) Cost Elements

There was a broad measure of agreement between the ten respondents on the factors taken into account within economic appraisal exercises and on the balance of costs between different inputs. A composite breakdown of their cost estimates is given in Table 8.1. It is important to note that this breakdown is based upon the comparative prices of inputs at the time of the survey (1974). These are clearly not static and, as an example, one respondent commented that over the previous five years the cost ratio between material and labour inputs had changed from 60:40 to 50:50. Other cost elements, notably land prices fluctuated significantly during the study period, as discussed in Chapter 3.5 and illustrated in detail in Section c) below.

a) Construction Costs

Construction costs (incorporating labour and materials) are determined by: external controls on wage levels and material costs, (Chapter 3.5);

the site itself and its servicing requirements; and by the developer's choice of layout and design.

These costs can be reasonably easily and accurately predicted incorporating an agreed margin for contingencies. In relation to their basic rule of thumb for apportioning development costs, the respondent developers assigned an upper limit of 70% to construction costs. They agreed that where estimated costs are higher, the scheme must be either revised or rejected.

A reduction in estimated construction costs is most likely to be achieved by a change of layout or house design which, local authority decision-makers permitting, can be achieved by submitting a planning application for a revised layout or substitution of house types. From the records of planning applications (Chapter 7.3), it would appear that these applications are mostly approved although proposed increases in density are strongly discouraged.

Construction costs may also be reduced by employing volume production methods on sites with a suitably large capacity. The potential benefits of volume production and the achievement of scale economies on large sites has already been commented on in Chapter 6.1. Further comment on the means by which increased efficiency can reduce labour and materials costs is made in Chapter 10.

Little can be done to reduce the estimated costs of site preparation, engineering and servicing works which are determined by the site's landform, geology and proximity to existing utilities. On some sites, service costs may be increased if the developer has agreed to certain planning requirements (Chapter 7.1). Service costs may also be affected by changes in pricing policies made by the statutory undertakers. For example, in 1977 the water authorities changed their method of charging for connection to mains supply. Instead of allowing developers to meet the cost of pipe laying over an eight year period, they were asked to meet one third of the capital cost at the outset, a change which necessitated higher borrowing levels and

inevitably higher interest payments.

b) Overheads

The term overheads, as used by the respondent developers and the trade in general (NFBTE, 1974), incorporates: administrative costs including office, director(s) and professional salaries; indirect labour; legal fees and external professional fees; statutory payments relating to staff, e.g. compulsory contributions plus pensions and welfare expenditure; rent, rates and maintenance of office headquarters and equipment; insurance; printing and advertising; transport (other than for site labour); taxes; and interest payments on borrowed capital.

The size of the overall overheads bill is clearly dependent upon the size of the company and of its administrative headquarters. Administrative costs are determined, not only by the number of staff employed, but also by the scale and style of their accommodation. For example, the administrative costs for a company with a prestigious office complex in Newcastle manned by several tiers of personnel are very different from those of the smaller firm with an office in the back street of a small town. Administrative costs are multiplied for the large company operating at a distance from its headquarters when regional or sub-offices become necessary.

Whether employed internally or consulted externally, the costs of professional expertise, e.g. architects, surveyors, engineers, solicitors, and sales personnel (Chapter 4.2), represent a significant element in the overheads bill. 'In house' staff are economical only for large firms with an assured rapid and continuous turnover of development projects (not necessarily residential).

The taxation element of overheads was regarded by several of the respondents as an 'unnecessary and excessive evil'. Many different forms of tax were levied on the house-building industry during the study period. These included Company Tax, import duties, Selective Employment Tax (1966-77), Capital Gains Tax, and taxes levied directly on the unearned increase in

land values accruing from the receipt of planning permission, e.g. Development Land Tax and Development Gains Tax (Chapters 3.3 and 9).

Taxation represents a debit in overall cost calculations which varies according to government policy. For example, during the study period there were significant changes in legislation pertaining to betterment taxation under the Land Commission (1967) and Community Land (1975) Acts. These introduced measures which led the developers to revise their profit expectations, at least from the land component of the cost appraisal. The respondents were mostly critical of these taxation measures, although one developer expressed the view that 'windfall profits' should be retained by the community. Some external commentators have also criticized government taxation measures and the attitudes which underlie measures taken against the 'unscrupulous speculators' (Denman, 1964). Denman pointed out that all developers should not be equated with 'wicked speculators' and that all individuals or companies who hold proprietary rights to land desire to earn a profit from their assets. Whether these taxation measures are, however, justifiable on economic, moral or political grounds is not a point at issue in the present discussion. It is sufficient here to state that taxes are an unavoidable and non reducible element in the developers' overheads bill.

The other major item subsumed within the collective term 'overheads' is interest payments on borrowed capital. The critical importance of these payments in determining the viability of an individual project is referred to above and is demonstrated by Drewett (1973) in his calculation that an unexpected delay of 18 months in the development process, e.g. by protracted negotiation to obtain planning permission, could increase the cost of land per dwelling plot by up to 16% at 1970 interest rates. The adverse effects of high interest charges caused by delays in sales were seen during the 1974 slump, when poor market conditions sometimes destroyed the developers' cash flow and profit/loss estimates. In some instances, these estimates had sufficient contingency allowances, in others losses

were met by other branches of the firm or by expenditure of capital reserves, but for many small firms, the outcome was bankruptcy.

Evidence from elsewhere has shown that bankruptcy is not necessarily the preserve of the small developer. Large 'highly geared' firms, (i.e. those operating on a high ratio of borrowed to share or internal capital, and those buying stocks of land and materials on cheap credit in the expectation that both demand and house prices will continue to rise), have been known to 'crash' (Marriot, 1967; CDP, 1976).

The estimation of the interest payment element is difficult because it is dependent upon three variable factors:

- a) the rate of interest charged which fluctuates according to movements in national and international finance capital and to government policy (Chapter 3);
- b) the time taken to complete the development process which is influenced by the vagaries of both the planning machinery and the weather; and
- c) the time taken to sell the completed properties, recoup the capital and repay the loan, which is dependent upon changing market conditions (Chapter 3).

With respect to all three factors, the developer is thus largely dependent upon external circumstances and the actions of other decision-makers.

As a result, calculation of the interest payment element of the overheads bill requires shrewd assessment of how a particular project is likely to progress. All of the other elements incorporated in overheads can be roughly apportioned on a pro rata basis to each individual project depending upon its size and complexity.

c) Profit

A notional profit level for each project is usually fixed according to company policy. All but one of the ten interviewed developers

effectively refused to reveal their expected profit levels by making vague statements on the combined proportionate costs of overheads plus profits and sometimes service provision. The one respondent who gave a figure stressed that his firm's 'hoped for' 15% profit level was necessarily flexible given market uncertainties.

Each of the main input elements in the economic appraisal exercise can affect profit levels but other general factors, notably external market controls and internal efficiency, are also important. Given that developers are essentially concerned with making a profit (Chapter 4.2), the assessed likelihood of realistically meeting the desired profit level is the decisive factor in prompting financial commitment to land purchase or construction. Unlike many of the other cost elements, profit levels are not negotiable except where there is an internal revision of expectations. A decision to accept reduced profit levels may be taken in order to ensure continuity of production or to gain an initial, if costly, foothold in a new market area.

d) Land Costs

Usually land costs represent the residual element in the cost balance equation (Drewett, 1973). Having calculated the construction costs, added the profit requirements and overheads (plus contingencies) elements, and estimated potential returns, the differential obtained gives the land price level to be negotiated. The respondents quoted land costs as representing, on average, between 15-25% of the total development cost, but several developers admitted that, in practice, the actual land costs for many of their past schemes were considerably below this level. Notably, two developers stated that they had managed to acquire a large acreage of land in the study area during the 1930s and 1950s at a price of under £100 per acre. By the end of the study period this land, on receipt of planning permission, had an average market value of £30,000 per acre.

Whatever the cost of land when originally purchased, the current market value is entered on the economic appraisal balance sheet. The difference

between actual costs and market value minus taxation and interim holding costs represents the profit level on this element. In some instances, past speculative purchases can yield high profits but in others, a subsequent failure or delay in obtaining planning permission, or an underestimation of holding costs can result in losses.

National and regional trends in land values over the study period are discussed in Chapter 3.5 (Figures 3.4 and 3.5). In estimating the cost of land, the developer recognizes that its value is determined by the proprietary rights conveyed (Denman, 1964), e.g. development land with a valid planning permission commands a far greater price than agricultural land. The value assigned to the latter is determined by the developer's expectation of future planning release (Chapters 6 and 7).

The influence of planning decisions on land values has been discussed in Chapter 3. A further comment is made here since developer criticisms of local authority or 'the planners' irresponsibility in ignoring the economic consequences of their development control decisions, were prominent in the comments made about land costs. On the whole, the respondents dismissed, sometimes with derision, the planners' claims that their concerns must lie first with the needs of the community. More detailed comment upon their conflict over housing land availability can be found in Chapter 6.3.

Despite these developer criticisms attributing land price escalation to planning controls, the respondents acknowledged that, in their economic appraisal exercises the land cost element is treated as a residual, negotiable item. Hence, transaction prices reflect primarily the developers' expected returns, i.e. market conditions, plus any special circumstances pertaining to a particular land parcel. For example, a developer may be willing to offer a higher than market price for land which enables either improved access to, or extension of, a housing site already in his possession. In addition, transaction prices may reflect

'hidden' factors which may be related more to the vendor's or purchaser's financial circumstances than to the attributes of a particular land parcel.

However, market conditions, reflecting the desirability of a particular locality, are the main determinant of land prices. In desirable areas, the land itself is not only considered more valuable, but its value is further increased by developer competition. The desirable, marketable areas within Durham District have already been discussed in Chapters 5.2 and 6.4. The relationship between housing market attraction and land values over the study period is demonstrated in Figure 8.1.

This graph is derived from an exercise examining differential residential land prices across the study area. Accepting the caveats that transaction price data may reflect a series of unique factors relating to individual parcels or purchasers, an attempt has been made to present as realistic and comparable a data base as possible.

The main graph, represents trends in transaction prices for four categories of 'lots' classified, according to their location and market attraction. Annual price averages are based on aggregated Inland Revenue transaction data collected for land lots of between 0.8 to 2 hectares (2 to 5 acres). An additional category representing land prices within central Durham City is plotted on the inset graph. For this graph, annual averages are based on aggregated transactions on lots of approximately $\frac{1}{4}$ the above size, a necessary adjustment given the preponderance of small infill site sales recorded. In order to maximize comparability, the averages on both graphs exclude parcels on which transaction prices reflected abnormal development or service costs, and those where high densities were anticipated.

The five market categories are based on a subjective categorization of each settlement within the study area in accordance with the opinions of market demand expressed by the interviewed developers (Chapter 5) and by a wider sample of developers surveyed by Durham District Council

(Chapter 6.4, Table 6.4). Some further adjustments were made on the basis of known transaction data.

Durham City is subdivided in order to distinguish between sites in the special high value market category of central Durham (Category 1) and those on the periphery which have been developed as large medium-priced estates (Category 2). During the study period most land purchases on the periphery of the city have been made in order to extend existing housing sites (most of which were purchased in the 1950s and 1960s). Category 3 comprises land parcels located in attractive villages which have become desirable as dormitories, e.g. Shincliffe Village, Brancepeth, Sunderland Bridge, Hett and Shadforth. Category 4 includes a greater range of villages and land parcels. It represents those villages with a mixed history, notably former mining villages which have experienced considerable expansion and, in some instances, a move 'up-market' during the study period, e.g. Sherburn Village, West Rainton, Brandon, Witton Gilbert and Bowburn. The final Category 5, includes land parcels in those villages which have remained unattractive to developers, e.g. Bearpark, Kelloe, Sherburn Hill, New Brancepeth, Kimblesworth and Ushaw Moor.

The graph demonstrates that, in terms of overall trends, the local situation has reflected national and regional movements in land prices (Chapter 3.5, Figures 3.4 and 3.5). All categories experienced a dramatic rise and fall in prices in 1972/3 and 1974 respectively and thereafter a comparatively rapid and continuous rise to the end of the study period. It should be recognized, however, that the plotted values are nominal and, if adjusted for inflation, would convey a very different picture especially if the later figures were compared with 1973 peak values.

Land prices in the central city showed the biggest increase to 1973, reflecting the high desirability of, and degree of competition for, available sites. After 1974, however, the rise in land prices in Category 3 outpaced all other categories, illustrating the demand for the

most prestigious sites outside the central city. The prices commanded by these sites are likely to continue to rise rapidly given, not only the decreasing number of sites available in the city, but also their own scarcity value (all of these villages are designated conservation areas).

Sites in Categories 2 and 4, which responded more extremely to fluctuations in market demand during the early 1970s, accounted for the bulk of land transactions made during the study period. Many of these sites benefitted from both consumer desirability and known acceptability in planning terms. Within Category 4, however, there were some notable differences, both within and between the grouped settlements, in the site values of individual land parcels. This factor has tended to reduce the annual average prices plotted.

Land values within settlements grouped in Category 5 remained more stable during the 'boom' and 'slump' years. It is unlikely that sites in these villages have ever or, indeed will ever, act as substitutes for land in more attractive areas. Where developers fail to acquire sites in settlements within Categories 1 to 4, they generally abandon the Durham District market and seek sites elsewhere. Sites in Category 5 villages are purchased only to meet a restricted and very localized demand (Chapter 5).

The interviewed developers had a general awareness of these trends through either their own direct involvement in, or monitoring of, local transactions. This knowledge is used in determining a realistic land cost allocation in the cost balance appraisal. Usually they can be confident that a landowner will sell for a price within a certain range although, on occasion, some hold out in an attempt to fulfil an inflated expectation. More frequently, landowners are willing to accept below the developers' calculated reserve price especially if the land does not possess planning permission and they can be persuaded that the developers are in a better position to negotiate with the planners (Chapter 7.2 and 9.1).

Option purchases are a specific means by which land can be negotiated at a reduced rate (Chapter 9.1) Alternatively, many developers seek to acquire larger sites using a procedure of deferred payments. This latter practice may not reduce the sale price of the land component, but it effectively reduces its overall cost by minimizing interest payments and improving the cash flow potential of a project. Using this method, initial house sales can be used to secure capital for the second phase of land purchase, thereby enabling sites with a high sales price to be contemplated.

iv) Cost Balance - The Final Decision

Having taken these cost and profit elements into consideration, the developer will decide to proceed with a project only if he is satisfied that the estimated costs are less than the potential returns. Where it is evident that a proposed scheme is too expensive, his alternatives are either to abandon the project or attempt some modifications to reduce costs or increase returns.

Amongst the interviewed developers, the most common response to an adverse economic appraisal exercise was to seek to build smaller houses at higher densities (see Section (a) above). Usually considerable effort is made to modify rather than abandon a project given the time and effort already expended, an attitude which has been similarly recorded in developer surveys elsewhere (Smith, 1965; Weiss et al, 1966; Kenney, 1972; Bather, 1973; Drewett, 1973).

In taking the decision to proceed with the development process, the developer is usually in a position of control although, depending upon the firm's standing, the financiers may be able to exert considerable influence. In a small firm the decision may be taken quickly by the director who is likely to have undertaken the appraisal himself, whereas in a large firm the decision may involve protracted discussion at various tiers of the management hierarchy. Whichever method is used, the

decision invariably represents a commitment and a risk which then commands the efficient and speedy progression of the development process to its completion and the recovery of capital funds.

8.2 THE PUBLIC SECTOR

In the public sector, economic appraisal is inextricably linked with the application for government approval on capital loans subsidy. The government is in a position of power and control which, according to political objectives, it has exercised to varying degrees through a succession of legislative changes over the study period (Chapter 3.3). Against this national context, local authority decision-makers, both officers and councillors, must undertake their economic appraisal exercises and make final costing decisions. As in the earlier stages, the power balance between the officers, who may be architects, surveyors, or accountants, and the councillors is determined by a mixture of expertise, experience and democratically granted authority.

i) Sources of Finance for Local Authority Housing Development

As in the case of the private sector, an examination of local authority housing finance was not initially envisaged. However, its central importance to an understanding of the public sector development process became evident as the study progressed. Since it was relatively easy to arrange interviews with local authority housing and finance officers (as compared with a large number of private sector financiers) two additional interviews plus some informal discussions were held with these officers in 1981. The officers concerned had worked within Durham District throughout the study period and were thus in a position to comment upon the changes in economic appraisal procedures which took place between 1968 and 1979. In addition, because of the late interview date, they were also able to reflect upon the effects of changes introduced at the end of, or immediately after, 1979. The information contained in this section is primarily based upon their responses, although for the general background

to local authority finance, secondary source material has been used (Stafford, 1978; Aughton, 1981; Balchin, 1981; Derby and Smith, 1981).

In Durham District, the finance for new house-building is provided in the form of capital borrowed from the council's own local authority loans pool (in some other authorities referred to as a consolidated loans fund). This fund comprises monies borrowed from a variety of government and private sources in order to satisfy the authority's general financial needs. A major source of capital is the Public Works Loans Board (PWLb, a body set up by government in 1875 to lend money to local authorities and other public agencies). Throughout the period 1968 to 1979 the elected councils in the study area maintained a heavy reliance upon the PWLB with its advantageous interest rates fixed for a period of 60 years. By the end of the study period this source still represented over 60% of the authority's total outstanding debt despite government encouragement to seek a higher proportion of loans from local sources, i.e. banks and building societies.

Although there are no statutory restrictions on patterns of local authority borrowing, the Chartered Institute of Municipal Treasurers and Accountants (CIPFA) produce a code of practice incorporating a recommended balance in the proportions of long and short-term loans borrowed. Using these guidelines plus a knowledge of the authority's approved spending programme (since 1976 sanctioned by government), it is the responsibility, within Durham District Council, of the Treasurer's Department to recommend to the council an annual borrowing plan. This must be sufficient to keep the council solvent, whilst meeting all necessary expenditure.

Under the local authority loans pool system borrowings are not specifically identified to a scheme or service. The loan charges on particular schemes are based on a 5% sinking fund, i.e. capital repayments increased by 5% each year for the period of the loan, and the interest charged is an average of the interest paid on all the borrowed loans of

different maturity and type. New housing projects are financed under the Housing Revenue Account which is the largest borrower from the loans pool. Between 1974 and 1979, the proportion of Housing Revenue Account advances to the authority's total outstanding debt rose from 75% to over 80%.

However, the money borrowed to finance new housing schemes represents only a comparatively small and highly variable proportion of the total advances made to this account. During the period 1974 to 1979, this proportion fluctuated between 20 to 35% except in 1978/79 when it dropped to 12%. In the immediate post study period, the effect of the government's moratorium on residential development (Chapter 3.3) further reduced this proportion to 5%. The other main categories of spending on this account are: improvements to upgrade or modernize existing local authority housing stock; repairs; slum clearance; improvement grants for private sector housing; municipalization schemes; and management costs.

Income credited to the account from which interest and loan repayments are made comes from three principal sources: government subsidies, rents from local authority properties, and contributions from the rate fund. The balance of these income sources fluctuated considerably over the study period as a result of national and, to a lesser extent, local political decisions.

At the beginning of the study period, the three controlling local authorities had to work within the regulations laid down by the Housing (Subsidies) Act, 1967. Although this continued to uphold the principle of subsidy payment per dwelling built (initiated in the Housing Subsidy Act of 1919), the payment was no longer unconditional in respect of construction costs. Instead, the 1967 Act introduced the Housing Cost Yardstick as a means of:

- a) maintaining a tighter rein over expenditure; and
- b) ensuring that the quality standards recommended by the

Parker Morris Commission (1963) were adopted by local authorities.

The subsidy offered to government approved schemes was a proportion of the loans charge on monies borrowed to cover admissible costs (Balchin, 1981). This proportion was set so that interest rates for local authorities were effectively maintained at the low level of 4% as compared with the 6% or 7% local authorities would have had to ordinarily pay (Aughton, 1981). Under this legislation, those authorities with the highest construction rates received the greatest subsidies thereby encouraging ambitious housing programmes.

The basis of subsidy payment was changed in the 1972 Housing Finance Act and was, for the first time, linked to overall expenditure on the Housing Revenue Account. All existing subsidies were withdrawn and the deficit between income from rents and reckonable expenditure was required to be met by a combination of increased rents, rate fund contributions and a new rising costs subsidy. Under this Act, the powers and discretion of local authorities to decide on their own priorities and attitudes towards new housing construction and rent fixing were severely curtailed (Chapter 3.3 (i)). Many socialist councils across the country were strongly opposed to this legislation and the Labour controlled Brandon and Byshottles UDC and Durham RDC were no exception.

The incoming Labour Government of 1974 dismantled most of the provisions of the 1972 Housing Finance Act and, in a bid to revive local authority housing programmes, introduced a new package of subsidies. This included a new capital cost subsidy equal to 66% of loan charges incurred on new capital expenditure (Stafford, 1978; Cullingworth, 1979). These subsidies were, however, considered temporary pending completion of a review of housing finance initiated in 1974.

Prior to publication of this review, movements in national finance and pressure from the International Monetary Fund resulted in the government having to modify its objectives for public sector housing, and introduce public expenditure cuts and cash limits on capital spending

on local authority housing programmes. These measures represented the first attempt by a government to impose central direction on local authority house-building programmes since all previous legislation sought only to manipulate output by varying subsidy levels.

Alongside the published results of the review of housing finance (DOE, 1977b) came measures to strengthen central controls, e.g. Circulars 18/77 and 63/77. The latter formally introduced the Housing Investment Planning System (HIPS) which became the vehicle for implementing increasingly stringent housing cash limits.

Although the HIP system represented a significant step forward in increasing local authority accountability on overall housing performance, it was a disappointment to the protagonists of a comprehensive housing finance system, who had expected more radical reform (Aughton, 1981). Local authority officers and many academics (SAUS, 1982) interpreted the system simply as a means of cutting and controlling local authority finance, and the government's claim that the system offered greater discretionary powers to the local authority decision-makers, was dismissed as less than generous given the context of reducing funds.

The annual procedure of submitting bids for funds, supported by a co-ordinated and realistic appraisal of local needs, was severely criticized by local finance and housing officers. Given the government's procedures of assessment and allocation, the interviewed officers considered it inevitable that the system degenerate into a bargaining game. They commented on their early disillusionment, when it became apparent that their first attempted realistic 'needs-based' bid was likely to penalize their future allocations, since annual allocations 'appear to reflect previous spending targets irrespective of an authority's past ability to meet those targets'.

As a result of this observation, the Council subsequently tended to bid for as much money as possible ignoring officer claims that should

such an amount be granted, it would be impossible to cope with an over ambitious programme within the allotted 12 month period.

On receipt of the annual HIP allocation, monies are allocated to each spending topic and at the end of the study period, new construction claimed only a small residual of the total. Under the aims of the HIP system this residual, whatever its size, should be made available for the most needed and cost effective projects. As in the national allocation, however, a process of pressure and bargaining ensures that other factors become influential in monetary distribution. In this local instance, political pressure groups operate to ensure that the money is allocated to schemes in particular wards. Pressure for receipt of money for new house-building projects can be particularly great because they are conspicuous and vote catching.

The 1979 Conservative Government retained the HIP system, using it as a means of imposing even stricter control over local expenditure and of securing massive reductions in the national housing budget. These two objectives were embodied in immediate post study period legislation (Housing Act, 1980) and met with strong opposition from local authorities. These, however, were in no position to argue since government possessed the ultimate power to award penalties or rewards according to an authority's behaviour. As these were made by adjusting the local authorities' major income source, the Rate Support Grant, few were willing to risk rebellion. Moreover, any 'rebellious' authority seeking to maintain its rent levels and housing expenditure could only achieve its objectives by increasing rate fund contributions, an option recognized to be politically disastrous.

Most of these legislative changes affecting public sector housing finance have inevitably had an adverse effect on levels of construction. The effects of reductions in funding have been obvious, but even changes aimed at stimulating construction have contributed to the difficult context of

uncertainty against which those seeking to plan and implement local authority housing programmes have had to work.

ii) Procedures for Cost Appraisal

The following section comments on the methods used, and relevant government requirements relating to the cost appraisal of individual housing projects. As noted above, this usually takes place immediately prior to the application for subsidy approval preceding construction. The economic appraisal exercise may be co-ordinated with a separate application for land purchase subsidy but, with the fragmented nature of local authority decision-making structures this does not often apply, e.g. in Durham District loan applications for land purchase are handled by the Chief Executive's Department whilst those for housing construction are the responsibility of the District Treasurer. As a result, economic appraisal exercises undertaken within the public and private sectors are not directly comparable in timing or in the factors taken into account.

Prior to 1974, Durham MBC and RDC possessed insufficient professional staff to undertake their own economic appraisal exercises and these were completed on their behalf by external surveyors and architects appointed by a tendering procedure. In contrast, Brandon and Byshottles UDC had its own Architect's Department which had responsibility for doing all public sector costing exercises. These appraisals were necessarily constrained by government requirements, as laid down in the loan application forms. In accordance with the requirements of the Housing Cost Yardstick, a breakdown of estimated construction and labour costs had to be provided. Since an estimate of site preparation costs was not required, this became one of the most variable cost elements in the appraisal exercises.

The Housing Cost Yardstick and Parker Morris Standards not only prevented the sometimes 'cavalier' approach to housing schemes and costing that prevailed in some local authorities during the early 1960s, but also introduced standardization of both costing and construction methods. In

many ways this simplified both procedures and enabled monetary savings to be made by reducing design, material purchase, and storage costs. It also gave a political benefit in that officers were able to demonstrate to councillors, and they to their electors, that all parts of the administrative area were getting houses of the same cost and quality. As a result, the District Council continued to operate these standard procedures even after the withdrawal of mandatory Parker Morris Standards in the early 1980s.

Within the new District Council of 1974, costing exercises were undertaken internally by the staff of the Architect's Department. Their recommendations were submitted to the Housing Services Committee for sanction. The councillors' attitude to cost appraisal was dominated by the desire to ensure that schemes were granted government subsidy. Hence, all schemes had to be presented to Committee (Housing Services) with a supporting financial report, and any schemes which exceeded the Housing Cost Yardstick were rejected before they could be refused by government. Such schemes were returned to the officers for reappraisal.

Where a project received committee approval, appropriate loan applications were made and, if accepted, the projects were either put out to tender for construction or passed to the Council's own Architect's Department and Direct Labour Organization for final costing. (post Local Government, Land and Planning Act, 1980, government required Direct Labour Organizations to take part in competitive tendering). The processing of tenders or internal costings was the responsibility of the Treasurer's Department who presented the final financial report to the Committee. The council could then go ahead with its project providing the tendered price was not over 15% above the submitted costing. On completion of the project, a final costing was submitted to government and a public statement of accounts was produced.

The formality, complexity and time consuming nature of this

procedure is largely a result of the levels of accountability within local government, i.e. of officers to councillors, councillors to the public, and the council as a whole to government.

As a result of this accountability structure, the power of local authority decision-makers is effectively reduced. Internally, power is subdivided between officers and councillors, and externally it is circumscribed by government who, not only determine overall housing budgets, but also cost ceilings for individual projects. The importance of public accountability was given less emphasis in discussions with councillors but, over the study period, this aspect of external control assumed greater significance as government sought to expose local government inefficiency and extravagance.

Alleged overspending on public housing schemes formed the subject of national debate towards the end of the study period. In response to widespread criticism that local authority cost appraisal exercises were only 'partial' thus hiding the true costs, government asked the DOE's Development Management Working Group (DMWG) to investigate public sector costing and accounting methods. This group, comprising representatives of both local authorities and the Department of the Environment, made comparisons between private and public sector economic appraisal exercises. The most significant differences lay in the missing cost elements in local authority exercises, notably land costs, site preparation costs and overheads which, together may represent up to $\frac{1}{3}$ of the total cost of a scheme. (DMWG, 1978). The omission of these elements was partly attributed to government itself, its information requirements in respect of loan sanction, and its encouraged fragmentation of land and construction costing.

Table 8.2 gives their estimated cost breakdown for an average local authority housing unit in 1976/77. Unfortunately, a comparable breakdown was not available for an average unit built in the study area. In proportionate terms some comparisons can be made between this and the cost breakdown given by developers (Table 8.1), although some differences may

be a result of cost movements in individual elements between 1974 and 1976/77.

In considering the missing or 'hidden' cost elements the DMWG estimated that approximately 10% of the total cost of an average council house unit could be attributed to the cost of land. In practice, the cost of the land element can be as variable as in the private sector, being primarily determined by the length of time land has been held in public ownership. Real costs are likely to be minimal where land has been held for many years in land banks, especially given the low rates of interest paid by local authorities prior to the mid 1970s. It should perhaps be noted here that local authority land banks tend to resemble an ad hoc collection of land parcels acquired for a variety of reasons rather than a portfolio of residential land similar to those compiled by the developers.

Many local authorities have been criticized for land hoarding (Housing Research Foundation, 1973). Unfortunately, it was not possible to confirm or refute this practice in the study area because information on District Council land ownership was withheld. Where land is purchased on the current market, however, local authorities may have to pay comparatively higher prices than the developers, particularly where site selection is determined by social or environmental considerations, e.g. in city centre locations.

Overheads, comprising administrative and professional 'fees', and interest payments were estimated to account for 16% of total dwelling unit costs. These costs are traditionally 'lost' within the overall Housing Revenue accounting system primarily because of the difficulties of allocating costs to individual projects. In particular, the system of loans and pooled interest rates makes the realistic allocation of interest costs payable on two separate loans, i.e. land and construction, very complex.

Similarly, the size and multiplicity of functions carried out by local authority staff and departments plus the fragmented responsibilities

for housing projects, makes identification of individual project management and professional costs difficult to estimate. Nevertheless, the DMWG sought to calculate this element on an 'average' basis, and concluded that for public sector housing projects management / professional costs were approximately 5% higher than the comparative costs calculable for private sector schemes. They attributed this differential to: the proliferation of individuals and departments involved; an unwieldy management structure which can result in errors in economic appraisal exercises; and to the inevitable costly delays in the development process caused by these two characteristics. The DMWG emphasized the importance of improved integration and communication between the different officers although, in authorities like Durham District with its own Direct Labour Organization, some movement towards closer integration, at least on the design and construction stages, has been achieved.

Having made their comparisons with private sector appraisal procedures, the DMWG concluded that,

'... we recommend that the potential full cost of schemes should invariably be presented to members along with alternative solutions' (DMWG, 1978, 3).

In their drive to achieve 'value for money' in local authority housing, the DMWG advocated increased use of comparative costing with similar houses in the private sector. In making these comparisons, however, they recognized that not all cost differences between the two sectors are attributable to 'hidden elements' or inefficiency. Some of the extra costs of local authority housing may be associated with the pursuit of social objectives which demand non economic choices on land purchase, as referred to above, or the construction of 'high priced' dwellings, e.g. with special designs and fitments for the elderly or handicapped. Extra costs were also linked to government requirements in so far as

local authorities' required adherence to Parker Morris Standards ensured comparatively high costings on fitments and materials. Recognition of this led to the government's withdrawal of these requirements, but both housing and finance officers working in Durham District pointed out that this decision may in fact be economically unsound. Often the higher initial costs incurred by compliance with the Parker Morris Standards were subsequently offset by lower maintenance costs.

This consideration of the long-term commitment to, and financial responsibility for, a completed development project is not shared by the property developer (all they must consider is the 10 year guarantee period under the NHBC certification scheme to which most developers belong). The interviewed officers did not claim that long-term maintenance costs should be built into their cost appraisal calculations, but they stressed that their choice of durable materials and insistence on good workmanship made, with this view in mind, is both prudent and economically justifiable. The costly maintenance effects of not meeting high standards have been demonstrated by the problems associated with properties built in the early 1960s, although many of these were attributable to design faults rather than poor materials and workmanship.

Despite these accepted additional cost considerations, there remained widespread suspicions, that neither the electorate nor the government, as chief financier, were getting 'value for money' from public sector housing schemes. However, it was not until after the end of the study period (Finance Act, 1981) that government finally acted to direct local authorities to adopt a more 'comprehensive, realistic and accountable approach' to economic appraisal. Under this Act, local authorities when seeking loan approval on all schemes costing over £100,000, were required to submit a detailed cost breakdown itemizing land costs, construction costs, fees, interest rates and an estimated completion value.

For the purposes of completing the new government forms, officers within Durham District cost land at market value, calculate professional fees on a pro rata basis, and estimate annual interest rates for the duration of the loan. Estimated valuations are obtained from the District Valuer who is in the best position to assess market value. This valuation is considered very important since the ratio of total cost to estimated value is adjudged to be the key element in gaining government sanction.

Discussions with these officers revealed that, although they accept the government's objective of increasing efficiency, they consider the new costing procedures and associated extra workload ('merely to gain approval for money already allocated under the block Housing Revenue Account grant') to be expensive in terms of staff time and project delay.

The Durham District Council officers did agree that, having set out the estimated cost breakdown on the new forms, they are in a better position to attempt to manipulate the cost elements in order to obtain the most cost effective solution. However, they emphasized that 'praiseworthy monetary savings' should not be made at the expense of their:

- a) duty to ensure that appropriate housing to meet identified needs is provided; and
- b) responsibility to ensure that new additions to the overall public sector housing stock become both an immediate and future asset (notwithstanding future sales), rather than a potential drain on housing revenue repair funds.

These views were said to be shared and supported by the elected councillors.

In practice, however, the choices between cost effectiveness and community responsibility are very limited. It is not the local authority decision-makers who possess power and control at this stage in the public sector development process. The final cost balance decision on local

authority housing schemes is effectively made by government whose control is exercised both directly, through the approval or refusal of loan sanction on submitted projects, and indirectly through their financial power. This ensures that, where local authority decision-makers do take 'decisions', these are made on the basis of known acceptability to their 'financial masters'.

CHAPTER 9

LAND ACQUISITION

The decision to acquire land for development is one of the most important points in the residential development process. This defined stage in the process, however, represents not merely the final decision, but the whole period of negotiation and preliminary assessment.

The acquisition procedure is characterized by power manipulation and direct interaction between the land purchaser, vendor, and possibly several intermediaries. Power and control at this stage in the process can be derived from land ownership, money, the legal authority to compulsory purchase and, to a lesser extent, expertise in negotiation.

With respect to the schema presented in Figure 2.1, land acquisition represents the final phase of the activity stage 'active consideration for development' and the penultimate phase of the 'urban shadow' land use state. The land acquisition stage may be very short or protracted over a number of years. As a result, action to acquire may herald a virtually immediate transference from 'shadow' to 'urban' but more often, the land remains in its highly uncertain state for an indeterminate period.

This chapter (Sections 9.1 and 9.2) focusses on the methods of acquisition used by the two principal groups purchasing land for residential development; the developers and the local authority group. With respect to public acquisition, the question of private property rights and state intervention has been at the forefront of development process participant concerns, academic debate and legislative action throughout the study period. In reflection of this, Section 9.3 examines the legislative context set by the Land Commission and Community Land Acts of 1967 and 1975 respectively, its impact upon the local land market, and the responses and attitudes of the interviewed participants.

9.1. METHODS OF ACQUISITION - THE PROPERTY DEVELOPERS

Within the private sector, land acquisition primarily involves

interaction between property developers and landowners, either directly or through estate agents, land agents and solicitors. Occasionally, the agents themselves are the owners having purchased development land on a speculative basis. Additional intermediaries may become involved where land search leads to purchase through auctions or advertisements. However, all of the interviewed developers expressed a preference for direct negotiation with landowners. This consensus view accords with views expressed by developers in surveys conducted elsewhere (Bather, 1973; Drewett, 1973).

Since buyer and seller are seeking diametrically opposite optima, participants in the negotiation process are aware of the need for compromise. The degree of compromise made by each 'side' is dependent upon their initial perception of a realistic valuation of the land, past experience in land transactions, current financial circumstances, and strength of desire to complete the transaction. These factors are discussed below.

Accurate assessment of land values and past experience of land transactions are often closely linked. The developers, having years of experience and continuous contact with the land market are in a good position to exercise superiority in any bargaining position. Individual landowners can rarely match this level of expertise even if they have sold off several plots of land. Their contact with the land market (certainly the development land market) is sporadic and, for most landowners, peripheral to their normal experience of business transactions. Some of the large landowners, e.g. the NCB and Church Commissioners are exceptions, having sufficient staff (or appointed land agents) to monitor movements in land values and manage their considerable land assets. Many of the smaller landowners, in recognition of their comparative ignorance and inexperience and in a bid to minimize time spent on negotiations and paperwork, also engage specialist agents or solicitors to undertake individual transactions. It is, however, difficult to calculate the monetary benefits of this option given the high

fees charged by intermediaries. For those landowners unable or unwilling to afford assistance, advice is usually sought from national organizations, e.g. the Country Landowners' Association which has access to information on trends in land values.

Many of the interviewed developers stated preferences for negotiation with certain types of landowner or agent. The owners of, or agents for, large estates were considered to be more professional in their business approach and were thus regarded with greater caution and respect. Two of the respondents said they preferred the large landowner because of the likely efficient and speedy conduct of negotiations. In contrast, two other respondents expressed a preference for small inexperienced private owners; those who 'don't know the ropes and don't squeeze the purchaser'. Small landowners are generally easier to manipulate, an important consideration particularly for any developer who is in a potentially vulnerable position, for example, because of cash flow difficulties.

Several developers made specific reference to the frustrations and costly delays associated with transactions involving three of the largest landowners in the study area - 'the local authority' (a collective term for the Durham District and County Councils), Durham University and the NCB. These difficulties were not attributed to their hard bargaining techniques but to the slowness and complexity of their negotiating procedures. In each case, decision-making is hierarchical particularly in the local authority instance where a variety of officers, departments and committees is involved. An additional complicating factor in negotiations with the NCB is the statutory requirement that all land they propose to sell must be offered to the local authority for first refusal.

