THE CONTROL OF OFFICE DEVELOPMENT
IN CENTRAL EDINBURGH, 1959-1978

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(TWO VOLUMES)
This thesis has been composed by me and is based on my own work.

December 1984
This thesis examines the attempts of the local planning authority in Edinburgh to control and guide the development of offices in the city centre over a period of twenty years, 1959 to 1978. The pressures brought to bear on the planning authority from both nationally operative property developers seeking to develop offices in the city, and local amenity and residents' groups aiming to halt such development, have been examined. The effects of these very different interest groups on the formulation and implementation of land use planning policy for the city centre have been assessed. Such an analysis explores the political aspects of the land development process and thereby makes a contribution towards a fuller understanding of how a society reorganises itself in space. It is felt that this extra dimension improves on the more economically deterministic models which have dominated geographic thought on the subject to date.

The results from this detailed examination of land use planning-in-action have been used to critically reassess the existing theories concerning patterns in the nature of the distribution of benefits accruing from local government action. It concludes that none of the contemporary theories can adequately explain the occurrences observed in central Edinburgh. A list is given of the basic phenomena which any theory on "who benefits" from local government action would have to be capable of explaining, in an internally logical and coherent manner, in order to be adequate. These include the automatic safeguarding of general business interests, the ability to respond quickly to amenity group interests and the ability of business and amenity groups to act together in a mutually supportive way. Finally, the thesis argues that the concept of "interests", as presently used by theorists, requires careful re-examination in the light of its findings.
ACKNOWLEDGEMENTS

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Table 10.2 The Decisions Made on Appeals by the Secretary of State: First New Town, Edinburgh 1976-1981
Traditionally, urban geographers have been principally concerned with two main objectives: to describe and explain both the patterns of land uses observed within cities and the configuration of urban settlements of different sizes across space. Increasing effort has been put into understanding the changes in these patterns over time, with traditional models of land uses in the city and regional urban structures coming to be regarded as simply "snapshots" of a dynamic evolution. This thesis is concerned primarily to enhance our understanding of land use change within the city. It focusses on the process of land development as a primary element of the wider process of spatial reorganisation (Johnson, 1980) and on the ability of local government to control and guide that process.

Under a variety of stimuli, and for a variety of reasons, society constantly reorganises itself in space. This process of change has both economic and political aspects. The economics of land development and spatial reorganisation have been well researched by geographers. However, there are far fewer satisfactory analyses of the political activities related to land development and reorganisation. This deficiency in the literature limits our understanding of the true nature and complexity of the processes at work.

The economic value of any location to any user is determined by its position relative to facilities, activities and markets that exist in
other locations. Given technological and other changes, various locations will rise or fall in value for certain users over time. Hence, land users will occasionally relocate to maximise the benefits that a location can give them. Such moves result in new investments being made in land at one location whilst disinvestments are undertaken at others (see Harvey, 1982). However, this movement cannot simply be described in economic terms. The effects of a change in land use can rarely be restricted to the land parcel involved, because any significant change is liable to affect areas for better or worse. For example, a factory moving from an inner city area to a "greenfield" site on the periphery of a city may severely reduce the amenity of households on the edge of that city whilst leaving a legacy of derelict buildings and wasteland in the inner area. At both locations the move produces negative "externalities" for adjacent land users. In other instances, positive externalities might ensue at one or both "ends" of a relocation. Because they affect the value or enjoyment of nearby land users, such externalities can often generate some form of political action in support or opposition to the changes. This political action can and does affect the nature of land use change and, in some cases, whether it occurs at all. Hence, it seems inappropriate to model processes of spatial reorganisation by simple reference to economic considerations. Rather, it is a highly complex process, complicated in the extreme by the inherent conflict and political wrangling that accompanies it. Scott (1980) accurately describes this network of economic, political and socio-cultural phenomena as an "urban land nexus".
The fact that spatial reorganisation is a political process overseen by political bodies acting as some form of proxy for "society-in-general" is not a revelation to geographers. Indeed, they have involved themselves with a wide range of studies into the effects of central and local government policy on the distribution of particular phenomena. Examples include the national distribution of government offices and the effects of individual government acts on patterns of land use (e.g. regional policy, Office Development Permits - see Manners et al., 1972; Keeble, 1976). They have studied the way in which locationally dependent issues (Kirby, 1982; Cox, 1979) and voting patterns (Taylor and Johnston, 1979 and Taylor and Gudgin, 1979) feed into, and affect, political action. They have also been involved in detailed analyses of social and political conflict in the city (Cox, 1973; Cox and Johnston, 1982), sometimes with reference to land development (Fincher, 1981). However, there are still too few studies which have examined in detail the role of central and local government in determining the general spatial reorganisation of land-users in the city. There are three main reasons for this. Firstly, the actors involved in the process of spatial reorganisation within cities (particularly city centres) have been changing extremely rapidly. Therefore, given the initial naivety of geographers and other social scientists about the complexities of the land development process, it has been difficult enough, even for those interested, to establish the nature of the economic processes at work, never mind link them to related political processes.

Secondly, the question of the role of government in spatial processes
remained largely unproblematic for geographers until the mid-1970s. When the topic was discussed, it was generally thought of in "pluralist" terms (i.e. responsive to the pressure placed on it, whatever the source) and as an exogenous phenomenon in relation to the processes under study (Dear and Clark, 1978). This conception of government is increasingly being questioned. As a result, the realisation that the role of government in geographic processes needs to be reconsidered has been paralleled with an increasing awareness that there is a "Pandora's Box" of theory, counter-theory, rhetoric and polemic for geographers to digest before returning to the questions that must interest them. Some geographers are actively engaged in this debate and a higher level of understanding of government actions and processes is now being developed. However, these new insights have not yet been fully integrated into the study of urban geography.

Finally, despite the oft claimed relationship between land use planning as a major government tool for determining the form of spatial reorganisation, and human geography, it is true to say that because geographers have had an underdeveloped conception of how government works, they have a concomitantly poor understanding of the true nature of land-use planning. Exceptions to this have generally been those geographers who have had an active interest in local politics (perhaps through becoming local councillors). Examples here include Andrew Blowers, Peter Taylor and Keith Bassett). A common failing of geographers in this area is to assume that a statutorily approved development plan is some sort of technically based "given".
the implementation of which is unproblematic. Such views cannot be sustained. Both the formulation and implementation of planning policy are intensely political acts which are related to each other in very complex ways. Recent studies (Healey et al, 1983) show clearly that plans and policies are not "exogenous" variables imposed on given situations. Rather, they result from political struggles taking place across an area, are influenced by debate and action taken at central government level and are implemented in a continuing situation of conflict and compromise.

Aims of the Study

To summarise, it has been argued that an inadequate knowledge of the political aspects of spatial reorganisation continues to prevent geographers from gaining a full understanding of how society reorganises itself in space. This thesis addresses this gap in existing knowledge. It tries to show how detailed geographic work can produce information which can directly contribute to general discussions on the role of government and of the state in society, where debate is often conducted in a rather sterile atmosphere of rhetoric and assertion. This is important, because politics and political theory should not be seen by geographers as an alien discipline to be "taken-on-board". Land, its ownership, its changing use and its development are all of central concern to geography. They also raise intensely political and economic issues. The research work of geographers in such fields should therefore be of great interest to other disciplines and vice-versa.
Manifestly, the complexity and magnitude of a study seeking to analyse the role of the state in determining patterns of spatial reorganisation is such that no single thesis could ever hope to cover more than a minute fraction of it. Hence, it is essential to narrow down the forms of study. Accordingly, this thesis intends to look at one specific variant of the process of land development as it has affected one small area over a limited span of time. The main concern will be office development in central Edinburgh between 1959 and 1978. Special reference will be made to the attempts of the local planning authority to restrict development in the final quarter of that period. By such a study we are able to concentrate on one limited aspect of contemporary spatial reorganisation which is:

(a) supported by economic forces which are powerful at both national and local scales and are capable of translating their economic power into political power (i.e. commercial property developers);

(b) taking place in (and threatening to destroy) a highly valued built environment, which has not been severely affected by any other activity, including war damage (i.e. central Edinburgh);

(c) carried out in a particular location (the city centre) where the extent of, and concern over, possible externalities is highest and where political action, affiliations and debate are often readily visible but the decisions made will be numerous enough to permit both quantitative and qualitative analyses of decision-making to be made.

This investigation of the history of office development and the evolving geography of office use in central Edinburgh will allow us to ask a range of questions. It is hoped that the answers to those questions will extend our existing knowledge of the land development process, the general processes behind spatial reorganisation and the role of local government in those processes. As such, the thesis sets
out to answer seven questions:

1. What pressures have been placed by property developers of different sorts on the local planning authority in Edinburgh for permission to carry out office development?

2. What have been the responses from various "social groups" within the city to these pressures?

3. To what extent have these pressures for and against development been translated into political action by the groups concerned?

4. What has been the response of local government to these pressures (i.e. has this political activity led to government action at local and central levels?)

5. To what extent has this government action affected the process of office development, the history of office development in the city and the resultant geography of office use in the city of Edinburgh?

6. In the light of this evidence, what can we say about the variety of hypotheses that exist on the role of the state in the evolution of society in general. Particular emphasis is given here to the common questions of "who benefits from state activity?", "around which interests do interest groups organise?", "how does the state interact with non-state groups?" and "what role do the institutions and actors within the state play in decision making?".

7. In the light of this evidence, what can we say about the role of local government action in influencing the spatial reorganisation of the city?

It is immediately clear that we are asking detailed questions about a wide range of social, political and economic activities and organisations, most particularly local authorities, commercial property developers and amenity or other pressure groups. In order to appreciate sensitively the observations made through empirical work, a number of questions must first be addressed. The main need is for a conceptual framework by which we might interpret (or against which we
might contrast) our findings. This is particularly the case for understanding the way in which the state operates in contemporary society. A brief review of the various "schools of thought" on the role of the state in the evolution of western capitalist democracies is therefore undertaken in Chapter 2.

Secondly, we need to understand how the state involves itself in controlling the processes of land development and spatial reorganisation. Accordingly, the range of tools, powers and resources that are available to local planning authorities are examined in Chapter 3. This chapter also includes a discussion of how contemporary land use planning practices may be related to the various theoretical perspectives on "the role of the state".

A third question that needs to be addressed is that of the nature of the particular land development process which local planning authorities are seeking to control in the city centre. Consequently, Chapter 4 describes the nature of the commercial development process and briefly outlines the reasons why commercial property and associated investment finds the city centre so attractive.

Finally, since we are interested primarily in the nature and resolution of a political struggle over office development and its effects on the form and location of offices in central Edinburgh, we need to be aware of the level and type of resources available to the main protagonists in that struggle as well as having some idea of the manner in which they are deployed by the contestants to secure
political ends and in which political areas (local government, central government) the different agencies involve themselves. There is a lack of research in this area and so Chapter 5 concentrates on an analysis of the evolution and present power of the development industry in Britain. This is accompanied by a brief review of the growth of the urban based conservation movement in Britain, the recent history of which is integrally related to the growth of a speculative development industry and its rapid transformation of the townscapes of British cities.

Together the four chapters provide us with the essential background against which we can examine local authority attempts to control office development in central Edinburgh. As will be seen, political action on behalf of interested parties can be taken at two related, but identifiably different, stages in the process of land use planning. The formulation of a policy rarely resolves political debates over issues like the control of a particular form of property development. Groups whose interests are deleteriously affected by the contents of a policy are likely to persist with their opposition through direct political action against the implementation of that policy. With respect to land use planning, the political arenas for policy formulation and implementation are very different in nature and it is essential to review the outcomes of political struggles in both arenas before assessing in whose benefit the local planning authority has been acting. This is the main concern of Chapter 6, which examines the history of the policy to restrain office development in central Edinburgh paying particular attention to the political
activities of a wide range of interested parties and assessing their varying impacts on the formulation and the eventual form of the policy.

Chapters 7 to 10 evaluate the implementation of the office restraint policy in detail. Chapter 7 provides a description of the history and geography of office development in central Edinburgh over the twenty year period from 1959 to 1978. It also outlines the changing nature of local government responses to proposals for office development throughout that period. Taking these two concerns together, it thus provides an account of the changing nature of office development in central Edinburgh. (A comparison of Edinburgh's experience of office development with that of Manchester, Bristol and the City of London, is given in Appendix 7).

Chapter 8 presents a statistical analysis of decision-making by the local authority on proposals for office development over the twenty year period mentioned above. It pays particular attention to the last quarter of that period when a policy to restrain office development was in operation. In short, this chapter tries to assess, in general terms, whether the restraint policy was or was not implemented.