The financial circumstances of the prospective purchaser or vendor strongly influence the strength of will and/or need to complete a particular transaction. At a general level, pressure is upon the developer

to buy land since completion of the development process and maintenance of cash flow is dependent upon land acquisition. The pressure to buy any single land parcel is, however, dependent upon the availability of substitutes (either on the market or within an accessible land bank), the money already expended on site investigation, and its market attraction.

The landowner usually sells land when it is considered to be both profitable and propitious to do so. Often the landowner is not in urgent need of money nor anxious to dispose of the land and is thus in a good bargaining position. Even where the initial sales stimuli comes from the landowner, a situation not uncommon especially during the early 1970s (Chapter 6.1), this action is usually indicative of the owner's decision that it would be a 'good idea' to sell rather than of an express need to sell.

Comment is made in Chapter 4.5 on the differing motivations of the larger landowners when seeking to sell land for residential development. A more detailed examination of the attitudes of owner-occupying farmers to land sale is presented in Chapter 11.3(ii), where emphasis is placed upon the agricultural implications of their decisions.

None of the interviewed landowners admitted to being under pressure to dispose of their land, for example, to pay taxes or death duties, provide necessary additional income for a project, or to 'bale-out' an unprofitable venture. The principal 'institutional' landowners in the study area each have sufficiently diverse income sources to offset the need for any 'rescue-type sales', and tend to dispose of land when either surplus to requirements, or opportunities for more profitable investment are perceived. Similarly, although a high proportion of owner-occupying farmers expressed a willingness or desire to sell some land (Chapters 4.5 and 11.3), this was not considered imperative and most adopted a fatalistic attitude, viewing land sale as a welcome bonus to their normal farming business.

Thus for all but the large 'well stocked' developer whose concern is mainly to add to his land bank as and when circumstances are favourable, it may be expected that, within the study area, the landowner holds the advantage. It is he who can 'hold out' for a higher price, delay, or refuse to sell, thereby incurring financial and potential market losses for the developer. Yet, as noted above, the inherent weakness of the developer's position is rarely manifest because of his expertise in business transactions and the powerful incentive of money. Moreover, developers often face little opposition since most of the interviewed landowners expressed a general willingness to sell at a reasonable compromise price, realistically recognizing this to be considerably greater than any other form of income the land could generate (Chapter 11.3).

The developer's attitude to land is largely determined by its planning status. When purchasing non permissioned land, the developer is acutely aware of the degree of risk involved and expects the negotiated price to reflect this. His risk is obviously reduced by purchasing land with planning permission (other risks, e.g. possible market collapse still apply) but this practice considerably increases his costs and threatens profit margins (Chapter 6.1). The compromise solution cited by all but one of the respondents is to secure an option to purchase pending the outcome of a planning application.

This method of acquisition removes risk whilst enabling land purchase at below market price. An option transaction is sealed by payment of an attractive deposit in return for an agreement to sell at a specified price if planning permission is obtained or if the developer merely decides to go ahead at a future date. Option agreements are usually valid for an agreed period of between four to ten years.

During the interim period, land in agricultural usage can continue in production and even following completion of the transaction, many developers 'lease-back' the land to the farmer on a 364 day licence

(Chapter 11.3). Such lease-back arrangements tend to reflect not an intrinsic concern to maintain the land's productive usage, but simply a desire to ensure that the 'weeds are kept down'. If planning permission is not obtained in the specified period, the developer may purchase in the hope of future approval, but few respondents expressed a willingness to take this risk and, more to the point, said that their financiers are reluctant to offer credit on this uncertain basis. Moreover, where a high degree of risk is anticipated, the developer is usually willing to pay only slightly above agricultural value for the land, which is likely to be well below the agreed option price.

Only one developer referred to a variant of the normal option acquisition practice. He outlined his method whereby an agreement is negotiated to open a joint account with the vendor into which the developer deposits one per cent of the agreed option price. For the duration of the option agreement, the landowner receives the interest from this joint account. Should the planning application fail, the developer claims the right to retrieve his deposit. However, elsewhere (Drewett, 1973) other types of option agreement have been described.

Both the interviewed developers and landowners regarded option agreements favourably. The developers viewed them as a means of securing land with minimum capital outlay and holding costs (Chapter 8.1). For this degree of potential benefit, the payment, and possibly forfeit, of a small deposit was considered eminently reasonable. Many landowners recognize the developers' greater expertise in obtaining planning permission (Chapter 7.2) and are thus willing to forfeit a possible maximum market price for an improved opportunity of selling their land for development. Increasingly, small landowners are attempting to gain planning permission themselves (or via agents) prior to land sale (Chapters 4.5 and 11.3) but many, especially owner-occupying farmers, are happy to agree to option arrangements in order to obtain a reasonable price without any effort or

involvement in the 'planning bureaucracy'. Even if the option lapses the farmer usually benefits by retention of the deposit which, in some cases, can be as much as the agricultural value of his land. These financial attractions are clear but farmer owners may be unwise to ignore possible adverse land management implications which are associated with farming in a state of uncertainty (Chapter 11. 3).

Although direct negotiation of land sales with the landowner is the principal method of acquisition, developers occasionally use other methods. Eight of the ten interviewed developers referred to land purchase at auctions, although each respondent stated that only a small proportion of his land acquisitions- generally under 10% - was purchased in this manner. Potential development land offered at auction often has planning permission and, because of the open competition, can command ceiling market prices. For this reason, the developers expressed a reluctance to use this costly method of acquisition. Conversely, several of the interviewed landowners expressed a preference for this method of disposal, especially the smaller owners who are unsure of the true market value of their land. The increasing practice of smaller landowners offering land for sale at auctions is, in part, a reflection of the advice given by their national representatives, i.e. the Country Landowners' Association and National Farmers' Union.

As noted in Chapter 6.1, none of the respondents referred to land acquisition via company 'take-over', but some gave examples of individual site purchase from other developers and local authorities. This type of transaction has occurred where, for example, small developers have got into cash flow difficulties on a project, or where the local authority, having miscalculated its housing land requirements, has decided to sell to the private sector. The most notable example of the latter was the sale of land at Newton Hall in the early 1960s (Chapter 6.2).

Whichever method of acquisition is adopted, the conclusion of the

transaction rests upon agreement between the two parties. A developer cannot force a sale (unless acting in joint partnership with a local authority when the powers of 'state' control can be enlisted). On the other hand, a developer need not enter or complete a transaction which he, his board of directors, or his financial advisers consider inadvisable and uneconomic. Within his abilities to persuade a landowner to sell, the developer can exercise choice, and it is this choice which determines whether the residential development process is curtailed or progresses to its culmination in the construction and sale of dwellings on a particular site.

9.2. METHODS OF ACQUISITION - THE LOCAL AUTHORITY DECISION-MAKERS

As in the earlier stages of the development process, responsibility for public sector land acquisition within the study area is fragmented between authorities, departments, officers and councillors. Prior to 1974, each local authority could acquire land for its own housing purposes, but after reorganization, this became the function solely of the District Council (Chapter 4.3). Once officers of the housing and planning departments have had their recommendations on housing needs and appropriate sites approved by the Council, it is the responsibility of the legal officers (employed within the Chief Executive's Department) to approach the landowner with a view to sale. The District Valuer acts as an agent for the local authority in price negotiations. On the basis of his, plus officer recommendations, a final decision on price acceptability and purchase is taken by the councillors. This may, however, be protracted since a land purchase proposal is likely to be raised at three separate committees (Land and Buildings, Finance, Policy and Resources) before the final decision is 'rubber stamped' by the full council. In practice, councillors rarely challenge officer recommendations upon valuations and are not in a position to question proposed legal proceedings. They can, however, react to the principle of purchase, but this is likely to have been resolved by other committees at the land search and site selection stage.

As in the private sector, land is commonly purchased via direct negotiation with the landowner or his agent. Negotiations always culminate in a decision either to purchase outright or reject. No option procedures are used. Options are unnecessary because the local authority is not under any risk of failing to obtain planning permission. Prior to 1976, conflicts could arise between tiers of local government about public sector applications, but there is record of only one refusal of planning permission during the study period. Since 1976, district councils have been empowered to approve all applications in respect of land required for public sector development or sought for disposal to the private sector, thus removing all uncertainty.

Local authorities rarely purchase land at public auctions and there are no known examples of this practice in the study area. The purchase of land from developers is unusual but not unknown. Prior to 1974, the requirement that a local authority should build all public sector housing to Parker Morris Standards (Chapter 8.2) made it difficult for them to acquire partially completed sites from developers in financial difficulties. The publication of Circular 70/74 enabled local authorities to purchase such land and promoted 'package deals' with developers in order to complete unfinished schemes. However, none of the respondents gave evidence of this type of transaction occurring during the study period.

With respect to public sector acquisition, the landowner possesses little power and control over transaction proceedings and, where compulsory purchase powers are invoked, even loses his power of choice to sell or retain land. In practice, compulsory purchase orders are not often used for the purchase of land for residential development (they are more generally associated with the acquisition of land for road schemes, see Chapter 11.3). Instead, direct negotiation is attempted, with local authorities offering a market price for the land. This, however, may well be slightly lower than a competitive market price which the landowner may have expected from a private

sale and, given the recognized possibility of compulsory acquisition, the landowner is in a poor bargaining position. Land acquired via a compulsory purchase order is bought at full market price but this again is a non competitive price and, given the slow speed of compulsory purchase negotiations, the price paid is likely to reflect the market value several months or even years prior to the actual sale date.

Although power and control may therefore be said to rest with the local authority decision-makers, individual officers and councillors have little control because of the fragmented responsibilities described above, and moreover, the power of the local authority as a whole is circumscribed by government which vets all land purchase decisions where subsidy applications apply.

For the local authority decision-makers, this stage in the process does not represent a potential stumbling-block in that an unco-operative landowner cannot prevent development. Such a landowner can, however, cause sufficient delay to render a proposed project non viable, certainly in relation to annual budget and cash allocations. Yet in relation to the overall process, this stage presents less risk for the local authority purchasers than for their private sector counterparts. They can make a financial commitment assured of the facts that: the land's development potential can be fulfilled; any holding costs are likely to be comparatively small; and even if land is subsequently resold rather than built on, considerable profits can be expected.

On the other hand, local authority decision-makers can be in a less favourable position where a particular piece of land is vital for the success of a project. For many local authority schemes, substitute sites are less available especially where city centre locations are sought and, where a project involves larger scale land assembly, some parcels will have no substitute. Hence, this stage is not without difficulties and uncertainties for the local authority decision-makers and they, like the

developers, are relieved when a transaction is satisfactorily completed and approved by government. Even then, the local authorities cannot smoothly progress to the construction and disposal stages as and when they choose because, for public sector projects, the main economic appraisal exercises required for government subsidy approval must precede construction (Chapter 8.2). Only on completion of these, can the local authority decision-makers direct their attention to construction and disposal, activities which they can be confident are more directly under their control.

9.3. STATE INTERVENTION IN THE LAND MARKET

The history of state intervention in the land market is reviewed elsewhere (Ratcliffe, 1976) and comment has already been made on the legislative instruments operative during the study period (Chapter 3.3). All attempts at intervention have prompted strong responses either in support or opposition since the state control of private landed capital is not only an emotive, but also a political and financial issue.

Over the study period, participants in the residential development process have been subjected to the effects of compulsory purchase, taxation, and appropriation measures.

Compulsory purchase powers delegated to local authorities have long been the subject of widespread criticism in which they are presented as a basic infringement of individual proprietary rights in land. In their defence, they are upheld as being used only for 'the good of the community', and as a necessary and justifiable tool, particularly where a proposed development will not 'brook the hit and miss adjuncts of the market' (Denman, 1964).

The history of land and betterment taxation is similarly well documented elsewhere (Cullingworth 1970; Neutze, 1976). During the study period landowners were faced with a variety of taxes. In addition to those specifically aimed at taxing windfall gains arising from a change in use value (Betterment Levy (1967); Development Gains Tax (1974);

Development Land Tax (1976)), various taxes were levied on land disposal (Estate Duty which was replaced by Capital Transfer Tax in 1975, and Capital Gains Tax (1966) (Neuburger and Nichol, 1976)).

Greater control combining taxation and appropriation measures was sought in the late 1960s when the Land Commission Act (1967) was implemented. This Act, in addition to introducing the betterment levy of 40% on all private transactions, set up a central agency empowered to undertake land acquisition and disposal. The aim of the latter was to facilitate easier and cheaper redevelopment particularly for central area residential schemes and reclamation schemes. There was, however, significant opposition to the Act, many holding it responsible for land shortages and price escalation (Drewett, 1973). When it was repealed by the Conservative Government of 1970, it had failed to achieve any significant impact in planning or betterment terms (Harris, 1969; Ratcliffe, 1976). Within the study area, the labour controlled local authorities were in favour of its principles, but none were willing to make the necessary financial commitment to intervene in the private market. Instead, they were content to pursue their own public sector schemes and leave private development to the local developers, many of whom originated in the region and were considered reputable.

The next major piece of interventionist legislation, the Community Land Act (1975) was an attempt at even more comprehensive control motivated by a mixture of political, social and planning objectives. This legislation heralded by the White Paper on Land (1974) generated both national and local controversy. The remainder of this section focusses upon the local impact of this legislation which virtually ran its complete course during the study period, from its enthusiastic introduction in 1974 to its dismantling in 1979 and final repeal in 1980.

The local response was partly conditioned by the national reaction of the collective interests of the construction industry, landowners, and of those with other vested interests in the land and property markets.

Many of the views expressed locally echoed debate in the national press and this context had to be taken into account when interpreting the interview responses. Local responses were also very time dependent, and it should be noted at the outset that the interview surveys were mostly held in 1974 and early 1975, and thus the views expressed reflect anticipated rather than experienced consequences.

As may be expected, the local response was more concerned with the practical details of the legislation rather than its general principles and only one developer respondent made any substantial comment upon the fundamental concept of land nationalization. He was in favour of some form of organized land utilization and of the overall appraisal of land resources, but not in favour of what he considered a primarily political solution. He viewed the White Paper as a set of proposals aimed at 'spiting the capitalists' and placing emphasis on 'control as a public good in itself'. He questioned the aim of control and said that no amount of control would assist the community without some clearly formulated plans or means of utilizing the powers and resources to be gained.

In many respects, this developer offered a more reasoned comment than many politicians, land economists and other professionals involved in land management, whose written comments and speeches appeared to be aimed primarily at lambasting the proposed, and later enacted, legislation with a variety of clichés. Their reaction to the legislation is typified by comments such as , rather than being a,

'panacea to a multitude of 'social ills',

it is a means,

'more to satisfy doctrinaire demands for
total public ownership of land than to
solve planning problems'

(Wilcox, 1975).

Many of the developers' comments reflected a concern that the legislation would put their industry into disarray because:

- i) they would lose the drive to initiate the development process given the removal of their profit incentive; and
- ii) local authorities would not have sufficient staff and expertise to cope in their place.

i) The Loss of Private Sector Initiative

Three respondents expressed indignance about the proposals asking, 'Why should we employ our usual effort in searching for land simply to hand it over to the local authority'.

Their fears were particularly related to the proposed 'interim period' when local authorities would have the right to suspend all applications and acquire the proposed development land themselves, but no mandatory duty to do so. In this type of situation uncertainty would rein, increasing the risk for any developer willing to spend time and money on 'working-up' a scheme from initial demand assessment to planning application submission. Most of the interviewed respondents expressed an unwillingness to take this risk and indicated their intention to proceed with extreme caution and concentrate on developing land already held or land with existing planning permission (both exempted from the proposed legislation). Alternatively, some said they would be likely to opt for a diversification programme, a choice most easily open to either larger companies with various divisions or smaller firms with joinery or contracting expertise (Chapter 4.2). Such tactics are possible only for a limited period, but all of the respondents were confident that both the legislation and its parent government would be short-lived.

The developers also predicted similar short-term defensive action by landowners whose own profit incentive was threatened by the legislation. As a result, they anticipated an escalation of land prices reflecting a scarcity value caused by the withholding of land from the market and the attempts to cover expected taxation costs by any owners willing to sell.

Similar opinions about likely land shortage and escalating prices were voiced by three of the four interviewed estate agents. They, however, were not unduly concerned about the prospect of reduced land transactions since land sales represent only a small proportion of their business (Chapter 4.6) and any sales handled at the higher prices would command larger negotiation fees.

It is unfortunate that the views of the local landowners themselves were not obtained because of the interview schedule. Some indication of the views of the smaller farmer landowners was, however, gained through post interview discussions (via the author's membership of the Durham Agricultural Discussion Society). These confirmed the predicted fears and behaviour of the landowners since many society members stated their unwillingness to consider land sale under the circumstances created by the legislation.

The contemporary professional literature and general media were full of comments on the dangers of sacrificing a working system and those employed within it, for a set of 'ill-conceived ideological objectives which are unlikely to be attainable' (Nicholls , 1975). The government's 'solution' of establishing closer working relations between local authorities and developers was given scant attention. It was widely reported that many developers threatened non co-operation with 'incompetent local authorities' citing more lucrative alternatives abroad in which to invest their money and expertise. Locally, three of the interviewed developers did not fully share this dismissive approach, and indicated their willingness to work in partnership with local authorities constructing private housing on a similar basis to their existing local authority contracting work. These individual views may be atypical of the national trend or they may in fact reflect the difference between the collective denunciatory approach of a threatened industry, and the survival approach of individual companies who ultimately must find a way of working within any legislative

context in order to continue in operation.

ii) The Capability of Local Authorities to Fulfil their Role

Many developers were sceptical about the local authorities' abilities to assemble and manage a property / land portfolio. In particular, one respondent was emphatic that the unwieldy hierarchical management structure of local authorities would inevitably prove inefficient and ineffective in the development business of 'quick risk-laden decisions'.

Similar views were expressed at length in national commentaries written by representatives of the development industry, professionals involved in the land market, and by academics (Melville, 1975; Stafford, 1975b; Barrett, Boddy and Stewart, 1979). An example of these comments is the view expressed by Heap in his address to the British Property Federation,

'..... could anyone really believe that the committee-ridden heads of local government could ignite the catalytic spark that would once again set the (development) scene alight! Local Government does not work that way and its founding fathers never expected it to do so.' (Heap, 1975).

Not least of the fears expressed nationally was that the land market and development industry would get embroiled in, and strangled by, intra-local government power struggles and political 'one-upmanship'. A local indication that this was possible was given when, to the embarrassment of both councils, early disagreement between Durham District and County Councils regarding the division of responsibility for preparing the statutory Land Acquisition and Management Schemes (LAMS), was reported nationally (Milne, 1975).

The interviewed local authority decision-makers, the planners and councillors, themselves expressed a mixed and slightly confused response to the legislation and their envisaged roles. They were by no means quick to assure that local authorities were both eager and capable of enacting the legislation. Most respondents stated reservations about

the operability of the legislation. Despite admission of their own limitations emphasis, however, was placed upon the weaknesses of the legislation itself.

As an example of this type of response, one of the most senior planning officers working in the study area at the time is on record as saying,

'My impression is that this (the 1975 Act),
is muddled, contradictory and ultra bureaucratic.
I'm glad its not my idea!'

With respect to the planners' own abilities to implement the legislation, detailed reservations were made about: staffing levels and workload; the pressures of preparing land acquisition 'blueprints' alongside work on the County Structure and District Plans plus the dangers of pre-emption; problems of interpretation; and the difficulties associated with the division of responsibilities within an already over-complicated bureaucratic system. Little comment was made on the topics of 'positive planning' and 'planning blight' which tended to dominate discussion in the professional literature (Stafford, 1975a). Idealism about positive planning was strongly tempered by views that no national legislation is likely to be powerful enough to ensure achievement of this planning goal and no officers working within a politically democratic structure would ever be able to successfully implement it. The widespread dangers of planning blight were not feared because none of those interviewed, seriously envisaged public acquisition on anything other than a very limited scale.

The councillors were, on the whole, more supportive of the legislation although six of the respondents were adamantly against it. Opinions were principally divided according to political allegiance. The most frequently cited reasons for supporting the legislation were that it would:

- 1) prevent profiteering and stop speculation;
- 2) reduce the power of large landowners;

- 3) give profits to the people and help reduce the rates;
- 4) help to control land and house prices;
- 5) enable more positive planning.

In contrast, the most frequently cited criticisms were related to the:

- 1) inability of the local authority's officers to cope with the extra work and the need for extra staff;
- 2) financial burden of managing and administering a land bank which may necessitate a rise in rates;
- 3) removal of an individual's rights over property;
- 4) imposition of the role of buyers and sellers of land onto councillors who are not elected for this purpose, and the danger that some councillors with no experience in this field will consider themselves to be 'big businessmen'.

In most cases, councillors expressed more than one reason for supporting or criticizing the legislation and many voiced both supporting and dissenting views. Even amongst the 16 councillors strongly in favour, seven made at least one reservation, most frequently questioning the ability of the Council and its officers to cope with the extra work.

The opinions expressed tended to be more generalized than those offered by the planners and it was largely evident that the degree of thought into the local impact and implications was superficial. The few comments on positive planning often echoed media reports and those upon land and house prices revealed scant knowledge of the land and property markets.

Although three councillors referred to the dangers of some councillors perceiving themselves in a business role for which they are ill-equipped, none voiced the fears of some members of the property market, that their increased power and control could lead to abuse.

Private interests were quick to point out that the legislation:

- a) conferred upon local authorities, powers greater than any previously possessed by a single decision-group; and

- b) required local authorities to perform potentially conflicting duties both to ensure sound and socially responsible planning decisions, and maximize financial returns to the community.

The lack of comment upon the potential dangers of possessing such powers may reflect either confidence in, or mutual loyalty towards, fellow councillors, and the integrity of the council as a whole, which must maintain its trustworthiness and credibility before the electorate at large and any single member of the public.

The respondent councillors were, on the other hand, eager to comment upon the possible financial costs and rewards of the legislation. In particular, eleven were concerned about the extra costs of implementation. Surprisingly, none referred to the justice of the proposed distribution of community profits, a topic on which considerable media and professional debate centred (Ash, 1974). Many commentators regarded the proposed subdivision of profits allocating: 40% to the Treasury; 30% to a national pool for use by all local authorities; and only 30% for retention by the local community, to be unjust (Barrett, Boddy, and Stewart, 1979).

Within the study area, the lack of an enthusiastic response or, indeed any but a token response, to the legislation may be largely attributed to this lack of financial incentive, especially since the political will to support government policy was present.

Using their new powers, the District Council purchased only one piece of land for residential development and the County Council purchased none. This one site was four hectares (10.2 acres) of development land at Cheveley Park, Belmont. This was purchased at a price of £72,000 and was later sold to a developer for £303,000, creating a substantial community gain.

Nationally, the response was similarly limited, with many Conservative controlled councils putting forward endless excuses for

inaction, and many Labour controlled councils, although sympathetic to 'the cause', either floundering in attempts at implementation, or recognizing that participation was not financially attractive. Only a few authorities, notably large metropolitan districts with previous experience of land assembly, responded enthusiastically, and even amongst these, there was evidence of early disillusionment (Barrett, Boddy and Stewart, 1979). Moreover, where authorities did pursue a programme of acquisition, this was often conducted in an ad hoc manner far removed from the ideals of positive planning.

Thus, despite its potential importance, the Community Land Act legislation had relatively little impact upon the residential development process (public and private), or upon the property market as a whole. The legislation succeeded in generating a lot of public debate, media rhetoric, bureaucratic upheaval, and private sector manoeuvrings to ensure its early impotence and speedy demise, but largely failed to generate community gain in either environmental or financial terms. This inevitably raises the questions discussed below: were its objectives valid; why did it fail; and what alternative approaches to land development can be considered.

In the opinion of the writer, the objective of ensuring a well planned environment and the socially equitable aim of distributing some of the wealth generated by land sales and property development are laudable. It must be questioned, however, whether it is realistic or indeed wise, to supplant (at least in terms of overall control) the private market process. This was the eventual aim of the Community Land Act legislation, achievement of which was dependent upon the support and co-operation of private finance capital, landowners and developers, plus their network of professional and business contacts.

That this support could be relied upon was perhaps naive and similarly confidence in the abilities and willingness of local authority

staff to take over from those with long experience and expertise in the 'property world' appeared to be misplaced. An alternative, and possibly more fruitful, approach would have been to promote more 'social responsibility' from those involved in the property market by means of increased co-operation, interaction and joint responsibility with local authorities. The promotion of such an objective without some attendant inducement would no doubt go unheeded, but it is considered that a positive incentive would be more likely to achieve the desired response than government directive.

Why in fact the legislation failed to achieve its objectives on other than a very local basis has been the subject of 'post mortem' analysis (Barrett, Boddy and Stewart, 1979). These authors considered the main reasons for failure to be: the ill-conceived complexity of the Act and its unworkable implementation procedures; the large number of exemptions which limited the local authorities' scope for opportunity purchase; the unwillingness of landowners and financiers to co-operate; the depressed state of the land and development markets; and, most important of all, the lack of financial incentives and resources available for purchasing land.

As many had predicted at the outset, the legislation was short-lived being repealed by the incoming Conservative Government in 1980. Even if the Labour Government had been returned, the future of the Land Act legislation was uncertain, since ministers were already in the process of considering either a dismantling or severe modification of the legislation. The new government did not, however, fully reject the principle of community gain on development land profits and in its 1979 Budget stated its intention of continuing to levy Development Land Tax at a rate of 60% (previously up to 80%) on realized development value over £50,000 (Balchin, 1981).

With respect to alternative approaches to devising a 'socially responsible' means of securing land development, various approaches and methods have been suggested or tried elsewhere (Neutze, 1976). For example, Denman (1964) suggested an approach involving the compulsory re-allocation of land. Using this approach, a large area could be compulsorily purchased by the local authority at current use values proportionate to the size of ownership plots. The land would then be serviced, developed and re-allocated in proportion to the original shares and each landowner taxed to cover the cost of service provision. The landowner could then sell the serviced land for development making some profit for himself. In this way, the landowner has sufficient incentive to be co-operative and the local authority is able both to initiate and enable land development in accordance with its planned proposals.

A similar system is successfully operated in Australia where local councils in metropolitan Perth practice a system of land pooling (Archer, 1978). This enables the consolidation, servicing and subdivision of development sites by enforcing a compulsory partnership agreement between the council and landowner. In accordance with an agreed plan, land is legally transferred to the government (not compulsorily purchased) using a resumption technique whereby landowners claim 'compensation' for their loss of control only on completion of the project. This is paid in the form of serviced building sites which are readily saleable. The council recovers its own costs by the sale of some retained building sites. Landowners are keen to participate in these schemes because of the profit incentives, and the council benefits from being able to implement planned development schemes and from the ability to finance the provision of services, infrastructure, and community facilities from the generated increase in land values.

Given the failure of the various attempts at British land nationalization and the collection of betterment, it is concluded that

this type of approach, whereby all parties involved are committed to what is seen to be a 'good business deal', has more chance of success.

Similar views have been expressed by various professional bodies. For example, the Town and Country Planning Association advocated joint commitment between local authorities and private enterprise through the setting up of public development companies modelled, not on the failed Land Commission agency, but on the more successful new town development corporations and the French sociétés d'économie mixte (Stafford, 1975a). Within this type of arrangement, Ash (1975) envisaged local authorities acting as 'sleeping partners' (except in their 'watchdog role'), and those with the existing market expertise as being eager to participate because of their continued profit incentive.

Co-operation and control need not represent an antithesis, although the reality of past experience at both local and national levels does not immediately appear encouraging. The proposed solution of trading between control and profit does not mean desertion of the principle of community gain. Arrangements similar to those described above might result in 'community gain' via the achievement of a well planned environment based upon social welfare and environmental, rather than strictly monetary objectives. Moreover, the inclusion of community facilities in joint development schemes effectively represents a financial gain to the local authorities who otherwise would have had to pay the full market cost of their provision.

Legislation necessary to facilitate the growth of joint schemes need not necessarily preclude the continued operation of taxation measures on land transactions which appear, in practice, to be acceptable to all parties despite the sometimes vigorous protestations of private interests.

Some may still consider these compromise measures to be a betrayal of the principle of real community control and gain; a token gesture offered by private landed capital to pacify local and central government.

Yet the attempts at gaining overall state control have resulted in little tangible gain to local communities and, moreover, the see-saw legislation generated by such policies may even have proved detrimental in having impeded private investment within a locality.

Others may dismiss a compromise approach as unrealistic given the:

- a) power of private financiers who manipulate the property market;
- b) entrenched 'moral' views regarding the freedom of individual property rights;
- c) polarized political views of the two major parties towards landownership and development;
- d) reduced capabilities of local authorities to undertake new functions following the imposition of budget restraints.

It is the opinion of the author that, whilst each of these factors would undoubtedly operate to prevent the success of any all-embracing attempt at state control, a less threatening and conciliatory solution might be tolerated and, eventually supported.

9.4 LAND ACQUISITION - CONCLUDING COMMENTS

This stage in the residential development process demonstrates the relative importance of power vested in land, money and government control at local and national levels.

Land, or the proprietary rights in land are a valuable commodity and are essential to any prospective housing supplier whether private developer or local authority. Competition for these rights can be high, and successful acquisition requires negotiating expertise, money, or, if necessary, in the public sector the use of compulsory purchase powers.

The value of proprietary rights in development land is reflected in the struggle to exert community versus private capital rights. This was clearly demonstrated by the passage of the Community Land Act legislation during the study period.

A decision whether or not to acquire the ownership rights to a

piece of land, a choice which most frequently rests with the prospective purchaser, closes this stage in the residential development process. A decision to buy prompts further action to initiate completion of the process, whilst withdrawal necessitates a return to earlier land search and site selection stages.

DEVELOPMENT AND DISPOSAL

The decision to develop represents the culmination of the complex and often lengthy decision sequences and negotiations examined in the preceding chapters. Having acquired the basic inputs: land; the legal right to develop; and the necessary finance, or at least knowledge that financial resources will be forthcoming when required, development can take place at any time deemed judicious in terms of company and market circumstances. Development may be deferred, but there are time restrictions on the validity of planning permissions (Chapter 7.1), and cost considerations involved in prolonged land holding.

Despite being the 'culmination' of the residential development process, the decision to develop has been described as 'an anticlimax' (Smith, 1965). Thereafter, the work involved in bringing a housing project to fruition becomes primarily 'an inventory scheduling problem'.

As can be seen in Figure 2.1, this final chapter of Part II is subdivided into three sections dealing separately with the following stages: a) detailed appraisal prior to construction, b) construction, and c) disposal.

In land use terms, these stages correspond to the end of the 'urban shadow' phase when any continuing agricultural production finally ceases under a notice to quit (Chapter 11.3); the 'active development' phase in which the physical characteristics and usage of the land parcel change; and eventually, the new use state as residential and ancillary development.

At the development and disposal stages interaction between process participants continues to be of importance. During development appraisal and construction, the former landowner or adjacent landowners may have some residual involvement, but the main participants are the developers themselves (or local authority decision-makers), their financiers and

the large number of material suppliers and sub-contractors who become involved. On completion, the mortgage financiers, some estate agents and eventually the potential consumers all enter the negotiating arena. Interaction is conducted on both an informal and formal basis. Long established local business networks (Chapter 4) ensure a degree of informality, but the variety of legal contracts and tenders involved necessitates a measure of formality in communications and transactions.

Power and control in these concluding stages lie in the hands of the group undertaking development, i.e. the developers or local authority decision-makers, and the financiers. The latter ultimately control the housing suppliers' ability to complete the project and the prospective purchasers' ability to buy the finished dwellings. Dependency on the financiers can, however, be reduced by developers who have sought to ensure that all possible obstacles to the successful and speedy completion of the project have been overcome prior to the final stages. A failure to do this inevitably reduces their control leaving them more vulnerable to the financiers, some of whom may seek to take financial advantage of any display of weakness.

In the sections below, these final stages of the residential development process are treated in less detail than those considered in the preceding chapters because the questionnaire surveys of participants concentrated least on construction and disposal.

10.1 DETAILED DEVELOPMENT APPRAISAL

This stage combines the final assessment of details relating to the

- i) physical requirements of the site;
- ii) supply of labour and materials;
- iii) capital requirements.

Although site and project specific, each of these assessments, whether undertaken by private or local authority decision-makers, tend to follow a routine course.

In most instances, these three assessment exercises are done 'in house' by the local authority and by each developer. Some of the smaller private firms may, however, use consultants, e.g. surveyors, engineers and accountants. Within Durham District Council, both the physical appraisal and assessment of labour and materials requirements are done by officers of the Engineer's and Architect's Departments, whilst the capital assessment is undertaken by the Finance Officers (Treasurer's Department). Where public sector construction is sub-contracted, separate assessments may be undertaken by the external contractors submitting tenders.

i) Physical Appraisal

The physical characteristics and requirements of a site/scheme are examined, in varying degrees of detail, in the earlier stages in the process, notably during site selection, the preparation of plans and layouts for submission with the planning application, and economic appraisal. Prior to construction, however, more detailed surveying work must be undertaken to ascertain the materials and plant required for laying the foundations and for drainage and service provision.

In addition to drilling and boring, this site assessment work may involve some legal negotiations regarding easements and wayleaves where pipes or cables must be laid across adjacent land, or associated with the conclusion of Section 52 service agreements (Chapter 7.1). This stage is also characterized by final negotiations with statutory undertakers regarding service supply, i.e. gas, electricity, water and sewerage. As well as negotiating for permanent supplies, the developers or local authority officers (especially those seeking to develop large sites) must secure temporary electricity and water supplies for the construction stage together with necessary sanitation and telephone facilities. Throughout these negotiations, the two critical concerns relate to the timing of supply and cost sharing. Information derived from this physical appraisal

is then fed directly into the two following assessments of labour and materials, and capital requirements.

ii) Labour and Materials Requirements

An accurate assessment of labour and materials requirements together with a detailed appraisal of availability and cost is vital to the success of the development stage.

The timing of input acquisition is critical in relation to market competition and money supply. Both premature and delayed acquisition can be costly in terms of additional interest payments on borrowed capital. Judgement on timing is not, however, simple given the highly variable availability and cost of labour and material supplies which themselves tend to mirror the vicissitudes of the property market (Chapter 3.5).

The construction industry as a whole with its operation on minimal fixed capital has generated two pools supplying key inputs. First, the floating labour pool often referred to as 'the lump' which is used by firms (both large and small) whose own labour reserves are not sufficient to carry them through times of peak construction. The second 'pool' is the reservoir of materials maintained by builders' merchants. This group of intermediaries are willing to risk the costs of stockpiling during a slump for the benefits to be gained from having an immediately available supply of goods at the start of a market upturn.

Control over, or alternatively vulnerability to, the somewhat uncertain market for labour and materials is primarily determined by the firm's size and its degree of establishment within the local business community. The local authority developer has clearly the benefit of both size and establishment.

With respect to labour supply, it is only the large developers (or a local authority with its own direct labour organization) who can maintain a large regular workforce. These companies must ensure economic continuity of production either in housing construction or in other types

of building work such as school building, industrial or commercial ventures.

The possession of a permanent workforce is an advantage, not only in relation to availability, but also because of the labour's experience of, and familiarity with, company methods and building techniques. These characteristics help to improve the speed and efficiency of construction on individual projects. Small firms who cannot afford to maintain a large workforce usually retain a nucleus of highly skilled labour which can be supplemented by less skilled temporary labour whenever necessary. This type of arrangement is also the most efficient for any firm which undertakes a considerable range of construction projects requiring varied specialist skills.

In evaluating the optimum size of a permanent and cost effective workforce, the expense of transporting labour to various site developments must be considered. For a small firm operating in a confined locality or for the local authority whose activities are restricted to its own administrative area, such costs are of minor importance. On the other hand, for larger firms constructing schemes miles from their headquarters or regional offices, labour travelling expenses can constitute a significant item on the total scheme costing. Above a certain distance threshold, these costs can be offset by providing the workforce with temporary 'on-site' accommodation but the hiring of local temporary labour may be a more economical alternative. Such considerations, however, apply only to very large schemes.

Even those firms and local authorities with their own large permanent workforces often sub-contract certain stages of the construction process (Chapter 4.2). Specialist sub-contractors, e.g. roofers, plasterers, electricians and glaziers, are in a powerful position to command high prices for their skills particularly in 'boom' periods when developers are urgently competing for ready markets and seeking to take full advantage

of rapidly rising prices.

As noted in Chapter 4.2 the largest interviewed developers have attempted to minimize the degree of sub-contracting by taking-over the control of various specialist companies. However, during the early part of the study period, one factor inhibited these moves towards greater independence and integration; the imposition of Selective Employment Taxation (SET). This tax, introduced in the 1966 Finance Act, was payable on all full-time labour employed in service industries including construction. Hence, throughout the operative period of this levy (1966-1973), there was a strong economic disincentive to maintain a large permanent workforce.

With respect to calculating total labour costs, all projects must be costed in terms of estimated man hours. The variation in wage rates is not great because of nationally negotiated pay deals, although higher rates are demanded by the 'lump' labour force who seek to offset uncertainty and insecurity with higher pay.

No attempt is made here to consider the question of labour efficiency and productivity which clearly must influence estimates of both timing and cost. Local data on productivity levels are difficult to obtain and studies elsewhere have concentrated on national trends (Needleman, 1965; Ball, 1977). Similarly, a detailed discussion on the comparative costs and benefits of standardization and mechanization against labour intensive production (Needleman, 1965; Donnison, 1967) was considered unnecessary. It is sufficient to recognize that all house-builders (private developers and local authorities) are aware, to some degree, of these factors and their cost implications.