As will be seen, the theories on how the state operates in society also suggest that it is not unreasonable to expect that different types of developers seeking similar sorts of planning permissions are likely to receive differential treatment from a local planning authority. To date, there has not been a sufficiently systematic
analysis of this question. Chapter 9 therefore describes which developers have been active in central Edinburgh, what resources they possess and how they have fared at the hands of the local planning authority. In the light of our findings on the changing nature of the development industry, Chapter 9 allows some assessment of whether or not local planning authorities are able to control the newly emergent forces of commercial property development, (primarily the financial institutions), or whether they perpetrate a form of local 'chauvinism' by favouring local firms.

Finally, with respect to reviewing policy implementation, Chapter 10 outlines why an examination of the nature of individual decisions on planning proposals is, in itself, insufficient to properly evaluate the implementation of a planning policy. As such, it examines more closely the manner in which the policy was used by the local planning authority. It attempts to establish whether the problems which faced the implementation of the office restraint policy were inherent because the policy was poorly expressed, poorly conceptualised or inconsistently applied. Unfortunately, owing to the reluctance of the local planning authority to allow researchers to have access to information on individual development proposals we have to resort to examining the way in which the policy was attacked by potential developers at planning appeals. Originally, it was intended to use the local authority's case files to assist in this task but, after first agreeing to this, the local authority proved unwilling to permit

1. This includes a detailed analysis of the land holdings of financial institutions in central Edinburgh.
However, the information from the various appeals surrounding office developments in central Edinburgh provide some useful insight into the inherent weaknesses in the policy which limited its implementation.

Chapter 11 concludes by reviewing the findings which relate to the formulation and implementation of the office restraint policy and relating them, firstly, to the seven listed questions posed above. Secondly, Chapter 11 assesses the implications of these findings for the theories on the role of the state outlined in Chapters 2 and 3. With respect to the value of such findings for theoretical advance in this area, Eckstein (1960) has noted that:

"Case studies never 'prove' anything; their purpose is to illustrate generalisations which are established otherwise, or to direct attention towards such generalisations", (see Newton, 1976, p.223).

Hence, rather than disproving "macrotheories" on the role of the state in society, the mismatches between the expectations of the theories and the realities of central Edinburgh are reviewed. Chapter 11 then proceeds to review briefly the empirical findings for their implications about the role of local government in the general process of spatial reorganisation. Finally, the study is reappraised in terms of its methodology and its value for generalisation.

2. The reason for this was simple. The City of Edinburgh District Council had allowed access to files in the past and, unfortunately, a student who had been working on a dissertation, inadvertently discussed this confidential material with the private sector body concerned. Since the issue was ongoing, this led to an embarrassing situation at a later planning appeal. Understandably, the local planning authority were reluctant to grant access to the files thereafter.
Many commentators have noted that the "politics of urban development" are woefully short of adequate empirical studies. Such appeals include Blowers (1980) and Elliott and McCrone (1982). The former has noted that:

"Broad generalisations about the role of interests in land and their relationship to the organisation of the state and a capitalist economy are unlikely to provide insight into the process of urban development. Such insight must be sought by the use of detailed empirical evidence gained at the local level" (p.120).

The latter have stated:

"(I)t must be stressed that we need much more empirical research. In the past ten years much effort has been devoted to 'theorising' about urban matters because, as the structuralists insisted, much of the traditional work was mere empiricism ... There was truth in this, but as often happens with academic fashions, the determination to redress the imbalance between theory and empirical enquiry meant that empirical investigations ... , fell into disfavour. As a result, many important changes in our cities took place almost unobserved" (p.139).

It is hoped that this thesis contributes to the limited library of detailed empirical studies as well as providing information and insight to enlighten the contemporary debates in geographic and planning studies over the role of the state in guiding and controlling spatial reorganisation.
Chapter 2
Theories of the State, A Conceptual Framework

Introduction

"The essential point ... is that planning decisions, like any other characteristic method used for ordering society's arrangements, will tend to follow discernible patterns, reflecting particular features of the social structure itself... It is because society itself has a particular structure, and is not merely a random and inexplicable agglomeration of individuals, that the pattern of planning decisions is also likely to be similarly structured - to follow patterns, which can be discerned, but may be difficult to discern ... It is in fact, difficult to discern these patterns unless we have some theory which explains what pattern can reasonably be expected". (Reade 1982b, p.54).

By outlining the various theories on the role of the state in contemporary society we can establish the various conceptual frameworks that exist for evaluating one local authority's attempts to control office development. This chapter therefore presents a brief review of the various schools of thought on "who benefits from

1. The present author will, unless referring specifically to the work of others, refer to "the state" rather than "the local state". The potential for treating 'local government' and 'local state' as synonymous is strong. However, that confusion is to be avoided for the reasons advanced by Fincher (1981), Duncan and Goodwin (1982) and Paris (1983). The concept of the 'local state' is a theoretical-empirical hybrid with the state capable of definition as a theoretical category (i.e. institutions within society with a given role), whereas local is an empirically defined term. The term "local state" can only be used if 'local' obtains some theoretical validity. (See Saunders' (1981a) dualist thesis as one possibility here). In addition, 'the state' is a much wider concept than just government, including the army, judiciary and other such functions. This study is concerned primarily with local government as an administratively defined arm of the state. The theoretical perspectives explored in this chapter tend to refer to the state. The reader should bear in mind that we are, generally, only concerned with one element of that 'state', namely the government.
state activity" and on "how the state operates" in contemporary western democracies such as the United Kingdom. This acts as a prelude to an examination of the state's involvement in the land development process in Chapter 3, where the application of such theories to current interpretations of land use planning as a state activity is assessed. Patterns or regularities in the way in which the state makes decisions on issues of land use planning might well indicate that the state is working to support particular interested parties in the development of city centres. These patterns require investigation. The various theories of the state generate hypotheses on the likely occurrence of different patterns in the decision making process and provide competing explanations for observed patterns. As such, it is important to be aware of competing theories of the state when considering the role of local government in guiding the spatial reorganisation of land uses within the city. However, given the space restrictions of a thesis, exacerbated by the need to assemble information from a wide range of sources, only a very limited review can be attempted.

From a wide review of contemporary literature, Saunders (1979) discerned four distinct perspectives or schools of thought on the role of the state in society. He created the following typology (see 2. To cover adequately all the nuances of the debates concerning the role of the state, major theses would have to be written on each school of thought. The present author's intention in this chapter is to summarise the different positions as succinctly as possible, whilst allowing the reader to follow any particular strands by references to relevant or appropriate texts. The present author does not consider exclusively, in more than passing, the problem of 'urban politics' and the definition of the 'urban'. For a discussion of this problem readers should view Saunders (1981a), Dunleavy (1980) and Castells (1977), and for a critique, Paris (1983) and Fincher (1981).
Table 2.1) by reference to certain fundamental features which each perspective possessed. The two key features which determine the type of perspective relate to the presence or absence of a belief in the existence of any consistent or cumulative bias towards certain groups in society in the generation and pursuit of policies by the state and, secondly, to whether or not the policies operated by the state are primarily generated from within the state organisation (body politic) itself or result from pressures exerted on the state from outside interest groups.

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<thead>
<tr>
<th>Primary Cause of State Policy</th>
<th>Functional bias of state policy</th>
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<td></td>
<td>Collective/Diverse (i.e. no regular bias)</td>
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<tr>
<td>External</td>
<td>Representational/Pluralist</td>
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<tr>
<td>Internal</td>
<td>Managerialist</td>
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Table 2.1: Typology of Perspectives on the Role of the State and Society


The following sections are based on Saunders' typology and briefly illustrate the major features of the different schools of thought. There is an additional section on 'Corporatism' which is used extensively to describe the role of the contemporary state in Western Democracies but which, to the current authors mind, can be derived

3. All of these theories of the state are re-examined in Chapter 3 with respect to the state as land use planning agency.
from several different theoretical viewpoints. As such, it needs reviewing but, perhaps for the reason outlined, does not merit identification in Saunders' typology.

**Representationalist**

Saunders (1979) sees the two essential features of this representational or 'pluralist' view of how the state operates in contemporary society to be that, firstly, the state is a 'neutral' body without its own interests and without bias to any one group within society. Secondly, the state is an autonomous force in society, capable of responding to the political pressures placed upon it. Saunders (1979) quotes a foremost pluralist theorist, Robert Dahl, as viewing the state as "up for grabs" by any interest group capable of capturing it. Hence, at different times, different pressure groups can influence the state to act in their interests.

Hence, as Saunders (1979) notes:

"In other words, the (pluralist) argument rests on the assumption that people shout when they have reason to, and the louder they shout, the better their reason, and the greater is the likelihood of their views being accepted" (p.12).

Interest groups, which might seek to influence the state through their voting power, are not seen as capable of definition by simple reference to their socio-economic status or "life chances" (Weberian definition of class, based on position with respect to the...

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4. Dunleavy (1983) notes the four major political inputs through which groups might exert influence on policy to be, electoral behaviour, party political competition, interest group representation and the mass media.
distribution of social wealth) or relationship to the means of production (Marxist definition of class, based on position in the production process). Rather these groups are seen as shifting alliances of various sub-sets of society who ally together to express common concerns over particular issues. Hence, the issues around which these interest groups fight and the conflicts which arise from those issues are not cumulative. There is therefore no belief in the idea of "class struggle" since the alliances of interests are constantly shifting rather than mutually re-affirming. Hence, Jenkins (1978), quotes Crenson (1971) as seeing pluralist theory as:

"reject(ing) any subordination of the political system by the class system. Rather, it enhances a more thorough subordination of the political system to its environment" (p.109).

Similarly, Cawson (1981) notes:

"The classic pluralist approach to interest groups is to deny that the interest of the group is anything more than the sum of the interests of the individuals that comprise it, and then to describe relationships between groups in terms of a model of competition. The political group is to the political market what the firm is to the economic market" (p.3).

The political system is identified by pluralists as being inherently neutral and forming an open arena for conflict resolution. Two reasons are given for this. Firstly, all individuals are seen by pluralists as equal before the law and can alter government structure with their vote. Secondly, since government composition is based on the shifting alliances of interest groups in society, no systematically biased decision-making body could survive. Dahl

5. See Calvert (1982) for a detailed discussion of the variable concepts of class.
(1964), acknowledges that different groups have different resources which they can employ to affect the actions of policy-makers. However, it is argued that whilst some (like industrialists) can use considerable economic power to influence governments, this is in balance with, rather than out of proportion to, the political power that members of the general public hold through the ballot box.

Pluralism is not only a theory of the state but is also a political stance. The obtaining of consensus between various groups in society is seen as inherently good and essential for the design of good policies. Lindblom's (1959) thesis of policy-making as proceeding in a disjointed and incremental manner as alliances change over time is a good description of how policies and decision-making evolve in the pursuit of consensus between different groups with different levels of influence at different times.

The major criticism aimed at the pluralist school of thought is that, because pluralists concentrate on the open and publicly visible struggles that range around political "issues", they fail to perceive any 'mobilisation of bias' (Bachrach and Baratz, 1970) that might

6. Dunleavy (1983) shows how pluralist theory has developed three distinct strains in British political ideology in the 1980s, proportional representation ('reformulated pluralism'), the minimisation of state activity to maximise the freedom of the individual ('the new right') and the increasing need to state involvement to reach socially determined goals (neo-pluralism). Newton (1976) contains an excellent analysis of pluralist political theory.

7. This is a simple deduction from the pluralist stance and also reflects the concept of policy formation as an iterative and evolving procedure. Of interest here is Easton's (1965) views of politics in systems analysis terms. Its equivalent in geographical theory is Cohen and Rosenthal (1971).
exist within the ideology or structure of the state and which might affect the way the state acts in some relatively intangible way. As a result, pluralists cannot conceive of underlying philosophies of action in government activity which may arise through the socio-economic composition of the decision-makers, their ideologies and their relationships with interested parties outside the body politic. As we shall see below, many Marxists believe that the actions of the state are predicated on the need to facilitate continued profit making by capitalists. This in-built philosophy will not necessarily be deducible from the observing of the politicking of various pressure groups in society, but might well affect the form and implementation of state policies.

Therefore, before leaving pluralism, we must consider the development of what Dunleavy (1980) has called the 'neo-elitist school' which formed the main critique of pluralism to develop from North American political science. This critique was based on three criticisms of pluralism outlined by Bachrach and Baratz (1970) which stated that its concentration on the resolution of observable issues omitted:

(a) issues that did not reach the open political arena;

(b) the fact that power could be exercised to keep such issues from reaching the open political arena;

(c) and that, by a 'mobilisation of bias', challenges to any dominant values held by any dominant social group could be rebuffed with ease, though their control of the body politic.

8. This is not to be confused with a further criticism of pluralism, namely that it cannot incorporate issues like propaganda into its theory (i.e. that the belief system or ideology of a minority may come to determine the thoughts of the majority — see Saunders 1979, p.155).

Hence, as Dunleavy (1980) points out, Bachrach and Baratz (1970) were arguing for the need to investigate both the issues that did not surface as well as those that did. However, as Dunleavy (1980) notes, instead of looking for some wider social meaning (like class domination) for observed cases of bias and inaction by policy making bodies, Bachrach and Baratz retained, in common with earlier pluralist thinkers, the concept that the key element of conflict resolution in contemporary society was the power of the individual to vote. Hence, to explain why things did not happen one had to establish which potential issues or 'preferences' were not made available to voters. Therefore the explanation still views groups actively preventing issues from emerging rather than any inherent tendencies to assist particular groups. This neo-elitist school, like pluralists, therefore eschews the concept of groups acting coherently as classes (however defined) but argues that there are certain elements of society which, when they become dominant, can manage to remain in control of a political body by limiting the range of issues to be debated and thereby come to form a potent elite.

Managerialist

Lambert et al. (1978) view managerialism as a view on the role of the state which is pluralist in essence, but which believes that the state and the members of its multifarious organisations are capable of autonomously defining policies for action and imposing those policies on society. Dunleavy (1980) notes that for one leading exponent of the managerialist school (R. E. Pahl):
"The managers of an urban system assert an independent influence on the allocation of scarce resources and facilities which may reinforce, reflect or reduce the inequalities engendered by the differently rewarded occupational structure" (see Dunleavy, 1980, p.40).

In this sense, managerialism is very different from pluralism which rejects the concept that state employees have any significantly autonomous power to direct policy. In managerialism, influences still play upon the body politic, but these conflicts are not resolved simply by the 'weight of votes' cast in their favour. Instead, the urban managers in the public sector greatly influence who benefits from the political process. In this way managers are integrally involved in the redistribution of wealth, which Pahl saw as being inevitable since (at the very least), government services were locationally fixed and therefore nearer to some people than others.

The two major criticisms levelled at managerialism, as construed by Pahl (1975) have been that:

(a) there is no clear definition as to who the urban managers are, and, as Saunders (1981a, p.120) points out, since they are defined descriptively rather than by any established analysis of society, the study of managers could 'degenerate into mindless empiricism' with no conceptual direction, and superficial results; and

(b) there is no concept of the extent to which urban managers were constrained by market forces or higher levels of government. Taking housing management as an example Gray (1976)

10. Elliott and McCrone (1982) note that most of Pahl's stimuli came from considering the middle and upper echelons of local government. However, his thesis was also considered pertinent for the private sector, like building society managers.

11. It is from Pahl's work on urban managers that he developed ideas on a new form of society emerging in Britain in the late 1970s where the state becomes actively involved in directing industry (see Pahl and Winkler, 1974 or Bonnett, 1978).
argues that managerialist explanations are 'incorrect and obfuscatory' since they abstract policies from history and other aspects of reality; "important questions are ignored and recognition of the influence of underlying societal processes is avoided". For example, if a theory like managerialism talks about managers distributing "scarce" resources, it must be able to explain why those resources are scarce in the first place. Managerialism, as Pahl (1975) developed it cannot do this and is therefore considered by many to be inadequate.

Although, for the reasons given above, managerialism has now largely been discredited, many of its ideas remain (and indeed are re-emerging) as important research questions in the field of policy studies. Such questions include the role that government officers play in the determination of policy (Batley, 1980; Underwood and Lambert, 1984) and whether or not they possess more power than elected representatives in the decision-making process (Blowers, 1980; Harvey Cox, 1976; Elliott and McCrone, 1982; p.81 and Newton, 1976).

**Corporatism**

Corporatism might be considered as a further variant of the representational school. Simmie (1981) has given the fullest definition of corporatism as:

"a politico-economic system characterised by the exercise of power through functionally differentiated organisations seeking to achieve compromises in economically and politically approved actions which are as favourable to their particular interests as possible and which are often legitimated by their incorporation in the objectives of the state. The main negotiating groups in this system are oligopolies and smaller producers in economic sectors; monopolies, parties, pressure groups and individual consumers; the government and bureaucratic agencies of the state. In general, the larger and more powerful of these elements are incorporated in various ways into state policy-making and its implementation. In contrast, the smaller and less powerful elements
are not usually incorporated and constitute a market system of economic activity and a pluralistic system of interest representation. Corporatism therefore represents an important development in the location and use of power. It represents a shift away from market and electoral power towards oligopolistic, functionally differentiated and hierarchically structured organisations. It also involves a lessening of the electoral accountability of the decisions reached as a result of negotiations between members of the higher echelons of such organisations. Corporatism, defined in this way, represents an extension of the study of the conditions pertaining to imperfect competition in the economy to embrace their political ramifications. As such it could be described as 'imperfect pluralism'. It requires an analysis of the three-way interrelationships between producers, consumers and the state". Simmie (1981, p.100-101).

Simmie's (1981) definition of corporatism has much in common with that of Schmitter (1974), whom Bonnett (1978) identifies as providing only one version of corporatism. Like Crouch (1979), Bonnett (1978) immediately isolates two main branches of corporatism. There is firstly the form of state enforced incorporation of groups to provide a controlled consensus for state action characteristic of fascist or etatist regimes. Secondly, there is liberal (otherwise called "pluralist" or "societal") corporatism. Many corporatist theoreticians view societies like the United Kingdom as an example of this liberal form of corporatism. However, opinions differ mainly on how such a political system has emerged in Britain.

It is claimed by Pahl and Winkler (1974) (also see Bonnett, 1978 pp.15-17) that several processes have acted simultaneously to generate the evolution of a corporatist political structure in Britain, namely that:
(a) the ownership of the means of production is becoming more concentrated;

(b) the need for state aid by increasing number of companies has increased state involvement in the private sector;

(c) new and costly technological investment has increasingly required state finance; and

(d) the growth of international competition has led firms to request an increasing level of protection from their own governments.

The role of the state is seen, therefore, as having changed from one of supporting the economy to one of taking an active role in directing it.

Jessop (1977) sees these trends as inevitable tendencies within capitalist society, and, as such, derives a form of corporatism from a Marxist standpoint, which views the state as subservient to the demands of the capitalist class. Similarly, Panitch (1977) feels that the groups which are incorporated into the state are ultimately based on Marxist class divisions based on the relationship of their members to the means of production (workers and capitalists). In contrast, Schmitter (1974) sees the groups incorporated by the state to be any "subordinate classes or status groups", rather than classes as defined by Marxists.

However, it is true to say that all the various theories of liberal corporatism have common elements. They all accept that there is a level of functional representation of interests in society, through restricted channels of access, to the body politic. Conflict resolutions are therefore carried out in closed political arenas (e.g. 12. Subordinate to the state.)
Central Government discussions at the National Economic Development Council with the Trades Union Congress and the Confederation of British Industry).

Therefore, in order to pursue established goals, the state must negotiate with those groups in society (e.g. industrialists and unions) whose cooperation is required. As Cawson (1981) notes, the existence of extensive economic power outside government, necessitates the inclusion of such groups in state decision-making. For government, representation and intervention become fused into institutional interaction (Doak, 1982). Dunleavy (1983) describes the corporatist view of interest group representation as:

"Major social groups ... have developed into large organisational blocs ... often with distinctive political leanings and linkages ... Business and union peak organisations (CBI, TUC) have extensive control over resources that governments need. Hence they can bargain from a special position, achieving privileged or exclusive access, close and permanent relations with state agencies and creating a 'corporate bias' in policy-making which excludes lesser groups from influence. Corporatist interest bargaining is now crucial for economic policy, with the pluralist interest group process influencing what gets done only on less important issues" (p. 262) (14).

Hence, Dunleavy (1983) is suggesting that different sorts of representation exist for different types of interest group. Powerful economic organisations are co-opted directly into the decision-making process, whilst other more marginal groups, are left to fight

15. See Flynn's (1982) work on the cooptation of such bodies into the structure planning process.
issues in the open political arena. Hence, corporatists acknowledge the role of democratic politics but see it as only one of two possible arenas for powerful interests to affect policy makers. Martin (1983) describes a continuum of possibilities for interest representation between pluralism and corporatism stretching, from parliamentarianism (where only formal channels of decision-making bodies acting through the electoral system connect lobbies to decision makers), to corporatism (where unelected but powerful groups have formalized and substantial roles to play in the formulation and implementation of policy).

Criticisms of different corporatist theories of the state depend primarily on which theory is invoked to explain the corporate nature of state activity. Certainly Pahl and Winkler (1974) have been criticized for not basing their hypothesis of an impending corporatist society in Britain (where the economy would be guided in a very detailed manner by the government) on any adequate theoretical explanation of the observed tendencies. The other main focus for debate centres around the nature of incorporated groups and whether or not they relate to classes as defined by Marx. Marxists argue that they do, Crouch (1979) and Schmitter (1974) argue that they do not. Cawson (1983) argues that one can identify interest groups which are

16. Jessop (1982) lists more. He adds 'clientalism', where political support is promised in exchange for politically-mediated resources from the state and 'raison d'état' where the state is overtly biased and often acts without formal representation and occasionally with violence to achieve ends.

17. Indeed it might be said that corporatism is merely a 'descriptive' term and that it is solely the theoretical underpinnings relating to its evolution that are of importance. In short, corporatism can be derived from a pluralist or Marxist theory of the state.
united by their socio-economic status (Weberian), through their relationship to the mode of production (Marxist) and through their "functional" groupings (such as the electrical engineering industry and electrical engineering workers and their representatives). This question of how to define groups within society is obviously a question which pervades any analysis of political activity in that it underpins any question relating to "who benefits" from state activity. The present study is no exception.

Instrumentalist

This is the first of two predominantly Marxist schools of thought on the role of the state in capitalist society. The debate between Marxists over the way in which the role of the state in contemporary society should be conceptualised is extremely voluminous. As such, the intention is to present only the most basic ideas from each school. The key features that distinguish theories of the state as "Marxist" are that:

(a) the economic tendencies inherent in a capitalist system which is based on the production of goods for profit rather than on the basis of need will increasingly generate crises of overproduction of consumer goods at the same time as underprovision for basic needs (e.g. housing). These are dysfunctions in the economy which the state will have to take action to help resolve. As time progresses, these crises get worse and state involvement is increasingly necessary;

(b) society is basically comprised of two mutually antagonistic classes who are defined by their relationship to the means of production.

For highly detailed discussions of the nuance of such Marxist debates see Jessop (1982), Holloway and Picciotto (1978) and Volumes 2 and 3 of Capital and Class 1977.
(capitalists owning them, proletarians owning only their labour power), and that these two groups with their fundamentally opposed interests form the basis for conflict in, and pressures placed upon the state.

However, two main schools of thought have developed on this basis. They differ on how they conceptualise how the state will react to these pressures. The two schools of the "Instrumentalist" and the "Structuralist".

Jessop (1982) notes that the concept of the state being an 'instrument' to further the ends of the capitalist class (i.e. "a capitalist state", Miliband, 1969) is capable of being derived in two ways by Marxist theorists. In its "least developed form" instrumentalism can be seen as the idea that:

"the state is not an independent and sovereign political subject but is an instrument of coercion and administration which can be used for various purposes by whatever interests manage to appropriate it" (Jessop, 1982, p.12).

For some Marxists, these interests are inevitably those of the capitalist class. Or as Berger and Berger (1972) note:

"For Marx, political power is always an instrument of the dominant class. Since the Marxian concept of class is fundamentally an economic one ... , this means that Marx sees political relations as a reflection of underlying economic power. The state and its legal system are only a veneer that superficially covers a structure of class interests" (p.294).

The conclusion that the state must be dominated by capitalist interests can then be reached by using an "economic reductionist" argument which assumes that, because, in the final instance, the state is financed through capitalist production it must ultimately defend
those interests as its own and, as such, it must ultimately be an instrument of the capitalist class.

A more sophisticated view sees the state as an independent body that stands outside the warring factions within society and is capable of acting independently, but which can be taken over by the dominant class at any time. Miliband (1969) argues effectively that, even though the state is an independent body, it must still act on behalf of the capitalist class. This is because:

(a) the social background of the upper and middle echelons of all the key areas of the state is basically the same as capitalist class. They are therefore inherently sympathetic to capitalists' interests;

(b) the capitalist class can exert enormous economic power over the state; and

(c) the state is dependent on continued economic growth for finances essential to its own survival 19

(See, Saunders, 1979, p.161).