It would, however, be misleading to imply that comparative costing exercises on various building techniques are undertaken by the developers. Such exercises are considered too theoretical, costly and time consuming. Instead, production and management methods evolve slowly with each

interviewed firm adopting a basic production formula which may be modified slightly in relation to new technology or particular site requirements. In the past, local authorities have proved more open to new construction methods primarily as a result of strong guidance and often monetary incentives from the Department of the Environment. This willingness to experiment has, however, sometimes proved to be a costly mistake and, like many authorities, Durham District Council has had to suffer high maintenance and even replacement costs on 'non traditional properties', e.g. Airey, Unity and Tarren houses built in the early post war period. The advisory bodies for private developers, e.g. the House-Builders' Federation are more cautious in their promotion of new production methods and, as a consequence, fewer 'mistakes' have been perpetrated in the private sector in terms of design and structural defects.

With respect to materials supply, necessary inputs for the construction stage can be subdivided into those materials necessary for all projects, e.g. cement, bricks, and timber, and more specialized manufactured components, e.g. electrical fittings, bathroom fittings, doors, and window frames, which may vary from project to project according to particular house designs. These manufactured components are often supplied and fitted by a sub-contractor.

For all materials, the developer or local authority officer responsible (in Durham District, quantity surveyors employed within the Architect's Department) must make an accurate assessment of quantities needed, required delivery dates and costs. The complexities of this type of assessment for each site are considerable and, for the large developer involved in constructing several sites simultaneously, the problems of co-ordinating the purchase, delivery and despatch of materials to each site at the correct time are immense. The magnitude of this task was highlighted by Drewett (1973, 181) when he stated that,

'When a developer is constructing an average three-bedroomed semidetached house, he has to coordinate about 500 different items from about eighty different manufacturers'.

Although size brings organizational problems, large firms and local authorities benefit from their ability to buy in bulk and stockpile materials, an option open only to those firms confident of their continuity of production. In this latter respect, however, the position of local authorities changed during the study period as funds for house-building were restricted and confidence in future building programmes was undermined. Large firms with established purchasing patterns are also in a better position to insist on and receive more prompt and efficient service having gained the direct suppliers' or builders' merchants' confidence. The generation of confidence is particularly important since material suppliers often deliver on a credit basis.

Although the developers' questionnaire did not incorporate specific questions on material supply, all of the respondents made some reference to suppliers in the context of company integration. Seven of the respondents referred to subsidiary or associated autonomous firms upon whom they can rely to supply certain components either in standard form or made to specific design requirements. This arrangement helps to ensure continuity of supply although some respondents referred to problems of internal friction and competition especially between regional divisions for the services of component suppliers.

Small firms rely to a greater extent upon builders' merchants although all respondents referred to this source of material supplies. Builders' merchants, acting as intermediaries between manufacturers and house-builders, tend to operate in a relatively limited geographical area of up to 30 miles radius. Their roles in the residential development process are to maintain the flow of material stocks, assemble components, deliver to sites and, in many instances, to act as short-term creditors.

Drewett (1973) also referred to their role as an important information source on new materials and construction methods, particularly for small developers. They form part of the established business network within a locality and several developer respondents referred to their long-term 'understanding' with builders' merchants. This type of 'understanding' is based upon mutual reliance, i.e. the exchange of assured regular custom for preferential treatment in delivery dates and credit facilities.

Where developers or local authorities sub-contract work, the direct assessment of material supplies and delivery timetables is the responsibility of the sub-contractor. Nevertheless, the employer must be keenly aware of the range of materials required and of any likely delays in supply which may delay the sub-contracted job and hence jeopardize the programming of the whole project. Similarly, the employer must be knowledgeable about the prices of input materials before they are in a position to evaluate competitive tenders. They must be aware not only of current prices, but also of anticipated price movements across a wide range of products since most contracts are negotiated in advance on a fixed price basis.

As well as materials, the hire of equipment including large mechanical plant used in site preparation, tools, scaffolding, tarpaulins and haulage vehicles must also be costed, timetabled and organized. Only the largest developers and some local authorities own their own range of equipment and even these must hire the larger plant and specialist machinery. Again in calculating requirements, the aim is to ensure continuity of production with minimum capital outlay.

In this, as in the overall labour and materials assessment exercise, accuracy is vital. Errors made at this stage can have a cumulative effect on construction costs, upsetting the calculated cost balance sheets and threatening the profitability or even viability of the project.

iii) Capital Requirements

At this stage some cost adjustments based upon the preceding two exercises will be made to the costings produced during economic appraisal (Chapter 8). However, attention at this point is principally directed to the finalization of negotiations on loans and the detailed assessment of anticipated cash flow. It should be reiterated here that, in the public sector, the sequences of loan applications and tendering procedures are different and generally more protracted (Chapter 8.2).

With respect to cash flow analyses, calculations and timetabling exercises must try to take account of all contingencies including the possible adverse effects of weather conditions, industrial action, delays in material delivery and changes in government policy which may influence rates of inflation, wage levels and import duties. The key factor is the estimated point of return on money borrowed. This may not be at the completion of the whole project, and in many cash flow sequences, the receipt of money from early sales is built into the funding requirements for later construction phases. At the very least, early sales can be used as security for subsequent loans. Thus the large volume developer who constructs phased sites and sells properties in advance of completion can be more confident of maintaining cash flow throughout the project. Moreover, the offer of interim security is likely to assist in the initial acquisition of loans although where phased development is not possible some financiers agree to advance capital in stages, e.g. following completion of the brickwork, roofing, and internal fittings, each stage representing a measure of security for the lender should the firm default.

At all times, financiers are concerned with security and risk minimization (Chapter 4.7) as reflected in their lending policies to different types of firm (Chapter 8.1). Projects are carefully assessed in terms of their projected value and cash flow although some of the

largest firms may not need to have each scheme vetted in great detail since some clearing banks offer them a general overdraft facility.

Where monies are borrowed from clearing banks by local authorities, a similar overdraft facility is extended since they are treated as secure 'blue chip' borrowers. However, as noted in Chapter 8.2, most loans tend to be secured on a general basis and are allocated internally to specific projects from a loans pool. The project costings are in these instances vetted by government who require specific costing assessments prior to giving loan sanction (Chapter 8.2). In these assessments, emphasis on the timing of capital returns on each project is less important since loan money is recouped from a general fund rather than from the completed dwellings which will supply only a slow rate of return over a long rental period.

Details of the allocation of responsibilities for final costing and the negotiation of loans within private companies were not supplied by the interviewed developers. The larger firms may have specialist financial advisers, either internal or external and, for the necessary legal transactions, solicitors must be employed. Only one of the respondent firms had its own solicitor, but the rest had a long-standing association with local firms. In the smaller firms, the directors with their legal advisers generally undertake the necessary calculations and negotiations. Within the public sector, this stage is undertaken by officers of the Treasurer's and Chief Executive's Departments who report to the Housing Services, Finance, and Policy and Resources Committees.

Where public sector development is undertaken by a contractor, the assessment of capital requirements and negotiation of loans for the construction stage are the responsibility of the contractor although the local authority decision-makers must be satisfied that the successful tenderer has undertaken these tasks carefully and responsibly. Within Durham District, this situation has, however, rarely arisen since most

council housing construction during the study period has been undertaken by the council's Direct Labour Organization.

Thus, in both sectors, the prospective housing suppliers are in a position of dependency upon their financiers. In the private sector, it is they who decide upon the level of risk associated with a project, the size of loan to be made available and the rate of interest to be charged. With long experience of comparative investments and an astute knowledge of the property market, they are in a position to exercise power over loan applicants.

In the public sector, the government, the local authorities' principal financier, control overall levels of funding and, during the study period, they also controlled individual project loan applications. Yet in both sectors, the developers and local authority officers' expertise in anticipation, calculation, and organization can minimize this dependency and can speed-up the completion of this stage by instilling both internal and external confidence in the project upon which construction is hoped to commence.

10.2 CONSTRUCTION

This stage incorporates the land preparation, service provision, building, internal fitting and painting stages. Discussion on the techniques used, and problems encountered, is considered too detailed and not directly relevant to an exposition of the overall residential development process.

Control at this stage rests primarily with the group undertaking construction except at those points where they must rely upon sub-contractors or material suppliers. Most housing suppliers seek to minimize their level of dependency upon external interests by means of greater company integration, or association with suppliers (Chapter 4.2 and Section 10.1 above) or, in the case of the local authorities by the employment of a Direct Labour Organization (DLO). Within Durham District, possession of

the latter was considered an asset and one interviewed housing officer acknowledged that, 'the housing programme is devised with an eye to what the DLO can achieve and to providing sufficient work to keep them occupied.'. This was seen to be a judicious form of management and financial control, a means by which uncertainty and contingencies can be reduced and contained within the control of the local authority.

During the construction stage some external control is exercised in relation to building inspection. Private developments are usually inspected by both local authority inspectors and inspectors appointed by the National House-Builders Council (NHBC). The former seek to ensure that all works are carried out in accordance with approved building regulations (Chapter 7.2) and their approval is a mandatory requirement of government. NHBC inspectors operate on a voluntary basis, but all of the interviewed developers said that they seek NHBC approval since their certification of a project (which provides the house purchasers with a 10 year guarantee against structural defects) is considered to be a sales asset.

In the public sector, statutory building inspection is carried out 'in house' (in Durham District by officers of the Engineer's Department), but controls are equally stringent in order to prevent future costly defects.

The time taken to complete this construction stage is variable and can be manipulated to suit market conditions. In the private sector, interviewed developers referred to their ability to speed-up construction during 'boom' periods by employing more labour or by tightening-up 'the slack' in their own companies. Alternatively, in 'slump' periods, construction can be slowed down in order to prolong continuity of production and to prevent the flooding of a sluggish market with completed dwellings. Similar adjustments can be made to local authority construction timetables, again primarily with the aim of either taking advantage of any

increases in government funding for construction, e.g. as in the mid 1970s, or of conserving available work when new funds are squeezed.

10.3 DISPOSAL

Completion of the residential development process occurs at the point of disposal of the finished properties which releases the value embodied within them. To the developers, their financiers and to most intermediaries, this value is solely a monetary value which enables them either to repay loans, or to invest in new projects elsewhere. To the planners and councillors, it is both a monetary and a social value, the latter being measured in terms of families accommodated or reduced levels of housing need. Completed properties on which no disposal agreements have been settled are simply a drain on financial resources and represent an investment in land and labour which provides no social or economic utility.

There are two key decisions involved in the disposal stage. First, the method of disposal must be determined, i.e. sale for owner occupation, sale for subsequent rental, or rental. Since most private schemes are for sale for owner occupation, developer responses were related to this type of disposal. Local authority properties are normally disposed of by rental, although at the end of the study period, Durham District Council began to construct a few starter homes for sale to first-time buyers. The text below, however, focusses upon their rental policies. Attention is particularly given to the mechanics of disposal which, within the private sector, encompasses pre-sales publicity and marketing campaigns and the actual sales service offered by developers. Within the public sector, it encompasses housing allocation, letting and management policies.

Second, the level of return required must be determined, i.e. the selling price or the rent level. With respect to private properties, a notional sales price is established at the earlier demand, site assessment, and economic appraisal stages, but the final figure is often adjusted at

the disposal stage in relation to prevailing market circumstances. As will be discussed below, the rent for any single property is calculated on a wider basis in relation to the total local authority housing stock.

i) Private Sector Disposal

Completed dwellings may be offered for sale as either freehold or leasehold properties. All of the interviewed respondents expressed a preference for selling the former. The collection of ground rents from leasehold properties was considered too time consuming especially by the smaller firms. Moreover, all stated that there is consumer preference for freehold properties especially in the prestige housing bracket. However, a house purchaser has the statutory right to buy out the leasehold after three years. In consequence, the developers indicated that they do not automatically reject a site where the landowner insists upon the retention of his freehold.

With reference to the mechanics of disposal, eight of the ten interviewed developers opt for direct negotiation with potential purchasers and provide their own advertising, marketing and sales services. The other two firms use estate agents as an intermediary at this stage. Marketing practice varies considerably within the interviewed firms, the differing approaches being primarily influenced by the size of the firm and of the staff and financial resources made available for this procedure.

The amount of effort put into publicity and marketing is also dependent upon the type of scheme and level of competition within a locality. In general, small executive schemes, especially if located in Durham City, require less marketing because of the lower level of competition, the immediately apparent distinction of each scheme, and the greater general awareness of market alternatives amongst potential buyers in this price bracket. One respondent maintained that a simple site board identifying his schemes and limited press advertisement were, in his

experience, sufficient to attract custom. Public response is, however, very dependent upon prevailing market and economic conditions and, since the late 1970s, many of these small developers have had to put considerably greater effort into sales promotion in order to get the same degree of success. The small local prestige builder does, however, retain the advantage of a strong and reliable reputation which, within a local area, is promoted by personal recommendation and business contacts, e.g. solicitors, building society managers, and estate agents.

Sales competition tends to be greatest between developers seeking to dispose of 'bread and butter' housing, i.e. medium to low priced dwellings located on sizeable estates (Chapter 5.2). Often, there is little to distinguish between such developments and it is in these circumstances that astute sales campaigns can speed-up sales and increase potential returns.

Sales campaigns on sizeable development schemes usually include the following elements: press releases, 'on-site' sales information which may include site offices and show houses, and 'site graphics' including brochures, slogans, and hoardings. The aims of each element or of these 'integrated marketing efforts' (House Builder, 1984) are to:

- a) present an appropriate image of the development company reflecting its efficiency, professionalism, reliability, quality, and consideration for the needs of potential purchasers; and
- b) highlight the attractions of the particular scheme and its individual houses by providing information on its advantageous location in respect of local services and facilities, and the particular sales features incorporated in the houses, e.g. double glazing, cavity wall insulation, carpets and internal fittings.

The larger developers with specialist sales departments and market research teams are in a better competitive position because of the scale and sophistication of their campaigns. They employ advertising staff to mount slogans and gimmicks and graphics staff to ensure that all public information conveys efficiency and prestige, all of which increase consumer confidence and boost sales. Smaller firms can, however, use the expertise of consultants in marketing and graphics (House Builder, 1984) but this is inevitably very costly.

The three largest developers in the survey also use the wider media, cinema, television and radio, in their promotional work, an option unthinkable for smaller firms. One of these respondents attributed a lot of the firm's success and growth to the board's decision to mount a general publicity campaign for the company as a whole. He considered that this had increased general public awareness of the firm, an advantage when promoting individual schemes in a particular locality.

For any single large-scale development scheme, the developer may mount several different sales campaigns relating to properties in different areas or, more usually, price brackets. One of the interviewed developers who had a particular interest in sales performance explained some of the tactics used to secure the speedy disposal of a large site. He stressed the importance of making a special effort to sell the more highly priced 'executive' properties located within large 'bread and butter' estates. His own company policy was to group such properties in physically superior positions, e.g. beside a wood, on the edge of the estate or on plots 'with a fine view', and to highlight such assets in the accompanying sales literature. Another ploy is to 'isolate' higher priced properties either physically by careful landscaping (although this may take too long to mature), or psychologically by the use of emotive road names.

When marketing large phased sites, he commented on the need to

be aware of competition from the second-hand market generated by earlier phases of their own estate. In such circumstances, the developer must ensure that, a) there are extra features built into the new properties to make them more attractive than, or at least distinguishable from, the earlier designs, and b) these features are highlighted in the promotional literature.

The two respondents who employ estate agents to act as their promotional and sales agents not only relinquish some control at this stage, but also have to pay a significant fee for their services. Given the inexperience of these firms in residential development (both are primarily joinery and contracting companies, Chapter 4.2) and their attempts to compete with the large developers on an ad hoc basis, the use of external expertise is an economical choice. For their part, the interviewed estate agents expressed their eagerness to conduct new property sales since this service attracts high fees and often entails less problematic negotiations than the sale of second-hand properties. Moreover, the handling of such properties widens the choice of dwellings they can offer prospective buyers and may increase their local reputation if potential clients can see that developers are willing to "entrust them with the sale of their properties.

A group of intermediaries with whom interaction is rarely a matter of choice is the financiers. At the disposal stage, this group comprises mainly building societies (Boddy, 1980) although, banks, solicitors, mortgage brokers and local authorities may also be suppliers of mortgage finance. It is this group who again wield power and control at this disposal stage since it is they who determine levels of effective demand.

As noted in Chapter 4.7, however, there is a considerable degree of interdependency between the financiers, developers and the various intermediaries who may act as financial agents to the building societies. This theme is elaborated in studies elsewhere (Harloe, Issacharoff and

Minns, 1974; CDP, 1976; Williams, 1978). In particular, the larger developers in return for investment funds expect block mortgage allocations on their development schemes, an arrangement which eases the smooth flow of sales and increases the speed of capital return on completed properties. In this way, the developers can reduce their degree of dependency and uncertainty, but such local arrangements can do little to affect overall trends in credit supply which the financiers, as a national and international group, control within limits prescribed by legislation (Chapter 3.3). Given the relationship between national levels of credit supply and house prices (Chapter 3.5), the financiers can therefore influence both the prices the developers can charge for their completed dwellings and the number of prospective purchasers who can afford to pay for them.

Within the process of sales negotiations, it is the purchasers themselves who, in reality have limited control. The degree of choice which is ostensibly the prerogative of prospective purchasers is restricted by the limited variety of properties which the developers release onto the market, the developers' highly developed marketing methods which seek to persuade potential purchasers to buy without considering the alternatives, and the lending criteria applied by their financiers. Interaction with the developers is most frequently direct, but design details and prices are rarely negotiable, although some limited degree of flexibility may be offered with respect to internal fittings.

Although a decision on the final sale price is made at the disposal stage, the developers decide upon a 'price bracket' at the outset when choices are made on site selection, dwelling size, density and design features. Comment has been made in Chapter 3.5 on the effects of wider monetary and market trends on house prices during the study period. The final price is a composite reflection of the calculated

cost of development, the price of competitive properties (new and second-hand within the locality), and of the amount prospective purchasers can not only afford, but are allowed to pay by their creditors.

ii) Public Sector Disposal

Within the public sector, the principal method of disposal by rental provides a less definite end to the residential development process, since the local authority continues to hold responsibility for the maintenance of the properties and must manage the letting and collection of rents over a long period before a substantial financial return on its investment is obtained.

It is not intended here to enter into details of the letting policies of the four local authorities responsible for public sector rental during the study period. In each case, the policies were decided upon by the elected councillors on the basis of advice received from their housing and financial officers. Some comment upon Durham District's policies on housing allocation, priority rating, and special housing provision has already been made in Chapter 5.2. There are some government guidelines and controls to ensure that local authorities fulfil their minimum housing duties but, to a considerable degree, the local authority decision-makers have control over letting policies.

These policies are published and most prospective applicants approach the council direct for enrolment on the housing waiting list (Chapter 5.2). In a few special cases, individuals or families are referred by other local authority or government departments. These prospective tenants have even less choice and control than private purchasers. An attempt to exercise choice by the expression of preferences or the rejection of offered accommodation can lead to a very long wait before the applicant is offered an alternative and, not necessarily more 'suitable', tenancy.

Although disposal by allocation to a ready 'market' of waiting

list applicants negates the need for the costly and often elaborate sales campaigns of private developers, the whole rent fixing, allocation, and management of letting requires a sizeable staff which is expensive to maintain. Unlike the private sector, however, this need not be directly financed from the revenue income generated by the completed properties.

This characteristic, together with the methods of rent fixing described below, illustrates the basic difference between public and private sector housing, i.e. the fact that public sector development is not undertaken with the sole intention of making a profit, or even necessarily of 'breaking even'. Historically, public sector housing has been regarded as a social service providing homes for the 'poor and needy' who cannot afford to pay an economic rent. Over time, however, this definition began to change and many criticisms have been levelled at the comparatively 'well-off' who continue to receive the benefit of subsidized accommodation. Differing attitudes towards the costs, returns and aims of public sector rental policies mostly reflect different political ideologies, and this was clearly reflected in the changes in rent controls made by successive governments during the study period (Chapter 3.3).

Rather than being based on a strict requirement to recoup all cost expenditure on production and disposal, rent fixing exercises have been traditionally concerned with setting rent levels which:

- a) reflect the social utility aspect of housing in that tenants are not usually expected to pay a full market rent;
- b) resolve the problem of maintaining comparability between rent levels for similar accommodation within the administrative area;
- c) provide a balance between costs, rents, government

subsidies and rate fund contributions which satisfies the elected councillors, their electorate and government financiers.

To achieve these aims, local authorities devised a rent pooling system. This enabled comparable rents to be charged on properties irrespective of their cost of construction. Individual property rents were based on housing size, condition and services as reflected in their rateable value (Stafford, 1978).

At the beginning of the study period, there was little government interference in the means by which local authorities derived these pooled rent levels nor in the rents charged except in relation to the size of permitted annual increases (regulated under the 1968 Prices and Incomes Act, and the 1969 Rent (Control of Increases) Act).

This situation changed radically in 1972 when the Conservative Government's Housing Finance Act introduced the concept of 'fair rents'. Local authorities lost their freedom to fix rents and were required to charge a market rent on all properties reflecting their location, amenities and state of repair. Rent rebates were introduced for those tenants who could not afford the increases and local authorities were reimbursed from government subsidies on condition that a contribution was made from the rates. Many authorities including the two Labour controlled councils in the study area were against these changes and the Labour Party pledged to repeal the Act on its return to power. This they did in 1974 when, upon election, they imposed a rent freeze followed by the introduction of 'reasonable rents' under the 1975 Housing Rent and Subsidies Act. The aim of this policy was to ensure that rental levels were 'not too low to impose a burden on tax and ratepayers and not too high to provide a profit' (Balchin, 1981, 21).

The 1975 Act reinstated the local authorities' rights to determine their own rents but the National Rebate Scheme was retained. However, in

the late 1970s as public expenditure cuts began to take effect (Chapter 3.3), rent increases again became necessary. In the immediate post study period two other factors began to affect housing finance and rent calculations. These were the rental 'losses' and repairs costs incurred by defective housing built in the 1940s and 1950s and the rental 'losses' resulting from the sale of council houses. Although such sales generate capital, not all is retained by the local authority (CDP, 1976) and moreover, in the long-term, sales lead to the erosion of the benefits derived from pooled costs and interest rates (CDP, 1976).

During the study period there were few sales (permissible under 1957 Housing Act) since the Labour controlled Durham RDC, Brandon and Byshottles UDC, and post 1974, Durham District Council, were all against council house sales. However, the 1980 Housing Act with its Right to Buy Scheme removed all local discretion, and sales and subsequent rental 'losses' increased.

Thus in rent fixing as in the formulation of building programmes, the local authority decision-makers have been subject to varying degrees of government control throughout the study period. Whether exercised by legal sanction or by the manipulation of monetary funds, the local authorities have little option but to comply with such controls. It is only in the letting and housing management policies in which they have consistently maintained greater local control.

PART III

IMPACT ON AGRICULTURAL LAND

THE RESPONSE OF FARMERS TO RESIDENTIAL DEVELOPMENT AND URBAN
ENCROACHMENT

Having discussed the residential development process itself (Part II), attention in Part III (Chapters 11 and 12) is directed to its subsequent impact upon agricultural land and practice. As revealed in the definition of 'impact' (Chapter 2.1), a distinction is drawn between the direct impact of involvement in the process, and the indirect impact associated with the presence of the completed residential dwellings and their occupants.

Before considering the implications of the direct and indirect impact in general (Chapter 12), this chapter focusses upon the detailed behavioural responses of individual farmers within the study area. In particular, it is concerned with the decisions they have taken in relation to land sale or subsequent management practice, the reasons for these decisions, and the extent to which changes in farming practice can be directly attributable to either the operation of the development process or to the effects of its past activity.

Although concern lies principally with the impact of residential development, farmers were questioned about their responses to all forms of urban development, to the mere proximity of the built-up area, and to any anticipated urban encroachment. The object was to assess the relative importance of residential development both as a land use competitor and as an instigator of urban interference.

Information was obtained from a questionnaire survey of 82 farmers with holdings located in the study area. The following sections are based upon their factual and attitudinal responses, which are interpreted and presented in the context of relevant economic, legislative and physical factors. These empirical findings are also considered in relation to the wide literature on agricultural economics, countryside planning, urban

fringe landmanagement, and agricultural decision-making, some of which is based upon similar case studies undertaken elsewhere. Where direct comparisons are made with other survey data, the aim is to identify any similarities in behavioural responses despite differences in neighbouring city size, and unique local circumstances.

11.1 INTERVIEW SURVEY

The intention was to take a 100% survey of farmers (owner-occupiers and tenants) with holdings located either directly adjacent, or in close proximity, to the built-up area of Durham City or one of its surrounding villages. The only parts of the study area, i.e. of Durham District, to be excluded were:

- i) the extreme east and south east of the district which are more rural in character and contain settlements which experienced very limited development pressure during the study period (Figure 7.3);
- ii) peripheral areas in the south and west particularly around Brancepeth which, as a conservation area, has been largely protected from development;
- iii) the north west including the area around Esh Winning which, at the time of the survey, was considered to be too distant from Durham City.

Figure 11.1 shows the proportion of the district covered by the survey and the location of the individual holdings managed by the interviewed farmers.

Officers of both the Ministry of Agriculture, Fisheries and Food, and the National Farmers' Union assisted in the identification of farmers operating in the area, and made helpful comments on the content of the questionnaire. The NFU also officially endorsed the survey, an action which assisted in obtaining a very high response rate. Out of the 83 farmers approached, 82 agreed to participate in the survey.

The interviews, held in 1973, were based on a pre-structured questionnaire (Appendix 8) which sought a mixture of facts and opinions on a variety of specific and open-ended questions. These covered three main topic areas:

- a) land loss to urban development and the consequent effects upon farm structure and management practice;
- b) respondent characteristics and attitudes to past and anticipated development;
- c) the benefits and disbenefits of farming in close proximity to an urban area.

With respect to land loss and management change, information was sought on the actions taken by the respondents during the preceding five years, i.e. a review period from 1968 to 1973. The questionnaire was pilot tested with the co-operation of farmers with holdings adjacent to nearby urban centres.

The farmers' responses were not subjected to any attitudinal testing and the resulting data are subject to all the caveats cited elsewhere relating to either the intentional or unintentional misrepresentation of facts, opinions and values (Gasson, 1973; Graham, 1977; Ilbery, 1983).

In order to assist interpretation of the farmers' responses and to improve the author's general knowledge of agricultural practice within the study area, information and views on farming within Durham District were obtained from discussions with: several MAFF officers working at both the local and regional offices; NFU representatives; land valuers working for the Inland Revenue who had specific responsibility for agricultural land; a prominent local farmland agent; and the principal of Durham Agricultural College, at Houghall. Relevant information and opinions were also obtained from the interviewed landowners (Chapter 4.5), each of whom had tenants included in the survey.

11.2 RESPONDENT CHARACTERISTICS

Six variables are used as a basis for classifying the interviewed farmers. Two relate to the holding, its size and type, whilst the remainder describe the farmers themselves: their occupancy status, e.g. as tenants or owner-occupiers; their occupational status as either full or part-time farmers; and their age and length of time they have been responsible for managing the unit. A brief comment upon the interviewed sample in relation to each of these variables is given below.

i) Size of Holding

The size distribution of holdings in relation to MAFF size categories is given in Table 11.1. This compares the sample breakdown with the 1973 distribution of holdings in both County Durham and England and Wales. It should be noted, however, that the interviewed farmers were asked for the total size of their holdings whilst the MAFF data are based only on the area of crops and grass. In comparison with both County Durham and the national position, the study area had a noticeably higher proportion of holdings under 20 hectares (50 acres) and a lower proportion over 202 hectares (500 acres). (Note that all future measurements of area will be given in hectares only).

The tendency towards smaller units is a characteristic of urban fringe locations but, within the study area, this is also a reflection of the historic pattern of land ownership.

ii) Type of Holding

Nine categories are used to describe the type of holding, each referring to the dominant form of agricultural practice (Table 11.2). The categories were devised on the basis of the respondents' descriptions of their holdings rather than on a MAFF classification dependent upon SMD data (MAFF, 1968).

The dominance of dairying in the area, which is a characteristic of the whole of the north eastern part of County Durham (Percy, 1970),

was beginning to diminish at the time of the survey. Amongst the interviewed farmers, 14 referred to their changeover from dairying to livestock and arable farming during the previous five years. As will be discussed in Section 11.5, this trend was largely attributed to government intervention. In terms of size (Table 11.3), all of the dairy units were moderate, between 12 and 121 hectares.

The second and third most prevalent categories were both combinations of arable and livestock (cattle and sheep) rearing in differing proportions. These two categories often interchange in response to market conditions and government directives or incentives. With respect to size, these categories included the bulk of the largest surveyed units, and all of the 'principally livestock with some arable' units were over 61 hectares. The fourth listed type, arable units, were similarly concentrated in the larger size categories.

Amongst the remaining types, it is notable that there were comparatively few of the specialist holdings, e.g. pig and poultry units, or vegetable growers, which have been frequently recorded in urban fringe locations elsewhere (Naylor, 1968; Strachan, 1969; Grief, 1979; Meredith, 1979). This relative absence may be attributed to a variety of factors including climate, tradition and market conditions. Indeed, at the time of the survey, the few respondents with pig and poultry enterprises were in the process of reducing or discontinuing their production because of the high costs of rearing (especially of feedstuffs) in relation to market prices. The general lack of small capital intensive units may be indicative of the lower level of urban pressure and market response in the study area than on the peripheries of large cities.

iii) Occupancy Status

This variable refers to the state of tenure in which the unit is held. Following the descriptions made by the respondents, four categories were defined: owner-occupier, tenant, owner-occupier with some additional

rented land, and tenant with some additional owned land. Table 11.4 gives the percentage breakdown in each category and compares this distribution with the position in both County Durham and England. The single tenure units were clearly dominant, amongst which there was a larger proportion of owner-occupied (39%) to tenanted units (30%). Within the group of units held under mixed tenure, there was an almost equal balance between the two categories (owner with some rented land (16%) and tenants with owned land (15%)).

Despite the fact that owner-occupation was the single most prevalent occupancy status amongst the surveyed farmers, the combined total of tenanted units and units with some rented land revealed the overall importance of land rental in the study area. It is particularly noticeable that there was a high incidence of farmers holding multiple tenancies. Of the 25 farmers who held only rented land, 15 had one landlord whilst the remaining 10 had up to four landlords. Many of the owner-occupying farmers who rented additional land similarly revealed that this had been acquired from several landowners (seven of these farmers had only one landlord but a further six had up to three landlords). The incidence of multiple tenancies was even greater amongst the group of tenants who had themselves purchased additional land. Only two of the twelve respondents had a single landlord, and in one extreme case, the farmer had eight landlords. As may be expected, the farmers with single tenancies mostly farm land owned by major landowners, e.g. the NCB, the Church (Church Commissioners and the Dean and Chapter), and private estates (Chapter 4.5).

Some of the reasons for this complex occupancy pattern are associated with land loss to urban development and attendant compensatory structural adjustments (Section 11.3 iv). Others are associated with national trends in farm sizes which are a result of government policies encouraging amalgamation, and of increasing mechanization.

Although the study area had a lower proportion of owner-occupiers

than England, the position was less extreme than that of County Durham which had a very high proportion (40%) of tenanted units. With respect to multiple tenure, the study area balance was similar to the national except for a slightly higher proportion of tenants who had purchased additional land. Both mixed tenure categories were slightly lower in County Durham as a whole.

Recognition of the importance of farm rental in the study area is important in respect of identifying the key decision-makers in land sale transactions. On tenanted units it is the landlord's attitudes which are important rather than those of the farm manager, and it is he who can also exert a strong influence upon the subsequent management response particularly in relation to structural and investment changes.

iv) Occupational Status

Three categories of occupational status are defined: 'full-time' farmers, 'full-time' farmers with a non farming 'sideline', and 'part-time' farmers (Table 11.5). These categories were based entirely upon the respondents' descriptions of their activities. It should be stressed that this classification relates to the farmers themselves and not to their holdings and thus must be distinguished from the MAFF classification of part-time farms which is based on Standard Man Day calculations.

Of the 82 interviewed farmers, 26 stated that they had another occupation, or more accurately source of regular income, in addition to farming. In 17 cases, the non-farming activity was described as their main occupation (one of these, however, is more accurately a special case since the respondent was both the principal of an agricultural college and the manager of its associated working farm). The remaining nine respondents were essentially full-time farmers with some 'sideline' business activities which provide supplementary income.

When the nature of the principal occupation held by part-time farmers was investigated, it became evident that in the study area there

were very few of the urban 'hobby farmers' referred to in surveys elsewhere (Gasson, 1966a; Naylor, 1968; Layton, 1979). Moreover, unlike the part-time farmers described by Gottman (1961, 263) who 'engage in part-time husbandry but ride off in the morning to work in the towns', 13 of the 17 respondents had occupations closely connected with agriculture. Amongst these, there were: four milk retailers, two agricultural haulage contractors, one vet, one animal disease inspector, two agricultural landowners, one produce wholesaler, one principal of an agricultural college, and one farmer who had made farm-based recreation his principal occupation. Similarly, all of the 'sideline' jobs taken by farmers seeking to supplement their income were associated with agriculture; with milk rounds again featuring as the most popular pursuit. Even three of the four part-time farmers pursuing non-farming related occupations were home-based and, of all 26 farmers, only two had no previous links with farming.

Occupational status was also examined in relation to the size and type of farm units held (Tables 11.6 and 11.7). The majority of the part-time farmers had small units (over 70% farmed under 40 hectares), and all of the surveyed units which were under 12 hectares were managed by this category of farmers. The only three part-time farmers to have large units were a large property owner, a farmer who, having developed some of his own land, had become primarily a builder, and the principal/farm manager of the agricultural college. All of the farmers who had adopted 'sideline' activities held medium sized units of between 21-40 hectares.

With respect to type of farm unit, all of the units classified as either 'other' or 'vegetable growers', and over 60% of those classified as 'beef and grass' were managed by part-time farmers. On the other hand, none of the units in the two categories which combine arable and livestock rearing were managed by part-time farmers. Many of the part-time farmers, (except for those engaged in dairy farming) said that they had opted for non labour intensive and non time consuming enterprises.

v) Age

Some American researchers have associated age with the propensity to sell land for development and with the willingness to change farming practice (Smith, 1967; Geisler and Martinson, 1976). The importance of the age variable could not, however, be fully tested in the present study since the writer was advised not to ask detailed questions on age and thus only a crude breakdown subdividing respondents into under and over 45 was obtained.

Of the 82 respondents, 43 were classified as over 45 and 39 as under 45. Comment is made in Section 11.3(ii) on the observed relationship between age and attitude towards land sale. Here, as a purely descriptive aid, comment is made on the cross tabulation of age against: tenure (Table 11.8), type of farm (Table 11.9), and occupational status (Table 11.10).

There was no obvious difference in age distribution between the tenure groups and the categories were too broad to confirm the tendency for young farmers to be tenants rather than owner-occupiers because of the difficulties of purchasing farms (MAFF, 1974; Department of Agricultural Economics, Manchester, 1979). Similarly, any association between age and type of farm was difficult to discern, although two points are worth comment. First, there were twice as many farmers aged over 45 in mixed farming, a type of system which tends to reflect traditional techniques (although since only six farmers were involved, this may well be coincidental). Second, six of the eight farmers with units classified as 'beef and grass' were under 45. Age may have been an influencing factor in the choice of this enterprise but other factors, notably the popularity of this type of farming with part-time farmers and government policies encouraging conversion to beef rearing are likely to have been more important. Despite the apparent association between part-time farming, beef production and younger farmers, within the sample as a whole, the majority of part-time farmers (12 out of 17) were over 45. This finding

may be indicative of the tendency for long-term farmers to turn to less arduous and more lucrative occupations.

vi) Length of Time in Farming

Experience can clearly affect management decisions on land sale, investment levels and enterprise choice. Since many of the sampled farms were family units which have been in the same family for several generations, a distinction had to be drawn between the time respondents had lived on their units and the time they had held responsibility for managing them (Table 11.11). The breakdown indicated the importance, within the study area, of farm acquisition by inheritance or tenancy take-over by sons or other relatives. Nearly 50% of the respondents had lived on their units for over 30 years, usually all of their lives. In contrast, 65% of the respondents had been responsible for managing the unit for under 21 years.

In total, 73% of the interviewed farmers had either inherited or taken-over a family held tenancy on all or part of their land. Within the main tenure groups, the distribution between 'family' and newly acquired farms was similar, i.e. 66% of owner-occupiers had inherited, and 64% of tenants had taken-over the lease. Within the two mixed tenure groups the proportion of units with some land which was previously 'in the family' rose to an overwhelming 92%. Thus, even though many of the respondents had been managing their units for a relatively short period, their experience of agricultural practice on the farm and of the past impact of urban pressure was often considerably greater.

vii) Behavioural Characteristics

In the descriptions of participant behaviour in the residential development process (Part II), various characteristics notably, motivation, power and control, interaction and choice were used to provide behavioural themes through each of the chapters. Although not considered in as much detail, these themes are pursued in this chapter in relation to farmer response to urban development and the proximity of the built-up area.

The majority of the respondents were motivated by a desire to run an efficient and profitable farm unit with enterprises which not only generate an acceptable income, but also permit the maintenance of a satisfactory lifestyle. A minority, mostly part-time farmers whose main business interests lay elsewhere or farmers who were anticipating early land sale, were differently motivated in respect of the input capital, labour and overall effort 'invested' in the farm. Some of these had adopted a 'holding philosophy' which involved less commitment and the acceptance of lower agricultural returns.

Motivation with particular respect to either participation in the development process or response to its direct and indirect effects is more complex. Farmers may be variously influenced by their:

- a) desire for the attendant monetary rewards either as an end in themselves, or as a means of improving the farm unit;
- b) fear of lost productive capacity and livelihood;
- c) determination to minimize or avert the adverse effects of urban interference;
- d) recognition of the possibility of capitalizing on urban proximity;
- e) fatalism about encroachment and possible disruption.

The degree of power and control possessed by farmers in relation to decisions on management practice and their response to specific development or general urban pressure is variable. In respect of agricultural management, they have considerable control but their degree of choice on enterprise balance is heavily circumscribed by government and EEC policies, national or European market conditions, and physical constraints. Control over direct participation in the development process is largely dependent upon their occupancy status as either landowners or tenants (Section 11.3 (iii)). The extent of their control over the indirect impact of development or general urban proximity is determined by a

combination of the severity of the pressure, their tolerance levels, and approach to taking remedial action (Section 11.4).

When directly involved in the development process, farmers usually in their participant role as landowners, must interact both formally and informally with other key participants, notably developers, planners, solicitors and estate agents (see Chapters 4 to 9). Farmer interaction with those groups responsible for the indirect impact of urban development on agricultural land is more random and in nature can vary between co-operation to intensive antagonistic interchange.

11.3. THE DIRECT IMPACT OF URBAN DEVELOPMENT

This section is concerned first with the extent of agricultural displacement to urban uses in general, and to residential development in particular, on farms within the study area. Second, it examines expressed attitudes to encroachment, and anticipated levels of future losses. Finally, attention is directed to the detailed responses made to actual or anticipated losses and to the factors which determined the choices made.

i) The Extent of Agricultural Land Displacement

Each farmer was asked how much land he had lost during the preceding five years (1968-1972). In total, 38 of the respondents had 'lost' land amounting to 394 hectares of which 67% (264 hectares) were displaced by urban uses. Adopting the DOE definition (Best, 1981), urban uses include: housing, industry, recreation, educational and institutional uses, roads, public utilities and mineral workings. The remaining 130 hectares although lost to the individual respondents remained in agricultural usage. Depending upon the motivation of the purchasers of this 'agricultural land', such losses may reflect either a redistribution or reallocation of farmland within the area, or an initial stage in disposal for future urban usage. From the comments received, 98 hectares were purchased for long-term agricultural usage, whilst an element of development 'hope' was implicit in the sale of the remaining 32 hectares. No losses were recorded to forestry.

Of the land displaced by urban uses, the largest areas were claimed by housing (90 hectares) and roads (89 hectares) (Table 11.12). The general dominance of residential uses in agricultural land displacement is well documented (Coleman, 1976; Best, 1981) and was therefore expected. Indeed, it was this relationship which partly prompted the selection of the study topic at the outset. The extent of the loss to road construction was a surprising result until it was recognized that the survey figures are somewhat unrepresentative given that the review period coincided with the construction of the A1(M) motorway in the study area. This alone displaced 64 hectares from 13 separate farm units. The remaining 25 hectares lost to 'roads' were 'nibbled' from 10 units for a variety of County Council improvement and road widening schemes. This latter figure, i.e. 10% of all urban development is perhaps more indicative of the general level of competition afforded by road development in the study area. Although the extent of loss to residential development does not reflect a special 'one-off' circumstance, it should be reiterated here that the review period incorporated a major 'boom' in housing construction both nationally and in the study area (Chapter 3.5).

In total 15 respondents 'lost' land to residential development (13 to private housing schemes and 2 to local authority schemes). In most instances, the losses were relatively small, i.e. seven lost under five hectares, four lost between five and ten hectares and only two lost over ten hectares. This scale of individual losses implies a pattern of piecemeal residential development in the study area which doesn't immediately accord with the large-scale peripheral estate development which was under construction during this period (Chapter 6.1). However, it must be noted that only active farmers were interviewed and thus no examples of farmers who had lost all or most of their units and had, as a consequence, retired or moved elsewhere (Section 11.3 iv a), were included in the survey. A known example of this occurred when a farm of 105 hectares

was completely taken for housing development at Newton Hall (the owner of which moved to the south of England). The displacement of this and similar farms on the periphery of Durham City took place well before the start of the study period despite the continuing construction on the land well into the late 1960s and 1970s.

Recreation, education, industry and other urban uses together accounted for a further 20% of the displaced land. None of the individual losses was over 12 hectares but some sizeable losses were recorded, for example, to a tip, to Durham University development, and to playing fields associated with the College of Further Education (later to become part of New College, Durham). One major loss to recreation during the review period was the displacement of 40 hectares by a new golf course at Littleburn to the west of Durham City. This was similarly not recorded in the survey because the former farmer retired.

Mineral workings, although classified as an urban use, often result in temporary displacement, for example, to opencasting and colliery reclamation schemes, and thus have a different impact.

ii) Attitudes to Encroachment

Farmer attitudes were sought on urban encroachment both in relation to specific losses and to the general principle of agricultural land loss. This section is principally concerned with the former, whilst attitudes to the wider hypothetical theme are discussed in Chapter 12.

Differing attitudes to actual losses were primarily determined by the occupancy status of the farmer concerned and by the type of loss, i.e. the size, location and quality of the land parcel involved.

The type of tenure under which the land in question is held determines whether the farmer has an element of choice with respect to the land sale, and the degree of control he can exert over critical factors relating to the size and timing of the loss and to the level of remuneration received.

However, the measure of choice and control which is open to owner-

occupiers applies only to voluntary sales and neither owner-occupiers nor tenants have much control or choice over losses arising from compulsory purchase orders. Although it was anticipated that the majority of individual losses (52 in total) had arisen because of voluntary sales, either by the farmer himself or his landlord, in fact 20 of the transfers to urban uses occurred because of compulsory purchase orders. These figures are again partly distorted by compulsory losses (12) to the motorway, but the remaining eight transactions involving losses to a prison, police housing and various road schemes revealed that this type of loss is not insignificant. The attitudes of farmers to compulsory purchase losses in relation to the financial and farming practice impact are discussed by Blair (1980).

Although more transactions actually resulted from compulsory purchase orders, voluntary sales accounted for the largest overall area lost to urban development. Of the 16 individual transactions, six sales were made by owner-occupying farmers and ten by landowners. It is notable that of these 16 voluntary transactions, 12 resulted in the conversion of agricultural land to residential usage.

Five of the respondents who were tenants claimed that they did not know whether the losses sustained on their unit had been a result of compulsory or voluntary sale.

In the remaining 11 instances of land losses to urban usage, conversion did not follow a transaction but the decision of the existing landowner to introduce a change of use. For example, land owned by a developer was converted to housing, and a council housing scheme was built on local authority owned land. Similarly, NCB owned land was taken for a colliery reclamation scheme, County Council owned land for a new school, and land owned by Durham University for its own expansion programme.

Returning to the importance of occupancy status in determining attitudes towards land loss, the broad trend was for owner-occupying farmers

to be in favour of disposal and for tenants to be strongly against. This, however, is a very simplistic breakdown and the majority of respondents expressed conditional views.

a) The Attitudes of Owner-Occupiers

Owner-occupiers may either initiate land sale themselves by approaching developers directly (Chapter 6.1), or applying for planning permission (Chapter 7.2), or they may simply respond to offers made by potential purchasers. Whilst the respondents stressed the importance of having a choice of whether or not to proceed based upon the various structural and agricultural implications discussed below, in practice, the opportunities for farmers to control or even manipulate land sale for development are limited. The location and amount of land converted to residential and other urban uses is essentially controlled by market requirements (Chapters 5.2 and 6.1) and planning policies (Chapter 6.2).

Many researchers have examined landowner and farmer attitudes towards land sale for development (Smith, 1967; Kaiser et al, 1968; Massie, 1968; Naylor, 1968), and a consensus has emerged that the key characteristics distinguishing between those owners willing and unwilling to sell are:

- (i) age;
- (ii) health;
- (iii) length of time they have been resident on the farm;
- (iv) motivation for ownership and value attached to agricultural practice;
- (v) experience of the land market;
- (vi) financial circumstances;
- (vii) market value of the land owned.

The relationships are such, however, that no one factor can reliably determine attitudes or precipitate sales. In reality, an element of chance usually applies, for example when an opportunity for sale is presented at an

opportune time in relation to family or financial circumstances.

This was confirmed by comments made by the six interviewed owner-occupiers who had previously sold land for development (five of whom sold land for residential development). Although all stated that economic gain was their primary reason for sale, several quoting the much used maxim that, 'a crop of houses is the best crop of the lot', each stated that there had been other contributory factors. For example, one farmer stated that he would have been less willing to sell had the land parcel in question not been severed from his main unit by road development. Two farmers cited age, ill health and the lack of a successor as major contributory factors, whilst another cited financial difficulties as the stimuli which eventually prompted him to sell.

Eleven of the owner-occupying respondents stated their unwillingness to sell and stressed their preference to be left alone to get on with their agricultural production. When questioned further, however, it became apparent that this attitude was conditional upon timing and various external or personal factors. For example, one respondent was against land sale because he had previously made a transaction which had satisfied his long-term financial needs and any further losses would threaten the viability of his farm.

Given the small numbers involved, it was not possible to make any accurate assessment of the relationship between attitude to land sale and type and size of the farm unit, or age, period of management, and occupational status of the farmer. It can only be said that amongst those owner-occupiers against future sale, there was a higher proportion of farmers aged over 45 and of farmers owning units under 70 hectares. Within the study area, there was no indication that part-time farmers were less predisposed to sale (Davidson and Wibberley, 1977), and nor was there an apparent increase in propensity to sell amongst farmers in their first and fourth decades of ownership (Massie, 1968).

The interviewed farmers were not asked to provide details of their financial circumstances with respect to liquidity, capital needs and mortgage burdens, all of which undoubtedly influence attitudes to land sale. Neither was their knowledge of the land market tested, although several respondents commented upon recent trends in land values and on the favourable taxation legislation operative during the review period. The latter referred to Capital Gains Taxation from which farmers and landowners who sold land for development were exempted providing the capital was reinvested in agricultural land within three years (Edwards and Rogers, 1974; Munton, 1976). This exemption clause ceased in December, 1973.

In commenting upon the influence of taxation legislation on attitudes towards land sale, it should be noted here that the British practice of taxing agricultural land on its use rather than potential development value, considerably reduces the pressure on farmers to sell. Where the reverse applies in America, the additional tax burden caused by urban encroachment frequently results in premature sale (Platt, 1972; Gustafson, 1979; Fisher, 1982).

The actual or expected level of return from sale for development was a major determinant of attitudes towards disposal. This was another variable over which the individual farmers have limited control. Some seek to be directly involved in price negotiations whilst others use an agent, but in most instances the bargaining power of the farmer landowner is limited by lack of experience and expertise and often by his eagerness for the sale to go ahead (Chapter 9.1). The practice of option purchase, also described in Chapter 9.1, was considered attractive by many of the respondents since it reduces uncertainty and minimizes the level of effort required in initiating a sale.

Generally respondents were satisfied with the prospect of obtaining what they considered to be a fair if not maximum price as this would far exceed any foreseeable agricultural returns from the land. Some, however,

had attempted to increase the development value of their land by gaining planning permission, and one respondent had gone even further and set up his own building company to construct houses on his land.

As noted above, the details of any proposed transaction in respect of its consequent impact upon the remaining holding were considered important and, in a few instances, crucial, in determining the farmers' final decisions on disposal. In particular, the farmers identified three important factors:

- i) the size of the land parcel involved in absolute terms and in proportion to the total holding;
- ii) the quality of the land involved;
- iii) any resulting fragmentation or severance from the sale.

Extent of the Loss

This can be quantified in two ways which are relevant to the farmer's land sale decision. First, the amount to be sold as a proportion of the total holding, and second, the actual size of the residual holding. It is the latter which determines the economic viability of the remaining unit and may strongly influence the decision whether or not to sell. (Various writers including Morgan and Munton (1971), Low (1973) and Silverwood and White (1983) have sought to determine both minimum and optimum sizes for economically viable farm units, but inevitably these vary depending upon the type of farm, the availability of capital and labour, and the physical capability of the land.) The former calculation is usually more influential in determining the farmer's subsequent response to sale, i.e. in terms of necessary adjustments in labour and capital investment levels.

Quality of Land Lost

In the study area where the majority of the farmland is of 'mediocre' quality (Grade III of the MAFF classification (MAFF, 1976a), pockets of higher quality land (Grade II plus the recently defined Grade III a land) are highly valued. Since this land is usually flat and well

drained it tends to be the object of greatest competition from developers to whom it represents ideal building land (providing it meets other locational requirements, Chapter 6.1). Farmers must consider not only the quality or productive capacity of the land to be sold, but also the effect of its sale upon the overall productive capacity of the residual area (Merlo, 1979).

Often the farmers' assessment of productive capacity or quality is subjective and may differ from the MAFF designation. The respondents stressed that it is they who know the true productive potential of their land and, for example, one farmer referred to his willingness to sell an area of land which is technically of high quality because, in practice, its productive capacity is severely reduced by urban interference.

Even where farmers are reluctant to sell their higher quality land, their reticence can often be overcome by the monetary incentive. It can be argued, and indeed was proven by one of the respondents, that the sale of some of a holding's better land does not necessarily result in impoverished productive capacity. This one farmer used the capital from the sale to invest in new equipment which effectively increased the productive potential of the rest of his 'mediocre' quality land. From the viewpoint of the individual farmer this solution may make economic sense but the wider implications of capital substitution for lost agricultural land are more questionable, a subject which is discussed in Chapter 12.

One noticeable point to emerge from the comments made on land quality was the degree of resentment at the loss of good quality land to the motorway. In part, this criticism may reflect less tolerant attitudes where the farmers have had no choice in land disposal.

Degree of Severance and Fragmentation

Land loss to urban development may result in the severance or dissection of a farm unit where, for example, a road splits it apart or a large housing or industrial unit drives a wedge through the holding.

During the period under review, the principal cause of severance in the study area was motorway construction. This led to the dissection of nine of the surveyed farms. A further four farms suffered from severance after land loss to other forms of development.

A distinction, albeit tenuous, is drawn between severance and fragmentation, the latter occurring where a farm unit comprises one main block plus one or several detached parcels which may be several miles away. The direct impact of land loss is unlikely to cause fragmentation although progressive development and severance over several years may eventually lead to this. More commonly, loss to urban development is an indirect cause of fragmentation when non-adjacent land is either purchased or rented to compensate for the loss (Section 11.3 iv).

When evaluating the pros and cons of land sale, the implications of any consequent severance or fragmentation must be taken into account since the attendant problems of accessibility, necessitating the transportation of labour, machinery and possibly livestock can be costly in terms of both time and money.

b) The Attitudes of Tenant Farmers

As noted above, there is a general predisposition for tenants to oppose land loss to urban development because they have little or no control over, a) the decision to sell, b) the timing of the sale, c) the location of the land lost, and d) the level of remuneration received, all of which may be critical to the maintenance of their livelihood.

Adverse comments were made about both past and anticipated losses. With respect to the prospect of future land loss, 17 of the 25 interviewed tenant farmers were firmly against, seven were opposed but accepted it as an inevitability and only one said that, 'he wouldn't mind, depending upon the circumstances!'. A similar response in respect of their tenanted land was made by the interviewed farmers with mixed tenure holdings.

The respondents emphasized their sense of frustration and

sometimes anger at their inability to influence land sale decisions but at the same time recognized this situation as the inevitable lot of a tenant farmer. They were less willing to recognize or accept that they had no say in the timing of land loss which can completely disrupt their management programme. Although owner-occupiers may themselves have little control over the timing of land loss, they generally have considerably greater warning and can thus make plans to minimize the effects.

At the time of the survey, tenant farmers were entitled to 12 months notice (under the Agricultural Holdings Act, 1948), but in practice some of the respondents said that they had received considerably less notice. Those who had received the 12 months' notice were generally satisfied and several respondents said that their relationship with their landlords was such that they had been given prior warning of the notice to quit. These respondents emphasized the importance of good communication, trust and mutual respect between landlord and tenant. Twenty three of the interviewed tenant farmers made specific comments about the level of consultation and communication with their landlords. Ten of these were satisfied with the position and prominent amongst the 'good' landlords were the Dean and Chapter and Lord Lambton. The remaining thirteen were very critical of the level of consultation and consideration they had received in relation to land loss. It is notable that eight of these critics were NCB tenants. In the worst cited instance, a respondent said that he had discovered about the impending loss of some of his land only after the appearance of an advertisement announcing future housing development on the site.

Some of the respondents held land on a 36.4 day licence and thus accepted the risk of imminent loss. These farmers together with the tenants of landowners whose known purpose for ownership was future development, were in a better position to make contingency plans because of their general

expectancy of loss. Farmers with a high expectancy of loss usually select enterprises which require minimal capital and labour input, e.g. permanent pasture. It is those farmers for whom loss is unexpected who are the hardest hit, especially if the timing of the loss prevents harvesting.

Although still against development, the degree of opposition expressed by some respondents was less where: the landlord had made or promised to make compensatory land available; the farmer was elderly and approaching retirement; or the farmer had a subsidiary occupation outside farming.

Whilst there was some variation in attitudes to loss and levels of consultation, the respondents were united in their condemnation of the levels of compensation received. Under the 1968 Agricultural Miscellaneous Provisions Act, tenants should receive a minimum payment of four years' multiplier of rent (for land lost following a Compulsory Purchase Order, other levels of compensation are negotiable under the Land Compensation Act, 1973). This was regarded as inadequate and several respondents expressed the opinion that there should be a sliding scale of compensation payable on the proportion of the holding taken and the effect upon its subsequent viability. Several also considered that other factors such as land quality and degree of severance should be reflected in the price paid. The most frequently stated criticism, however, was about the inadequacy of compensation payments when seen in relation to lost potential income especially when inflation is taken into account.

iii) Expectancy of Future Losses

Depending upon the farmers' attitudes as detailed above, expectancy of future losses can pose either a 'threat' or a 'promise' but, whatever stance is adopted, it promotes a state of uncertainty. The general effects of uncertainty on farm management behaviour have been widely discussed elsewhere (Doyle and Tranter, 1978; Corver, 1979;

Thomson, 1981).

The degree of uncertainty experienced is influenced by a farmer's perception and understanding of information on the land market, landowner objectives, and planning policies. On the basis of such information, a farmer may be able to estimate the likelihood of a future 'loss', thereby transferring the uncertainty into a calculable risk (Officer and Anderson, 1968). Where this is achieved, the farmer has more control, not of the event itself, but of his subsequent response.

Amongst the 82 respondents, 18 considered future losses to be imminent, 31 expected losses in the relatively near future, 29 thought that development was unlikely in the foreseeable future, and 4 said they did not know. These responses were examined in relation to : tenure, experience of past losses, the history of planning applications on their land, and the farmer's knowledge of planning policies. Given the small numbers involved in each category, the results of these correlations are treated with circumspection and only broad conclusions are drawn.

In general, the owner-occupiers had a greater anticipation of future land sale for development, a view which, in some instances, reflected hope rather than realistic expectation. The tenants were principally divided between those who had a definite expectation of future losses (having received a warning or notice to quit) and those who denied the possibility of loss, a response which again often reflected hope rather than a realistic appraisal of the situation.

Experience of past losses appeared to be more strongly associated with opinions on the likely timing rather than on the actual likelihood of future development. For example, of the respondents who had lost land, 33% anticipated that further losses were imminent, whilst only 13% of those with no previous losses expected imminent development on their land. This difference may be attributable to experience of the market, but is more probably a simple reflection of proximity of the unit to the existing

built-up area.

Amongst the 43 respondents who referred to past planning applications on their land (62% of which had been for residential development) over half expected further applications leading to land loss. Even 13 of the 20 farmers who had a history of planning refusals on their land anticipated losses following a change in policy. However, given that a similar proportion (60%) of the farmers who had no past record of planning applications on their land also expected future losses, the significance of this variable appears to be minimal.

With respect to knowledge of planning policies, a surprisingly high percentage of respondents (53%) revealed a good knowledge of current policies and proposals. This proportion increased to over 60% amongst those farmers who said they anticipated either imminent or future development, but reduced to 40% amongst those who considered future development to be unlikely. An accurate knowledge of planning policies must reduce uncertainty but does not necessarily determine levels of expectancy, since some farmers disbelieve the published policies and distrust the local authority decision-makers who are supposed to uphold them, whilst others choose to ignore them altogether.

In theory, all farmers have access to published information on the land market and on planning policies and each farmer has the opportunity to receive more detailed advice in respect of his farm from MAFF, the NFU or District and County Planning Departments. Acquisition of this information and advice does, however, require initiative and effort on the part of the farmer, an effort which was deemed a 'pointless waste of time' by several of the respondents. Where expressed, this viewpoint reflected a combination of apathy, antipathy to 'the planners and all they represent', and, to some degree, of realism.

Whether based on ignorance or misunderstanding, errors in judgement about the likelihood of future development can not only cause

undue disruption to the farm, but also generate a state of uncertainty and misguided expectations of land values amongst farmers in the surrounding area.

The practical farming responses to uncertainty and the expectancy of future losses, are considered below in combination with the recorded responses which had been made to actual losses.

iv) Farmer Responses to Actual and Expected Land Loss

At the outset, the aim was to identify the changes in farming practice which could be directly attributed to the effects of actual or threatened land loss to urban development. In particular, the aim was to determine whether residential development as a land use competitor provoked any different response

However, following the interviews and subsequent analysis of the farmers' responses, it became evident that the farmers often do not consider their management decisions in terms of direct cause and effect relationships and it is impossible for an external observer to impose such an interpretation.

All farmers are bombarded with a plethora of factors operating to influence their management decisions. For example, these include: government agricultural policies and incentives, EEC directives, trade tariffs, commercial pressure to adopt new technology, changes in labour costs, overall rates of inflation, taxation measures, movements in land values and interest rates on investments. It is in addition to these, that farmers working in the 'urban shadow' (Gertler, 1964) have to take into consideration the impact of actual or threatened land loss and the wider implications of farming in close proximity to urban land uses and users. It is therefore often naive to attribute certain responses to a particular cause. Yet where respondents attributed particular changes principally to actual or threatened land loss, their comments were taken at face value. The changes referred to can be classified into three categories, structural, investment, and enterprise

choice, although all three are interlinked.

a) Structural Change

Any farmer who has had part of his farm displaced by urban uses whether voluntarily or not has inevitably experienced a structural change. Comment has already been made on the importance of the size of both the land parcel lost and of the remaining unit in relation to subsequent management decisions.

When faced with a holding reduced in size and productive capacity, a farmer has four broad options to:

- i) sell-up or relinquish his tenancy on the remaining land and to move elsewhere where he may obtain another farm, retire or take-up another form of employment;
- ii) sell all or part of the remaining land but remain in situ either in retirement or in another occupation (essentially an option available only to owner-occupiers);
- iii) accept the reduction in size and to make appropriate investment, enterprise and sometimes occupational changes when farm income must be supplemented by a part or even full-time job;
- iv) seek to acquire, by either purchase or rental, additional compensatory land, preferably adjacent to the existing unit.

Dispose of the Remaining Land and Move Elsewhere

As noted above, it was not possible to document the incidence of this response because the survey covered only those farmers who had opted to stay on their farms. Surveys elsewhere (Naylor, 1968) have documented this response by farmers whose residual unit was considered non-viable, and by those farmers whose capital returns from land sale enabled (or necessitated for taxation purposes) the purchase of an alternative and often better quality farm elsewhere. Other writers have noted, however, the reluctance of farmers to move away from an area in which they have

long-standing social ties (Rettig and Dean, 1975).

When asked about leaving the farm should they ever sell or lose a sizeable parcel of land, 34 said they would either retire or take an alternative job, whilst the remainder said they would hope to continue farming elsewhere. Of the former group, 73% said they would prefer to stay within the local area, whilst over 60% of the latter group stated the likely necessity (in many instances, the desirability) of moving away. However, since this question was hypothetical, these responses were, in some cases, no doubt fanciful.

This option is the most drastic since it leads to change in all aspects of the farmer's working and social life. Therefore, it will rarely be taken easily and, except where enforced by an impossibly small and uneconomic residual unit, it is usually prompted only by a combination of factors associated with the amount of land lost, the capital received from the sale (or compensation payment), and the age and state of health of the farmer.

Dispose of Some Remaining Land but Stay in Residence

Again, it was not possible within the survey to identify all of the farmers who had taken this option. Those who had retired were excluded and similarly, any part-time farmers who had retained only a token amount of land primarily to grow their own food, were excluded.

However, four of the respondents had taken this option, two prior to, and two during the review period. One of these had not actually stayed 'in residence' having removed to a farm near Darlington but he continued to manage the residual land on his former farm. Of the three who had stayed 'in residence', each had units under eight hectares. Two had stayed solely because it was their 'home' and a convenient location from which to pursue their alternative employment (one was an animal disease inspector and the other a haulage contractor), and the third (a market gardener and wholesaler) had stayed because he recognized both

the farmgate sales and future development potential of his residual unit. In only two cases had the loss of land to development (housing and industry) rendered the remaining units non-viable. The other two farmers, having been prompted by a combination of land loss and personal reasons (health, age and no successor), had decided to sell off most of their remaining land to adjacent farmers. One other respondent also indicated his intention to take this option in the near future having received a notice to quit on a large proportion of his land. He proposed to retain the small amount of land he actually owned and set-up a haulage contracting business.

The option to stay on as a retired or non full-time farmer is normally open only to owner-occupiers since most landowners are eager to rationalize their holdings by amalgamating any available land from non-viable or vacant holdings with nearby units. Although four of the seventeen part-time farmers in the survey were tenants, all were long-term tenants on small detached parcels of land which had been retained by their owners because of future development potential. None had changed their occupational status as a consequence of land loss.

Make Management Rather than Structural Changes

The largest single response to land loss in terms of structure was to accept the reduced acreage and to make necessary management adjustments. The latter are discussed in detail in the following two sub-sections.

Of the 38 farmers who had lost land to development, 23 had experienced only a single loss (often under 10 hectares) and 18 of these had made no further adjustments to the size of their farms. Even those farmers who had lost several land parcels indicated that the individual losses were usually a consequence of site specific factors, e.g. relating to the routing of a motorway or the existence of pit heaps undergoing reclamation schemes, and that one sale had not precipitated others in either physical (i.e. progressive urbanization) or attitudinal terms. There were no cited

instances of losses to residential development prompting further sales for housing.

Seek to Acquire Additional Compensatory Land

This response had been made by only six farmers who had lost land to development and by one farmer who anticipated future losses. A further three respondents who had lost land and had subsequently added to their units indicated that these decisions had been unconnected.

As in the case of most management decisions, the acquisition of additional land is rarely a single and straightforward response to one factor, i.e. land loss. In only one of the recorded instances was expansion motivated by agricultural necessity (38% of his unit had been lost to the motorway). Several of these land purchase decisions had, however, been motivated primarily by economic necessity in that land acquisition was used as a means of avoiding Capital Gains Taxation. In two instances, expansion had been prompted not by the farmers but by their landlords who, as part of their rationalization programmes, were seeking to reallocate vacant plots to existing tenants.

It is significant to note that all of these farmers had managed to purchase or rent additional land adjoining their own farms. The availability of such land at an appropriate time was largely fortuitous. Land may become available for a variety of reasons, for example, following the death, ill health or retirement of a farmer (the incidence of the latter may have been increased at the time of the survey because of the government's UK Farm Structure (Payments to Outgoers) Scheme which had been heralded by the MAFF White Paper, The Development of Agriculture (1965), and by EEC Directive 72/159). Other reasons may include the subdivision or sale of a unit which has become non-viable following loss to urban development, or the acquisition of land for investment or speculative purposes by a non-farmer who then seeks an agricultural tenant. Eight of the interviewed farmers in the survey as a whole rented land from such owners who, in the

study area, tended to be developers or industrialists rather than the financial institutions who have taken a considerable interest in the land market elsewhere (Munton, 1977).

Availability is also determined by cost and ability to pay. Where non-farmers are involved in the competition for agricultural land, farmers, even those who have previously sold land, find it difficult to compete. If land has potential development value, farmers have virtually no chance of acquiring it for expansion programmes. Where land is of purely agricultural value, it is those with external sources of income or with capital from a previous sale who are in the strongest competitive position. This was reflected in the fact that whilst all of the farmers who had purchased additional land following loss had successfully acquired adjacent land, only one of the eleven farmers who had expanded without experiencing previous loss had achieved this (and this one case was in fact a part-time farmer whose principal source of income was his consultancy business).

The ability of farmers to rent additional land adjacent to their units was partly attributed to the fact that landowners tend to look favourably upon those tenants who have suffered losses. These tenants are often given first refusal on any adjacent land with a vacant tenancy, an arrangement which benefits both landowner and tenant. Adjacent farmers are also ideal candidates for non-farming landlords who are often seeking temporary tenants on a 'caretaker' basis.

It is perhaps important to note here, however, that despite the apparent preference for 'compact' expansion, many of the surveyed holdings were fragmented (Figure 11.1), indicating that in the past, holdings have often expanded or amalgamated in an ad hoc fashion.

b) Investment Change

All of the above types of structural change involve major investment decisions. The response to sell all or part of a farm holding is an

enormous decision necessitating the long and careful assessment of alternative investment opportunities. This is particularly true for farmers who also opt for an occupational change. The decision to purchase additional land is similarly a major investment decision particularly for farmers who commit themselves to taking on heavy mortgage repayments. The rental of extra land may also mean a significant financial commitment especially if this requires the purchase of additional equipment and stock. Even the decision to make no structural change usually prompts a serious reappraisal of investment levels on the remaining unit.

All investment decisions must be made taking into account potential output, i.e. estimated annual revenue, any available capacity in farm buildings, workforce and equipment, and the estimated capital input needed to ensure that the revised holding can be efficiently managed and stocked. Where any additional fixed resources are required, for example, following expansion, the farmer must be confident that the output from any additional land will cover the cost of extra inputs plus the cost (where relevant) of interest payments or lost interest from alternative investments. Alternatively, where a farmer is contemplating reducing his land, the farmer must consider the 'cost' of excess buildings, labour and equipment. In some instances, a farmer seeking to gain a livelihood from a significantly reduced holding must consider the substitution of capital for land and adopt more intensive production techniques.

As in the case of all major decisions, various economic and personal factors contribute to any single investment decision. In addition, uncertainty about future land loss was frequently cited as influential. Where significant losses to development are anticipated, the option of disinvestment becomes a possibility (Doyle and Tranter, 1978; Davidson and Wibberley 1977). This is generally associated with: the failure to provide new or maintain existing buildings and equipment; the selection of extensive, i.e. non-labour and capital intensive enterprises such as

livestock rearing and fattening or, in extreme cases, pony grazing; and, again in extreme cases, with the decision not to reapply fertilizers but to crop until the land is held in a state of soil exhaustion. Disinvestment responses can vary from under utilization to neglect leading to dereliction.

The incidence of under utilization on farms in rural-urban fringe locations is well documented (Clonts, 1970; Tyne and Wear County Council, 1980; Falque, 1979; MAFF, 1979; Munton, 1981). Some studies have focussed upon particular indicators such as pony grazing, whilst others have concentrated on the adverse landscape impact. Yet others, for example Sinclair (1967), and Boal (1970) have sought to demonstrate that the classic Von Thunen agricultural location model (Chapter 2.3) does not apply in advanced industrialized areas where some of the main determining forces around towns are associated with urban encroachment. In such situations land use intensity is often related to uncertainty and disinvestment rather than to market proximity.

The most severe forms of under utilization are often associated with land holding and planning delays (Clawson and Hall, 1973; Coleman, 1977a), and examples have been cited (Cowan, 1980) where farmers have acted upon the assumption that, by reducing the inherent fertility and agricultural value of their land, they can weaken the case for its preservation from development. In theory, this practice should fail to affect planning policies, but the ensuing dereliction may result in public pressure to get planning policies reversed in the interests of landscape improvement. In many instances, 'the planners' themselves are held responsible for disinvestment where delays in application decisions or the reversal of policies lead to increased uncertainty and the premature run-down of farming practice. One example from the study area involved a farmer whose land had been taken for a new school building. Having given him a notice to quit, the land subsequently lay idle for three years after which, the local authority reversed its decision, opted to locate the school elsewhere

and leased back 'the now weed-infested wasteland' to the original tenant.

Amongst the surveyed farmers, only 15 respondents indicated that they had reduced the level of investment on their farms as a principal consequence of land loss or anticipated loss to urban development. Expenditure had been reduced on a combination of equipment, buildings and manpower and ten farmers had switched to more extensive enterprises. Five farmers had opted to redirect their residual capital into non-agricultural ventures.

Failure to maintain equipment and buildings is frequently used as an indicator of disinvestment and an attempt was made to undertake a crude assessment of the relationship between investment in new buildings and expectancy of future land loss within the sample of interviewed farmers. The exercise was limited by the facts that:

- a) investment in new buildings was not subdivided on the basis of amount spent, and thus some actual disinvestment, i.e. where some but not enough investment had been made to maintain an economic level of production, was masked; and
- b) an assumption had to be made that the expectancy of development expressed by tenant farmers was a reasonable reflection of the expectancy levels held by their landlords (who were mostly responsible for capital investment in buildings).

Accepting these limitations, the findings were that there had been no building investment on 30 of the 82 surveyed holdings during the five year review period and on 63% of these holdings, the farmers anticipated future land losses. However, only six of the respondents actually commented upon the direct association between lack of building investment and expectancy of development. Moreover, confidence in the validity of the implied association was undermined by the fact that on 58% of the farms where there had been building investment, the farmers

similarly expected future losses.

From these figures it is clear that on its own the general expectation of loss is insufficient to affect an investment decision until details of the size, location and expected timing of the loss are known. Where the anticipated loss is small, the farmer is unlikely to disinvest in the remainder of his unit. However, where there is a measure of uncertainty about the future of the farm unit, the farmer may not be given the option to invest since receipt of MAFF capital grant aid is conditional upon the building having an acceptable life expectancy (Munton, 1974 a).

This exercise therefore proved little except that the decision to disinvest is not based upon one but a group of often very specific factors relating not only to expected levels of future land loss, but also to a variety of other circumstances which may include personal problems, liquidity and market trends.

It was equally difficult to determine from the responses the extent to which past or expected land loss to development had influenced decisions to increase investment levels. In the majority of cases, however, some indication was given that loss and anticipated land loss were at the most only contributory factors. Although 16 of the 38 farmers who had lost land subsequently intensified production and invested in modern equipment, buildings and farming methods, none stated that this had been a direct consequence of their loss. It was clear that additional money from sales or compensation claims had been used to improve obsolete equipment and buildings, but the impetus for investment changes and the direction of the investment had been a combination of government policies, incentives and market trends. For example, the most frequently cited form of increased investment was improvement to dairy unit equipment and buildings, which was primarily prompted, if not necessitated, by the regulations relating to the introduction of bulk tank collection.

Given the complexity of the factors behind both increased investment and disinvestment decisions, it is unlikely that more probing with detailed questions would have led to the identification of specific causes and effects since farmer responses are invariably subject to post hoc rationalization or are purposefully vague. Sometimes the farmers themselves do not know the true causes and effects which lie behind their decisions; they tend not to analyze them in this way and they certainly have limited experience of presenting them to an external interviewer.

In practice, when making investment decisions the farmers rarely undertake great financial calculations, although several of the respondents did refer to advice received from accountants and MAFF advisers. Mostly, they do enough calculations based on experience and instinct to satisfy themselves that an action, whether the purchase of new buildings, equipment or land, or the sale of land and subsequent investment outside of farming, will 'pay off' both financially and personally in terms of time and effort. The means by which they arrive at this conclusion are often far removed from the assumed decision-making procedures of many normative agricultural models (Found, 1971; Tarrant, 1974) in which the farmer is expected to be rational, have access to complete information, and be seeking a maximizing solution usually based on income (Chapter 2.3). Many writers have recognized the limitations of this approach (Harvey, 1966; Found, 1971, Ilbery 1983) and have both propounded and applied the satisficer theory to agricultural decision-making. Munton (1969, 145) basing his conclusions upon direct observation of farmer behaviour stated that,

'... not only do many farmers consciously make no attempt to maximize their income but, owing to a lack of ability and knowledge, most are incapable of taking the optimum decision from an almost infinite number of alternatives'.

c) Enterprise Change

Over any five year period many factors, notably market trends in product prices, feedstuff prices and other input costs, government legislation, technological improvements and demands, plus specific factors relating to individual farmers and their holdings, influence decisions on enterprise choice and balance. Seventy one of the interviewed farmers had made some changes in their system of farming over the review period. Fifty of these had made significant changes by ceasing certain types of production and introducing new enterprises. The remainder had either adjusted the balance of existing enterprises by the intensification or reduction of production levels, or adjusted the spatial distribution of enterprises within the holding.

The identification of enterprise and system changes which can be directly attributable to land loss to urban development was beset by the problems described above in relation to structural and investment decisions, since once again causal factors were rarely simple and singular. It may be expected that land loss prompts an above average propensity to change the farming system, but amongst the interviewed farmers it was those who had experienced no losses who recorded a higher rate of system changes. The only noticeable characteristic of the group which had recorded losses was that they displayed a higher incidence of minor adjustments in enterprise balance and location. This may be indicative of uncertainty about the future of the unit and a lack of confidence to undertake some of the major system changes which otherwise the market or legislation may have prompted.

Fifteen farmers did, however, indicate that land loss had necessitated major enterprise changes. In the majority of cases this resulted not from the loss itself but the attendant fragmentation. Livestock enterprises, especially dairying, were most badly affected. For example, five dairy farmers had to cease production when the motorway dissected

their land causing insurmountable problems relating to livestock transportation and the associated time wastage. In two instances, a changeover was necessitated because the land sale had resulted in the loss of buildings (on one farm the head cowman's cottage was taken, prompting him to retire a decision which, in turn, prompted the farmer to cease dairying). Only three farmers cited the threat of land loss as a reason for making enterprise changes. In each case, land was taken out of either cereal or intensive livestock production and was converted to grassland.

d) Farmer Responses - Summary of Conclusions

Conclusions about farmer responses to land loss or threat of loss are difficult to draw because of the complexity of farmer decision-making in relation to structural, investment or enterprise changes. Although land loss itself generates a structural change, it has not, in the majority of instances, prompted further structural changes, although examples of both associated decreases and increases have been cited. In most of these instances, however, the farmers indicated that land loss had been only a contributory factor.