This stance is considered to be simplistic both by many Marxists and non-Marxists. The key criticism raised both by Jessop (1982) and Saunders (1979) is that, if the state is an instrument of class rule by capitalists over workers, how can the capitalist class dominate state activities without actually occupying key positions in the state system. Secondly, many Marxists argue that the capitalist class cannot and does not act coherently as a group. Instead, it acts in an uncoordinated manner as "fractions" of the capitalist class ally around particular economic interests (e.g. "bankers", "farmers",

19. Jessop (1982, p.15) and Crouch (1979, p.29) also remind us that Miliband does utilise some structuralist concepts to explain why the state is tied to the continuance of capital accumulation.
"industrialists" of various types). Given this ongoing competition and conflict between different fractions within the capitalist class, the state cannot be viewed as simply an instrument of that class since, as such, that class has no commonality of purpose or direction.

For many Marxists, Miliband's (1969) thesis of interrelated elites from common social backgrounds determining policy making, although thought to be a valid description, is said to explain little. It is "too deeply rooted ... in the British empiricist tradition" (Holloway and Picciotto, 1978) of sociology, focussing too heavily on individuals rather than classes. As Holloway and Picciotto, point out:

"What makes the state in capitalist society a capitalist state is not the class composition of the personnel of the state apparatus but the position occupied by the state in the capitalist mode of production" (p.5).

Structuralist-Marxist

In the structuralist-Marxist thesis the central aims of the state are to ensure that capital accumulation and economic growth continue, that there is an able-bodied work force capable of producing goods and capital growth, and that the relationships exhibited in the production process do not change in such a way as to jeopardise the overall imperative of capital accumulation.

This school of thought gets its name from the argument that society is 20. Those who own 'the means of production' and those who do not; those who take the profit and those that are paid wages.
structured, in the abstract at least, into three different levels, the economic, the ideological and the political. Marx explored the primary contradictions in the economic base of capitalist society (i.e. the social creation of wealth by large numbers of proletarians and its appropriation by a limited range of capitalists, the overproduction of goods and the underprovision for needs and the desire of capitalists to minimise the wages paid to their employees whilst depending on the maximum spending power of consumers who are, in the main, proletarians). In contrast, Althusser (1969) believed that there are also secondary contradictions set into the superstructure of society, namely, the political and ideological levels of society. Contradictions are seen as possible within each level of society and between levels. Hence political and ideological developments in society are not seen as rigidly determined by the economic base of society (as might be expected by an extension of the Berger and Berger, 1982, quote above), but rather they only have their roots there and develop independently (possibly triggering further contradictions and crises in society).

Hence the state is seen by structuralist-Marxists to be trying to regulate the (inevitable) crises of the socio-economic system as a whole in pursuit of a goal to maintain the existing economic base of society. However, at the same time, the state reflects the multifarious contradictions that are occurring in society. The state is therefore not seen as an instrument of any one class, or fraction.

21. For a good introduction to the ways in which these structuralist ideas have evolved from the more conventional concept of structuralism, as derived from Levi-Strauss, see Gregory (1978).
Nor is it seen as neutral. Rather, it is seen as "a condensation of class struggle", whose actions trigger off further contradictions. As Lojkine (1977) notes:

"(T)he state, far from managing the economic and social contradiction undermining our social system, reflects it insofar as it does not diminish the contradiction by its interventions but on the contrary exacerbates it" (p.141).

Concentration on the action of individuals as managers or participants is dismissed by structuralist-Marxists (and by implication so are the instrumentalist, managerialist and pluralist schools) as being a form of distraction, since they regard economic classes and not managers, as the only true scientific "objects" by which to analyse politics (Saunders 1979, p.181). Studies which concentrate on other phenomena are considered obfuscatory (and thereby reactionary). The one thing structuralist-Marxist theory does have in common with pluralism is that the organisations within the state are not seen to have any initiative of their own but, rather, act under stimuli derived from outside the body politic (Dunleavy, 1977). In this case, the stimuli are class based.

The capitalist class is conceived of as being comprised of various different 'fractions' which relate to issues in a coherent manner (e.g. bankers, mineral extractors). These different fractions can have widely differing or even conflicting interests (see Longstreth, 1979). For the state to support the general continuance of the conditions for capital accumulation and profit making (Cockburn, 1977, p.51), it must be able to distance itself from economic base of
society. Hence, the state does not directly reflect economic interests, but achieves a form of relative autonomy from individual fractions of the capitalist class. As Crouch (1979) notes:

"The state's relative autonomy is necessary so that it can establish what are the general interests of capital and pursue them, if necessary, against the interests of individual fractions" (p. 25).

By so doing, the state helps to unify the warring fractions of the capitalist class, albeit at a cost to some sections within that class. At the same time, the state is thought by structuralist-Marxists to actively try and break up the unity of the working class by political actions likely to divide them.

"In short, the state is 'relatively autonomous' of any one class, although it necessarily functions in the long term interests of monopoly capitalism" Saunders (1979, p. 181).

Any concessions made by the state to the working classes are seen as short-term measures to ameliorate dysfunctions in the economy (such as the inability of the private sector housing market to provide sufficient numbers of houses), which become expressed through the mobilised political force of the working class. However, these concessions are only made to ensure that capitalism can continue to grow and expand. Although the concessions do represent an economic burden for the capitalist class, they secure long term growth for capitalism.

Another function of the state's relationship to the "dominated" or working class is to create an illusion of equality and individualism, through the judiciary and through the electoral process, whereby...
workers feel that they are playing a decisive role in social and political activity, whereas the "truth" is that the state will always protect capitalist interests in the final instance (i.e. if the continuance of a capitalist form of production within society is seriously threatened).

Broadbent (1977) summarises the structuralist-Marxist school as represented by Nicos Poulantzas (1973) as:

"He sees the state as a summary or 'projection' of the current balance of class forces; it is a 'sounding box' for various economic and social crises" (p.46).

He continues to note, that the thesis is, however, "incomplete" since:

"It does not discuss in concrete economic terms how the state ... is to carry out its task. Poulantzas does not investigate the possible limits to its power to act, and his overall emphasis tends to be on the 'repressive' nature of the state apparatus" (p.47).

Saunders (1979) is more scathing. He views the argument, which claims that the state works for monopoly capital because it is dominated by that class except for those instances when it does not because it has some relative autonomy from it, as being tautologous in that it is a self fulfilling truth. He notes:

"While instrumental theories can to some extent be evaluated by searching for the situations where the state does not appear to have worked in the interests of the dominant class, and managerialist theories can similarly be evaluated by analysing situations where it has, structuralist theories, with their emphasis on both class domination and the absence of class domination, exclude both

22. See Poulantzas (1973),
possibilities. If the state acts to support monopoly capitalism, then this is due to the political domination of that class; if it does not, then this is due to its relative autonomy from that class. Clearly, ..., any coherent theory of the state must be able to take account both of the political power of capitalist interests and of the ability of the state to act independently of those interests, but this can only be achieved by stipulating those situations in which capital predominates, and those in which the state predominates, and not by developing a theory which can be moulded to fit any situation at will (pp.184-185).

He also poses the question that, if the state sets out to regulate social change, how can this be done without the managers or state officials being able to construct and maintain their own initiatives. Furthermore, if the state is merely a condensation of class struggle as structuralist-Marxists believe, how can it simultaneously develop its own strategies to try and solve the crises (as Poulantzas, 1973; Castells, 1975 and others purport), especially when nobody sets out to fulfil these aims? Saunders (1979) also notes that if society is governed 'in the final instance' or 'last resort' by economic forces, then how can relative autonomy ever be realistically established? Similarly, if the state has this relative autonomy, then how does it safeguard it? Finally, if the state is determined in the end by economic forces, there should be some visible correspondence between economic classes and political classes and this should be reflected in the state and its form. Saunders and many others (see Cawson, 1983) have rejected the parallelism of economic classes and social groups, despite the attempts by some (e.g. Castells, 1978) to utilise such concepts in case studies.

23. i.e. it can accommodate many demands from the working class, until they start to impinge on the prospects for guaranteed capitalist accumulation.
Given these problems it is worth mentioning briefly the work of Claus Offe, who attempts to link some of the Marxist theories of the state with an analysis of the role that state organisations play in determining policy. He argues that the state has three main roles in society. Firstly, in common with other Marxist theorists, he argues that the state allocates resources to services essential for the continuance of a capitalist society (roads, transport etc ..) but which it cannot provide for itself. Secondly, as the capitalist system develops and proves unable to provide certain goods and services (houses, hospitals etc ...), it has to involve itself increasingly in a productive role in society to meet market deficiencies (e.g. the nationalisation of the railways, council housing). Finally, in order to carry out these tasks on behalf of the capitalist class, the state poses as an impartial body to all the various groups within society. However, Offe (1974) argues that this is not the case, since the structure and organisation of the state filters out non-capitalist demands. Hence, the state finds itself constantly having to "legitimate" its actions.

For Offe, the allocative role of the state has a historical legacy of bias towards capitalist demands, even though it appears to be deciding between different groups competing for resources. With respect to its second function of actively getting involved in forms of commodity production, the state needs to be relatively autonomous from the various fractions of the capitalist class. He demonstrates this with reference to nationalisation which is opposed by some members of the capitalist class, but which might be essential to the continuance of
the overall economic system. The ability of the state to carry out such a programme in the face of concerted opposition suggests to Offe that there are clearly some policies which emerge from within the body politic itself. The state does not merely respond to pressure but can undertake its own initiatives.

However, since Offe argues that the state is actually biased towards protecting capitalist interests, how can it increasingly operate against their opposition as crises within capitalism repeatedly occur and steadily worsen?. He posits three possible answers. Firstly, the state bureaucracy could take more control over guiding key aspects of the economy. Secondly, the state could increase its range of planning activities to cover more areas of the economy and, finally, key economic decision-makers could increasingly be brought into policy-making. Offe (1975) rejects all three of these solutions since, in the first case, he argues that bureaucracies are unsuitable mechanisms for inventing economic policy. In the second case, without a fundamental change in the control of society's resources, most of the means for implementing policies would lie outside the body politic. With respect to the last posited solution, the inclusion of such private-sector parties in government would lead to inconsistencies in policy as well as policies geared to specific rather than general capitalist interests, as particular fractions of the capitalist class proved able at different times to manipulate policy. This would lead to problems of maintaining general capitalist profitability. Hence, Offe (1977) concluded that economic crises will remain unresolved and, as the state increasingly gets involved in inappropriate ways to solve
these crises, it will experience crises of both rationality and legitimacy through which non-capitalists will become increasingly aware of which "side" the state is actually on (e.g. public expenditure cuts to support industrial expansion through reducing taxation of profits).

**Dualist Theory**

In that the above theories pertain to the general role and form of the state in society, they have tended to form models for the study of both local and central government bodies. From his reviews of the different theories of the state, Peter Saunders has come to reject the use of similar theories to examine different tiers of government. It is important to review this "dualist" theory of the state before concluding.

Saunders (1981a, 1981b), having drawn from many areas of theory and observation (especially Saunders 1974, O'Connor 1973, Jessop 1978), has constructed a 'dualist theory of the state', which states that, because central and local government perform fundamentally different functions, then different theories of the state are applicable to different levels of government. He establishes that the primary concern of central government lies in ensuring the future of capitalist accumulation (e.g. investment to assist economic growth, whether through direct investment like nationalisation programmes or indirect activities like motorway construction), whereas the primary concern of local government is with the allocation of resources for

24. These goods are called "social consumption" goods by Saunders.
consumption by the general public (e.g. housing, community care). Hence, different sorts of demands are put on the two tiers of government.

For Saunders (1981a), the form of interest mediation carried out by central government resembles that described by the corporatists. It is more concerned with major investment programmes to assist economic growth (e.g. physical infrastructure, grants, major services, levels of taxation etc). To manage this the state attempts to incorporate, both formally and informally, powerful non-elected bodies to aid in the making of important decisions and policies. In contrast, local government is more concerned with the consumption of resources (e.g. housing, recreation and amenities). The allocation of resources between these various groups is through the competitive form of politics which pluralists have accurately described.

Saunders recognises that without capital accumulation the provision of goods for social consumption at the local level would be impossible. Therefore, the state in a capitalist society has, as its primary function, to ensure that future capital accumulation proceeds unhindered. If public expenditure poses problems for profitability then, as O'Connor (1973) suggests, central government will act to cut social consumption and, by curbing such expenditure reduce the burden on profits. Saunders (1981a) argues that contemporary local government expenditure cuts exemplify this and help to illustrate the

25. O'Connor (1973) called this process the "fiscal crisis of the state", viewing such crises as inevitable given the tendency of capitalism to enter ever worsening crises.
inherent tension that exists between the different levels of government who manage different functions of the state.

"What I am suggesting, therefore, is that the dominance of central over local government agencies is best explained and analysed ... with reference to the dominance of investment over consumption, corporatism over democracy, and profit over need". (Saunders, 1981b, p.34).

Through his dualist approach, Saunders tries to combine the strengths of holistic Marxist theory with the sensitivity to particular political situations shown in contemporary political science approaches. Fundamental to his case is the argument that the "local state" was not the national state "writ small". He also believes that by separating the functions of the state at different levels he overcomes the theoretical problems of the relative autonomy of the state since one level of government can respond to calls from the working class, while the other can deal more directly with the important functional groups in society. Therefore, claims from the non-incorporated groups over consumption are lodged and debated at local government level, whereas the interests of the 'peak associations' of groups organised around production, enter the policy making process in a more negotiative, corporate, manner at central government level. Since production and consumption issues are separated, the state, with its two-tier structure, becomes relatively autonomous from particular economic pressures (Saunders, 1981b, p.36). If the costs of service provision (collective consumption) begin to reduce capitalist profitability, then central government can act to curb local government expenditure. With its dual structure, the state
can act in the long term for capitalist interests by ensuring the conditions for continued profit making (capital accumulation), whilst in the short term reacting to demands from non capitalists.

It is not the role of this thesis to produce a lengthy critique of Saunders' dualist model of the state. However, it must be pointed out that it is an inductively derived model of the state and society in which the deductive theories of Jessop (1978), O'Connor (1973) and Offe (1974) are used selectively to construct a picture which "matches" observed features of government in action. Saunders conveniently omits those elements of other theories which do not match his observations, despite their being integral to the theories from which he extracts and composes his own thesis. Even given its 'model-to-fit' terms, Saunders' dualist thesis reveals some problems. Manifestly, there are consumption issues (like health services and social security) that are lodged at the national level, and there are many production issues localised at the local level (e.g. council house construction). However, the dualist thesis adds an extra dimension to our study in the sense that it focusses our attention onto whether participants involved with local issues have ready access to, or are excluded from, influencing higher levels of government.

Methodological Problems of Analysis

Before concluding this brief chapter there are two major methodological problems to be resolved. By their nature, the different theories of the state reviewed above provide different sorts of problems for empirical research. Some, like the pluralist school
relate to the observation of actions and other phenomena whereas others, like the structuralist-Marxist school, believe that the most important forces at work are largely unobservable and that the use of empirical studies, as a means to falsify hypotheses about how the state acts in contemporary society, is inappropriate, is liable to be erroneous and is inherently unsound in that hidden tendencies are ignored whilst only observable phenomena are analysed.

The two problems which need to be addressed before proceeding are therefore:

(i) how can we devise a reasonably consistent method of analysis by which we might evaluate the very different theories of the state outlined in this chapter?

(ii) how can we comment satisfactorily on the various Marxist-based theories of the state, without being accused of simplistic adherence to a positivist method of analysis which, it is claimed, is inappropriate and irrelevant to such theories?

In response to these problems, an attempt has been made to devise a means by which the various theories of the state can have key elements of their underlying structure examined in a similar manner, such that some comparisons can be made. The way in which this was done is explained below.

In his book, "Social Theory and the Urban Question", Saunders (1981a) tackles the thorny problem of testing theories in urban sociology and makes some important criticisms of Marxist claims to a "superior epistomology" which stands above tests of empirical falsification. Firstly, he agrees with the geographer Andrew Sayer (1979, but also 26. See the Appendix to Saunders (1981a) pp.279-286.
see 1981 and 1982) that individual case studies which examine elements of holistic theories of society like Marxism, cannot be used to falsify such theories. This is because Marxism is based on a wide range of interconnected generalisations which cannot be falsified by individual pieces of evidence which might have been culled from situations where all manner of mitigating circumstances might have been in operation. However, Saunders argues that, case studies can identify those situations and conditions where the underlying tendencies hypothesised by Marxists (i.e. the state will always support business interests over workers interests) do not manifest themselves.

Saunders does not go far enough here. He seems to accept that researchers wishing to investigate the validity of Marxist hypotheses on the role of the state are necessarily restricted to those factors which are needed to qualify the general hypotheses of the Marxists in particular empirically observed situations. This leaves the major postulate of the Marxists (e.g. the state will ultimately defend capitalist interests) untouched. The idea that there are "structural" and "contingent" factors which impinge upon all observable situations, but only the latter can be the subject of empirical investigation amounts to an article of faith rather than a basis for adequate research.

27. Sayer (1979) argues that the natural sciences have parallels here. For example, if gunpowder fails to explode after a flame is applied, this does not necessarily mean that the laws of combustion are falsified. Instead, there must be contingent factors such as "the gunpowder was wet".
It is possible to elicit a common set of questions from all the schools of thought on the role of the state, which are capable of investigation using empirical evidence. Each school of thought provides answers to these questions depending on its conceptual underpinnings. These answers can then be used as hypotheses for empirical analysis. The few questions common to all the schools of thought reviewed are:

(i) who benefits from state activity?
(ii) around what social divisions are interest groups organised?
(iii) how does the state interact with non-state groups?
(iv) what role do institutions and actors within the state play in decision-making?

The answers which each school of thought gives to these questions are set out in Table 2.2.

Using these answers as hypotheses, empirical research can produce evidence to test high level concepts relating to the theories on the role of the state in society. Clearly, such evidence cannot falsify core concepts of Marxism such as the labour theory of value (i.e. that the value of a product is directly related to the labour that went into producing it and is not related to the price it receives), but it can form essential material for outlining the inadequacies of the theories. Through such criticism of the various theories it is at least possible to outline the minimum criteria which any theory of the state would have to satisfy to explain the phenomena observed in this thesis. This does not form a new theory of the state but it acts as a stimulant to the revision of thought within the various schools. As
<table>
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<tr>
<th>(A) Who benefits from state activity?</th>
<th>Pluralist</th>
<th>Managerialist</th>
<th>Elitist</th>
<th>Instrumentalist</th>
<th>Corporatism (Western Democracy)</th>
<th>Imperialist</th>
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<td><strong>Beneficiaries are those groups who have the largest support who campaign most vigorously and who make their voices heard loudest.</strong></td>
<td><strong>Beneficiaries are those who are allocated or allowed to make use of resources by urban managers.</strong></td>
<td>Beneficiaries are a fairly limited number of extremely influential and economically powerful interests.</td>
<td>Beneficiaries are the dominant class in any particular instance. This is almost invariably the capitalist class (or fraction of it), but for short periods can be the proletariat who can then extract concessions.</td>
<td>Short-term gains are possible by non-capitalist groups, but in the long-term the general activities of the State will help to further capital accumulation on behalf of the capitalist class.</td>
<td>Ultimately, beneficiaries are the capitalist class, since corporate management develops from the crises of capitalism. However, there is the ability for non-capitalist interests to make lasting gains.</td>
<td><strong>In the final instance capitalist groups, but there is a great deal of scope for non-capitalists to make real and lasting gains - providing this does not impinge on the ability of capitalists to make profits and continue capital accumulation. Pluralist forms of conflict resolution pertain at the local level.</strong></td>
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<th>(B) Around what issues are interest groups organised?</th>
<th>Pluralist</th>
<th>Managerialist</th>
<th>Elitist</th>
<th>Instrumentalist</th>
<th>Corporatism (Western Democracy)</th>
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<td>There are no explicit specifications of this in the theory.</td>
<td>There is no explicit specification of this in the theory.</td>
<td>There is no explicit specification of this in the theory.</td>
<td>Interest groups are seen as deriving in the final instance from economic groups defined by reference to the production process.</td>
<td><strong>Interest groups are grouped around issues over the production process and issues over the consumption of goods and services.</strong></td>
<td>Interests are grouped around issues over the production process and issues over the consumption of goods and services.</td>
<td>Groups acting through negotiation at central level are more concerned with production. Groups acting openly at local government level are more concerned with issues over consumption.</td>
</tr>
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<tr>
<th>(C) How does the State interact with non-State groups?</th>
<th>Pluralist</th>
<th>Managerialist</th>
<th>Elitist</th>
<th>Instrumentalist</th>
<th>Corporatism (Western Democracy)</th>
<th>Imperialist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interaction is open and equally available to all who seek it.</td>
<td>The state is the controller of a wide array of resources, which are strongly competed for. The State interacts with these competitors as gatekeeper, beholden to no-one.</td>
<td>There are privileged channels for the wealthy and powerful elite. Other interest groups must resort to more open forms of political action.</td>
<td>It interacts with the dominant class in such a way as to further their interests. Hence it responds to the demands of the dominant class.</td>
<td>Democratic representation is generally seen as an ideological facade which obfuscates, disperses and frustrates popular protest and energy. This leaves little room for the State to react.</td>
<td><strong>The State interacts differently at different levels. Discussions at central government level are held with established and organised interest groups without open debate. At local level, different groups compete against each other through open debate and competition over a limited range of issues relating to service provisions.</strong></td>
<td>The State interacts differently at different levels. Discussions at central government level are held with established and organised interest groups without open debate. At local level, different groups compete against each other through open debate and competition over a limited range of issues relating to service provisions.</td>
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<tr>
<th>(D) What role do institutions and actors within the State play in decision-making?</th>
<th>Pluralist</th>
<th>Managerialist</th>
<th>Elitist</th>
<th>Instrumentalist</th>
<th>Corporatism (Western Democracy)</th>
<th>Imperialist</th>
</tr>
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<tbody>
<tr>
<td>The State acts and reacts to pressures put upon it. Actors and institutions are therefore responsive rather than creative in the realm of policy-making.</td>
<td>Their role is absolutely central and fundamental, framing the access of groups to resources.</td>
<td>Institutions are responsive and are usually headed by people with similar values as the wealthy elite.</td>
<td>Decision-makers within the State have a social affinity with powerful economic and social forces in the capitalist class and are thereby likely to act in the interests of that class.</td>
<td>The organs and members of the state have virtually no initiative to act. They are an arena for class forces to work themselves out.</td>
<td><strong>Institutions play an important role in organizing and incorporating sections of society into decision-making.</strong></td>
<td>At central government level, institutions and actors synthesize and organise debate. At local level they respond to pressures placed upon them through the democratic process.</td>
</tr>
</tbody>
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Table 2.2: How Different Theories Answer Key Questions Relating to the Operation of the State at Local Government Level
such, evidence of local authority activity relating to a process such as office development in the central city can feed back into the debates on the nature of state intervention in society.

**Conclusion**

This chapter has sought to outline the variety of theories which are in current usage to explain the role of the state in guiding the evolution of contemporary capitalist society. By being cognisant of such theories we are more able to evaluate the activities of the state in controlling the spatial reorganisation of society in general and its activities in individual urban settlements. The wide range of opinion over how, and for whom, the state operates has been outlined. Theories range from the concept of state policies being simply the result of the state reacting to external forces placed on it by constantly changing alliances of social groups within a society that possesses a general consensus on overall social goods, to the idea that the state is the key instrument by which one economic class enforces its domination over another with which it is in constant and inherent conflict.

Owing to methodological problems involved with investigating and relating these meta-theories to an individual case-study, a set of four key questions has been established. The "answers" to these questions form hypotheses which can be tested empirically to some degree in any given case study. Since the questions relate closely to the features outlined by Saunders (1979) as central to distinguishing between the various theories (see Table 2.1), the empirical evidence
in central Edinburgh can then be used to comment on the value of the various theories on the role of the state in one particular situation. Although this one case study cannot be used to falsify any of the theories of the state, it can be used to outline some elements which any theory of the state would need to incorporate in a justifiable and logically coherent manner to be pertinent to the situation observed in Edinburgh. This is not to say that the information gathered in this thesis cannot be used as evidence to suggest changes in the formulation of different theories of the state.