Similar comments were made about both investment and enterprise changes. Even where there was a direct correlation between loss or expected loss and investment, this was conditional upon specific details of the loss. It was notable that within the study area there was an absence of extreme under utilization and disinvestment in response to development uncertainty, a finding which may indicate a lower level of pressure on farmers working on the periphery of Durham City than on those farming adjacent to major conurbations (MAFF, 1979; Thomson, 1981). Enterprise changes made by the interviewed farmers were primarily associated with economic, legislative or personal factors although again land loss and especially associated fragmentation did exert some influence.

With respect to any responses provoked by loss to residential

development in particular, none were discovered. The after use of lost land was never mentioned by the farmers as being of any great importance in determining immediate structural investment or enterprise changes. Instead, it was the size, quality and location of the parcel lost, the size of the residual, and the level of remuneration received which were cited as influential. It is in relation to later adjustments made as a consequence of neighbouring new land uses and users that residential as opposed to other types of development becomes important. This response is considered to be part of the indirect effect of development.

11.4 THE INDIRECT IMPACT OF URBAN DEVELOPMENT

Having considered the direct impact of land loss to urban development which, in the study area appeared to be a contributory rather than a primary motivating factor in farm management decision-making, attention in this section is drawn to the indirect impact of both new and old completed development. This encompasses the effects not only of the development itself, but also of the users of the subsequent buildings whether these be houses, factories, roads or recreation grounds.

In practice, the distinction between the direct and indirect impact of development upon investment and enterprise change is tenuous since in making their response to actual or anticipated loss, the farmers must at the least have been aware of the subsequent implications of having urban land users as their direct neighbours. For some farmers, proximity to urban uses and users is nothing new and they have long experience of farming either in co-operation or, more frequently at variance, with their neighbours. For others, the problems and also benefits of urban fringe farming are sufficiently well documented in studies undertaken by MAFF (1951, 1953, 1973, 1976b), commissioned by the NFU (Blair, 1974; Dent, 1981/82), or in articles in the media to make them aware, sometimes erroneously, of the implications.

This section is concerned with the farmers' management responses

to these implications, whether real or imagined. In particular, it seeks to identify the relative significance of residential as opposed to other types of urban land use.

On the basis of the respondents' comments, the indirect impact of development and urban proximity can be subdivided into six categories. The first, 'urban interference,' both in the fabric of the farm and in management practice, was regarded as at best a nuisance and at worst a strong detrimental factor. The second category, concerned with environmental impact, was frequently, but not always, considered detrimental particularly where there was conflict between the farmer and his urban neighbours over environmental standards and objectives. The third category, associated with market proximity was generally regarded as either an irrelevant or a positive factor. The following two categories, labour availability, and recreational pressure could result in either benefits or disbenefits to the farmer depending upon individual circumstances and attitudes. The final category relates to the social benefits to be derived from proximity to the built-up area.

Each of these impact categories is examined below, with an analysis of the surveyed farmers' physical and attitudinal responses. The observed local behaviour is placed in the context of results derived from surveys conducted elsewhere.

i) Urban Interference

The effects of urban interference and farmer responses have been widely investigated (Naylor, 1968; Blair, 1978; Thomson, 1981; Feaver, 1982). Most problems emanate from persons who occupy or use adjacent or nearby urban facilities, rather than from the mere presence of the urban land use itself.

From the questionnaire responses, an assessment was made of: the nature and primary sources (i.e. the population group posing the greatest threat) of interference; the characteristics and location of the most

vulnerable holdings; the severity of the problem; and of differing farmer perceptions, attitudes and responses. Of the 82 farmers interviewed, 72 stated that they suffered from urban interference in some form, and the majority of these (90%) said that they had experienced more than one type of interference.

a) The Nature of the Problem

From farmer descriptions of the problems encountered, five basic types of interference were defined. The relative incidence of each type, as measured by frequency of citation (Table 11.13) was as follows: trespass, vandalism, dumping, theft, and dog worrying. The spatial extent of each problem is shown in Figures 11.2 to 11.6.

Trespass

Trespass problems affected 61 of the surveyed farms. In most instances they were associated with either children or people exercising dogs. Some farmers simply referred to general trespass, but others subdivided it into 'crop trampling', 'leaving gates open', and 'armed trespass'. This category of interference can include anything from the relatively innocuous walking across private property, which most farmers have come to accept as inevitable, to the leaving open of gates letting livestock free to wander into adjacent fields of crops or, in one instance, into the gardens on an adjacent open plan housing estate. Crop trampling is often linked to non malicious children's play activities but nevertheless, it can be financially damaging to the farmer. Armed trespass is often on the borderline between trespass and vandalism. When included in the trespass category, it usually means the invasion of private land by lads indiscriminantly firing air rifles, an activity which becomes vandalism when these rifles are maliciously aimed at signs, livestock, equipment, or even the farmer himself.

Vandalism

Vandalism is the most serious and disturbing, although not necessarily

the most costly, form of urban interference. It was recorded by 37 of the respondents. In all cases, vandalism involved some form of damage, e.g. to fences, hay bales, buildings, equipment and livestock. This damage, especially to fences, may be a by-product of some game or of continuous trespass, but 29 of the respondents referred to the malicious damage of their property and equipment. In five cases, this included arson, but fortunately none of the farmers in the study area had experienced the 'vendetta style' vandalism activities recorded on farms elsewhere (Johnson, 1981). The majority of farmers attributed blame to boys and youths aged up to 21.

Dumping

Thirty one farmers referred to the problem of rubbish dumping. Garden rubbish from adjacent houses creates few problems but old cars, bedsteads and three piece suites, especially when dumped in fields of high standing crops, can do severe damage to expensive machinery. This problem was not associated with any particular age group and, since most of the problematic rubbish is car borne, the origins of those responsible are difficult to determine.

Theft

Within the study area, theft or, often more accurately, pilfering usually involved raids upon potato and other root vegetable crops rather than the theft of equipment and fencing, or the burglary of farm buildings. Seventeen farmers referred to this type of interference and a further eleven farmers cited poaching as a problem. A few of the respondents, however, considered poaching to be a double-edged problem in that the presence of 'serious poachers' on their land had led to a reduction in problems associated with casual trespass and vandalism.

Dog Worrying

This problem, referred to by 15 of the interviewed farmers, is almost exclusively linked with sheep farming. This is one of the most

significant types of interference in terms of enterprise choice because it can result in farmers ceasing sheep production (6 respondents) and prevent others from introducing this enterprise (12 respondents).

Comparisons with other Surveys

The incidence of urban interference problems recorded in the study area compares with levels observed elsewhere (Tansey, 1972; MAFF, 1976b; Blair, 1978; Coleman and Feaver, 1980; Thomson, 1981; Willis and Thomson, 1984). However, the results cannot be directly compared, since each of these surveys is very different in terms of the size of the sample, and size of the study area (i.e. the Coleman and Feaver (1980) survey covered Great Britain, whereas the Tansey (1972) survey covered only a single parish in Northumberland). In most of the surveys trespass problems were the most common although differences in the balance between types of urban interference are partly a result of definitional discrepancies (especially the dividing line between trespass and vandalism) and the nature of farming in the area concerned. For example, the incidence of dog worrying in the study area was far greater than recorded elsewhere simply because of the level of sheep farming represented on the surveyed farms.

b) The Most Vulnerable Holdings

When mapped, the distribution of individual interference problems (Figures 11.2 to 11.6) and the intensity of combined interference problems (Figure 11.7) revealed a complex pattern from which it was difficult to identify the locational characteristics of the units which appeared to be most vulnerable. There were no particular types of farm (in enterprise terms) which were more susceptible to overall interference. Rather, particular types of enterprises appeared to be vulnerable to particular types of interference. Most notably, livestock enterprises were most vulnerable to trespass and vandalism, arable to trespass and dumping, market gardening to theft, and sheep rearing to dog worrying.

As observed elsewhere (MAFF, 1979), the smaller farms appeared

to suffer less. All but one of the 12 holdings under 20 hectares recorded a response of 'inconvenient', 'not bad' or 'none' in relation to degree of disruption caused. These farmers are in a better position to maintain any necessary surveillance over their small compact units than the farmers with large or fragmented farms. The latter are particularly vulnerable except, for example, where the motorway protects land from interference.

In locational terms, Figure 11.7 demonstrates that proximity to the built-up area and, in particular to residential development, does not closely correspond with severity of interference. The pattern may be in part distorted by variable farmer tolerance levels and subjectivity in estimating the severity of problems, but sufficient detailed comments were made to indicate that the true position was indeed complex.

The existence of housing immediately adjacent to a farm unit does not necessarily increase the likelihood of interference although this was frequently cited as a causal factor by farmers suffering from trespass, vandalism, theft and dog worrying. Close proximity was most immediately associated with those types of interference most strongly linked to childrens play or dog exercising. All types of residential area have the potential to generate high levels of interference but several of the respondents made distinctions between types of residential area based upon the age structure and social class of the occupants and the length of time the housing had been there. For example, new housing estates whose residents are unused to the countryside and have a high proportion of young children as in Framwellgate Moor and Brandon appeared to generate more problems than the older established residential areas containing a comparatively middle-aged population. It was notable that most of the farmers who had land immediately adjacent to the older established residential properties located west of road A167 in Durham City, not only recorded low levels of interference, but said that their good relations with their immediate neighbours helped to protect them from general

trespass and vandalism. The experience of these farmers was expressed as a general view by Dent (1981/82) who, on the basis of widespread research, concluded that from the farmers' viewpoint, the best buffers to shield their land from trespass and vandalism are not the planners' choice of green wedges and woodland, but 'high class residential areas where property is both respected and defended'.

On the other hand, immediate proximity to council estates was considered by the majority of respondents to be an extremely negative factor since these estates were considered to be the primary source of most interference problems especially vandalism. To some extent the farmers' comments may reflect a degree of social bias but elsewhere, other researchers (Coleman and Feaver, 1980; Dent, 1981/82; Willis and Thomson, 1984) have observed that adjacent council estates, especially those which are subject to internal vandalism, are most likely to generate 'spill-over vandalism' into neighbouring fields.

Distance from the built-up area must afford some degree of protection, especially if several 'natural' barriers such as major roads or railways are present to inhibit access. One of the most frequently cited factors (by 23 respondents) seen as contributing to vulnerability was not urban proximity but the presence of footpaths or rights of way across farmland. There has long been a high density of footpaths across farmland in the study area, partly a result of the network of paths connecting scattered villages with nearby collieries. Many of the respondents said that their trespass problems had been exacerbated by 'the planners' and their recent signposting of many relatively unknown rights of way. At the time of the survey this was a point of contention between the National Farmers' Union and the County Council (not the 'planners' but the County Engineer's Department) which was in the process of carrying out its duties under the 1968 Countryside Act. Nine of the farmers said that their vulnerability to trespass was further increased

by the existence of natural attractions on their land, such as the river (six farmers) and woodland (three farmers).

c) The Severity of the Problem

The map showing the overall severity of interference problems (Figure 11.7) was based upon the farmers' subjective assessment of the extent of their problems. Five categories, loosely labelled as 'very bad' (7 farmers), 'bad' (22), 'inconvenient' (20), 'not bad' (23) and 'no problem' (10) were defined. Approximately 35% of the respondents considered that they suffered from serious interference problems, although in only seven instances were these regarded as severe.

The farmer's evaluation of disruption may be influenced by personality, age, and experience of farming in 'disturbed conditions'. When faced with such circumstances, attitude is important and Dent (1981/82), referred to the importance of a farmer's psychology being right otherwise 'he might as well go'. The degree of disturbance recorded at the time of the survey may also reflect past action to minimize the problems. Thus, for example, a low level of disruption ('inconvenient' or 'not bad') may have been recorded by, a) a farmer with a high tolerance level who accepts the inevitability of some interference, b) a farmer who has indeed relatively few problems, or c) by a farmer with a low tolerance level who has adopted successful preventative measures.

Some recent studies (Silverwood and White, 1983; Willis and Thomson, 1984) have attempted to overcome the problem of subjectivity in assessing the severity of interference problems by applying an objective measure of the cost to the farmer. Using this type of indicator, the financial penalties of urban interference can be more accurately assessed. These include the costs of:

- a) the repair and replacement of damaged equipment, hedges and fences;
- b) lost crops due to trampling;

- c) injury to livestock including vets' fees;
- d) any costs associated with legal action, although instances of the latter were rare since this was often considered futile;
- e) high insurance premiums;
- f) extra supervision including the daily removal of machinery from fields;
- g) reduced yields where profitable enterprises have been replaced by less sensitive but often less productive ones.

Cost information was not sought in the present study and it is the author's opinion that such data are better gathered via a record notebook method (Willis and Thomson, 1984) since a continuous record kept over a year is more likely to produce accurate results than a 'one-off' request for 'remembered' amounts.

d) Farmer Responses to Interference

The extent and nature of the farmer's responses to urban interference are determined by a combination of the degree of problem experienced and its frequency, and their tolerance levels and attitudes towards both the costs of disruption (financial and psychological) and of any necessary changes in farming practice.

Amongst the 72 affected farmers, the recorded responses varied considerably, but the largest single response was one of inaction (47%) other than the completion of any necessary repairs. Only 6% opted for major practice changes, but 40% had adapted their farming systems in order to minimize the effects of disturbance. All three types of response have financial implications.

Major changes involved the cessation of the most badly affected enterprises which, in most of the recorded instances, were livestock rearing (especially sheep and hens) and potato growing. The main forms of adaptation included adjustments to the balance and distribution of

enterprises in order to keep the most vulnerable crops (e.g. potatoes) and livestock away from those fields subject to the most interference.

Sixteen of the respondents said that they had adopted greater preventative and surveillance measures. Examples were mostly improved fencing and increased patrolling and there was little reference to the elaborate alarm and metal detector systems installed in farms elsewhere (Johnson, 1981; Dent, 1981/82). The majority of the farmers said that measures other than 'keeping their eyes open as much as possible' were either unnecessary or 'not worth it', although one farmer did admit to putting down tacks on his farm roads in order to deter 'would-be dumpers'.

The relationship between degree of problem and level of response was unclear, especially since within each category measuring degree of problem except for the worst (i.e. 'very bad'), the largest single response was inaction. Amongst those farmers suffering from the worst problems, major changes in farm practice and the reorganization of enterprises were inevitably most common. On the basis of their comments and actions, the overall conclusion must be that the majority of farmers did not consider their interference problems to be sufficient to necessitate making any significant changes which could be regarded as potentially cost effective. It was also notable that even amongst those who had made changes, none considered the situation to be bad enough to make them consider moving to another area. Moreover, only eight of the interviewed farmers said that, should they decide to move elsewhere because development made the farm nonviable, they would opt to buy or lease a farm in an area well away from urban dwellers.

Similar conclusions about the limited impact of interference upon farming practice and enterprise choice have been recorded in several studies (MAFF, 1953; Rettig and Dean, 1975; Willis and Thomson, 1984). In these studies as in the present survey, the decision to do nothing

was associated with cost, the lack of alternatives, e.g. where there are soil or landform constraints on enterprise choice, the non availability or accessibility (in cost terms) of replacement farm holdings, or simply the unwillingness or inability of the farmer to contemplate change. A farmer who has decided not to act must take the often unconscious decision of whether to continue to live and farm in a state of frustration and antagonism with his neighbours, or to accept the inevitability of some degree of disruption and allow margins for 'reasonable losses'. Such an allowance must, however, be made in attitudinal as well as budgeting terms. Although several of the respondents claimed to have adopted this latter attitude, the extent to which this display of fatalism and tolerance was made for the benefit of an interviewer from 'outside the farming world', was difficult to judge.

ii) Environmental Impact

Although in overall terms, the adverse impact of nearby land uses as opposed to users is less significant, it can nevertheless be equally disruptive and costly to the farmers who have to effect remedial measures. Most problems arise because of either the disruption of water supplies and drainage systems, or the adverse effects of air pollution.

The most frequently cited problems associated with water supply and drainage, both in the present survey and in other studies (MAFF, 1976b; Davidson and Wibberley, 1977; Ikäheimo, 1979; MAFF, 1979) were: ground water depletion, reduced water force (especially where industrial development is involved), excessive run-off (usually from housing estates), and the pollution of surface water from urban sewage. Seventeen of the respondents referred to these problems and, in the majority of cases, complaints were about excessive run-off from adjacent housing estates. Many of these farmers were critical of the lack of attention given to the possible impact of various architectural designs and construction methods on adjacent agricultural land where a balanced

water supply, and an adequate and reliable drainage system are vital to productivity.

In six instances, however, new urban development had proved beneficial to the farmers. In each of these cases, the development had necessitated the installation of extra infrastructure, e.g. pumping stations, pipes and drains, which served not only the development itself, but also the surrounding farmland.

Air pollution, usually in the form of smoke, fumes and smells emitted from industrial plants, residential areas, and the traffic on major roads, can be harmful to crops and animals (Kloke and Obermann, 1979; Mrohs, 1979). Although such problems are more generally associated with major industrial conurbations, they can arise anywhere, and one of the interviewed farmers was severely critical of the public health laws which permitted dust contamination of his land and livestock from an adjacent asbestos factory.

Despite the existence of these physical problems directly associated with adjacent urban uses, the greatest environmental problems were once again associated with the land users. These arose because of differing perceptions and tolerance levels of environmental pollution between the farmers and nearby residents. The respondents referred to the frequent criticisms levelled by their neighbours, as a consequence of which they have either to defend constantly their position or make costly changes in their farming practice. Four of the respondents, two of whom kept pigs and poultry were embittered by having been forced to make changes in their long established methods in order to ensure that their farmyard smells did not offend 'the sensitive nostrils of the newcomers - newcomers who have opted to live near the countryside'. One farmer commented about the absurdity of the situation when his new neighbours in the village of Hett had complained after he had ploughed a field behind their property. They said that since they had purchased a house in the 'green belt' the

land ought to stay green!, (in fact Hett is just outside the 'green belt' a nomenclature popularly used for the Area of Great Landscape Value around Durham City).

Similar conflicts over smells, the use of slurry and fertilizers and over landscape changes have been widely reported elsewhere (Brasch, 1979; Chassagne, 1979a; Platt, 1981). In most of these studies it was the pig and poultry units which prompted greatest conflict. In these studies, as in the study area, the farmers felt a mixture of indignance, annoyance and injustice. They considered that since they were there before the new residents and were pursuing a legitimate and productive occupation within the countryside, any legal or planning requirements devised to moderate their practices should at least acknowledge, and compensate for, their additional adjustment costs.

Inevitably such views reflect a biased position and little was said by the interviewed farmers in recognition of the fact that farmers often appear to 'want their cake and eat it', i.e. to make a large profit from the sale of land to residential development without accepting the demands that the subsequent residents of the houses may place upon their farming practice. As will be discussed in Chapter 12, solutions to environmental and, indeed, to all types of conflict arising from urban interference, depend upon attitudinal change and compromise on all sides.

iii) Market Proximity

In contrast to the essentially negative impact of urban development, as embodied in the term 'urban interference', 'market proximity' relates to the potential benefits obtainable from the physical closeness of urban land uses and users. The degree of potential benefit may, however, be limited especially if this is offset by some of the disbenefits described above.

The relationship between market orientated production and distance from an urban area has long formed part of agricultural location theory

(Chapter 2.3). Over time the validity of the early models has been undermined by progress in farming and transportation technology, modern marketing systems and by government intervention to reduce or remove differential transport costs (Gasson, 1966b; Thomson, 1981). Moreover, the increasing problems of managing traditional market orientated enterprises (market gardening, poultry farming and dairying) in an uncertain and often hostile environment have tended to destroy the underlying relationships which prompt enterprise choice in relation to immediate market demands (Morgan and Munton, 1971).

Other determining factors also apply. For example, the marked absence of market gardening and fruit growing in the study area, despite the demands of the urban population, is primarily a simple reflection of the physical (soil and climate) unsuitability of the area for this type of enterprise. As a result of this, few of the interviewed farmers said that they obtain any significant additional income from farmgate sales, which contrasts with the observations made about farmers elsewhere in urban fringe locations (Blair, 1978). Only two of the respondents had well established farmgate businesses, one of whom had a farm immediately adjacent to the large private housing estate at Newton Hall. The other operated a 'farm shop' in conjunction with his caravan park.

Dairying, another activity traditionally associated with market proximity, is more prevalent in the study area, but again the choice of this enterprise is more closely linked to the physical suitability of the area for dairying and to government policies, than to the presence of a nearby urban population. Throughout the area, milk distribution is mostly handled by the Milk Marketing Board (although two of the respondents belonged to a local co-operative directly supplying the market), and hence distance to market is unimportant (the MMB pays all its producers the same price independent of distance from the collection centre (Thomson, 1981)). Having said this, seven of the 22 dairy farmers in the survey did

take advantage of their location by having their own milk rounds (distributing milk bottled by the MMB (5 farmers) or by their own co-operative dairy (2 farmers)). The local retailing of milk is a long established tradition and this provides an essential supplementary or, in four instances principal, source of income to the farmers involved. Whether this will continue given the increasing competition from the supermarket distribution of non local milk is a matter which, at the time of the survey, did not unduly concern the interviewed milk retailers.

The evidence from the study area thus points to the conclusion that, for the majority of the interviewed farmers, market proximity was not a great advantage. Most of the respondents said that they distribute their produce further afield through merchants and regional distributors. These were not located in Durham City, not because of its insufficient size, but because historically it has developed as an urban orientated administrative rather than an agricultural centre. The cited local centres for agricultural distribution were: Tyneside, plus the towns which have traditionally held agricultural marts and served large rural communities e.g. Darlington, Hexham, Sedgfield, Bishop Auckland and Tow Law.

Although it is concluded that the absence of a clear relationship between farming practice and market proximity is primarily a result of physical, economic, marketing and technological factors, the relatively small population size of Durham City may be a further factor. Harvey (1966) observed that for farmers located adjacent to small and medium-sized towns, market advantage is often obliterated by the economies of scale operating around nearby major centres. In the case of Durham City, this may apply because of the proximity of the Tyneside and Teesside conurbations.

iv) Labour Availability

Within the survey, one of the most frequently stated causes, either direct or indirect, of system change or reorganization, was the lack of available labour. Problems of labour acquisition or retention may reflect

national trends in agricultural employment (Thomson, 1981), but are often associated with proximity to urban areas with whose industries and wage levels the farmers are unable to compete.

The impact of urban proximity is often a reduced labour force because of either, the loss of farm workers to the more lucrative jobs in town, or the decision of the farmers to 'lay-off' men when they can no longer afford the wage levels necessary to keep them all on the farm.

The two types of enterprise most badly affected by labour loss were dairying and potato growing. However, as in the case of urban interference, the majority of farmers made no obvious practice response to labour loss other than necessary management adjustments. Most continued production of the same enterprises albeit often at a reduced level of efficiency.

In total, 30 of the interviewed farmers had reduced their workforce during the preceding five years and 27 of the respondents directly attributed their losses or difficulties in attracting labour to competition from nearby urban industries or from transient construction industries operating in the area. In particular, 11 farmers said that they had lost men to the contractors involved in the construction of the A1M motorway during the late 1960s. Despite the incomplete information given on job destinations, the extent of industrial competition was confirmed. Out of 117 workers whose destinations were known, 53 had gone into industry, 16 into other urban based jobs, 14 into construction, 8 into local authority road maintenance or park keeping, 18 into other agricultural jobs, and 8 had retired.

Even many of those farmers who had not lost labour had experienced difficulties in either retaining existing, or attracting additional workers, because of the urban competition. A significant number of respondents (24) referred to the necessity of paying higher wages in order to keep their work force. Several farmers also pointed out the problem of labour quality in the area, which they attributed to the inexperienced and transient nature

of the work force. Information was given on 35 new hands who were recruited over the period. Twenty one of these were school leavers whom the interviewed farmers expected would leave within three years. The farmers' principal fear was that as the older generation of farm workers retired, there would be no experienced men to take their places. A further problem which was causing some of the respondents even greater anxiety, was the loss of their sons and prospective successors to urban jobs.

Despite these identified problems, it was clear that not all losses were immediately attributable to urban proximity. Some of the farmers had opted to reduce their work force for purely economic reasons, for example, following increased mechanization, a change to less labour intensive enterprises, or farm amalgamation. Such causal factors do, however, become complex when these changes have themselves been prompted by the impact of urban encroachment or proximity.

Some of the interviewed farmers actually considered urban proximity to be an advantage in terms of labour attraction and retention. These farmers tended to have farm workers who preferred to live in Durham City or one of its surrounding villages rather than to more 'remote' farm-based accommodation. They felt that had their farms been more remote, these workers would have opted to seek work in the town instead. A large proportion of respondents (65%) also referred to the advantages of having a readily available casual workforce on hand for harvesting and potato picking.

v) Recreational Pressure

The impact of recreational pressure generated by a nearby urban population (Patmore, 1970; Keenleyside, 1971) can be similarly considered a benefit or disbenefit depending upon the experience and attitude of the farmer. Amongst the 82 respondents, it was primarily considered to be a disbenefit.

Essentially, the two types of impact from recreational pressure

have already been covered in the above sections. First, it can have a direct impact where land is lost to provide recreational facilities such as golf courses, country parks and playing fields (Section 11.3). Second, it can have an indirect impact associated with the casual pursuit of leisure activities such as walking, rambling, picnicking, pony trekking, fishing, camping and simply exercising the dog. These activities may generate trespass problems on both farms located immediately adjacent to recreational facilities where the 'spill-over' effect applies, and those located further out in areas attractive to car borne picnickers.

No specific questions were asked about recreational pressure, but farmer attitudes were conveyed in responses made to general questions on the benefits and disbenefits of urban proximity. Few respondents perceived any potential positive impact of recreational pressure except in the possible sale of land for development, and only two of the farmers had attempted to capitalize on the attraction of the countryside to urban recreationalists. One of these had little option but to accept the intrusion of visitors since his farmhouse was adjacent to the historic monument of Finchale Priory. Instead of continuing to farm in spite of this intrusion, he had opted to focus his attention upon recreational activities (running a car park, shop, camping and caravan facilities) which had become his principal source of income. The other farmer had taken advantage of the tourist attraction of nearby Durham City and of his river bank location and developed a camping and caravan site.

In addition to the extra money derived from these activities, these two farmers described two additional 'spin-off' effects. The first was that the recreationalists provided a ready market for farm produce, and the second was that their presence helped to reduce the incidence of trespass and vandalism on their land (a similar observation about trespass was made in a survey by MAFF (1979)). Reference to the 'protective attitude' of the campers may in part reflect the higher tolerance levels of those

farmers who are receiving monetary compensation from their 'urban visitors', but the campers and caravanners do have a vested interest in protecting their own property and the area in which it is located. If such protectionism did apply, it was not extended to neighbouring farms which, in the survey, recorded above average levels of interference.

None of the interviewed farmers had sought to take advantage of the tourist potential of Durham City by offering farm-based holidays (although since the survey one has begun to offer bed and breakfast accommodation). The capital investment required to upgrade accommodation was considered too risky given the seasonal nature of demand and the comparatively few long-stay visitors to Durham City. Surplus accommodation, especially vacant or agriculturally redundant cottages tended to have been either let on a long-term basis or sold to mainly urban employed persons seeking 'cottages with character in the countryside'. At the time of the survey, 76 of the 161 cottages and redundant farmhouses located on the surveyed holdings were occupied by persons not employed in agriculture.

The other main recreational demand made upon farms in urban fringe locations is that associated with the increasingly popular equestrian sports. Three of the respondents had established riding stables and a further eight said that they obtained additional income from offering pony grazing facilities. The returns from letting fields for pony grazing never equate with cropping returns but, as one farmer stated, it enabled him to obtain some income from otherwise unproductive fields, i.e. those resting from intensive cropping or ones where land loss to development is imminent. It must be stressed, however, that the scale of 'horiculture' in the study area was very small compared with levels recorded elsewhere (Mrohs, 1979; Munton, 1981; Thomson, 1981; Dent, 1981/82; Layton, 1982).

The exploitation of recreational pressure for profit necessitates the adoption of a positive attitude to the urban visitors, and

diversification to accommodate their requirements. As in the case of change prompted by other factors, the extent to which a farmer is prepared to diversify his traditional management system is dependent upon his age, personality, profit motive, attitude towards risk and change, and perception of the potential returns. In theoretical studies of agricultural decision-making, the farmer is usually aware of the full potential of his farm but, at least with regard to urban related and recreational enterprises, evidence from the survey indicated that this appears to be false. The majority of the respondents were either unaware or uninterested in the possibilities and, where some interest was expressed, further action was prevented by ignorance of the technical and legal procedures (e.g. planning permission, insurance requirements, fire, health and safety regulations) required to establish non-farm enterprises. Since 1973, this situation may have changed since government departments and farming organizations have been encouraging farmers to recognize both the need for, and the attractions of, diversification to urban orientated enterprises. This trend is discussed further in Chapter 12.

vi) Social Benefits

The assessment of different types of urban impact ends on what was expected to be a positive note in relation to the social benefits of proximity to Durham City or to one of its surrounding villages. However, over half (42) of the respondents said that there were no social benefits to be gained from proximity to either Durham City or one of its surrounding villages. For those who did refer to benefits, the most frequently cited advantages related to the proximity of shops (27 respondents) to friends and 'the community' (24) to schools (22) and to the availability of frequent bus services (17).

11.5 THE SPECIFIC IMPACT OF RESIDENTIAL DEVELOPMENT AND PROXIMITY ON AGRICULTURAL PRACTICE - CONCLUDING COMMENTS

The difficulty of isolating the specific impact of residential as

opposed to general urban development and proximity has been stated above. Nevertheless, this section seeks to draw together the relevant points to emerge from the farm survey.

With respect to the direct impact of the residential development process, the most significant point to emerge was that residential uses have been the biggest competitor for agricultural land during the review period and have been responsible for the largest area lost on the 82 surveyed holdings.

The extent of the indirect impact of past residential development and of its occupiers is more difficult to quantify. As the home base of the nearest urban dwellers, peripheral housing estates are inevitably an important source of urban trespass and interference. Trespass problems associated with persons exercising dogs and the games of young children are particularly linked to adjacent housing areas as these two groups are unlikely to venture far from their homes. The more serious forms of interference, notably vandalism and dumping are less closely associated with immediate adjacency to housing estates and can only be correlated with general proximity to urban areas. One notable point to emerge from the survey was the fact that new estates appeared to pose a greater threat to nearby farmland than well established residential areas. This was partly attributed to the attitudes of newcomers unfamiliar with the countryside and farming practice, and partly to the younger age structure of families occupying these estates.

As well as providing a ready supply of would-be trespassers, adjacent housing estates also provide a pool of casual labour and homes for some of the permanent workforce. Residential areas also provide a potential market for farm produce although, with modern retailing practices, most residents look well beyond the immediate locality when seeking to meet their shopping requirements.

In their attitudes towards residential development, many of the

owner-occupying farmers adopted a somewhat contradictory stance in that they welcomed opportunities to sell land for housing development, but were strongly opposed to either the prospect, or the reality of any form of interference from their future occupants. Tenant farmers, on the other hand, were consistently opposed to both. All of the respondents resented the need for any consequent modifications to their farming practice and any expenditure of extra time and money on increased surveillance to minimize the effects of interference. The farmers were also antagonized by environmental conflicts which had arisen because of either physical disruption, e.g. to water supplies or drainage, or objections about noise or smell levels made by nearby residents.

Yet despite the large number of critical comments made on the problems of farming in close proximity to housing areas, the majority of respondents had made no major changes in their farming practice as a direct, or even indirect, consequence of past, present or anticipated development. This lack of response is partly indicative of an element of fatalism amongst the farming community linked with an unwillingness to change, especially as a result of external pressure from a group regarded as intruders in the countryside. It is mainly, however, a reflection of the farmers' realistic economic reasoning, since the costs of enterprise change or reorganization are generally greater than those incurred by urban interference and other types of disruption. The causal factors which had led to significant practice changes were mostly: economic, e.g. market prices, tariffs and the price of feedstuffs; legislative, e.g. various incentives, subsidies and schemes including the Dairy Herd Conversion Scheme (1973) and the introduction of bulk tank milk collection which was scheduled to be fully implemented in the study area by 1975; and, to a lesser extent, those associated with labour availability.

In many respects, the farmers' degree of control of, and choice in, their management practices both in general or specifically in response

to urban pressure, are heavily circumscribed by persons or groups external to the farming industry. The extent of conflict and antagonism caused by recognition of this fact tends to be related to the farmers' differing perceptions of those groups who are considered to have a 'legitimate say' in farm production. In the majority of instances, the occupiers of residential estates, the developers, and the various categories of urban recreationalists and urban-based conservation groups, were all dismissed as having little or no right to interfere in the farmers' traditional productive and 'stewardship' roles in the countryside. The resulting conflict prompted by such attitudes, both locally and nationally, is discussed further in Chapter 12.

As well as considering that such groups should have no right to influence their actions, some of the respondents adopted the unrealistic and myopic view that the residential development process, its initiators and the subsequent occupiers of the completed properties, had no effect upon their management decisions. Certainly, any uncertainties relating to future land use changes must consciously or unconsciously affect the decisions of all but those who are resolutely, and perhaps unwisely, ignoring the visible evidence of an expanding built-up area and attendant 'urban shadow'.

Most farmers', however, accept that urban-related pressure and demands generate additional factors to be taken into account in both their long-term and day to day management decisions. Usually they are not regarded as sufficiently important to control major decisions. Instead, they tend to be regarded as an extra complication which, according to the farmer's attitude, may prompt confusion, anger, or enthusiasm at the prospect of extra income. Amongst the surveyed farmers, changes associated with residential development had mostly prompted either the bringing forward or delay of changes already contemplated for other reasons.

Yet urban development and subsequent user pressure cannot be

dismissed as of little or no consequence on farming practice since its psychological, financial and practical impact can be considerable. Its manifestations tend to be a multitude of minor adjustments to farming practices and the expenditure of time and thought on the likelihood of future land loss and on possible measures to combat or prevent the adverse effects of existing development and of future encroachment.

As a consequence, there is a need to consider the question of ways of reducing the adverse impact upon agricultural land and its managers and of improving relations between participant groups involved in the residential development process, the final house purchasers, and the farmers. On the basis of the survey results, the scale of the attendant farming problems, at least within this limited study area, are insufficient to prompt any improvident action to curtail the development of houses which meet an accepted social need. Yet the cumulative impact of small local effects becomes significant when viewed nationally. As a result, the issues of agricultural land loss to development, and of farm practice disruption by nearby residents and recreationalists have become of importance to government policy-makers, conservationists, national farming organizations, the property development industry, and academics. These issues are examined in the following chapter where proposals for conflict minimization at the national level are referred back to the immediate local problems revealed by the surveyed farmers.

LAND USE CONFLICT IN THE URBAN FRINGE AND BEYOND: ATTEMPTS AT RESOLUTION

The findings of the local case study outlined in the preceding chapter revealed that, despite the adverse impact of both urban encroachment and general proximity on adjacent farmland and its managers, this has been insufficient to cause any major changes in farming practice. It was pointed out, however, that the cumulative impact of urban competition, interference, and conflict across the country as a whole, has generated agricultural, political and economic issues which, since the 1930s, have prompted wide professional, academic and media debate. This debate has encompassed problems encountered within the countryside in general, and thus, despite continued emphasis upon the urban fringe, this chapter widens its concern to include areas beyond the immediate urban periphery.

The first section summarizes the debate noting, in particular, the key issues which rose to prominence during the study period. Some knowledge of the background to these issues, and of the attitudes held by the advocates of the often diverse solutions prescribed, is considered essential for any persons who seek to find and implement effective remedial policies or projects on either a national or local scale. The second section details past attempts at regulating land use conflict noting the political, economic and legislative factors which have prompted action. In the third section, attention is directed to attempts at comprehensive conflict resolution, citing in particular land use management experiments undertaken in urban fringe localities. The fourth section shifts attention from local and sub-regional initiatives to the progress made, albeit limited, towards developing a comprehensive national strategy for countryside land use and management. Finally, in the fifth section, the discussion is re-focussed upon the study area with an examination of the past record of policies and projects aimed at countryside conflict resolution.

12.1. COUNTRYSIDE CONFLICT - THE KEY ISSUES

Over the past 50 years, the key countryside issues to claim legislative, academic and public attention have been related to land loss to urban development, recreational conflict, and countryside conservation. Emphases have changed over time with a shift in the 1970s away from the persistent decrying of, 'the evil waste of urban sprawl', 'the carving up of farmland by new roads', and the 'inundation of the countryside by unthinking recreationalists', towards internal countryside conflict. The latter, principally associated with the conflicts between modern agricultural practices and landscape and wildlife conservation, has fuelled vociferous and often acrimonious debate and claimed considerable media coverage. Essentially, all of these issues are concerned with the preservation of agricultural land or of particular types of agricultural management practice.

The proponents of agricultural land preservation, whether self or government appointed groups, include planners, geographers, economists, ecologists, politicians, journalists and agriculturalists. Some claim to represent agricultural interests, some are supported by interests, often unstated, in landed capital, whilst many represent only perceived agricultural interests with varying degrees of accuracy. All purport to be defending national interests and resources.

The farmers as a body have been less vociferous on the question of agricultural land preservation. They have no consensus viewpoint on land displacement because of vested interests in land sale for development, and issues relating to urban and recreational conflict are generally considered to be of secondary importance to economic issues concerned with trade tariffs, quotas and government subsidies. When farmers have entered the debate, their energies have been directed to defending any challenges to their perceived rights, as owners to retain or dispose of their land without intervention, or as managers to pursue their

agricultural occupation unimpeded by urban or environmentalist interference. Hence, they have shown a more concerted opposition to the conservation lobby.

The champions of the other user groups have been similarly concerned with their 'rights' to pursue their chosen objectives whether these be land development, unrestricted access for recreation, or wildlife appreciation. All groups involved in countryside conflicts can, if challenged, present their case in terms of 'the public good', i.e. the production of food for the nation, the provision of reasonably priced homes, or the protection of the national heritage. Each group, however, is primarily motivated by self-interest rather than the pursuit of wider social goals and this must be recognized and accepted by any externally appointed groups or individuals who seek to mediate on issues of countryside conflict.

i) Agricultural Land Displacement

Concern about the loss of agricultural land to urban development has underlain much of the planning philosophy and legislative controls applied during the post war period (Hall, et al, 1973). The concepts of land preservation and urban containment formed central tenets in the : influential work of Stamp who undertook his land utilisation survey during the 1930s (Stamp, 1948); the recommendations of two major reports by the Barlow and Scott Committees (Report of the Royal Commission on the Distribution of Industrial Population, 1940; Ministry of Works and Planning, Report of the Committee on Land Utilization in Rural Areas, 1942); and in the first comprehensive planning legislation enacted under the Town and Country Planning Act, 1947. Since 1947, the planning of urban development has continued to be founded upon the premises that agricultural land is a valuable national asset and that urban sprawl is an unacceptable form of development on social, economic and aesthetic grounds.

This agricultural protectionist philosophy represented a response to the voracious demands of interwar development upon land resources. The fears engendered by the rapid visible expansion of towns, ribbon

development and settlement coalescence appear to be substantiated by statistics on land loss for the 1930s when 25,000 hectares per annum were displaced by urban development (Best, 1981). It should be noted, however, that accurate land loss statistics postdate the imposition of the restrictive planning policy and legislative measures which were largely based upon limited facts, powerful emotions, political lobbying and the personal visions of a few eminent and persuasive planners.

Few challenged the tacit belief in these policies although over the years, some notable voices of dissent have been heard. The first well-known example was Dennison who, in his minority report submitted to the Scott Committee, argued against the 'onus of proof' doctrine contained within the major report. He questioned the economic basis of this doctrine, which proposed that agricultural land of good quality should not be developed unless a clear case could be made that a change of use was in the national interest, and pointed out the potential costs for urban dwellers. Beginning in the 1950s, Wibberley (1959) propounded the need for balance and harmony between agriculture and other land uses and, over the following three decades, gained wide recognition for his views on countryside planning (Davidson and Wibberley, 1977; Best, 1982). In particular, he prompted a questioning of agricultural fundamentalism and condemned the notion that agriculture always equals 'good' rural land use (Wibberley, 1981). Returning to the social and cost implications of long-term urban containment, Hall et al (1973) concluded that, whilst post-war planning policies had undoubtedly reduced the rate of agricultural land loss, they had also led to high land values, high density urban development, and social polarization based upon ability to pay for the luxury of space.

Another challenge to the protagonists of land protection was based upon a questioning of the accuracy of land loss statistics. This was led by Best (1968; 1976a; 1977; 1979; 1980; 1981; 1984), but several

other academics voiced their support (Fordham, 1974; 1975; Anderson, 1977). On the basis of their assessments of land use change, this group concluded that past containment policies had succeeded in reducing agricultural land loss to a reasonable level (by 1979 the rate had fallen to 8,000 hectares per annum), and that there was no cause for alarm about the future nor any need for more restrictive planning measures which may be socially inequitable. Moreover, Best (1981) revealed that both in terms of rates of loss to urban development and the proportionate area of the country already covered by urban development, Britain (and even the more densely developed area of England and Wales) compares favourably with other EEC countries.

In reaching their conclusions, these researchers recognized that, whilst planning restraints have been important, several major demographic and economic trends have been primarily responsible for the slowing rate of transfer. In particular, lower rates of population growth and the general economic recession have together led to a reduction in demand (both latent and effective, Chapter 5.2) for housing and other urban facilities. Without reviewing these trends, which are widely documented elsewhere, it is sufficient to state that they have necessitated the revision of growth scenarios in many national and local planning documents, and have inevitably reduced the urgency of calls for increases in land protection.

However, the effect of national trends may be complicated by other factors. This is acknowledged by Best and Champion (1970) who demonstrate that high regional rates of land conversion can be recorded in areas with a declining or stagnating population. Notably, they attributed the high rates of land conversion recorded by County Durham during the 1960s to 'the increasing adoption of more adequate and reasonable standards of urban living space'.

These researchers have also pointed out that one notable demographic

trend of this period, that of counter-urbanization, has been thought to have had the opposite effect of increasing rates of land conversion, because the focussing of growth upon smaller settlements has led to an increase in the amount of land loss per head of population (Wibberley, 1965; Best and Rogers, 1973).

Other writers have based their challenge upon the weakening case for land protection given increasing agricultural productivity under modern farming techniques. Against this background, Clawson and Hall (1973, 285) commented that,

'... the overwhelming desire of the British to preserve their agricultural land - to protect it against urban encroachment - seems an aggravated instance of resistance to change'.

The arguments for agricultural expansion and increased self-sufficiency (White Paper, Food from Our Own Resources, 1975) were questioned in a succession of land budget studies (Edwards and Wibberley, 1971; Centre for Agricultural Strategy, 1976; Wise and Fell, 1978). Despite differences in their estimates, these studies, compiled for up to the year 2000, indicate that,

'... forecasted transfers of farmland to woodland and urban growth will not affect the ability of agriculture to feed a growing population and to maintain, or even increase, the level of self-sufficiency in temperate food' (Best, 1981, 114).

This conclusion has subsequently been further strengthened by the United Kingdom's full integration into the European Economic Community, a factor not taken into account in these land budget studies.

Membership of the EEC and the position in the late 1970s and 1980s of produce surpluses and heavy government expenditure on guaranteed prices (Clout, 1984; Neville-Rolfe, 1984; Body, 1985) increased the level of dissent on land protectionist policies. Some of the opposing voices were well-known, for example, Wibberley stated,

'A new day has dawned in relation to the availability of land in Britain. Let us now start using it for all the urban and rural people of these islands and not just the 100,000 odd of farmers and landowners who now own and rent it but who are now beginning to wonder what on earth to do with it.' (Wibberley, 1987, 5).

Others were less familiar. For example, in a DOE Planning Policy Guidance Note, the following comment is made,

'However, at a time of surpluses in agricultural production, it no longer makes sense to retain as much land as possible in agricultural use, though the need for an efficient and flexible agricultural industry remains as important as ever. The need now is to foster diversification in the rural economy ... and to balance that need against protection of the environment without giving agricultural production a special priority.' (DOE, 1988b).

This reflects the extent of the change in the economic and political context for policy-making on land protection and urban containment during the post study period. As a result, individual opponents of agricultural fundamentalism no longer stand out.

The agricultural protection lobby has not, however, been without its protagonists amongst both professionals and academics. These have not been deflected by the successive challenges to their position. One notable example is Coleman (1976; 1977a; 1977b; 1978; 1980; 1982), who has relentlessly decried the wisdom of reliance upon statistics and upon arguments based on often short-term trends. Using evidence from her land utilisation survey, Coleman (1961; 1978) urgently sought to alert academics, politicians, planners, and the public in general to the, 'despoilation and wastage of the nation's assets' and to her projection that 'the entire farmland resource of England and Wales will be consumed in 400 years' (1978). She identified not only the extent of actual losses to development, but also of the indirect loss or sterilization of land arising from uncertainty and expectancy of future losses (this process is discussed in Chapter 11.3). Adopting a long-term national and often international viewpoint, she maintains that the continuing loss of often the highest quality land threatens both the food producing

capacity of Britain and results 'in serious additional food stress in a hungry world' (Coleman, 1982). She has remained unconvinced by economic arguments based on productivity levels or membership of the EEC. With respect to the latter, she stated,

'I cannot agree that we can rely on Europe. The present food mountains are really molehills which would feed us for a few weeks only.'(Coleman, 1978, 53).

However, several writers consider her projections of past trends to be over speculative and emotional (Best, 1980; 1981) and have condemned the over sensational presentation of her findings by the media which has promoted an exaggerated and distorted picture of the situation. Others have challenged detailed points, most notably the claim that development is often selective of the best quality land (Best and Swinnerton, 1974; Gilg, 1975).

It is the view of the writer that an acceptance of the non alarmist land conversion statistics, upon which considerable agreement exists, should provide the basis of future land use plans, but that policy decision-makers should not dismiss, nor be complacent about, the long-term implications of land loss. Too much reliance should not be placed upon the continuation of economic and demographic trends which may well be transitory given their history of often cyclical fluctuation. It is considered, however, that the call to protect agricultural land should not be an unconditional response to development proposals and that, in accordance with Dennison's views of 40 years ago, the unquestionable value of land assets should be carefully weighed against the social demands for more and better living and working facilities, and for increased open space and recreational amenities. For example, opportunities to provide homes with improved living standards (which are widely sought by society and not merely proposed for speculative gain or architectural whim) should not be sacrificed unnecessarily to protect agricultural land which is less valuable in terms of its welfare and economic utility

(Smith, 1977). On the other hand, it is recognized that it is naive to assume that policy decision-makers will necessarily be able, or permitted, to make balanced judgements on the use of land given the monetary and political pressures associated with land development and the need to provide homes and jobs, promote enterprise, and sustain or increase land values.

Increased fears of undue pressure upon agricultural land resources (Hick, 1987) have been understandably produced by the national policy context set in the 1980s by several government circulars on land for residential development, and planning mechanisms (Circulars 9/80, 22/80, 14/84, 15/84, 2/86), and by two White Papers (1985 and 1986) which emphasize the importance of facilitating 'needed development' and removing barriers to new enterprise. The publication of Circular 16/87 also raised questions about the level of priority accorded to the conservation of agricultural land given its weakening of the MAFF consultancy procedures on development applications (Section 12.2).

Against this background of a free market philosophy, it is considered necessary for the more alarmist voices amongst agricultural fundamentalists, economists and geographers to continue to be heard. Thus there is an important role for groups such as the Land Council, a coalition of concerned professionals, farmers, politicians, landowners and academics, which was set up in 1977. It was originally formed to,

... 'foster a better understanding and use of land and to encourage a more rational system of land-use accounting and management. To further its work, the Council registered itself as a charitable trust known as the Land Decade Educational Council and designated Land Decade 1980-1990 as the period during which it would pursue its aims.' (Moss, 1981, 11).

The Council's protectionist stance and criticism of the planners produced some early critics, but its warnings have become increasingly recognized as necessary as the planning system has been progressively weakened by government policy (Hebbert, 1981).

One of the objectives of the Land Council which is to obtain and publish accurate facts about what is happening to land, is considered important by all involved in the land displacement debate. It is therefore vital to press government for the collection and publication of improved statistics on agricultural land loss and sterilization. The provision of data by all relevant bodies with access to information on land use change should be made mandatory, and a half-hearted response such as that made by local authorities to Circular 71/74 should not be tolerated (Rhind and Hudson, 1980).

In addition to the need for statistics on what has happened, it is important to assess the likely scale of future changes. There is therefore a need to identify and monitor the level of national and local priorities attached to the protection of the country's finite and often vulnerable land assets.

These views relate only to the question of land use needs and food producing capacity within Britain, and no attempt is made to adopt a global stance in relation to land and food requirements. No defence is made of this, perhaps myopic perspective, except to state that consideration of the accuracy and ethics of emotive and broad sweeping statements such as,

'Every acre of soil sacrificed to a new road, a new factory, a new school or a new home will have its repercussions in terms of human suffering and death somewhere in the world' (Coleman, 1980, 233),

would have involved undue digression from the subject matter of this thesis.

ii) Urban Interference : Recreational Pressure

As revealed in the local survey, urban interference in farm management may be associated with direct encroachment, the problems of immediate proximity to a population with differing perceptions of, and uses for, the countryside, and wider recreational pressure. The first two categories have been studied in depth by many surveys (see Chapter 11)

but at the national policy-making level, greatest attention has been given to the impact of general recreational pressure upon farming practice.

The demands of recreationalists can have both a direct and indirect impact upon agricultural land and its managers (Chapter 11.3 and 11.4). In the former instance, recreational facilities compete for, and often displace, agricultural land. However, it is the indirect impact, associated with demands for the multiple usage of farmland, which has generated most debate. Conflict has centred on questions relating to the rights of access to, and control over, land.

Recreational pressure has increased since the 1960s as a result of trends towards shorter working hours, longer holidays, increased car ownership, the rising popularity of outdoor sports and, more latterly, of environmental education (Patmore, 1970; Keenleyside, 1971; ACAH, 1978). This demand was formally recognized and, indeed, overestimated (Phillips, 1983) in the 1966 White Paper, *Leisure in the Countryside*. Its recommendations led to the influential *Countryside Act, 1968* which prompted many of the initiatives taken to improve countryside recreational provision during the study period and beyond. In particular, this Act promoted the integration of uses and users, as demonstrated in the wider remit given to the National Parks Commission (established 1949) which, with its new responsibility for outdoor recreation and landscape conservation within the countryside as a whole, was renamed the *Countryside Commission*. In addition to this body, a new composite body of agencies entitled the *Countryside Recreation Research Advisory Group (CRRAG)* was set up to give specific advice on recreational provision to be implemented under the Act. This body initially comprised representatives from: The British Tourist Authority, Forestry Commission, Nature Conservancy Council, Sports Council, Water Resources Board and the *Countryside Commission* (Batty, 1974). Noticeably, neither MAFF nor other groups directly concerned with the farmers' interests were represented.

There followed a period of enthusiastic activity as local authorities, encouraged by government grants, sought to implement the Act by: providing country parks and picnic areas, waymarking footpaths and bridle paths, and by promoting general public awareness of countryside attractions and facilities. Some immediate conflict took place as farmers resented the intrusion onto 'their land' and the ensuing interference with their farming practices. Their cause was taken up by the powerful national farming organizations and, to some degree, by MAFF and, at the Countryside in 1970 Conferences, representatives of all 'sides' met together and endeavoured to present their cases.

The conference delegates agreed that there was a need for increased co-operation and respect between land users and for the promotion of greater understanding between recreationalists and their rural 'hosts'. In particular, there was general agreement on the need for improved countryside interpretation schemes, wardening services and farm open days. The farmers, via their representatives, were encouraged to consider recreation and tourism as an opportunity to diversify and increase their income potential rather than as a direct threat (Davidson and Wibberley, 1977).

However, away from the conference room, hostilities continued. From the farmers' viewpoint there were two main points of contention. First, they considered the urban-based interference in running their increasingly efficiency conscious industry to be unwarranted, representing a situation which would not be tolerated by urban or other rural-based industries. In particular, they were incensed that such interference should not only be condoned, but also encouraged, by government action. Second, they continued to argue about the fundamental question of land rights (Weller, 1976a; Coleman and Feaver, 1980). Most owner-occupiers were emphatic in maintaining that their legal status encompassed control of access onto their land and of all activities carried out upon it, except where

stated by legal statute. In opposition to this view, representatives of the population as a whole and of particular recreational interest groups, were equally insistent upon the rights of all citizens to be able to gain access to land which is 'a national asset and heritage for all to enjoy'. When this claim appeared to be endorsed by the Countryside Commission's heritage theme in the 1970s, it prompted loud objections from landowners who said that the 'heritage notion' implied that public interest transcended the rights of private ownership (Phillips, 1983).

Under the National Parks and Access to Countryside Act, 1949, the public are permitted free access to open country for recreation (mountains, moor, heath, downs, cliffs and foreshore). This right was extended in 1968 to woodland, rivers and canals, but it does not apply to other parts of the countryside. However, British law has proved relatively ineffectual in the prosecution of trespassers and vandals on private land and thus, in practice, farmers and landowners appear to have limited legal protection. This inevitably undermines their power and control over actual land usage. Elsewhere, notably in Canada (Gayler, 1982), the United States (Clawson, 1980), New Zealand (Department of Lands and Survey, 1979) and Greece (Lichfield, 1980), landowners' rights are more stringently protected and are even, in some instances, treated as sacrosanct.

With respect to this issue of recreational conflict and visitor pressure, national attention has been focussed upon three types of area, the National Parks (ACAH, 1978), the countryside adjacent to traditional 'honeypots', i.e. attractive beaches, national monuments and major tourist attractions (Davidson, 1974), and urban fringe localities where casual contact is increased because of the interpenetration of urban and farming land uses. The problems of these areas have been the subject of considerable research by academics (Ferguson and Munton, 1979) and by government agencies and parliamentary committees (House of Commons Expenditure Committee, 1976; Countryside Commission, 1981a; 1983). In

particular, the Countryside Review Committee, which was set up in 1974 to review the state of the countryside and the pressures placed upon it, has produced a series of reports which examine different aspects of this problem (CRC, 1976; 1977a; 1977b; 1978; 1979). This committee chaired by the DOE, included representatives of MAFF, the Countryside Commission, Nature Conservancy Council, Forestry Commission, Sports Council and Development Commission.

The pressure on urban fringe areas has not simply arisen because of physical proximity to the built-up area, but may be partly attributed to the planned diversion of recreational usage to urban fringe 'buffer zones' (although the extent to which this policy has succeeded in diverting demand has been questioned (Harrison, 1983)). This policy, consolidated in 1974 when the Countryside Commission offered specific assistance to urban fringe recreation schemes, angered many urban fringe farmers. They felt that their land was being sacrificed for the sake of more distant farmland on the premise that, given they already suffer from disruption, they may as well accept more pressure and adapt their farming practices accordingly.

Despite the protests of these farmers and their representatives (Dent, 1980/81), the concept of urban fringe 'multiple land use buffer zones' has remained a part of countryside planning policy. The wisdom of this is still questioned, but debate has become more focussed upon specific questions about who should pay for recreational provision and its attendant agricultural disruption, and upon whom should the organizational responsibility rest. The farmers as a group maintain that they should receive some financial recompence for the costs associated with: the setting aside of land for recreational access and its corollary, the withdrawal of land from food production; the maintenance of footpaths; and the repairs which are necessitated by accidental or malicious damage to fences, walls, and crops by the recreationalists. It has been suggested

that government or local authorities should pay these costs (Feaver, 1982), but others (McCallum and Adams, 1980) consider that this would place an unfair burden on taxpayers in general, and that the costs should be borne directly by the recreationalists. This latter suggestion is, however, untenable on practical grounds especially in relation to casual recreational users who, together, exert the greatest pressure.

The question of costs and payment becomes more complex when the farmer himself obtains either direct or indirect financial rewards from being host to recreationalists, for example, where a farmer is paid rental for pony grazing and stabling, or makes extra farmgate sales to his urban visitors. So far, this debate remains unresolved with no single group willing or able to sustain the necessary costs especially in a time of economic recession and restraint upon public spending. Yet there has been some limited progress notably in the negotiation of access or land management agreements for which the farmers receive payment. These have usually been arranged in the context of the wider land management experiments discussed in Section 12.3 below.

iii) Conflict between Agriculture and Conservation

Similar conflicts and questions relating to who controls, who pays and who benefits, have dominated the issue of agriculture versus wildlife and landscape conservation. Conflict on this issue intensified during the study period culminating in the vociferous wrangles which both preceded and followed the enactment of the 1981 Wildlife and Countryside Act (Anderson, 1982; Moore, 1982; Weatherhead, 1984). Beyond the study period, the mid 1980s saw some moves towards conciliation and compromise.

The conservationist lobby seeks to protect and enhance the national heritage of flora and fauna and the 'traditional' rural landscape with its 'harmony' of fields, woodland, rough grazing and vernacular architecture (Weller, 1976b; Westmacott, 1976). Traditionally, responsibility for maintaining this countryside heritage has rested on the farmers who have

been the accepted 'stewards and guardians' of the countryside landscape (Weller, 1976b; Anderson, 1982). Despite continuously changing methods of farming practice and land management, the farmers have, until recently, maintained a comparatively familiar landscape (at least since the Enclosures). Confidence in their ability and desire to protect the countryside has, however, been undermined by recent trends in agricultural intensification and modernization which have led to major changes in the landscape and in wildlife habitats (Westmacott and Worthington, 1974). The most significant of these have arisen because of hedgerow and woodland removal to accommodate modern machinery, land drainage, and the improvement of rough grazing land. Many have been prompted by the price guarantee system payable under the Common Agricultural Policy which has encouraged farmers to increase production, and by specific MAFF grants for farm amalgamation, hedgerow removal and land drainage, (Berendt, 1975; Clout, 1984; Body, 1985).

Government sanction of these changes in agricultural practice which have often been made with little consideration for their environmental consequences, has been widely condemned by conservationists (Shoard, 1983; Lowe and Halling, 1984). . Thus, in 1984, Conder of the CPRE commented,

'The country is thus faced with the disturbing spectacle of agricultural operations with the aim of producing crops already in surplus, subsidised gratuitously in several ways by public money, and causing environmental problems which can only be averted by use of further public funds.' (Conder, 1984, 18)

Several writers have called for the refusal of capital grant aid where projects may have a detrimental impact upon the landscape or wildlife habitats (Lowe, 1984), although Shoard (1983) acknowledges that this would have a limited effect because the majority of changes are financed by private investment funds. However, at the least, the application of landscape and wildlife criteria to submissions for MAFF capital grant aid, as recommended by the Advisory Council for Agriculture and Horticulture

(1978) would ensure that the situation is not worsened by the use of taxpayers' money. Others, (Shoard, 1980; Conder, 1984) including some political groups (notably the Labour Party) are committed to seeking an extension of existing planning controls to prevent agricultural changes and building works which are detrimental to the environment. This would end the freedom from planning control which has long been enjoyed by the farmers (Weller, 1983) and has been the envy of other industrial land users.

Widespread support was gained for the conservation cause during the 1970s as increasing proportions of the rural population were not connected with agriculture and, as media coverage mobilized public concern (CPRE, 1975). Increasing pressure was thus exerted upon government policy to introduce greater controls upon the farmers' actions. The farmers themselves, whose image has been transformed from the 'trusted stewards' to the 'self-interested agri-businessmen' (Lowe, 1982), responded in unison to this conservationist criticism of, and interference in, their industry. Given the widely acknowledged political power of the agricultural lobby (both of the National Farmers' Union (NFU) and the Country Landowners' Association (CLA) (Donaldson, Donaldson and Barber, 1975; Lowe and Goyder, 1981)), their opposition could not be ignored.

Essentially, the farmers considered it to be their right to pursue modern agricultural practices which increase their efficiency, income, and productivity levels; objectives which are strongly encouraged by both government policies and EEC directives. Many farmers could not comprehend the conservationists' concerns especially about landscape since, for them, an efficient uncluttered landscape farmed to its maximum capacity is a far more pleasurable sight than an untidy and less productive juxtaposition of crops and woodland (Falque, 1979). Even amongst those farmers who were sympathetic towards the aims of the conservationists, sensitive environmental management was considered to be of secondary importance to

their primary task of efficient food production.

Thus, the farmers publicly pronounced the professional conservationists and amateur environmentalists to be 'meddlers in their domain', and the planners as their proposed 'watchdogs' were dismissed as bureaucrats lacking in both basic knowledge and understanding of agricultural matters (Lowe and Halling, 1984). However, a few years later, in recognition of widespread public and political support for environmental issues, the farmers began to moderate their arguments, trying instead to demonstrate that they still 'care' and accept their 'time honoured responsibility as countryside stewards' (CLA and NFU, 1976; Anderson, 1982). Yet this move towards a moderate co-operative stance did not diminish their hard economic realism and the strength of their resolve that the adoption of the role of landscape gardener, whether voluntary or enforced, commands a price. In defence of this position, the farmers claim the injustice of expecting them not only to forego potential income, but also to pay for the upkeep of the environment, for the benefit of others. These views, which have also been widely expressed by farmers abroad when facing conservationist pressure (Clout, 1984) are also supported by a large number of professionals and academics (Weller, 1976c; Holesgrove, 1979; Feaver, 1982; Body, 1984) although some (Shoard, 1983), still consider compensation payments to be unjustified.

The strength of the farmers' collective political lobbying power and ability to fight against government interference in their management practice was clearly demonstrated in the passage of the Wildlife and Countryside Act, 1981 (Lowe, 1984). The conservationists' cause was immediately hampered by the change of government in 1979 and the loss of the Countryside Bill (1978). The Conservative Government, which traditionally favours the farming community, produced a new Wildlife and Countryside Bill (1981) in which, the protection of the countryside

was made largely dependent upon the pursuit of voluntary management agreements negotiable with substantial compensation payments, despite increasing unease about their effectiveness (O'Riordan, 1980). These agreements were a point of controversy throughout the parliamentary debate and, immediately after its enactment, the Act as a whole, was denounced by conservationists as 'impossibly expensive', 'ineffective', 'weak', and a means merely of 'giving farmers the right to large compensation payments' (Shoard, 1983; Conder, 1984).

During the mid 1980s, increasing recognition of the need to reappraise agricultural policy led to a fundamental change in attitudes towards environmental conservation (O'Riordan, 1985). The conservationists maintained their pressure (CPRE, 1984), whilst the agricultural lobby, notably MAFF, the NFU and CLA (1984) recognized the need for an adjustment of their political tactics. The farmers, becoming mindful of the need for more flexibility and diversification, began to view government aided conservation works as more attractive. In consequence, moves were made to pursue avenues of common interest as illustrated in the preparation of a joint strategy by CPRE and the CLA aimed at promoting more explanatory, advisory, and financial initiatives regarding environmental conservation in day to day farming. Other initiatives and reports of this period also contributed to a more integrated and ameliorative approach to this key conflict issue. For example, in a paper examining the working of the Wildlife and Countryside Act, the House of Commons Select Committee on the Environment (1985) recommended increased interaction between the farmers and conservationists, a notification system for all agricultural grants, and positive payments for conservation investment. Within the European Community as a whole, emphasis was placed upon the integration of rural activities and environmentally sensitive land management. Under EEC directive 797/85 member governments were entitled to take special measures to sustain agricultural production compatible with the protection

of environmentally sensitive areas (Roome, 1986). The EEC also funded an experimental project on integrated rural development in the Peak District (Parker, 1984; Hodge, 1986) which, in addition to economic and community initiatives similar to those encouraged by the Development Commission's Rural Development Area Programme (Development Commission, 1984), included assistance for conservation measures on farmland.

Throughout this debate, attention has not been centred on rural-urban fringe areas. Rather, the battle has been most fierce in the highly productive lowland areas where agricultural intensification has been most pronounced. In reflection of this, the agricultural versus conservation issue did not emerge as significant in the local farming case study since neither the physical characteristics of the area nor the structure of its farm holdings have been conducive to the major changes in agricultural practice found, for example, in East Anglia.

Nevertheless, conflicts, particularly in relation to landscape preservation do arise in the urban fringes especially when adjacent residential dwellers become protective about their views and the visual setting of their houses. This has been widely demonstrated in examples of strong opposition to different types of farmer responses to urban pressure and encroachment, e.g. to intensification and the introduction of industrial farming techniques, and to under utilization prompted by uncertainty about future development (Chapter 11.3).

The resolution of environmental conflict in these areas is important, not only as a means of improving relations between farmers and their urban neighbours, but also as a method of environmental education for both groups. Compromise over land usage in familiar countryside near the town may a) encourage other farmers to minimize conflict and adopt a more environmentally responsible approach, and b) educate the urban dwellers to recognize and uphold general conservation ideals (and not simply 'ideals' which relate to the protection of

their own self-interest).

Specific examples of progress towards the resolution of agriculture versus conservation conflicts within urban fringes and in other selected areas are discussed below in relation to particular comprehensive land management experiments. Outside of these designated areas, despite the improved attitudinal background for action, wildlife and landscape protection is still largely dependent upon voluntary initiatives.

iv) The Key Issues - Concluding Comments

Conflict within the countryside can occur between agricultural landowners or their tenants and prospective purchasers, casual land users, adjacent residents, and the State. It can be direct between individuals on the ground, or indirect in debate between representatives, both official and self-appointed, of the individual interest groups.

Most of the fundamental problems arise because of questions relating to the:

- a) extent of individual proprietary rights regarding land usage and disposal;
- b) justification for state intervention in land transactions and use decisions;
- c) validity of concepts relating to the public's right of access to, and say in, the national heritage of land, landscape, and wildlife;
- d) measurement of economic versus social and environmental utility.

Conflicting opinions as to whether the satisfaction of private interests threatens or enhances the public good in relation to land usage underlie differing political beliefs. Given the British democratic system, policy measures reflecting these basic opinions tend to fluctuate with national and local government changes. It is through these policy measures, especially those made at the national level, that an attempt

is made to apply social, aesthetic and long-term economic criteria to individual land use decisions and to the land market in general which, alone, tends to operate on the basis of short-term economic factors.

The protagonists of increased state control are a diverse group seeking to control greed and land misuse, whether by a developer making money out of excessive urban sprawl, or by a farmer seeking to produce more and more crops at the expense of landscape and soil quality considerations.

The evaluation and determination of land use and user priorities is the most difficult task of those seeking to resolve conflicts whether at the national (Section 12.4) or local level. Priorities must be allocated to the potentially conflicting objectives of, for example, on the one hand increased food production, and on the other hand, improved living space or greater recreational opportunities, or enhanced aesthetic pleasure. Pressure is exerted by the individual interest groups many of which hold entrenched viewpoints, although in reality, most of their members are themselves affected by these conflicting objectives. Ultimately, power, political expediency (local or national) and money determine both the allocation of policy priorities and actual land use decisions.

Policy statements may reflect: the domination of one user group, an acceptance of the inevitability of continued conflict (albeit veiled in platitudes about future resolution), or a genuine attempt at compromise and co-operation. Examples of the latter do exist particularly amongst policy proposals designed to effect local or sub-regional improvements. Evidence of this co-operative approach at the national level, in both policy documents and enacted legislation, is scant perhaps reflecting the lower popularity and political credibility of policies which appear to be seeking to appeal to all groups and are thus vulnerable to making

little visible impact. Most of the regulatory legislation relating to land usage appears rather to demonstrate the dominance of particular groups and their objectives, e.g. the commitment of the planners to urban containment, and of the agriculturalists to productivity and modernization.

Section 12.2 below reviews the policy measures which have been particularly influential in controlling the use or change of use of agricultural land both in Britain and elsewhere. Both the singular approach to land use regulation and attempts at comprehensive management planning (Section 12.3) are considered in relation to their past efficacy. Where possible, emphasis is placed upon policy measures which have been applied in urban fringe situations.

12.2 THE REGULATION OF LAND USE CONFLICT

Within Britain and elsewhere, two types of policy measure have been used in an attempt to protect agricultural land from unrestricted development, and specific environments from change. These recognize that agricultural usage can never compete with urban uses in relation to economic returns and, on the same basis, traditional forms of land management cannot compete with modern farming practices. Essentially the measures have involved intervention in the land market and use decisions by:

- i) preventing direct competition taking place, i.e. by
the imposition of planning and transaction controls;
- ii) increasing the competitive strength of the agricultural
position by a mixture of differential taxation and direct
financial inducement.

i) Controls on Land Use Transference

In Britain, these are enforced under town planning development control regulations which are applied on the basis of approved land use plans and policy statements (Chapter 7). Under these regulations, local authorities can control the conversion of agricultural land to other uses, but as yet, they are powerless to influence changes within the agricultural

use category. The regulations are operated on a national basis, although there is room for some local discretion in their application. Elsewhere, for example, in the United States, New Zealand, Australia, and the Netherlands similar but often less rigid zoning ordinances are applied to prevent conversion to urban development, and in some countries such as Denmark, changes in agricultural practice (Platt, 1977; Harmer and Webb, 1978; Holesgrove, 1979; MAF Wellington, 1979; Clout, 1984).

Planning controls are frequently condemned as over restrictive and negative since they promote agriculture only by preventing the conversion of land to other uses. Although this negative aspect is dominant where, for example, a decision is taken to protect high quality (Grades I and II) land, agricultural protection may be viewed as part of a positive plan to maintain or enhance an Area of Great Landscape Value, National Park, or to create a green belt or green wedge. In some countries areas are designated as 'rural zones' (Denmark - Clout, 1984), or agricultural development zones or districts (Platt, 1981; Gayler, 1982) where negative planning controls are generally applied in tandem with positive management agreements. These are discussed further below.

Attitudes towards land use controls are very varied. Some, particularly those landowners or prospective purchasers whose plans have been thwarted, condemn past policy measures as too restrictive, whilst many others both in Britain and abroad have criticized them for being inadequate. The most frequently cited criticisms have related to the:

- a) insufficient level of protection afforded to agricultural land especially in the United States where zoning ordinances can be easily overcome (Platt, 1981);
- b) inadequate implementation of controls at the local level where there are varying degrees of commitment to agricultural land protection, even where it is of the highest quality (Gilg et al, 1975);

- c) short-sightedness of controls which, whilst preventing development in one particular area, initiate land loss elsewhere, e.g. leapfrog development beyond the green belt (Herington, 1984);
- d) inadequacy of controls which, whilst preventing conversion to urban use, cannot prevent the degeneration of agricultural land into derelict waste (Brodsky, 1973);
- e) ill-timed application of controls, especially when land subdivision has already progressed too far to protect agricultural land (McBride and Clawson, 1970; Brown et al, 1981);
- f) impermanency of controls and policies which results in uncertainty and often premature agricultural disinvestment (Gustafson, 1979);
- g) weakness of existing controls caused by the numerous exemptions for permitted development on agricultural land (Coleman, 1976).

Within the British context, decisions on land use are primarily taken by non agriculturalists although, for areas of land above a certain size, there has been a statutory requirement to consult MAFF on applications for development out of accord with development plans. Prior to 1971, applications for development on two hectares (5 acres) had to be submitted for consultation, but under Circular 71/71, this threshold was increased to four hectares (10 acres). Irrespective of the threshold, however, local authorities were not required to accept MAFF recommendations, if indeed the required levels of consultation were ever rigorously pursued. Moreover, although MAFF has had powers to request the DOE to arbitrate on disputed applications, this has not been an automatic response to situations of conflict. Despite pressure to increase the authoritative role of MAFF (ACAH, 1978), and successive

government claims reinforcing their commitment to the protection of agricultural land (for example, in Circulars 98/74; 75/76;), legislation introduced during the immediate post study period has merely undermined further the influence of the farmers and of their representative government ministry. The movement towards liberal, or many would state, lax planning controls (Hick, 1987) in the countryside, culminated in Circular 16/87 which raised the MAFF consultation threshold from 4 to 20 hectares (50 acres) and restricted it to Grades I, II and IIIA quality land. Thus, under this legislation, sizeable areas of high quality land plus all land classified as either mediocre or poorer quality are vulnerable to development. The decision to protect only certain categories of land is itself short-sighted since it can leave unprotected many highly efficient farm holdings located on mediocre land (Worthington, 1982). In order to prevent this, the land classification system was originally intended to include social and economic as well as physical criteria, but this was never implemented (MAFF, 1966; Gilg, 1978).

Outside of Britain, other forms of direct or indirect planning control over land use transference have been applied. These include limitations placed upon the provision or expansion of the public utilities necessary before development can colonize greenfield sites (Fisher, 1982), and direct moratoria on building permits (Gustafson, 1979). These, however, tend to be ad hoc controls applicable only in individual states or at particular times of extreme development pressure.

Whilst planning controls regulate land use decisions, direct controls on market transactions go one step beyond and seek to regulate basic user decisions in respect of acquisition and control. These controls can prevent initiation of the land conversion process which may take place long before permission to change use is sought.

Intervention may be in the form of restrictions imposed on agricultural land purchase by particular groups. For example, in Germany,

Denmark, Sweden, France and Finland, permission may be required for the purchase of agricultural land by non farmers (Chassagne, 1979b; Ikaheimo, 1979; Mrchs, 1979; Lapping and Foster, 1982). Alternatively, direct state intervention may involve the voluntary or compulsory acquisition of agricultural land in areas designated as agricultural districts or protection zones, or the purchase of development rights in order to ensure maintenance of the land's agricultural usage. Such measures have been used in the United States (Gustafson and Wallace, 1975; Platt, 1977; Bills, 1979; Gustafson, 1979), Canada (Gayler, 1982), and in France (Chassagne, 1979b).

These areas are generally sustained or, in some instances, initiated by voluntary participation by the agricultural landowners (Bills, 1979) who find them an attractive means of safeguarding their land and farms from the adverse financial and uncertainty effects of urban pressure. Sceptics and critics have, however, denounced these measures as ineffectual and a waste of government funds on the basis that:

- a) being short-term agreements, they merely postpone development (meanwhile permitting the farmers security of income from farm production whilst their land steadily increases in value ready for sale at the end of the ten year agreement period);

and b) they tend to protect unnecessarily land which is too far out from the urban periphery (Gustafson and Wallace, 1975; Bills, 1979, Fisher, 1982).

Moreover, Platt (1981) has pointed out that although the expenditure of public funds to purchase development rights may ensure that the land is not converted to urban use, it does not guarantee its retention as true farmland. He cites examples of land within protection zones which has been allowed to degenerate into idle waste. These policies have, however, been generally considered successful and have the advantage of public appeal

and political acceptability since they do not seriously challenge or infringe traditional rights.

In Britain, where landowners are used to more direct, and often compulsory intervention in the land market, the measures used have been primarily motivated by the desire to facilitate urban development rather than to protect agriculture. This is true of most compulsory purchase orders and of the legislation introduced under the Land Commission and Community Land Acts of 1967 and 1975 respectively which was influential during the study period (Chapters 3.3 and 9.3). These attempts at state intervention in the land market have generally united the landowners and farmers in opposing proposed or enacted controls. In each instance, their vigorous opposition was mounted not primarily in defence of agricultural land, but of their rights to dispose or not at will. The power and effectiveness of their lobby led to the eventual demise of both pieces of legislation (Chapter 9.3).