The following chapter turns to examine land use planning as one form of state activity related specifically to guiding and controlling the spatial reorganisation of society. After a discussion of the statutory framework for land use planning in Britain, the practice of land use planning as a state activity is reviewed in relation to the various theories on the role of the state described earlier. Together Chapters 2 and 3 will allow us to assess more sensitively how and for whose benefit the local authority has been acting in central Edinburgh when controlling office development in the central area.
"In the absence of physical planning the growth and adjustment of urban areas to changing circumstances tends to take place in an ad hoc and uncoordinated manner. As the profitability of sites within the urban area alters, property developers will look at the individual sites in deciding on their potential rents and values and future uses ... The laying down of future patterns of land uses will enable both private and public developers to see more easily how their particular schemes fit into the future development of the urban area as a whole, and this may enable them to anticipate the effects of their redevelopments and how these react on their schemes. This may enable them to make a more efficient use of the land ... From the economic point of view the question that the planner ought to ask is, given the constraints, what plan is likely to lead to the most effective functioning of the urban area?", Lean (1969, p. 69).

One can extend Lean's (1969) justification for physical planning to the need to control the general process of the spatial reorganisation of society. As a society evolves, experiencing demographic changes, technical innovations, variations and fluctuations in the form and performance of the economy and changes in social customs and institutions, (see Whitehand, 1977) then the value or importance of particular land parcels to individual land users will vary. In the simplest terms, if the perceived benefits of relocation outweigh the perceived costs of effecting such a move, then land users may well relocate themselves in space. This may result in either the development (for the first time) or the redevelopment of a land parcel. Such relocations often represent a disinvestment by a land

1. The land development process is reviewed in detail in the next chapter.
user in one location coupled with an investment in another (see Harvey, 1982). The vacated site might either be left derelict or be reoccupied by another user who, in turn, might need to adapt or even redevelop the vacated structure to meet his own needs. In all of these cases, externalities, both positive and negative, which affect the value or enjoyment of adjoining properties by neighbours, are likely to be generated. Similarly, sites developed and occupied for the first time might be valued for their amenity or other reasons by neighbouring land users and proprietors who, although they do not own the site, might be said to possess a legitimate "interest" in its use.

Hence, when assessing processes of land development, one needs to consider more than simply the actions of the developer or 'initiator' (Whitehand and Whitehand, 1983). Clearly, the more urbanised a society is, and the more its members are concentrated into densely populated urban areas, the more people are likely to be affected by the externalities of developments in the neighbourhood. It is therefore not surprising to find social institutions evolving in urbanised societies undergoing urbanisation, with the specific function of outlining general guidelines which individual development should follow and by which individual developments can be assessed and vetted. The forms of these social institutions can vary enormously over time and space, depending on the evolution of other social institutions, such as the form of land tenure, the development of land law and the social relations which exist between landowners and land users.
The social institutions established to regulate general processes relating to the spatial reorganisation of land uses by society (which is, in effect, the sum total of individual investment decisions made by the constituent elements within society), have a great deal of power to alter the quality of life of individuals or the value of an individual's, or organisation's, assets by its actions. Their decisions are also of central importance to those who concentrate on land development as a business enterprise. The principal social institutions performing this role in contemporary Britain are the local planning authorities.

Not only do the actions of developers affect the lives of others and thereby require some form of control, there are also different groups of potential land users who compete to use the same land parcel. The solution brought about by the market mechanism (i.e. highest bidder), might be unacceptable in social terms because of the externalities that might be produced. Hence, in addition to vetting development proposals, land use planners (which are taken to include the related politicians on planning committees) have to make decisions between competing land users and uses for individual sites.

Hence, there is constant and recurrent pressure placed on local planning authorities by individuals, groups and organisations, with varying interests and levels of resources to protect those interests, to either permit or refuse proposals put to them concerning the development of land and buildings. Hence, the local planning authority could, either through the plans and policies it formulates
or by the manner in which it implements policies, react to such pressures in a variety of different ways. It is a matter of extreme importance for geographers to establish how local planning authorities do react. For example, the policies and decisions of the local planning authority might always favour the interests of industrialists or property developers or we might find that the local planning authority merely responds to those who "shout loudest".

Having identified the need for social institutions to be evolved in order to guide the evolving pattern of land uses in urban areas, the remainder of this chapter concentrates on reviewing the institutions that exist in Britain for controlling spatial reorganisation and the interpretations of the role of the state in that process as derived from the theories of the state presented earlier. This allows us to concentrate more fully in following chapters on the commercial development process and the approaches land use planners have adopted to control it.

The Land-Use Planning Framework

The principal method by which the state seeks to guide land development in Britain is through the production of land use plans which outline the desired spatial configuration of land uses over an area for a specified future date. The expression of this configuration usually requires a justification of why certain areas are being allocated for development and others not. Hence, particularly in recent times, allocations of land for development have

2. Indeed, as is shown later, some commentators argue that it does.
been accompanied by policies to protect unallocated areas against development. These plans are then referred to by local planning authorities when considering development applications. Hence, plans act as forms of blueprint for decision-making. However, as we shall see, it is wholly wrong to believe that the decisions on individual developments follow mechanically from plan documents. There are a variety of problems which face plan implementation, most of which stem from the fact that the principal implementors of most plans in Britain are private sector firms and individuals for whom, commonly, the plan is either an impediment to their wishes (and hence they struggle to obtain permissions to develop in the locations of their choice) or irrelevant (i.e. the plan allocates sites which are not profitable enough to justify development). In both cases the policies in the plan might either be circumvented or simply left ignored and unimplemented.

The state's position of being able to determine who can and who cannot develop his or her land dates from 1947 when the right to develop land was nationalised. Originally a fund of £300 million was set up to compensate for the appropriation of these rights, in order that no further claims for compensation might be entertained by the Government from developers who were refused planning permission. Since that time, planning legislation has concentrated principally on questions relating to which types of local authorities should perform which planning tasks, the level at which the profits from the restoration of the right to develop back to an individual by the state should be

taxed, whether compensation should be paid, and at what rate, to individuals whose assets are affected by state planning legislation and the nuances of what constitutes development.

Given that our primary interest is in viewing how a local planning authority sought to guide a particular form of development in one city, there is no need to precis the history of planning legislation in Britain which is already covered in some depth elsewhere. It is more important for us to have a knowledge of the framework within which the state operates to control land development. Since this framework is largely determined through the legislative process, which is described at central government level, it is important to consider firstly the role of central government in local planning and then look at the framework of local plans.

Central Government and the Planning Process

Underwood (1981b) has described land-use planning as 'a state function operating principally at the local level' (p.66). However, the framework which delimits what a local planning authority can and cannot do, what land use changes constitute developments requiring local authority attention, what the form and content of local authority plans can be, and what form of redress a disappointed or aggrieved developer can take against a local authority refusing him a planning permission, are all the responsibility of central government. Planning legislation is constructed at central government level and

becomes embodied in various Town and Country Planning Acts and their amendments. These Acts in turn set legal limits to the extent to which local and central government can become involved in the process of land development. This establishment of legal limits to the planning system means that the judicial system also becomes involved in planning issues.

As in England and Wales, land-use planning at the local level in Scotland is constantly monitored by central government. The Secretary of State for Scotland possesses extensive powers to 'call in' or modify plans produced by local planning authorities and direct local planning authorities to respond in certain ways to individual applications. This power to intervene in the formulation and implementation of plans and planning policy is supplemented by the issue of advice notes to local authorities to suggest ways in which particular planning issues should be approached. (An advice note, or "circular" in England and Wales, addressing a sensitive issue could easily alter the interpretation of planning legislation, and, thereby, the likely success of related planning applications). In addition, the Scottish Development Department also issues 'National Planning Guidelines', but these are of little concern to this thesis which is more concerned with local planning matters than issues relating to national and regional planning strategy.

5. It is worth pointing out immediately that there are some differences between English and Scottish planning law. They are briefly reviewed in Appendix 3. It should be noted immediately that these differences do not significantly affect either the content or the general conclusions of this particular study.

6. See Young (1978) for the details.
Throughout Britain, central government planners have been responsible for the creation and production of strategic national and regional plans. Using demographic and economic data, these plans are used to outline a preferred spatial distribution of economic activity and population throughout regions of the country for a specified future date. These plans express central government policy towards guiding the general locations of economic and population growth in particular regions and sub-regions. They also form a framework to which local authority plans should conform. Such plans transcend the local issues which concern individual local planning authorities.

To ensure that local government does not work contrary to the wishes of central government as expressed in circulars or regional planning guidance, local authority plans are inspected and, if deemed necessary, modified by central government. Obviously, there is considerable negotiation between the various tiers of government over the contents of plans and there is also scope for local initiative and design within the "broad-brush" recommendations of central government. However, the input of central government remains extremely important.

7. The most complete introduction to regional planning is that of Glasson, (1974).
8. This applies only to plans that are put forward to central government by local authorities. "Informal" plans are often not put to central government and many authorities prefer to produce such informal plans to reduce interference from higher authorities.
9. In the case of differing opinions between local and central government, the view of central government almost invariably carries most weight.
The Secretary of State's office is also the body to which appeal is made by any person or organisation which feels aggrieved either by the decision of a local planning authority or the length of time taken by an authority to make a decision. This procedure affords central government a further opportunity to monitor and influence planning at the local level, since successful appeals against refusals of planning permission can often form a precedent for subsequent planning applications of a similar nature (see Chapter 10).

Finally, central government can affect planning at the local level through the decisions of its agencies or departments concerning new investment in infrastructure for an area. Obviously, areas can be greatly affected by decisions on the construction of major roads or energy and water facilities and, although such large scale investment usually accords with strategic plans, their timing undoubtedly influences planning policy at the local level to a very significant extent.

Legislation directed at the financial aspects of the land development process, is considered by Ambrose and Colenutt (1975) to have a far greater effect on the actions of developers than local or regional plans. A distinction must be drawn between those fiscal policies which are specially designed to affect developers (e.g. Development Land Tax) and those that have an indirect effect (e.g. Capital Gains Tax). The most contentious set of policies followed by central government relates to the varying intentions of government to secure, for the "community", a proportion of the profits made through the development
of land. The intention to do this has varied with the ideology of the political party in power at different times, and has been manifested in two different forms - the public purchase and ownership of development land and the taxation of profits made by developers. Full accounts of the development of the compensation and betterment legislation are given by Cullingworth (1974), Cox (1984) and Parker (1961). Very briefly, the central questions are whether, since the right to develop land has been vested in the state, should any applicant denied the right to develop his land be compensated by the state for his loss? Conversely, should any applicant granted the right to develop land be taxed on the gains which accrue through the state returning that right to him? The current legislation (1984) has a tax of 60 per cent on development gains earned by an individual above an initial £50,000 in any one year.

With respect to the taxation of development gains, one can readily see how such taxes affect the attractiveness of property development as an investment relative to other possible investments. However, in Britain, there is also a wide range of other taxes which, although not necessarily directed towards the land development process, can influence a developer's or investor's decision to develop. Corporation tax and capital gains tax are important in calculating the viability of performing a development (see Appendix 5) as is the variable eligibility of certain developers to pay such taxes (i.e. pension funds are not eligible for corporation tax). As such, they affect the levels of development more than its location.
Other central government measures are more locationally specific, such as regionally operative financial incentives, Office Development Permits (Daniels, 1975), or Industrial Development Certificates. The existence of the above can all affect a developer's consideration of development opportunities in specific areas (see Glasson, 1974, Appendix B for the variety of different grants available in different areas in the early 1970s).

10

Land-Use Planning at the Local Level

As with all government involvement in the processes of land and property development, local authority activities can be divided into those which seek to control the development initiatives of others and those which seek to stimulate some level of development activity. Guidance for those with interests in land and development on what proposals are considered acceptable at particular times in specific locations in post-war Britain, has largely been given in plans produced by local authorities. As such, plans form the major tool for guiding spatial reorganisation. These plans, which are diagrammatic representations of the local authority's desired future configurations of land uses, are implemented, in theory at least, by the local authority exercising control over individual's rights to develop. As stated, Acts of Parliament in 1947, for both Scotland and England and Wales, nationalised the right to develop land. For an

10. This section concentrates on the framework by which local authorities set out to control land development. As such it does not seek to examine the techniques which land use planners employ when designing plans. Readers interested in the debate over the methods of planning should consult Faludi (1973), Ratcliffe (1976), Roberts (1974), McLoughlin (1969), Keeble (1952). More recent debates are contained in Masser (1983).
individual or organisation to have that right restored, he must make a planning application to the local authority which shows clearly the proposed development. The local authority can then evaluate the proposal in the light of the overall intentions of the plan and other considerations, finally granting or denying the applicant the right to develop. This procedure is called, "development control". Apart from actual landownership by the state, development plans and development control form the most important tools available to the local authority to influence spatial reorganisation at the local level. Both of these guidance tools are considered in more detail below. This is followed by a brief examination of a few of the measures available to local authorities for initiating development themselves.