Despite the critics of direct intervention in market transactions who denounce compulsory measures as over restrictive, and voluntary measures as ineffectual, there is a steadily growing movement which considers the traditional view of the landowner's right to use or abuse his land to be no longer opportune (Corver, 1979). If this viewpoint gains wide support and eventual political acceptability and credibility, then intervention, preferably voluntary, at an early stage in the land conversion process may avert many subsequent conflicts.

ii) Interference in the Competitive Balance between Agriculture and Urban Land Uses

As stated above, agriculture can never compete with urban uses on economic grounds, but various measures, either to reduce the competitive edge of urban uses, or to increase the resistance of agriculture have been applied. Most of these have involved differing taxation policies.

In the United States and many European countries, higher rates of

taxation are not restricted to urban land uses, but are also levied upon agricultural land with urban development potential. As a result, farm incomes are reduced and greater pressure is placed upon the landowner to sell for development. Within Britain where there is current use valuation of agricultural land irrespective of its development value, such pressures to hasten land use conversion do not apply. On the other hand, the British system provides neither incentives to maintain agricultural usage, nor any strong deterrants to land sale for development. Various past attempts at introducing the latter have been made including, during the study period, Development Gains Tax (1974) and Development Land Tax (1976) which were levied on 'windfall gains' derived from the sale of agricultural land for development (Chapter 9.3). These were somewhat unsuccessful in fulfilling the dual aims of inhibiting land speculation and redeeming some of the profits of sale for 'the community'.

Examples of positive taxation measures which have been introduced with the intention of protecting agricultural land are found in the United States, New Zealand, France and Japan where systems of preferential or deferred taxation for the owners of agricultural land apply (Hansen and Schwartz, 1975; Chassagne, 1979b; Department of Lands and Survey, 1979; Kase and Yamaguchi, 1979). These measures, which seek to ensure that the agricultural use option remains economically feasible as long as possible, are most effective when combined with other positive measures designed to strengthen the agricultural industry. Examples include subsidies and grants to encourage the application of modern technology or the restructuring of uneconomic units. As may be expected, these measures have proved popular with the landowners since they are immediately beneficial without overly limiting future choice of action or degree of control.

There can be little argument that a strong agricultural economy helps to improve the competitive balance between agriculture and other land uses thus promoting greater resistance to development (Corver, 1979;

Gustafson, 1979). An example of the reverse position was seen in Britain during the agricultural depression of the 1930s when rates of land loss to development reached their peak. However, once again sceptics have questioned the value of such positive measures which are seen to be temporary and eventually doomed to failure in the face of concerted speculative pressure (Harrison, 1972; Hansen and Schwartz, 1975; Hushak, 1975).

iii) The Regulation of Land Use Conflict - Concluding Comments

Each of the above-mentioned measures has potential weaknesses in terms of its efficacy, cost and political acceptability. All to some degree represent interference, and most require the relinquishment of control and choice by the agricultural landowner or user, at least for a short-term period.

Although the compulsory acquisition of development rights and, to a lesser degree, planning control are potentially the most powerful methods of protecting agricultural land, they are not necessarily the most effective, given the level of hostility they can generate amongst opposing landowners and agriculturalists whose collective power may succeed in overthrowing or circumventing any legislative action.

In theory, an ideal form of protective control is one based upon a balanced and agreed land use strategy in which voluntary co-operation founded upon shared objectives, or at the least upon agreed compensation settlements, is obtained from landowners and users. However, this type of solution, which focusses upon co-operation and co-ordination, presumes the existence of mutual understanding and efficient communication between existing landowners, prospective users or purchasers, and policy-makers. To date, progress towards this state has been limited having been achieved only in some local instances. As will be discussed below in relation to proposals to initiate a national strategy for rural land management (Section 12.4), there are enormous problems in achieving co-operation and

effective communication between all of the different policy-makers involved let alone between all of the conflicting interest groups on the ground. Having said this, the progress achieved within the context of sub-regional scale land management experiments does give some basis for optimism. It is upon the objectives set, and the measures used to resolve, or at least minimize, land use and user conflicts by these experiments that attention is directed in the following section.

12.3 LAND USE MANAGEMENT EXPERIMENTS - ATTEMPTS AT COMPREHENSIVE CONFLICT RESOLUTION

Within Britain, the first significant moves towards a comprehensive management orientated approach to rural planning problems came with the Countryside Act of 1968. Not only did this set up a body with official responsibility for a variety of uses within the countryside (Section 12.1 ii), but also it introduced a legal basis for access agreements which has underlain subsequent management agreements for multiple land use.

Because of the complexity of the problems associated with attempts at comprehensive land management, action has been focussed upon clearly delimited 'manageable' areas. Much of the foundation work of applying theoretical management concepts on the ground took place in the National Parks of the Lake District and Snowdonia (Countryside Commission, 1969) where heavy visitor pressure in a vulnerable upland context created conflict problems. Within this section, however, greater attention is given to the later management experiments which were set up to tackle land use conflicts in urban fringe situations.

The land management approach seeks to bring together land users in an attempt to identify common goals. This must involve, to some degree, external manipulation and the imposition of policy measures. Initiation of action may require the use of compulsory measures, but it is generally accepted that for the long-term resolution of problems, voluntary and educational tactics are more likely to succeed. Management experiments

generally set objectives which are aimed at a combination of:

- a) preserving or enhancing current management practices;
- b) modifying them to accommodate more diverse objectives;
- c) changing current practices completely,

each of which again raises the questions of management by whom, for whom, and at whose cost.

Given that the early experiments took place in National Parks or Areas of Outstanding Natural Beauty, the areas involved were already subject to a range of planning control and landscape protection measures. The intention of the experiment managers was to combine these measures with policies aimed at promoting efficient agricultural production and facilitating recreational usage. Emphasis was placed upon the formulation of an overall land use plan designed to achieve an harmonious juxtaposition and integration of land uses. Inevitably, this externally imposed vision of a comprehensively planned countryside was often not shared by the land users and owners, many of whom refused to co-operate and even took action to thwart the realization of these plans.

Where successes were achieved, these had often been based upon ad hoc initiatives and co-operative interaction between the land management officials and individuals. Following increasing recognition of the need to build-up a management plan upon a foundation of common understanding and communication, the concept of management control changed emphasis. Significant progress towards gaining wide acceptance of this new emphasis was made at the Countryside in 1970 Conferences. There is, however, an enormous gap between the theoretical expression of a need for common understanding of the different interests, needs and aspirations of individual groups and the practical achievement of such. When articulated in a national forum comprising policy-makers, academics and the national representatives of major interest groups, this objective generated enthusiasm since it purported to placate all interests, and few group

representatives were willing to appear obstructive. When subsequently put to a practical test, many problems emerged.

The 'new' management approach presented both government and local authority officers with a far more difficult and time-consuming task necessitating: the setting-up of improved channels of communication; the undertaking of administratively complicated and often long-winded consultation procedures; and the acquisition of information and understanding of agriculturally related problems which were formerly considered to be outside their remit. From the farmers' viewpoint, it represented continued and, in some ways, increased interference in their practices, albeit offering some opportunity to express opinions and exercise choice in plans which affected their land. Some farmers held the opinion that involvement in discussions and correspondence with planners and conservationists merely meant time-wasting effort. They felt that at least under the old approach much of the work was done in offices elsewhere and, since most of the plans never got implemented, 'we were never bothered.' As a result, attempts at implementing the new management approach were often met initially by administrative obstacles, apathy, or suspicious and antagonistic farmers and landowners. Where successes were achieved, these can be credited to the enthusiasm and persistence of the appointed managers, the co-operation and insight of some landowners and interest groups, and to the continuing commitment and encouragement of the Countryside Commission.

i) Examples of British Urban Fringe Management Schemes

The first major experiment to be undertaken in an urban fringe context was located in the Bollin Valley south west of Manchester. Set up in 1972, this experiment was jointly sponsored by the Countryside Commission and the five local authorities involved. The objectives of this project plus the main management methods used, are given in some detail below because they typify the approach adopted in most subsequent attempts at comprehensive conflict resolution within urban fringe contexts.

The project had both the technical objective of preparing an acceptable and workable policy basis for land management in an area of predominantly privately owned land, and the practical objective of devising and implementing measures to achieve the plan's multiple aims. These were to protect and promote farming in the area, create recreational opportunities, maintain or enhance the landscape, and increase community awareness of, and responsibility for, the area (Countryside Commission, 1976). The major objectives of the planners and implementation officers were to:

- a) bring together all the different interest groups involved;
- b) obtain agreements to permit joint working;
- c) make use of goodwill and voluntary labour to undertake practical work;
- d) co-ordinate the use of available public and private funds.

In order to achieve these objectives, the following methods were employed :

- 1) the offer of assistance to farmers by undertaking improvement works and rubbish clearance, providing a wardening service at peak visitor periods, and re-routing awkward footpaths;
- 2) the establishment of both formal and informal liaison between the project officer and local planning authorities to ensure that consultation took place on any development proposals or planning policies likely to affect the amenity of the valley;
- 3) action to find alternative permissive paths where rights of way were opposed by landowners;
- 4) the designation of certain areas as suitable for recreation and others as unsuitable (being too sensitive in agricultural or ecological terms) and the application of access restrictions accordingly;
- 5) control over car parking;

- 6) the undertaking of an educational programme with the project officers giving talks to public organizations, schools and youth groups in order to increase local awareness and responsibility, and to encourage voluntary action in maintenance and construction work;
- 7) the acquisition of some privately owned land especially for reclamation purposes;
- 8) the procurement of management agreements from the owners of strategic sites.

Despite initial suspicion and hostility on the part of both land-owners and users, attitudes were reported to have 'mellowed' as work was seen to be successfully carried out. The practical projects completed prior to publication of the plan were considered to have been particularly important in inspiring confidence and minimizing hostility and resistance. Over the three years that the project ran, not only were 90 practical projects completed, but also some major achievements were claimed to have been made in relation to improving understanding and gaining shifts in attitudes. The planners and urban groups became more aware of, and sensitive to, rural needs, whilst many representatives of the farming community came to acknowledge the needs of the public and the local authorities. Whether such changes in, or moderations of, attitude could be maintained beyond the project period, i.e. beyond the time when co-operation on a reciprocal basis was considered to be advantageous, was an unknown at the time the report was published.

Whilst this project was taking place in the north west, a considerable amount of work on the pressures of urban fringe farming and on land use conflict resolution was being undertaken in the London Borough of Hillingdon (London Borough of Hillingdon, 1973; MAFF, 1978). Emphasis was placed upon the problems of urban containment, landscape conservation and recreational provision within a green belt context. Here, however, the primary objective

was improved policy-making and the completion of the Colne Valley Park Strategy rather than practical project implementation.

In contrast, the undertaking of practical improvement works was the main objective of a land management study undertaken in 1975 in another part of the London Green Belt. This was a joint study between the Countryside Commission, the GLC, Hertfordshire County Council and the London Boroughs of Barnet and Havering (Merchant, 1976; Countryside Commission, 1981 b and c).

There is no point in summarizing the aims of this project which were similar to those of the Bollin Valley Study, but several important conclusions drawn by this study are worth reiterating. The achievement of practical results was considered to be very dependent upon the quality of the project team. Enthusiasm, knowledge, willingness to learn, tact and ability to communicate were cited as necessary qualities for project officers who could successfully inspire confidence in, and maintain the credibility of, the project, and secure local co-operation. The other two cited preconditions for successful co-ordinated action were:

- a) the unification of administrative involvement, i.e.
organization to facilitate joint action across local
authority boundaries and across government (national
and local) departmental boundaries;

and b) the establishment of regular dialogue between all interested parties and agencies.

Finally, willingness to participate in schemes is associated with perception of potential benefits, and the project team found that the demonstration of these benefits via examples set on local authority owned land was an aid to achieving general acceptance of management agreements and projects.

Land management studies have not been confined to England and Wales, and the Countryside Commission for Scotland commissioned a similar

study in the Central Region of Scotland (McNab et al, 1982). This study focussed particularly upon the problems of underuse and dereliction, unattractive landscape, and recreational access. As in the previous study, the consultants stressed the importance of exemplary land management practice on local authority owned land. They also introduced the idea of performing a brokerage role between recreational groups in search of land and amenable landowners, an 'entrepreneurial opportunist' service which they recommended be continued by the local authorities after completion of the project. Other Scottish management projects have included the Clyde-Calders project which was set up in 1983, the Easterhouse Urban Fringe Project and, in the Lothian Region, the Edinburgh 'Green Belt Improvement Programme' (Jones, 1986).

Although each land management experiment or study has given valuable insights into the possibilities, pitfalls, and techniques of reconciling conflicts on the urban fringe, all have suffered from the fact that they have had limited finance and a limited timescale for implementation. The latter has proved to be a particularly strong constraint given the need to, a) move slowly in order to reduce local resistance and foster goodwill, and b) initially undertake a variety of projects in order to demonstrate the potential benefits to a wide range of participating groups. Both of these requirements have meant that the number and balance of projects needed to effect a significant comprehensive improvement within an area may not have been achieved.

Some critics have dismissed the experiments as 'one-off' case studies which have made little impact upon the large areas of countryside subject to land use and user conflicts. Such criticism may be, in part, defended by reference to the original aims of these management studies which were to provide an example of what could be achieved in the areas considered to be most under stress, and to initiate further work by local authorities and private groups. In response to the impetus they have created, several

local authorities have undertaken their own urban fringe land use studies, either as part of structure plan preparation exercises, or as specialist projects. These have included: Lancashire CC, Greater Manchester MC, Tyne and Wear MC, Cleveland CC, Staffordshire CC, South Yorkshire MC, and West Midlands MC.

In the late 1970s, a new initiative aimed at land use management and improvement, primarily in urban fringe situations, was taken. This involved the setting up of Groundwork Trusts, joint ventures between the Countryside Commission, MAFF, the Nature Conservancy Council, private landowners, local authorities and local industries. Government money for schemes associated with the urban periphery was perhaps made more readily available at this time since it was politically propitious to be seen to be promoting the two key objectives of inner city regeneration and rural conservation.

The first Groundwork Trust was set up in 1980 to carry out improvement works on the periphery of Merseyside at St Helens and Knowsley. Its aim was to focus attention upon, and direct both financial and manpower resources to, projects aimed at removing derelict eyesores from the countryside, protecting and managing wildlife habitats, safeguarding agricultural production, and providing outdoor recreation facilities. Essentially, the Trust sought to act as: a stimulus for innovatory, experimental and non bureaucratic initiatives; a co-ordinator of local efforts; and as a financial 'pump-priming' agency. In practical terms, it offered money, advice, expertise and manpower to undertake specific projects. Considerable successes were achieved where these resources were combined with local enthusiasm, a co-operative local authority administration, willing voluntary effort and the presence of local benefactors and amenable landowners (Davidson, 1984; The Groundwork Foundation, n.d.)

As a consequence, five new Groundwork Trusts were set up in 1983

in Macclesfield, Oldham and Rochdale, Rossendale, Salford and Trafford, and Wigan. In each area, many practical improvements have been made including: the creation of footpaths, nature trails and picnic sites, the reclamation of disused railways and canals, the improvement of agricultural land, woodland management schemes, and schools programmes to promote environmental education.

In 1985, in recognition of the work achieved by these Trusts, the Groundwork Foundation was formed as a national charitable body. Its purpose is to provide advice, technical services and continuing support for existing Groundwork Trusts and to help form new Trusts throughout the United Kingdom. Since then, another six Trusts have been established including the East Durham Groundwork Trust which covers the eastern part of the study area. This is discussed further in Section 12.5.

However, despite the local successes achieved by these management projects, critics still condemn this approach as piecemeal and often superficial. It is considered to be a means of diverting attention from the need to devise a comprehensive national countryside strategy and to introduce legislation to ensure its implementation (Coleman, 1976; CRC, 1976; Wibberley, 1976). The possibilities and practicality of this alternative are considered below.

12.4 A COMPREHENSIVE NATIONAL APPROACH TO COUNTRYSIDE PLANNING

At the national level, rural planning in Britain has been described as 'an unknown, unloved and unpractised art' (Weller, 1976a, 105). The lack of focus and direction in countryside planning has frequently been attributed to the multiplicity of government organizations involved, each with its narrowly defined areas of responsibility (Doyle and Tranter, 1978; Coppock, 1979). In particular, the often contradictory nature of their activities has brought criticism. One example of this has been the continued allocation of MAFF grants to remove hedgerows and trees (in order to increase efficiency and productivity) at a time when the Nature

Conservancy Council has been fighting for their preservation on wildlife and environmental grounds.

Despite the frequently voiced need for a rationalization of the rural planning administration and for increased communication between the individual agencies and departments involved, both by academics and those directly involved, little progress has been made (DES, 1966; Select Committee on Scottish Affairs, 1972; CRC, 1976; Expenditure Committee of the House of Commons, 1976; Wibberley, 1976; Agricultural EDC, 1977; Davidson and Wibberley, 1977; NCC, 1977; ACAH, 1978; Gilg, 1978).

Some moves towards recognition of the overlap between departmental interests and of the need for co-ordinated and comprehensive action have, however, been made. Examples include the:

- i) creation of the albeit short-lived Rural Development Boards under the 1967 Agriculture Act;
- ii) widening of the remit of the National Parks Commission of 1949, and its re-creation as the Countryside Commission in 1968;
- iii) formation in 1973 of a Scottish Standing Committee on rural land use;
- iv) setting up of both the Countryside Review Committee in 1974 and the Council for Sport and Recreation in 1976;
- v) commissioning of a succession of reports which have examined national countryside issues and policies by the : Countryside Review Committee (1976; 1977a; 1977b; 1978; 1979), Expenditure Committee of the House of Commons (1976), Agricultural Economic Development Council (1977), Advisory Council for Agriculture and Horticulture in England and Wales (1978), House of Lords Select Committee on the European Commission (1984), House of Commons Select Committee

on the Environment (1985).

The impact of these initiatives, many of which have pointed to the need for a streamlining of the organizational structures concerned with countryside issues and for a national policy on comprehensive land management, has been diffused into a series of further fact finding and experimental exercises, and piecemeal action aimed at placating various interest groups. Internal politics between administrators and the groups they represent operate to maintain the comparative impotence of the Rationalization and unification lobby. In practical terms, a comprehensive approach demands the reorganization or even dismantling of the megalithic structures which have been set up in the post war period. This action in itself would be momentous and directly counter to the trend towards creating more and more specialist agencies which has been dominant in the last 20 years. Thus although several authors have called for the setting up of a single ministry responsible for countryside planning (Wibberley, 1976; Gilg, 1978), others have rejected this possibility as unworkable. Some also consider the suggestion to be potentially disadvantageous since such a ministry, which would inevitably have to act as both the judge and jury of rural issues, may end up not satisfying any of the particular interest groups (ACAH, 1978; Roome, 1986).

Irrespective of the administrative and bureaucratic structures involved, the preparation of a national countryside strategy would involve the difficult task of determining priorities. This prospect presents national politicians with enormous problems especially given that national agricultural and countryside objectives are complicated by EEC policies and directives. The fixing of countryside priorities has implications for a whole range of government departmental policies. For example:

- i) policies on land preservation have inevitable repercussions

- on social policy, housing and general living standards;
- ii) the encouragement of higher levels of agricultural productivity and capital substitution may affect industry, employment, health and the environment;
 - iii) the level of food self-sufficiency proposed in the 1975 White Paper, has implications for policies on trade, world aid, industry and defence;
 - iv) decisions on countryside recreation provision may affect tourism, health, and employment;
 - v) landscape and wildlife conservation policies directly impinge upon agriculture, tourism, and general concerns relating to property rights and the national heritage.

The relative importance attached to each area of government concern and hence to each related countryside issue fluctuates according to economic circumstances and political expediency. At the same time, it is accepted that, like most social and economic policy issues, countryside policies require long-term stability in order to come to fruition. Short-term policies and actions, although attractive in that they may produce immediately visible results, are likely to prove wasteful. To date, countryside issues have been rarely given top priority and thus are even more subject to lack of continuity in both policy and financial commitment.

Hence, there has been a strong tendency to maintain a state of inaction on the preparation of a national countryside strategy. This state has been, in part, sustained by fear of upsetting one or several of the individual powerful lobbies associated with agriculture or landed capital, or of the recreation and conservation lobbies which have wide public support. However, as unrest and political discord within rural areas increases (Cherry, 1982; Lowe, 1982) and movements like 'Rural Voice' gain momentum, (Dower, 1980; Holding, 1986), the options of inaction or of limited action become less acceptable.

On the other hand, a decision to give priority to countryside issues and to attempt a full-scale strategy to resolve land use conflicts, protect agricultural production, conserve resources and improve recreational provision, would necessitate a level of commitment and expenditure which would be politically and electorally unpopular. During the 1970s and 1980s, value for money became an increasingly important criterion for determining policy priorities and, although a major expensive countryside initiative would be of benefit to the population as a whole in relation to food supplies and amenity provision, it is likely to be compartmentalized (at least by the partial and parochial electorate and specific interest groups) as 'rural' rather than 'urban' assistance. Should this interpretation be generally accepted, the perceived value for money of a countryside strategy would be severely reduced since the rural population is in a minority, and pressure to redirect resources to urban problems and industrial promotion would no doubt be successful.

The area where the parochial prejudices of the electorate may be overcome, i.e. the area in which both rural and urban population groups have a direct vested interest, is the rural-urban fringe. It is thus the author's opinion that the most realistic and potentially profitable way forward is first to attempt to produce a national strategy for tackling agricultural land displacement and conflict issues within rural-urban fringe environments.

Such areas encapsulate a concentrated form of countryside conflict. This may take many forms such as conflict between land uses, user groups, departmental spending priorities, the rural and urban electorate, and rural and urban orientated local authorities. Since it is considered that any proposal for a massive and immediate redirection of resources to the countryside in general is both imprudent and impractical, it is suggested that rural-urban fringe areas are an appropriate choice for selective government assistance on a considerably greater scale than the

essentially 'pump-priming' investment expended so far.

The undertaking of a national strategy for land use management in urban fringe areas would necessitate some administrative changes to enable joint responsibility, commitment, and action between the various government departments to be a realizable goal. The changes anticipated are similar to those proposed by the Countryside Review Committee (1976), the Agricultural EDC (1977), and by the Strutt Report (ACAH, 1978). The latter emphasized the need for increased flexibility and liaison and for a formal structuring of regular consultations between departmental representatives. In particular, it recommended the setting up of both local and national fora with the aim of facilitating the exchange of ideas and co-ordinating action. Given the strong pressure for land release for housing and other urban developments in fringe areas (as discussed in Part II), there would need to be a strong representation of the developers', and essentially urban orientated, interests at ministerial and local levels.

The success of the proposal would also depend upon some attitudinal changes otherwise it may be thwarted at the outset by individual wrangles between the participant groups. Although the prospects for attitudinal changes looked rather bleak up to the early 1980s, certain movements during the mid 1980s (Section 12.1 iii) give some reason for optimism. The proposed land use strategy for urban fringe areas is seen as a means of cementing this trend. Success in the comprehensive planning of this traditionally 'difficult' type of area, not simply in a few isolated experiments but on a national scale, should help to further undermine entrenched attitudes which are likely to lead to the prevention or indefinite postponement of any attempt at introducing an overall countryside strategy.

Preparation of the urban fringe strategy would essentially necessitate tackling all of the difficult problems relating to, priority

assessment, resource allocation, legal negotiations, and the determination of appropriate incentives and compensation levels, which would be encountered by any national strategy. It may be naive to consider that these may not be so controversial or so vigorously contested in the context of an urban fringe rather than national countryside strategy. However, if hurdles could be overcome by this exercise, it would give both the administrators and politicians greater confidence in initiating an overall strategy. Clearly, the reverse would also apply, and failure at this level would merely provide ammunition for those who are against further national strategy proposals.

The proposed approach may itself be criticized as piecemeal and wasteful, but it is the contention that in preparing a national countryside strategy, it would be necessary to recognize the separate needs and demands of different types of rural areas and that 'broad brush' policies applied across all types of rural situation would be inappropriate and ineffectual. Thus, for example, different policies, incentives and even legal measures may be appropriate for urban fringes, the uplands, National Parks, and for the intensively cultivated lowlands. An initial concentration on one of these types of area may therefore not necessarily represent wasted and over specialized effort, but an essential stage in overall plan preparation. The argument that the establishment of national policies and priorities should precede any attempted remedial action in specific areas commands logical and rational acceptance, but it is the fear of the writer that a singular commitment to these fundamental decisions may simply result in prolonged procrastination and inaction.

It is recognized that even in the selection of one type of area for appraisal, there will be an enormous diversity of local situations and that some hierarchical structuring of policy measures and administrative procedures would be necessary for the urban fringes of different sizes of city and town. Overall, the strategy should tackle the need for, and the

means of, implementing an integrated approach to land management. The approach to fringe areas should be positive rather than the 'packaging' of a collection of negative measures to prevent agricultural land displacement and landscape change. It should also be based on the overall needs of the countryside's residents for employment, housing and social facilities, as well as on the needs expressed by non residents who seek to live in, use, or merely appreciate the countryside. The promotion and acceptable accommodation of multiple land uses must be a central concept (CRC, 1976) given the diversity of user requirements and finite land resources. Multiple land use may, however, be inappropriate for certain areas and thus, the plan should consider the value of creating environmental zones as recommended by Statham (1985). He envisaged four types of zone:

- i) Heritage Farm Zones, where the emphasis is on the preservation of existing agricultural landscapes, wildlife protection and tourist promotion, in a similar vein to the Dutch national landscape parks (Clout, 1984);
- ii) New Farm Landscapes, where modern agricultural techniques with their associated landscape consequences are encouraged;
- iii) Forests, managed principally on a commercial basis;
- iv) Wilderness, where the emphasis is upon wildlife protection and extensive recreation.

Although Statham proposed the designation of zones on a national basis with the latter two zones to be primarily located in the uplands well away from towns, the principle of small scale zone designation in the urban fringe around any one town or across a variety of fringe areas would appear to be sound. Thus for example, there may be areas where the existing 'farmscape' is protected, areas of intensive agricultural

production, woodlands rather than forests, and nature reserves rather than extensive wilderness zones. Such designated areas would necessarily be in addition to areas allocated for future urban expansion or permanent recreation provision.

Despite the need for strong central guidance and mandatory directive with respect to some of the measures necessary for an urban fringe countryside strategy, many policies should include an element of flexibility to enable local implementation to reflect specific circumstances and also to enable the possibility of planning from 'the grass roots upwards', an approach which has proved both innovative and effective in the past land management experiments.

In conclusion, it should be emphasized that this proposed course of action should not be considered the ultimate goal for countryside planning and that the preparation of a comprehensive strategy for rural-urban fringe areas is seen merely as an interim stage towards a national countryside strategy. It should not be a 'one-off' placatory device which progresses no further. The history of past government action does not, however, appear encouraging. For example, the application of selective assistance and commitment to the resolution of area specific problems, notably in the inner cities, has not led to the making of the fundamental changes in national economic and social policy needed to achieve long-term improvement in the conditions of these areas and of their residents. Instead, governments have continued to offer assistance and limited financial commitment at politically opportune times. This type of intervention will not resolve the problems of the inner cities, nor will it resolve those of the countryside both within urban fringe areas and elsewhere. Uninterrupted progress towards a meaningful strategy for the countryside backed by necessary legislation is essential in order to protect the land resources of the country and promote their sensible and sensitive usage by all sections of the community.

Despite sharing an underlying sense of urgency about the need for this action, especially given government attitudes prevailing in the mid 1980s (McDonic, 1987), the author, in proposing this essentially incremental approach, has taken heed of the advice of O'Riordan (1984) that external advocates should exercise sensitivity, credibility, patience and realism.

12.5 CONFLICT RESOLUTION - PROGRESS WITHIN THE STUDY AREA

The above discussion on national countryside issues and initiatives at alleviating conflict, places in context the local problems identified in the case study, and provides a framework for evaluating the past efforts made by both public and private bodies within the study area.

Throughout the study period and beyond into the 1980s, the local authorities which have administered Durham District have operated within the guidelines and directives set by government legislation. In carrying out their duties, however, local interpretations and emphases have been applied on the basis of the perceived situation, foresight, and prevailing attitudes towards the relative importance of countryside matters held by both officers and councillors.

The following two sections examine first, past policy measures and performance in planning control as related to the protection of agricultural land, and second, positive initiatives for countryside planning involving recreation provision, landscape protection and improvement, and educational interpretation.

i) Planning Control

Throughout the study period, the local authorities holding responsibility for development control decisions have complied with government requirements to consider the agricultural implications of all development applications and to consult MAFF on applications to develop land above a certain area (see Section 12.2).

In the application decisions examined as part of the residential

planning application assessment exercise (Chapter 7.3), the adverse impact upon agricultural land was frequently cited as a reason for refusal and was on the list of standard refusal reasons used by County Council development control officers (Chapter 7.1(ii) and Appendix 7). This does not, however, necessarily reflect the weight attached to agricultural considerations. A true assessment of this would necessitate examination of all final decisions taken on land which MAFF may have considered to be worthy of protection from development. There was insufficient data available to pursue this line of inquiry.

Development control decisions are primarily guided by major policy documents which, for the study area have been, the County Development Plan, the County Structure Plan and the District Plan (Chapter 6.2). Within each of these, there have been some broad policy statements about the protection of agricultural land and about the countryside in general.

a) County Development Plan

The 1951 County Development Plan stated that the importance of agriculture should not be underestimated, although this comment was made primarily in the context of rural employment. However, in the housing section, it referred to the possibility of higher density development in some centres in order to save agricultural land (County Council of Durham, 1951).

The tone of the 1964 Amendment to the County Development Plan was rather different. Whilst referring to the problem of agricultural land loss, this was argued from the inevitability viewpoint,

'Inevitably land has been taken out of agricultural use for urban development ... It must continue as the population of the county increases, as people move out of the congested towns, and as new households are created. Industrial development, which is essential to the county, must also make demands' (County Council of Durham, 1964, 7).

The main objectives of the plan were to revitalize the county, provide new and better living accommodation and social facilities,

tackle the enormous problem of landscape dereliction and provide a pleasant living environment, and, above all, to attract more jobs. It did propose the minimization of agricultural land losses by reclaiming derelict land, in maintaining high densities in new developments and by preventing sporadic development in the countryside. In each of these policies, however, environmental improvement, settlement planning and economic revival were the primary objectives rather than agricultural land protection.

b) County Structure Plan

Throughout most of the study period, policy decisions were strongly influenced by work on the County Structure Plan which was finally published in 1981 (Durham County Council, 1981) (Chapter 6.2). There was no formal requirement to include countryside issues within the structure plan although the topics of informal recreation in the countryside and landscape were included in the DOE Advice Notes on structure plan preparation (DOE, 1974 e). Nevertheless, a decision was taken to include sections on various countryside policies. This reflected awareness of the contemporary context of national interest in countryside problems. Perhaps more importantly in the local context, it reflected a professional awareness of the deficiencies in the earlier development plans and, given the County Council's early commitment to, and successes in, countryside recreation provision, of the urgent need for general policies to co-ordinate this action.

In preparing the sections relating to countryside issues, the County Council undertook wide consultation with relevant government departments. MAFF advised on the technical details relating to agriculture in the county and also provided information on the location of Grade IIIA land in advance of their national survey (MAFF, 1976a). The latter was used to influence policy decisions relating to settlement expansion. As part of the consultative process, a Countryside Working

Group was set up in 1974. This included representatives of MAFF, the NFU, Forestry Commission, Nature Conservancy Council, Sports Council, Countryside Commission and the CLA, and was chaired by a senior County Council planning officer. The initiative for setting up this group was largely that of members of the County Planning Department's Countryside Team which was particularly strong and innovative in the early 1970s (Section 12.5 ii below). The aims of this working group, which gained national recognition (Elliott, 1974), were to discuss the countryside issues to be included in the plan, their statistical bases and the differing viewpoints to be considered prior to policy formulation, and to examine the draft subject papers and final plan. It enabled much better consultation and cross fertilization of ideas than the mere exchange of drafts and responses via correspondence. Moreover, by facilitating face to face debate in something similar to a planning game situation, it promoted greater mutual understanding of the different bodies' objectives and problems. The only criticisms of the group made from within the planning department related to:

- a) the lack of powers held by the working group members who, despite their own enlightened stance, still had to report back, and be responsible to, their disparate organizations;

- b) the eventual stagnation of the group after its initial learning process; and

- c) the heavy workload generated in servicing the group members.

Despite these reservations, it was generally considered to be unfortunate that the group was disbanded in 1978. Had the group continued, it may have led to more positive discourse on countryside planning and to the undertaking of countryside land management exercises similar to those advocated by the Strutt Report (ACAH, 1978).

Within the published structure plan, nine of its aims are directly related to agricultural land preservation and countryside issues. Aims 17 and 18 are specifically concerned with agriculture,

- 'AIM 17 To encourage the development of agriculture.
 - AIM 18 To protect the countryside from unnecessary development so as to preserve agricultural land and protect the interests of those who live there and visit it for enjoyment.'
- (Durham County Council, 1981, 12).

The other seven aims (6, 9, 10, 11, 12, 16 and 19) relate respectively to road development, mineral extraction, wildlife conservation, landscape preservation and improvement, resource usage, recreation and tourism, and environmental pollution. These aims are embodied in nearly 30 separate policies which impinge either directly or indirectly upon agricultural land and the countryside. At the time, the Countryside Commission wanted the County Council to prepare a separate structure plan, or at least a local plan, for the countryside. Officers responsible for the preparation of the plan stated that they considered this proposal to be ill-advised since countryside problems were generally inseparable from urban problems and that effective planning and management required both to be considered together. Many of the policies are designed both to prevent agricultural land loss and promote 'good' urban design and settlement development, and thus, the attitude was expressed, 'why worry whether a policy is labelled urban or rural if it is right and achieves the desired outcome?' Although reasonable and logical, this response may, in part, mask the generally lower level of priority accorded to countryside issues by the County Council (see Section 12.5 iii).

An examination of the range of policies included reveals that although there is a presumption against new development in the countryside, there is also a general acceptance of the need for new development providing this contributes to, and does not detract from, the appearance of the county. The protectionist policies primarily apply to the higher quality land Grades IIIA and above, of which there is relatively little in the county. On all other land (i.e. the majority of agricultural land

both within County Durham as a whole and in the study area) priority is unlikely to be granted to agricultural land retention if a justification can be made for development. In general, the plan does not indicate the degree of priority given to agricultural land considerations as recommended by the Strutt Committee,

'We recommend accordingly that the Minister (MAFF) seek to agree with the Secretary of State for the Environment the principle that all structure plans should clearly specify the priorities attached to agriculture and horticulture in each major area of the county and not merely assert a policy for safeguarding the better quality agricultural land.'
(ACAH, 1978, 21)

Nor does the plan identify particular areas in which the protection and promotion of agriculture should be given priority. Examples of the designation of agricultural priority areas can be found in the Kent, Hertfordshire, Gwent, and Bedfordshire Structure Plans. The designation of such areas was considered unwarranted in County Durham where most of the land is of mediocre quality. The plan does, however, acknowledge the importance of agricultural land resources and the danger that once land is developed, not only is its existing productive capacity lost, but also the potentially greater capacity which might have been achieved with improved techniques.

The areas to which the structure plan does give special protection are those where landscape and nature conservation are considered to be of primary importance. These include the statutorily designated:

- a) Areas of Great Landscape Value, one of which *partially* encircles Durham City;
- b) Areas of Special Landscape Value, principally parkland areas including Brancepeth, Ushaw and Elemore;
- c) Conservation Areas (although essentially urban in character)

which cover large parts of Durham City and nine of the nearby villages;

- d) Sites of Special Scientific Interest and of Particular Ecological Importance of which there were over 20 within Durham District at the end of the study period.

It is significant to note that many of the County Council's proposed policies which impinged upon the protection of agricultural land were weakened by the Secretary of State following the Examination in Public. These decisions were not primarily a result of public pressure although, in relation to the proposed restrictions upon the extent and location of new housing development, there was clearly opposition from the developers and from some of the district councils including Durham District Council (Chapter 6.2).

Despite having received praise for the plan from the various interested national bodies about the extent of consideration given to countryside issues, no doubt many individual farmers, conservationists and recreationalists remained sceptical about the likelihood of the plan leading to general conflict resolution. When interviewed in the mid 1970s, many of the farmers expressed their basic distrust of 'the planners' who were considered to have little knowledge of, or interest in, farming practice (Chapter 11). Such views, based on a mixture of preconceived prejudice and an assessment of past planning performance, are unlikely to be changed by the publication of any single plan irrespective of its detailed content.

c) Durham District Plan

The Durham District Plan (finally published as the City of Durham Local Plan, City of Durham Council, 1986) similarly gives attention to countryside issues and to the specific problem of agricultural land displacement. It contains the same general aim of seeking to protect agricultural land,

'AIM 13 To afford protection to areas of attractive countryside, nature reserves and other sites of scientific or ecological interest and to high quality agricultural land.' (City of Durham Council, 1986)

However, despite a considerable amount of discussion and expressed concern for agricultural land resources, general land protection is largely seen as a by-product of, or justification for, environmental, recreation and housing policies. For example, the desire to avoid developing some of the best quality agricultural land is cited as justification for contesting some of the County Council's controversial settlement policies. Nevertheless, the problem of conflicting land requirements generated by the different aims for housing, industry, car parking, community and recreation facilities is acknowledged, and planning the future of the countryside is described as,

'... one of the more difficult issues in the Plan because of the varied and occasionally conflicting pressures for change from different parties' (City of Durham Council, 1986).

As in the case of the County Structure Plan, no indication is given of the degree of priority afforded to agricultural land protection but, given the battle with the County Council over the Area of Great Landscape Value to the west of Durham City, it would appear to be not very high. In this instance, the District Council sought to remove the special protected status of an area of land in order to permit a sizeable housing development (Chapter 6.2).

ii) Positive Planning for the Countryside

During the study period, the County Council diligently, enthusiastically and, often imaginatively, pursued ways of improving the countryside and of taking advantage of the offered assistance from

central government. In particular, at the end of the 1960's, Durham was one of the counties in the forefront of recreational provision in the form of country parks and picnic areas. Indeed, action started prior to publication of the 1968 Countryside Act. The earlier Countryside (Scotland) Act of 1967 prompted the officers working within the Countryside Team (several of whom subsequently became national experts in countryside planning) to initiate action to establish this new form of countryside recreation provision. This accelerated after publication of the 1968 Act which provided 75% grant aid for these works.

The foresight and speed of action achieved may be attributed to the expertise and enthusiasm of individual officers, the flexibility and imagination of the County Planning Officer, and to the existence of a County Council Countryside and Conservation Committee. This committee included representatives (without voting rights) of Durham County Conservation Trust, CPRE, Northumbria Tourist Board, Wildfowlers Association, Durham and Northumberland Architectural and Archaeological Society, and the National Trust. The existence of this committee in itself demonstrated a forward looking situation with respect to countryside matters. Moreover, both officers and members in the authority already had wide experience of practical projects - of acquiring land, claiming government grants and of getting jobs done on the ground - because of the large scale reclamation work which had been underway since the 1950's. The loss of this committee at local government reorganization in 1974, together with the reduction in the amount of grant aid made available via the Countryside Commission (grants were reduced from 75 to 50%), unfortunately led to a curtailment of the rapid progress which had been made.

Prior to these cutbacks, the early initiative of the late 1960s and early 1970s had resulted in the successful establishment of several picnic areas, country parks and the setting-up of a countryside warden and ranger service (the latter being manned primarily by volunteers).

True to its innovatory approach, the County Council was also an early participant in the farm interpretation experimental work initiated and financed by the Countryside Commission. In 1974, a Farm Interpretation Officer was appointed and action commenced to establish farm open days within the county which, on the basis of experience abroad particularly at Flevohof in the Netherlands (Anfield and Hellard, 1973), were aimed at educating urban dwellers about farming practice and improving understanding between the farmers and their neighbours. This type of educational interpretative work was steadily expanded to include the production of leaflets about the countryside especially in and around country parks or walkways, and the organization of guided walks in the county. Increasingly during the 1980's this work has become associated with, and integral to, tourism promotion.

These initiatives were largely focussed upon recreation facility provision and reducing land user conflicts in the upland areas in the west of the county, although several picnic sites have been located in the 'central corridor' and in East Durham. This primarily reflects the national policy emphases of the Countryside Commission who, themselves directed their early attention to upland areas. Despite the later shift at national level towards greater emphasis upon urban fringe countryside, this has not been closely followed within the county.

The farm open day experiments were in fact launched at Houghall in the urban fringe of Durham City, but this locational choice was not based upon urban access criteria but upon simple expediency. This was simply the location of the County Council run Agricultural College with its associated working farm. As the farm open day programme was extended to include private farms, it is notable that most volunteers were farmers with land well away from population centres. This tendency may be partly associated with the bad experiences of a few farmers located on the urban fringe who, having opened their doors, subsequently suffered from

increased trespass and damage.

There has never been any serious suggestion of preparing urban fringe land management plans as in nearby Tyne and Wear (Tyne and Wear Metropolitan County Council, 1980). The structure plan did, however, include a policy on the need to provide more informal recreation facilities adjacent to the towns, particularly for the benefit of, 'families without the use of a car, about 55% of the population in County Durham'. A specific proposal was made to provide an urban fringe country park at Frankland near Durham City but unfortunately this has been beset by costly access problems and is now held in abeyance.

With respect to recreational provision in general, the structure plan stresses that in selecting sites for facilities, derelict or neglected land will be used if at all possible and that care will be taken to avoid conflict with neighbouring land uses, notably agriculture. No indication is given, or was given in discussion with planning officers, as to how conflicts might be minimized during either the acquisition and development phases or subsequent management and use. An officer did, however, state that in his experience, the danger of spill-over trespass from picnic sites and country parks is often exaggerated and that the type of persons attracted by these facilities are generally content to stay within the confines of the designated area.

The structure plan also contains the comment that all recreation and improvement proposals need to be considered comprehensively involving other public bodies including MAFF and the Countryside Commission as well as landowners and tenants,

'This 'area management' approach could be particularly effective in the countryside surrounding urban areas and in the Dales which are experiencing recreation pressures.' (Durham County Council, 1981, 84)

Similarly, the need for the co-operation and goodwill of landowners and

tenants is recognized as necessary in order to make effective proposals to improve the footpath network for recreational purposes. Reference is made to access agreements which can be 'concluded to mutual benefit', an approach which may be, 'appropriate to formalize de facto public access to woodland or river banks which is causing problems or to obtain access to new areas for public recreation'. In practice, little progress has been achieved towards this co-operative land management approach either in the local planning context or on the ground. Indeed, in relation to promoting co-ordinated discussion on plan preparation and implementation, the County Council appears to have regressed from its stance and activities in the late 1960s and early 1970s.

With respect to positive initiatives for landscape improvement, the structure plan defined two landscape improvement areas (LIAs) one of which, the Central/Eastern LIA covers the eastern part of Durham District. The achievement of the objectives identified for this particular area have been speeded up by the County Council's successful initiative to get a Groundwork Trust for East Durham. The Trust which was set up in 1986 has an annual budget of approximately £180,000 (£100,000 grant aid and £80,000 generated by other donations) and is run by thirteen staff. In addition, staff are seconded on a temporary basis from other organizations. Of particular relevance to this study, is the secondment of an ADAS officer to the project. He has been involved in undertaking a farm field penalty assessment in the Easington area with a view to identifying particular conflict areas which may be assisted by the Trust. In addition, he is to be involved in a farm visit programme which has the aim of introducing Groundwork to the farming community, explaining the services that can be provided as well as promoting the wide range of grants available for environmental and landscape improvement.

The fundamental approach of Groundwork is the initiating of

'partnership action', both in raising finance and undertaking the work. Partnership is sought between the small group of appointed staff and government agencies, local government authorities, business and industry, local groups, schools, and interested individuals. Within the Trust area, a variety of projects have already been undertaken including: a survey of the state of rights of way to establish the need for new waymarking; drainage, unblocking and footbridge building; the reclamation of a derelict mineral line to form a walkway; tree planting with the assistance of local schools; recreation facility provision; various farm conservation schemes; and a scheme to provide voluntary community countryside caretakers (East Durham Groundwork Trust Ltd, 1988).

As well as attempting itself a comprehensive approach to tackling problems both in the countryside and towns, the area of the East Durham Trust overlaps with the Rural East Rural Development Area (RDA), which was originally approved by the Development Commission as a Special Investment Area in 1979 (Durham County Council, 1978) and subsequently designated as an RDA in 1984. This similarly covers the eastern part of the study area including the settlements of Bowburn, Coxhoe, Kelloe, Shadforth, Ludworth and Quarrington Hill. The County Council and relevant district councils have drawn up a Rural Development Programme for this area comprising both industrial and community projects which will be partly financed by the Development Commission. The overall aim of the programme is to revitalize the rural area by providing jobs, housing, community facilities and improved transport links.

Durham District Council, as one of the sponsors of the Groundwork Trust and one of the participating councils in the RDA programme, has been very supportive of this positive planning action. Within its own District (Local) Plan, some of the comments made and proposals indicate a degree of sensitivity towards countryside problems and the need for positive land management.

It recognizes the problems of farming in close proximity to the built-up area and that in the district, 'the interspersing of settlements with the countryside means that few parts escape these problems' (City of Durham Council, 1986). The plan clearly considers it necessary to view the countryside as valuable for environmental, recreational and ecological purposes as well as for farming. However, the problems of multiple usage are perhaps underestimated and, with particular respect to recreation provision, there is a somewhat naive or over-optimistic statement that informal recreation, 'makes few demands on agricultural land and, in general, happily co-exists with farms and woodland ' (City of Durham Council, 1986, 218). The plan goes on to state that a combination of recreation policies aimed at, avoiding higher quality agricultural land, relating to features of interest, making use of derelict or reclaimed land, and of providing facilities which are reasonably accessible to the public, should help to allay the 'understandable concern of agricultural and forestry interests'. Given the generalized nature of these policies and the attitude of the interviewed farmers, it is considered that they are unlikely to do much to reduce the farmers' concern.

The plan contains several positive statements about the need to 'give protection to the whole ecological framework' and to give encouragement to nature conservation interests throughout the district. It also proposes an overall strategy for environmental enhancement which includes several measures to:

- 1) seek the active co-operation of landowners in recognizing wildlife interests in the management of their land, for example by planting field corners;
- 2) encourage schemes for wildlife where land is unused or in public ownership;

- 3) encourage land management agreements through consultation with landowners, the County Council, agricultural and conservation interests;
- 4) bring, where necessary, very important sites into local authority or conservation organization ownership.

Yet despite the positive comments made throughout the text, the specific policies put forward for the positive planning of the countryside are disappointingly limited.

iii) Local Action - Concluding Comments

From the above sections, it can be seen that countryside issues have not been ignored within the study area and in some areas, the local authorities concerned have been at the forefront of national action. Moreover, the currently operative strategic plans at county and district levels (the preparation of which influenced policy decision-making during the study period) contain a range of recommendations relating to agricultural land protection and countryside management.

However, neither the written documents nor the interviews held with both local authority officers and councillors (Chapter 2.6) gave any indication of countryside issues having had high priority in major policy and budget decisions. Priority has instead been given to job creation, housing, road and amenity provision, and to the enormous task of reclaiming and revitalizing the county's heritage of industrial dereliction. This essentially secondary treatment is not unusual and may be expected in a county (and to a lesser degree, district) with comparatively high unemployment levels, poor housing conditions, significant health problems and a legacy of a despoiled landscape (Northern Region Joint Monitoring Team, 1979, 1980, thereafter annual reports by NECCA). Against this background, the problems of:

- a) urban interference in agricultural land which, according

to the interviewed farmers, has not been sufficiently severe to necessitate major practice changes (Chapter 11.4);

- b) recreational conflict;
- c) the under utilization and dereliction of pockets of urban fringe land;
- d) the loss of agricultural land which is predominantly of only mediocre quality;

are placed in perspective.

Yet there is still a need for balance in the allocation of priorities, a balance between countryside and urban-based interests. Locally, priority allocation is determined by personal opinions, interests, political considerations, and by national guidance or directive. The latter are vital in order to maintain or promote action to protect the natural environment particularly in the urban fringe areas where urban pressures for expansion and recreational use are very strong. Local authorities respond best to financial incentives and to strong guidance and these are considered necessary in order to achieve any significant progress in countryside management within the study area.

The proposed national strategy for urban fringe land management with its required local consultancy structures should help to consolidate and extend existing consultative practices within the study area and to improve overall levels of interaction and communication between all interested groups. Moreover, if required to formulate corporate objectives and to implement practical projects, the cautious and often hostile relationships between the interested groups, e.g. the planners, farmers, developers, landowners, conservationists and recreational groups, may be transformed into working partnerships. Thus, even in an area where the local political climate has traditionally favoured

urban issues, the introduction of a specific practical context for action may lead to the reassessment of countryside priorities.

Having said this, however, it is recognized that within either the local or the national context, it is unrealistic to expect an harmonious and immediately successful outcome to initial attempts at comprehensive countryside management. Despite this, it remains the writer's view that the goal of mutual respect and understanding between all groups involved in the planning or usage of land resources, whether on the urban fringe or in the wider countryside, must be considered feasible and worthy of urgent pursuit.

CHAPTER 13

CONCLUSION

Throughout the thesis the overwhelmingly consistent theme is that of complexity which pervades both the subject matter itself and approaches to its analysis.

The subject matter cuts across academic, legislative, organizational, occupational and pressure group boundaries. Strict definitions of both material and methodology are difficult, if not meaningless. The activities examined involve a variety of groups each of which contains a number of individuals making judgements and decisions. Group behaviour is, in general, considered collectively, although reference is made to variable member attitudes and actions. Assessment of behaviour is complicated by the fact that groups adopt different and even conflicting roles over time (Chapter 4). Time itself adds to the complexity since new social, economic, environmental and legislative conditions introduced over the study period have altered group attitudes, motives and abilities to act.

A small-scale case study approach was chosen in an attempt to comprehend and manage this complexity; the aim being to present a realistic exposition of the residential development process and its impact rather than a naive and superficial documentary on past events. This choice imposes its own limitations with respect to uniqueness and inference (Chapter 2.3). Nevertheless, broad comparisons can be made and the local survey results are presented either as an illustration of, or contradiction to, a synthesis of evidence obtained from studies elsewhere.

In attempting to tackle the complex, diverse and often diffuse subject matter, the aims of the thesis are in accord with current moves to bridge traditional boundaries. Examples of these

include the:

- a) emphasis on inter-disciplinary research;
- b) promotion of the relevance of research and increased co-operation between academics and policy makers;
- c) encouragement of professional groups and bureaucratic structures to become flexible and adopt more comprehensive remits;
- d) recognition of the 'rural-urban fringe' as capable of positive multiple land use management rather than simply as an ill-defined divide between urban and rural uses.

Moreover, in terms of topicality, the decision to focus on urban expansion and its agricultural consequences around a small town addresses issues which, during the study period, have gained momentum in public awareness and concern. Debate on environmental conflicts and land resource usage has intensified and recent demographic trends have pointed to the need to focus attention on the expansion of smaller cities and towns.

In accordance with the study aims, the processes under review have been examined with the object of determining how and why residential development takes place and what are the consequences, both of the immediate process and its long-lasting products. Empirical evidence and the review of existing literature pointed to the major themes of power and control, interaction, choice and conflict as profitable avenues for analysis. These emerged when considering the behaviour of participating groups which are simultaneously in a position of both interdependency and competition. This position provides the basis for interaction, conflict and, potentially for co-operation.

The residential development process is dependent upon a network of formal and informal contacts through which the exchange of inputs,

e.g. land, materials, labour, capital and expertise takes place largely in return for money. In addition, the exchange of information facilitates transactions and progression of the process.

These exchanges may be typified by friendly co-operation, restrained acknowledgement of mutual dependency or open antipathy. Most are voluntary and may be initiated by any of the participant groups but others, most notably the submission of planning applications, are compulsory. Compulsion creates controversy and conflict, but even the voluntary exchanges are often conducted in an atmosphere of manipulation and mistrust rather than of co-operation and consensus. Yet inter-group conflict is, to a degree, an inevitable and expected part of a process which combines elements of both competition and uncertainty.

The extent of conflict and uncertainty is moderated in the study area by the existence of a small, tightly knit and long established network of contacts within which personal relationships often override general inter-group attitudes and prejudices. The stability of this network is important in reducing uncertainty. Long-term interaction instils confidence in the predictability of future behaviour patterns.

Throughout the study period the composition of this network has little changed. The surveyed developers, of whom all but one is indigenous to the Northern Region, have maintained control of approximately 80% of private housing construction in the study area. No significant changes have occurred in landownership patterns, the largest tracts remaining in the hands of long-term owners, e.g. the Church Commissioners, National Coal Board and Durham University. Despite a change in the political complexion of the local council, at least in so far as the former Municipal Borough Council is concerned, local government reorganization resulted primarily in a reshuffle of officers and councillors already working in the study area. The number of estate agents operating in the area has increased widening the network of

contacts but, even amongst this group, the old established firms have largely retained their control over land sale and new property marketing.

The stability of this network has led to the development of communications, the build-up of a broad working knowledge of group objectives and procedures, and to widespread reciprocal practice. Together, these have helped to speed up the overall development process. Beneath the superficial camaraderie, however, remains a fundamental wariness. Occasionally, this is fanned by personality clashes between group representatives and when this occurs, the disadvantages of a small established network are manifest.

Reliance by any group upon this network and, on exchange in general, is dependent upon its degree of self-sufficiency. Groups adopting the role of intermediary must participate, but the large-scale development companies and the local authority developers are less dependent upon external contacts because of their own level of integration. Size is a determinant of differing behaviour patterns at various stages in the process and, in this respect, the large private developers and local authorities adopt similar practices. However, there are fundamental differences between the procedures followed in public and private sector development.

The key distinction between the two sectors lies in the producer's motivation for involvement; the basic difference between profit and duty. Although profit motivates participants in private sector development projects, profit maximization is rarely the goal of those who are dependent upon residential development for their continuing livelihood. Realism dictates that account must be taken of the expectations of all participants. The pursuit of maximum profit by any one group is most likely to result in non-completion of the process. Only those participating on a 'one-off' basis, particularly private landowners, exhibit less realism.

The profitability of any private development company is dependent upon continuity of production. Similarly, the fulfilment of the duty to meet housing need requires a steady rate of construction. The duty of public sector decision-makers is, however, split between serving the electorate and the government. The former demand new housing provision, the latter require maintenance of a viable housing programme within their imposed budget constraints. The beginning of the study period coincided with the heyday of public sector construction when local authorities were encouraged to build and experiment with new designs and construction methods. By the 1970s, their enthusiasm and sometimes carefree approach were replaced by frustration over rent controls and cash limitations, fear of costly design mistakes (as debts from defective 1960's properties mounted) and the cautious application of standardization techniques. Increasing governmental control necessitated the sacrifice of local social and political objectives.

This situation has generated tension and conflict within the public sector, one example of the application of external power and control on residential development. Government and private finance capital exert potentially the most powerful influences on the local development process because they wield two sticks, legal sanction and credit control. Judicious interpretation of legislation or financial manoeuvring by local decision-groups can moderate their influence, but to a large extent they control the scale of development within any locality.

The distribution and timing of development is determined by local groups who are in a position of power, conferred on them by possession of one or several of the inputs essential to development, e.g. money, land, expertise or legal sanction. The degree of control which can be exerted by any group is limited by their accountability. In addition, it is limited by personal / collective abilities to perceive

and use opportunities for control as determined by a combination of knowledge, information, experience, attitude and motivation.

The balance of power and control between groups changes with each stage of the process. Usually one group has dominance, but at the initiation stage the process can proceed only when a sufficient number of groups consider the circumstances propitious. Involvement in the process requires a level of commitment and often of risk, but other than in a situation involving compulsory purchase or government directive to build, participation is voluntary. Once committed, participants become involved in a process of bargaining and manipulation; in a struggle to maintain individual objectives whilst seeking to impose them on others.

At the demand assessment stage, the assessors, developers or local authority officers, exert the control either positively to promote development or negatively to inhibit it. The potential consumers have little power at this or at any stage.

Site selection is characterized by a power conflict between developers and the local authority policy-makers. The latter comprise the planners and councillors, but in practice, it is the former who are primarily in control of policy formulation. During the study period both government and local group representatives have made attempts to reduce this conflict (Chapter 3.3, but the local authorities especially the Durham County Council have been reluctant to make concessions and thereby reduce their control (Chapter 6.2).

Conflict over site selection / residential land allocation reaches its peak at the planning control stage. At this point in the process, local authority decision-makers are in a position of dominance by virtue of their development control powers delegated by government. These powers are difficult although not impossible to challenge (Chapter 7.2) and battles over individual applications form an expected part of this

stage in the process. Such battles are confined to private sector developments (except in very unusual circumstances), since these powers enable the local authority to sanction their own locational choices.

However, the overall dominance of the local authority decision-makers in determining the location of new development is undermined by the fact that they possess only negative enforcement powers. They cannot themselves undertake all housing development and they can wield no positive controls to ensure that private developers carry out their development proposals. The latter frequently dismiss areas allocated for development as being unmarketable and uneconomic and, not being restricted by administrative boundaries, opt for sites elsewhere which meet their own criteria.

An examination of past planning decisions in the study area does, however, point to the success of the local authority decision-makers in upholding certain key policies relating to new housing development. Most notably these include the containment of Durham City particularly the preservation of its western edge, and the settlement policy through which growth including new housing was focussed on selected growth centres (County Council of Durham, 1964). The actual success of these policies, judged on social, economic and moral grounds, has proved contentious.

At the economic appraisal stage, power is held by those in control of money; by financial intermediaries offering credit on development capital and government ministers responsible for housing budget allocations. Dependency is again linked to the size of individual group representatives. The actions / decisions of local financiers are themselves subject to controls emanating from their national organizations, government and international money markets.

Control over the land acquisition stage is ostensibly held by

those who possess proprietary rights over land, but evidence from the study area indicates that landowners are rarely in a position to exploit fully their potential power. Conflict is rarely about sale in principle, but centres on an acceptable price. Sale negotiations most frequently take place either direct with developers who are more experienced at bargaining or with local authorities who possess the ultimate power to acquire compulsorily.

The producers similarly control the construction stage although suppliers of materials and sub-contracted labour possess the power to inflict costly delays. Again, the larger more integrated private companies and the local authorities are less vulnerable to outside interference. External controls on private schemes are exercised by local authority building inspectors and public schemes are themselves subject to stringent building standards laid down by government.

Disposal of public sector properties is controlled by the local authority but, over the study period there has been increasing government interference in local policies. Sale of private properties, although handled 'in-house' by most developers is to a considerable extent controlled by financial intermediaries through mortgage lending.

In neither sector does the consumer possess much power or choice. In the public sector, expression of a preference often places the consumer at the bottom of a waiting list, whilst the power of private consumers is reduced by the limited availability of substitutes within a given price range.

Given that the process is not subject to any overall control, measures to improve its performance are difficult to devise and implement. The process is characterized by multiple objectives, fragmentation of decision-making and incremental action. These characteristics are by no means unique to the development process, but the problems they create are exacerbated by its complexity. The nature

of the process ensures that individual participants cannot attain maximum returns. However, multiple control does have inherent safeguards. Alternatives such as single-minded commercialism or community development programmes (Chapter 9.3) ignore either social responsibility or economic reality. The current procedures, however ineffectual, at least seek to ensure that a combination of social, environmental and economic goals are sought if never fully achieved.

Many would argue that this 'hit and miss' approach merely produces a pattern of development which is at best mediocre in its quality, ability to meet identified needs, environmental contribution, commercial returns and overall value for money. Criticisms are most frequently levelled by those groups concerned with social and environmental goals which are invariably sacrificed before their economic counterparts.

Significant improvements rest upon the need for: change in inter and, in some instances, intra-group attitudes, better information flows and the attainment of consensus goals to which individual participants can be committed.

Change in attitudes is necessary to reduce preconceived conflict. Throughout the process, groups continue aggressive and defensive posturing which increases friction and wastes time. Entrenched attitudes may reflect personal / group experience or an element of role-playing. In either case, prerequisites of change are a willingness to consider the alternative viewpoint and some catalyst to initiate action. The task of initiating and overseeing attitude change; that of long term re-education, is a difficult one. It is most likely to be successfully undertaken by government, who have the powers, if required, to enforce group participation. An advisory role can also be adopted by national bodies representing individual groups, e.g. National Federation of Building Trades Employers, Association of District Councils, and Country Landowners' Association, or by academics working on either a voluntary

or commissioned basis.

All such action is likely to be resisted at the local level. Government directives are the most difficult to challenge but can be treated with token observance. The proposals of national bodies are easily side-stepped especially if they are generally unpopular. Advocacy work published by academics is the most easily ignored unless commissioned and enforced by government. On the basis of comments received from local participants, such work is invariably dismissed as unrealistic interference.

Resistance to external initiatives points to the need for internal action. However, self-interest and the lack of perceived benefit from educational activities, necessitate some form of incentive being offered before participation in, let alone initiation of, such action would be contemplated. Incentives may take the form of an invitation to participate in a joint research exercise, which may benefit all parties, or more calculable financial and social returns. The former may prompt setting up discussion groups, or at least a series of meetings, the latter joint ventures.

This has been borne out by the study area where no attempts have been made to initiate discussions purely for the purpose of promoting understanding. Discussion groups and meetings have taken place where there has been a specific goal, e.g. of resolving controversial issues relating to County or district plan preparation, or development control procedures. Similarly, there have been short-term 'partnerships', practical alliances and mutual support agreements as a means of challenging the power of another group, e.g. a joint exercise was undertaken by the developers, District Council, and estate agents to contest County Council restrictions on housing land release. Invariably, participation in these initiatives has been treated with caution, since too free a flow of information threatens competitive edge and individual group power.

Yet most of the interviewed participants commented on the need to improve communication and relations both within and between groups. Such comments perhaps reflect a desire to please the 'academic interviewer' or to present an image of flexibility, reasonableness and 'progressive thinking' to avoid attack by other groups. They are less likely to reflect a genuine desire or, more important, commitment to improving relations. Commitment must involve a willingness both to lead and to follow initiatives taken by any individual group. It has been evident that, to date, whilst most initiatives have been taken, often reluctantly, by the local authorities, they in turn have tended to stifle similar initiatives put forward by other groups.

The incidence of joint ventures has been even more limited. Government encouragement to establish partnership ventures (Chapter 9.3) provoked no response locally although this may have been partly a reflection of the overall dismissal of the Community Land Act legislation of which this formed a part.

Outside the study area, joint ventures have usually been 'one-off' major schemes within cities. These have attracted participation because without mutual assistance, the enormity of the task, i.e. of land assembly, amassing sufficient capital, and actual construction, would have prevented such projects being contemplated. Similar joint ventures would not be contemplated for smaller-scale projects. For these, joint commitment is unnecessary and is viewed only as a means of reducing control, causing delays and dividing profits. In the view of the writer, this is short-sighted and small-scale joint ventures should be promoted and pursued. They could give acceptable returns whilst assisting in the build-up of inter-group co-operation. However, it is recognised that in times of economic restraint, financial commitment to any untried ventures considered peripheral to mainstream activity, is difficult to attain.

This reluctance may be overcome by government action in the form of financial assistance, e.g. directly through grant aid or indirectly through pressure on private finance capital. In return, such action may help to alleviate housing problems, create a more buoyant property industry and, as a side-benefit, promote better inter-group relations.

There is, however, no evidence to guarantee that ad hoc exercises or joint ventures will lead to long-term co-operation, which requires measures and government inducements that are independent of political fads. Meaningful improvements in relations must be based on the slow build-up of credibility and, ultimately of respect. A fostering of these qualities will never remove all conflict, nor indeed should it do so since conflict can be creative. It should, however, increase efficiency in the development process by reducing the unnecessary delays caused by intransigency, caution and misunderstanding.

Similar themes of conflict, interaction, power manipulation and choice characterize the relationships between those involved in the residential development process and the agriculturalists upon whose livelihood their activities impinge.

It is essential to differentiate between the impact of the process itself and of its resultant products, the houses and their occupants. The survey of farmers (Chapter 11) sought to a) identify the ways in which some agriculturalists participated directly in the process in their role as landowners; and b) examine their responses to development pressure and to the wider effects of urban proximity. Response is defined primarily in terms of structural, investment and practice changes. Identification and isolation of clear causal responses is not simple given that farmers are continuously making similar changes in response to varying market prices, government initiatives and technical innovations.

Direct participation in the development process normally occurs

at the land search and acquisition stages, although farmers may be involved in process initiation when they offer land to developers. Attitudes towards participation are primarily dependent upon the farmers' status as either owners or tenants, but other factors, notably past involvement, age, health, family and financial circumstances all play a part. Owner occupiers in their dual role as farmers and landowners possess a degree of control and choice, albeit limited by the often greater experience or legal powers of prospective purchasers. Tenant farmers do not have even limited control. They have no choice in respect of land loss, a problem compounded by their lack of foreknowledge thus giving limited time to plan compensatory action.

Structural, investment and enterprise changes each have a cost, which must be calculated by the owner occupier prior to negotiating a sale. Since the financial rewards of sale for development usually far outweigh the costs of changes and exceed potential agricultural returns, most farmers recognise the prudence of early compromise in negotiations. As a note of caution, the immediate attraction of a potential 'windfall' should be tempered to a degree by recognition that in addition to the immediate costs incurred by displacement, there may be long-term costs associated with persistent interference from adjacent residents. These costs rarely merit non-completion of the sale but many small-scale transactions may prove less lucrative when their long-term implications are taken into consideration. Evaluation of the pros and cons for land sale is not open to tenant farmers. For them, displacement represents a threat to viability and normally brings inadequate compensation.

Whether regarded as a 'threat' or a 'promise', land loss for residential or any form of urban development cannot be incorporated into land management plans because control does not rest with the farmer. Many farmers have ideas / dreams for action following land sale but the survey revealed that, in practice, land loss, unless of cataclysmic proportions

prompting the cessation of farming, usually acts to precipitate changes which are already contemplated. Clearly, there are exceptions to this, for example, where increased investment in new technology is made possible on a scale previously unimagined.

Analysis of the responses to the indirect impact of the development process revealed a similar picture. Farming in close proximity to the built-up area, and especially to housing estates, can bring both benefits and disbenefits. The most common disbenefits are associated with urban interference, which can range from mild trespass to vandalism, leading to farm reorganization or enterprise change. The level of response directly attributable to interference is closely linked to farmer attitudes and tolerance and to the ease of surveillance over the farm unit. The majority of farmer respondents complained about interference but the largest single response in practical terms was that of inaction. This reflects partly a fatalistic acceptance of the problem, partly inertia, but mostly a recognition that the costs of enterprise change or reorganization are greater than those incurred by the incidence of vandalism, dumping and trespassing. The most notable exception to this related to sheep worrying by dogs.

The difficulties of acquiring and retaining labour in the face of urban industrial competition is another potential disbenefit. On the other hand, the proximity of towns and housing estates can be advantageous. They provide a pool of permanent and casual labour and a social environment comprising attractive accommodation and nearby services which help in the retention of labour. Nevertheless, the survey indicated that, on balance, urban proximity does have an adverse effect on labour retention and farming practice not least because the level of competition necessitates payment of higher agricultural wages.

These aspects of urban impact usually prompt a defensive attitude, but farmers can adopt a more positive approach. In particular, farmers

can exploit urban demand for fresh farm produce and for countryside recreation. To succeed in this, they must first perceive the opportunities, second be open to change in their management methods and third, be willing to take some, albeit small, risk in investing time and/or money in new ventures.

To date, conservatism has reigned in the study area. Only a very few farmers have shown any willingness to adopt this positive approach, although the few that have are very enthusiastic. To be realistic, however, the opportunities for farmgate sales in the study area are fewer than in many other parts of the country because of its less than ideal climatic and soil conditions for growing fruit and vegetables. Countryside recreation can be associated with either tourism or the casual leisure activities of nearby residents. A positive response to the former may take the form of farm-based holiday provision. Since local investment in urban-based accommodation is limited, it is unlikely that farmers will take a lead in developing the tourist potential of Durham City. However, the two respondents who have taken the risk, have been well rewarded (Chapter 11.4).

Catering for casual recreation, e.g. the letting of grazing rights for ponies, sale of fishing or shooting rights, picnic facility provision or merely the maintenance of footpaths and bridleways, can be regarded as either a means of making the most of a situation which 'will not go away', or a senseless encouragement of encroachment. Few farmers consider the subtleties of fostering improved relations with their neighbours as a means of minimizing interference and of promoting respect or even urban protectionism. Yet a positive approach to urban proximity can, not only provide extra income, but also extra satisfaction.

Irrespective of whether a negative or positive attitude is held, it was made clear by the respondents that the indirect impact of the

development process or, of urban proximity in general, has not itself led to significant changes in farming practice. It has, however, adversely affected farmers in innumerable ways and has often necessitated expenditure of extra time/money on surveillance, crops/stock/building protection, and remedial action. Thus, despite the lack of major practice changes directly attributable to urban interference, the problems associated with 'farming on the fringe' should not be dismissed.

An understanding of why neither displacement nor interference are major agents of change rests in a recognition of the large number of influences operating to affect management change. From national and international sources, farmers are being continuously bombarded by advisory documents, directives, quota controls, and advertising campaigns all prompting changes in enterprise choice, management methods and farming techniques. During the 1970s the context for farming activities has been set by the vigorous promotion of a set of potentially conflicting goals relating to efficiency, productivity, environmental sensitivity, educational awareness, land conservation, and multiple use management (Chapter 12). Pursuit of these goals by the overall farming community has been largely determined by government legislation and cost incentives. On the one hand, efficiency and productivity have increased following assisted enterprise changes and the introduction of new technology. On the other hand, the lack of legislative and cost inducements to encourage commitment to conservation and countryside education has led to an apathetic pursuit of these particular goals.

National trends have been reflected locally although comments made by the interviewed farmers demonstrate an inherent conservatism, reluctance to follow government and EEC 'fads', a qualified suspicion of new technology and, above all, a resentment of attempts to interfere with, or dictate, management methods. The latter applies most strongly to all advisory or condemnatory material produced by non-farming groups,

e.g. conservationists, ramblers, ecologists, planners and academics.

Farmers perceive themselves to be in control of their land, of their choice of enterprises and methods of farming. In the main, this is illusory given the extent to which their choices are circumscribed by political manipulation and by physical constraints. The latter have long been accepted with varying degrees of tolerance, but the introduction of new constraints imposed by groups with little previous direct connection with farming is regarded, not only as extreme interference, but also as an affront to their ability as land managers and 'age-old stewards of the countryside'.

Initially the response of the farming community, nationally and locally, to this new, potentially powerful challenge to their power and control, was to either fight or ignore the proponents of greater environmental responsibility. The strength of the farming lobby held sway for a while particularly as some of the conservationist arguments, e.g. on agricultural land loss, were revealed to be based, in part, on sensationalism rather than fact (Chapter 12). Throughout the 1970s, however, the environmental lobby gained momentum and questions relating to recreation, 'the public good', landscape heritage and property rights challenged the expediency of placating the agriculturalists. Since the end of the study period the strong farming bodies have begun to moderate their views indicating a desire to be seen to be co-operating and exercising public responsibility. This 'responsibility' must not, however, be mistaken for pure altruism since questions of cost calculation and 'who pays' still dominate the debate.

This environmental debate has tended to shift attention away from the more traditional conflict areas associated with urban displacement and interference. In reality, all of these conflicts continue with little commitment to their resolution. The writer believes that new forms of land management and judicious land use planning may provide the

answers, although it is more likely that the application of funds to placate the differing interest groups will have the greatest effect. Whatever the measures considered, they cannot be contemplated let alone applied in isolation. Agricultural and rural problems in general are very real and important, but must be considered in the wider context of social, economic and housing problems whose claim upon national manpower and financial resources is equally great, if not greater. Protection of the land and its managers must not be at the expense of the urban population and particularly of those seeking to satisfy the fundamental need to obtain a home.

Although conflicts between town and countryside, between urban dwellers and farmers are very varied in type and locale they tend to be concentrated in areas of 'rural-urban fringe'. It is to the problems of these areas that many attempts at remedial work have been directed. These have largely taken the form of practical experiments aimed at comprehensive land management. In various parts of the country they have succeeded in demonstrating that voluntary co-operation can be mutually beneficial promoting goodwill, flexibility and credibility between the various interest groups (Chapter 12.3).

Clearly, what works on a small-scale is largely dependent upon local circumstances and personalities. The enthusiasm and sensitivity of a project officer can overcome local hostility, and participation itself can accelerate the removal of barriers. Within the study area, the interviewed farmers and other group members were largely in agreement that the pursuit of multiple land use solutions is an 'academic pipe-dream', yet there are several individual examples of successful interaction between farmers and tourists, sportsmen, adjacent residents or local authority officers.

Many writers argue that small-scale action is not enough and that real progress towards conflict resolution at any level is dependent

upon the introduction of national comprehensive planning legislation for rural areas (Chapter 12.4). So far, political intransigence, bureaucratic fragmentation, and apathy have prevented action in this direction. It is a widely held view that without commitment and action at the national level the successes so far achieved will remain those of interesting experiments and their lessons will remain unapplied.

Whilst the need for such action is supported, the writer considers that the likelihood of anything other than slow piecemeal change in national policy is small. Continued emphasis on land management planning in the urban fringes of towns and cities is therefore important as a means of improving the lot of all those directly concerned with fringe land usage and, more generally, of maintaining the impetus for change and co-operation. It is suggested that, as an interim compromise, a comprehensive land management strategy for rural-urban fringe areas should be undertaken.

In overall conclusion, the thesis has examined the impact of residential development on agricultural land but its focus has been upon conflict and interaction both within and between the development process and agricultural management practice.

Over the study period the development process in both public and private sectors has operated reasonably well within the confines laid down by its national social, economic and legislative background. The interviewed developers have been successful and profitable; the planners and councillors have largely succeeded in achieving their objectives of containment and environmental protection whilst promoting investment and the continued growth of Durham District; the estate agents have benefited from this growth; and the landowners have, on the whole, negotiated satisfactory and frequently lucrative transactions. Some tenant farmers have suffered from land loss and low levels of compensation, whilst some owner-occupiers have gained undreamt of capital returns, but

overall, the effect of land displacement for residential development on the structure and practice of farming in the area has been quite small. Urban interference consequent upon development and urban proximity has caused innumerable incidents of conflict and has necessitated minor changes in farming practice but it has not, in general, prompted significant changes in farm and land management.

This broad conclusion does, however, mask the antagonism, frustration and distrust which underlie both the process itself and the response of farmers. If this measure of success can be achieved despite these foundations, it must be questioned how much improved the process mechanisms, their impact and the subsequent responses could be, if interaction were to be based on understanding and co-operation. In reality, this may be naive and certainly suggestions towards such a goal propounded within an academic study are likely to be treated as such. In the area of attitude change and education, acceptance of recommendations is dependent upon the credibility and respect of the advocates.

There is a need to carry on removing the barriers to progress by promoting more inter-disciplinary research, but above all, closer working relations⁵ between participants on the ground, government (local and national) policy-makers and academics. Once the barriers between the advocates, policy-makers and local participants have been broken down, there is a greater chance that their recommendations and plans will succeed in tackling the conflicts which are both inherent in, and a consequence of, residential expansion into adjacent countryside.