(a) Development Planning

Hall (1975) correctly notes that there has been a distinctive change in the philosophy of planning over the past two decades from a concern with land-use patterns to a greater emphasis on explicating underlying policy. Early planning was carried out through a process of "survey-analysis-plan", with highly detailed plans being produced giving clear instructions as to the preferred land-use for individual parcels of land. These plans were then updated every few years by local planning authorities to incorporate any changes in circumstances. This form of planning was embodied in the early post-war planning system and was used in the production of many site-specific development plans for urban and rural districts and boroughs across

11. This concept is usually ascribed to Patrick Geddes.
Britain. In theory, this sort of plan allows officials to decide quickly and easily whether planning applications conform or not to the "public interest". The use proposed for a site in any planning application can simply be compared against the intended use shown in the plan and the decision on conformity made (see Table 6.1 for an example in Edinburgh).

In contrast, Pahl (1975, p.270) notes that:

"In the new planning, the emphasis is on tracing the possible consequences of alternative policies, only then evaluating them against the objectives in order to choose a preferred course of action; and it should be emphasised, that this process will continually be repeated if the monitoring process shows up divergences between the planners intentions and the actual state of the system".

Instead of identifying problems by survey and analysis and then planning for their elimination, the new planning concentrates more carefully on the discussion of the objectives of a plan and then on the evaluation of various different courses of action to resolve the problems identified. This allows the 'route' which will lead to the greatest level of satisfaction of the goals to be established. The final plan should, it is hoped, relate to the most appropriate course of action.

Although plan reviews in the old development plan system required additional survey, the new development plan system acknowledged the need to constantly review and monitor social and economic trends which were affecting the needs of various groups for land, as a means of guiding land use change. Consequently, the statistical and technical bases for policies are made explicit and plan change is more
incremental in nature than in the old development plan system, with amendments to plans being made on a more frequent basis (see Reade 1983, Healey et al 1982 and Masser 1983).

The new approach to planning practice has been paralleled by a reorganisation in local government. The Local Government (Scotland) Act of 1973, divided planning functions within a two-tier system of local government. Planning functions in Scotland were split between district, regional and general planning authorities (counties and districts in England and Wales). Regional councils produce strategic or "structure plans" for their areas which lay out general proposals in respect of the development and other use of land in their areas for a period of five or more years. They can also identify 'action areas' for comprehensive treatment. The declaration of such areas forms an obligation upon the district authority to prepare a local plan.

Although a regional authority can assume a district authority's functions to prepare and produce a local plan, it is usually the districts which are responsible for such policy documents. In an amendment to the Local Government (Scotland) Act 1973, by Scottish Development Department Circular 28/1976, it is encumbent upon all general and district planning authorities to produce local plans for

12. General planning authorities are usually seen in sparsely populated areas, and represent a one-tier system of local government combining the planning functions of both districts and regions.
13. These plans are specifically designed in a way that the intended land use any particular parcel of land cannot be identified from the plan map.
all parts of their district, 'as soon as practicable'. These plans are detailed, showing development (especially public sector) proposals in their area and the development control policies pertaining to each area covered by the plan. However, there is no need to identify land use zones for all areas, as in the old development plan system. As is noted in Appendix 3, and in contrast to the situation in England and Wales, the district does not have to secure any "certificate of conformity" for its plans from the structure plan authority before approaching the Secretary of State for permission to adopt a plan. The question of conformity is left to the Secretary of State. This makes the link between central government and district authorities more direct than is the case in England and Wales, where districts approach county councils for such a certificate of conformity and only then does the plan go on to central government.

Hence, there is a two-tiered system of plans, one containing the general strategy and the other laying out the detailed patterns of land-use. However, it is important to note immediately that the planning authority is not statutorily bound in the decisions it makes on proposals by the plans it produces. The local authority merely has to 'have regard' to a plan when considering a development proposal. Other criteria can be taken on board as well. This is the same for England and Wales and for Scotland.

A recent Scottish Development Department publication (Scottish Development Department Planning Advice Note 28, acknowledges that this overall coverage has not been possible and that "Priority should be given to comprehensive local plans for those areas where pressure for change is greatest".

More recent advice, Scottish Development Department Planning Advice Note 28, acknowledges that this overall coverage has not been possible and that "Priority should be given to comprehensive local plans for those areas where pressure for change is greatest".
Development Department, 1981) listed the functions of a local plan as:

(a) to stimulate and encourage development where appropriate;

(b) to indicate land where there are opportunities for change;

(c) to give a clear locational reference to policies for the development or change of use of land, and the authority's development proposals;

(d) to show how those who have an interest in the area (e.g. the authority, private owners, residents, commerce, industry, developers and investors), could contribute to the implementation of the plan;

(e) to apply national and regional policies;

(f) to show how policies and proposals for change in land uses and activities fit together to form a coherent whole; and

(g) to provide an adequate basis for development control.

Through recent research work, Healey et al (1982) have discerned a wider range of functions as being:

"(a) **Formal Functions**

- as instruction documents for planning authority regulatory and promotional activities;
- as information documents to all those concerned with land use and development about local authorities' policies;
- as a mechanism to produce the coordination of development initiatives;
- as specific indications of how government policies affect individual property interests and in their preparation offer the opportunity for such interests to object;
- and as guidance for the Secretary of State in exercising his planning functions.

(b) **Other Possible Functions**

- as support for local authority's case in refusing development;
- as a baseline for negotiations between the planning authority and developers;
- as activation devices, to highlight areas
the planning authority should and could initiate action to mobilise development investment of some kind (from community facilities to serviced factory units);

- as position statements on policies relating to the use and development of land for the internal guidance of local authorities;

- as arenas for debate (between central and local government, local people and their authority, and developers and the planning authority) about policy directions;

- as a means for central government vetting of local authority policy; and

- as political statements to local authority constituents as to the position of their authority on various issues".

It can be seen from the above listings that the potential functions of plans are diverse. If they are prepared in accord with statutory procedures, then they are produced in what amounts to a very open and public political arena, irrespective of whether the groups that are affected choose to participate. Not only is the local planning authority obliged to consult all other local authorities and other government bodies whose interests are likely to be affected by the plan's proposals, but the authority must also prepare a survey and give adequate publicity to its findings and ensure that all persons wishing to make representations on matters proposed in the plan can do so. Hence, the typical process of plan preparation would include the production of a report of survey, a report of issues in the area and a draft plan which is amended in the light of comments received, to form a final plan for presentation to the Secretary of State. There may or may not be a public local inquiry to discuss the content of the plan. In the event of an inquiry, (which is presided over by an appointee of the Secretary of State), the local authority must at least consider the results of the inquiry as represented by a report written by the
Secretary of State's "Reporter". Hence, the plan preparation process remains highly public and, through its widespread impact on local interests, is always liable to attract the attention of the local press.

The implementation of the plan is carried out in a very different arena. Unlike the more general issues covered during the production of plans, plan implementation usually relates to a steady stream of decisions on individual proposals which usually only affect small areas and a limited number of interests. The following two subsections examine the main implementation activities of local government and outline the problems which they encounter and which weaken the ability of the local authority to implement plans. The two processes of development control and development promotion.

(b) Development Control

Development control is the formal administrative process through which applications for permission to develop land are considered. When received from an applicant, the planning application is first considered by a District planning official who assesses both its implications for plan implementation, its effects on a locality and its design. The local planning authority then notifies and consults other interested parties to secure their views. These can include County or Regional Council officers, statutory undertakers (such as electricity, gas and water boards), nearby landowners, neighbours,

local amenity groups and other interested members of the public. Normally, a report on the nature of the application and the opinions of the officers and other interested bodies is then prepared by a planning officer and given to the elected representatives of the authority who comprise the Planning Committee. These elected representatives then make a decision on the acceptability or otherwise of the application. (The particular system of development control which operates in Edinburgh, is shown in Appendix 4).

The production of plans (or in their absence, the existence of policies specifically designed to help development control officers make recommendations to the relevant politicians on proposals) cannot be expected to produce a set of clear guidelines capable of consistent and equitable responses for the almost infinite variety of types of development proposal capable of being made to a local authority. Hence, there is always the possibility that the local authority may have to "make the rules up" as it goes along. Secondly, given that conflicts and competition between land users over parcels of land are not resolved by plan documents but merely pronounced upon, there will always be pressures for forms of development contrary to the intentions of the plan. For a variety of reasons, the policies in plans might prove difficult to implement. For instance, the policy

16. Harvey Cox (1976), Davies (1972) and to a certain extent Blowers (1980, 1982) claim that planners have great technical expertise and intimate knowledge when reviewing development proposals which leaves elected representatives at a disadvantage in most discussions of development control issues.

17. In the same way that there will always be outcries from neighbours when plan proposals are actually implemented and development takes place.

18. See Chapter 9, or McNamara (1984c).
may be trying to enforce certain restrictions which have a dubious basis in law (i.e. restricting who can occupy the finished development) or the policy might be ambiguously worded.

Hence, the plan only provides an ill-fitting or approximate framework to guide responses to development proposals. The plan is only one of many considerations taken into account by the politicians and officers involved in the development control process. Decisions are often made which are in opposition to the plan's intentions. This may occur where special circumstances prevail in a given instance or through important changes occurring in an area between the time when the plan was produced and the time when a development proposal was made. Therefore, there is discretion in the development control process (Underwood 1981b) and it is possible for plan policies to be flouted or to remain unimplemented depending on the relationship of the plan to development pressures in the local area and the determination of the local planning authority to adhere to plan proposals derived through the statutory planning procedures.

There are a number of ways by which developers can flout existing planning policies and obtain particular goals, even if these are detrimental to the 'public interest' as defined in the plan. There are quite often loopholes of various kinds in the policy stance of

19. A good example of the latter is in the Darlaston area of Walsall where a plan was produced to guide incremental change in an area of historically prosperous metal manufacturing industry. Within three years of a local plan being produced, several major employers closed down and the firms began seeking permission to redevelop their sites for either industry or housing - a situation which could not have been foreseen by local authority planners.
the authority caused through inconsistency either between different levels of the planning system or alterations in policy stance over time. If inconsistency in government decision making can be demonstrated by a developer at an appeal against the refusal of a planning permission, then the chances for an applicant to obtain a planning permission from central government are raised substantially.

Inconsistency can exist:

(i) between the various policies of an authority;
(ii) between the various policies of an authority and the plans it produces;
(iii) between the various policies of the different levels of authority (County and District, or District and Strategic plans);
(iv) between the various policies of the different departments of an authority;
(v) between the officers and the members of an authority;
(vi) and between the policies of the same authority at different times.

An appeal might also be made by a developer on the basis of the "injustice" of a plan or a decision towards his or her rights and interests. Similarly, appeals might be made on the grounds that the local authority has exercised poor judgement in relation to the application, given existing local economic or social circumstances. For instance, the developer might argue that there is demonstrable local demand for the development he is proposing. The list of specific reasons for appeal is endless but the strategies most commonly adopted by developers generally are inconsistency or poor judgement on behalf of the local authority.
policy in Edinburgh was subjected to scrutiny in nearly all the ways listed above. This is reported in detail in Chapter 10).

A further way developers can obtain a non-conforming planning permission is to enter into some contractual arrangement with the local authority. These "deals" vary enormously from simple negotiations between applicants and planning authorities to ensure that certain elements of design are followed by the developers, to complex legal contracts whereby the developer promises to provide facilities or land for the local authority (or gives it money to do so) in return for the issuing of a planning permission.

There are certain locations within urban areas where an element of flexibility can be shown with regard to land-use allocations. For example, in a city in a depressed region, there might be overriding economic and social factors which might allow land allocated for one use to be used for another if development proposals come forward. There might exist a certain substitutability of land uses, say between shop and office use, and it is here that negotiations may be initiated between the applicant and local authority (City of Manchester, 1983). Hence, the identification of a "non-conforming" planning permission does not necessarily indicate a breach of planning policy. On any particular site, there is always the possibility of conformity,

20. This practice of 'planning gain' has become more and more common in the period of government expenditure cuts. There is a rapidly growing literature on the topic. See Jowell (1977), Property Advisory Group (1981 and 1983). Planning gain represents, potentially, a switch from a regulated system to one of ad hoc localised development taxes.
compromise and conflict between the objectives of the private developer and the local authority.

Hence, in summary, we can note that development planning and development control are integrally related. However, their interrelationship cannot be predicted in any particular instance since it is complex and by no means mechanistic. Indeed, it is possible for a plan to be prepared and then ignored by a local planning authority. Any attempt to investigate the role of the state in guiding the land development process in any area must address itself to both the processes of plan formulation and implementation in order to produce adequate conclusions.

Before reviewing the theories of how the state acts as land use planning agency, it is important to briefly cover a third and final aspect of local authority activity which affects land development, namely that of development promotion.

(c) Development Promotion

The nature of our study in Edinburgh is such that our empirical work concentrates primarily on the more "regulative" aspects of local authority involvement in the land development process (i.e. development control). For that reason, this section has been kept to a minimum.

Healey et al. (1982) have usefully summarised the variety of ways in which local authorities can influence the land development process. Their list includes:
"a. the passive role of development plans or equivalent in influencing development investment;

b. the information role of planning officers when giving advice to inquirers, or in publishing materials (such as monitoring reports);

c. the bargaining and negotiating that goes on around specific development proposals;

d. direct participation in development processes through contributing land, labour or capital (usually land);

e. influencing the providers of infrastructure to invest in line with planning policies;

f. and activating private, public and voluntary development initiatives in various ways".

Healey et al's (1982) list suggests three principal forms of development promotion which local authorities might undertake. Firstly, the local authority can develop land and property itself. Examples include local authorities developing factory units in areas where private sector developers are unwilling to invest. A similar type of activity includes the use of statutory powers to buy small land parcels in attempts to assemble sites which developers might then find profitable enough to develop.

Secondly, the local authority can enter into some form of partnership with a developer. Again, this might be through site assembly or possibly through the provision of funds to support either the developer or potential occupier of a site in taking the risk offered by the development opportunity (see Sheaf 1972, Barrett and Whitting).

21. Both the Greater Manchester Economic Development Corporation and the West Midland County Council Enterprise Board are involved in such financing activities.
Finally, it can use its negotiative powers to try and influence the more macro-scale investment decisions of infrastructure agencies to provide roads or sewers in particular locations so as to precipitate development pressures. This latter course of action relates primarily to the urban fringe, whereas the partnerships and local authority developments have increasingly been concentrated in inner city areas or on the fringes of the city centre where land is often either derelict or semi-derelict, or where past developments have fragmented proprietary boundaries to such an extent that land assembly becomes a lengthy and expensive activity.

In nearly all these promotional activities, the local authority is still largely dependent on private sector capital to complete the desired developments. As such, the degree of control it can hope to have over a development depends on the ultimate profitability of any scheme to the private developer. The more desirable a scheme is, the more competition and tenders will be stimulated from developers and, consequently, the greater the level of choice and control the local authority will have.

Hence, we have seen that any discussion of how the spatial organisation of land uses in a city changes through time requires attention to be given to the wide ranging and extensive activities of the state. Geographers are well equipped to perform such a role.
We have seen that state activities in the land development process have the potential to hinder or enhance the fortunes of particular land users. Despite the problems facing the planning system, Blowers (1980) notes that:

"In practice the planning system may be weak but the investment represented by the state may be very compelling in its influences upon the built environment and the pattern of land development ... Although the planning system may be weak in the sense that it is passive, the existence of planning controls can have outcomes in land development that are not easy to define or predict", (p.110).

The following section reviews how different commentators have utilised contemporary theories of the state to interpret how the state has undertaken these activities and who has benefitted from the outcome.

22 Theories of the State and Land Use Planning

"(Case studies of planning) ... almost without exception offer no attempt at providing a causal theory of the phenomena they describe, ... The empiricist bias of much of this literature tends to mean that the planning function itself is taken for granted as not needing explanation, as sometimes are the forms of planning structures themselves", Cawson (1977, p.2).

Since planning is an example of state activity, to what extent have the theories on the role of the state in contemporary society been mirrored or translated into theories of the role of the planning authority in the process of land development? . It would certainly be unfair to expect theories on the nature of the role of the planning authority to be conceived in advance of wider speculation on the 

23. This notion of theory should not be confused with theories of how to plan, exemplified by the work of Faludi (1973) and Chadwick (1971).
overall role that the state plays in contemporary society. Consequently, attempts at analysing planning authorities, the ways in which they act, and on whose behalf they work, have tended to follow after developments in political science and its Marxist critique, as summarised in the previous chapters. As we shall see, most of the perspectives on the role of the state mentioned earlier have counterparts in theories on the role of the planning authority.

(a) Pluralist Theory and Land Use Planning

Pluralist theory has unquestionably formed the conventional wisdom of most of the British and North American planning literature. Goldsmith (1980) notes that:

"The view that planning is, above all else, a political activity in the broadest sense has only recently and grudgingly been accepted by the planning profession itself. In part this was because the professional ideology was essentially one that claimed that planning was objective, technical and as such non-political. For most of its history, the profession believed that there was no disagreement in society about goals, and that the means by which these goals were achieved could be decided by the technical methods available to the planner".

As a result of this concentration on planning techniques rather than the political reality of planning activity, the 'theory of planning' became a complex exercise in systems analysis and cybernetics on the one hand (McLoughlin 1969, and Chadwick, 1971) and, on the other, deep philosophising into how to best assemble information in order to plan (Faludi, 1973). There was an unshakable belief that planners were producing the technically correct answers or 'simultaneous solutions' to the conflicting demands for land and development rights.
As Saunders (1979) notes:

"Like all ideologies, representational theories are seen by their advocates as 'obviously true', and there is little that theoretical debate or empirical research can do to challenge this article of faith", (p.157).

In accordance with the above, many early planning texts and plans (e.g. Keeble 1952, Roberts 1974, Chadwick 1971, McLoughlin 1969) adopted a rationale for planning which was founded on the assumption that good planning strikes a balance between the competing demands of a multiplicity of social groups for land.

"It ... goes without saying that planning is a part of the political process - that is, the enunciation, establishing, weighing and reconciling of different views held within a society about how it should be organised, how its resources should be deployed, and how far the individual should be restrained, constrained or coerced in the interests of others", (Roberts, 1974, pp.5-6).

The implication is that some form of balance can be achieved by land use planning which would represent the best compromise between the various competing and conflicting demands for land. Simmie (1974) notes that:

"The main concept employed by town planners, which indicates their claim to serve altruistically the community as a whole, is that of the public interest. They tend to argue that in their allocation of land uses they take rational altruistic decisions in the public interest", (p.120).

Although Simmie used his critique of the concept of 'public interest' to outline an early managerialist stance (Broadbent, 1977), many of the early texts clearly saw the concept of the 'public interest' as equivalent to balancing competing demands. Keeble (1952) described town and country planning as:
"the art and science of ordering the use of land and the character of siting of buildings and communication routes so as to secure the maximum practicable degree of economy, convenience and beauty".

In the early years of planning it was considered by many that the act of planning cities, as opposed to allowing them to develop by market forces was, by definition, radical. Therefore, simply by planning, it was presumed by some (e.g. Keeble, 1952) that less powerful groups in society were somehow having their interests catered for. The history of the critique of land use planning in Britain is punctuated by the increasing realisation that such a belief was untrue. For many in Britain, the excesses of the property developer and the destruction of many inner city communities through large scale clearance programmes, indicated to many that certain people were regularly benefitting more from land development and land use planning than others. Within the planning discipline this generated a call for a more socially concerned form of land use planning (which had always played some part in the philosophy of planning). Cherry (1970) noted that:

"I take the view that the purpose of town planning is to promote environment which is harmonious, pleasing and convenient; a related social objective is to assist in securing for many some of the means of individual personal satisfaction and happiness", (p.2).

Around the early 1970s, the anger of many inner city residents and sympathetically minded academics produced some well-known polemics (Davies 1972, Dennis 1970, and Goodman, 1969) which identified the planner as an ill-informed and misguided bureaucrat, creating human misery on a massive scale through the pursuit of theory and practice that was overburdened with techniques and devoid of social policy.
These early polemics (with Simmie, 1974) were significant in the development of managerialist theory by academics interested in urban policy. Later, more radical literature began to link the visible disaster of inner city devastation with the profiteering of property speculators (Community Development Project 1976, Ambrose and Colenutt, 1975). This is investigated in more detail below.

(b) Elitist Theory and Land Use Planning

The existence of elites, with an interpenetration of interests and membership between those who plan and the most powerful members of society, has not formed the explicit focus of any study known to the author concerning land use planning in Britain, although Colenutt's (1975) examination of a powerful property lobby in central government (noted in the following chapter), could lend support to such a view. Rather than entering explicitly into planning theory, the elitist interpenetration of economic interests and political position has been suggested in case studies. Bob Mullan's (1980) work on Stevenage showed how a limited range of economic interests were able to influence policy, partly through the composition of the New Town Development Corporation.

At the local government level, where plans are constructed and implemented, politicians and planners should, theoretically, declare any personal interests before decisions are made on planning matters. As such, the interpenetration of interests should not affect land use 24 planning decisions. However, breaches in this code of ethics have

led to several corruption cases of which Newcastle-upon-Tyne, Swansea (Dumbleton, 1977) and Birmingham (Dunleavy, 1981) are the best recorded. Although it is not a part of the elitist thesis, the potential for dishonesty and profiteering for an individual who combines the role of local authority representative involved in land use planning with a financial interest in a building firm, is high. However, it is not part of this thesis to examine such areas.

(c) Managerialism and Land Use Planning

As stated earlier, much of the literature on managerialism derived from analyses of urban problems and the searches to identify possible causes or remedies. Early geographical work by Pahl (1970) led him to view inequalities in the urban system as occurring naturally through the uniqueness of individual locations within an urban area. These problems could be mediated, exacerbated or generated by 'urban gatekeepers' who could allow or refuse access to resources to certain groups in various locations. Planners were one such kind of gatekeeper. Under pressure from a variety of critics, Pahl (1975) later dropped the notion of total independence for managers in favour of viewing urban managers such as planners, as mediators between the needs of the urban population and the needs of the capitalist economy, thus introducing questions of a structural nature into his thinking.

From a more sociological perspective, Dennis (1970, 1972) and Davies (1972), after witnessing the destruction of particular working class communities in Sunderland and Newcastle-upon-Tyne, conducted searching studies into the activities and professional attitudes of town
planners. Their concern was primarily with the deterioration in the quality of life in working class communities caused by a planning technocracy which was able to trample roughshod through the family and community lives of working class people, without any apparent right of democratic reply, in their attempts to reach personally defined goals and objectives. The responsibility for planning policy in these studies was placed firmly on the shoulders of individual officers rather than politicians or wider social forces.

(d) Instrumentalist Perspectives on Land Use Planning

While the polemicists of the early managerialist school strove to show through lengthy case studies that unrealistic and out of touch planning policies were emanating from planning offices, a more radical critique of the role of planning in urban development was emerging. This critique viewed local planners as pawns, able to be manipulated by powerful property developers into planning urban development in ways that suited their aims for profit. Ambrose and Colenutt (1975) utilising the work of Miliband (1969) and Lefebvre (1970), investigated two major redevelopment schemes as illustrations of the powerlessness of planners to initiate policies or control development other than for the benefit of large developers. The claim made by Ambrose and Colenutt (1975) was that:

"Few have realised that the pattern of urban land use does not just evolve; it is carefully managed... by self-interested groups whose membership can be specified and whose operations can be closely observed and analysed". (p.185).

The authors felt this manipulation was not the fault of the planners,
but occurred because they were ill-equipped, under-staffed and artificially constrained by a legislative framework which had been designed quite deliberately to favour the interests of powerful land investors and developers. Ambrose and Colenutt (1975) continued that:

"The main beneficiaries of the system are not the public or the local authorities but the development industry. Indeed, the planning system is largely organised around the demands and pressures of developers and their professional advisers". (p.67).

They went on to claim that the interests of working class communities were always in jeopardy, even after public participation into plans and planning proposals had occurred.

Ravetz (1980) has noted with respect to the major redevelopments of British city centres, that:

"Though (developers and planners) acted and were thought of as distinct and often in opposition to one another, they shared a fundamental consensus as to what was the proper nature of development, and the precedence of higher (value) over lower uses". (p.153).

Cowen (1981) argues that this coincidence of ideology represents a basic inadequacy of pluralist perspectives on planning. He continued that:

"Planners do not merely serve their current party political 'masters'. In fact, ... (they) fulfil functions within the state apparatus that ensure in the long term the continuation of capital accumulation and associated profit levels, at the expense of labour", (p.7).

The most forcibly expressed version of instrumentalism in planning is that of Lamarche (1976), who states that:

25. A similar claim is made by Counter Information Services (1973) in their examination of redevelopment in inner London.
"The development plans drawn up by municipal planning departments can only be realised if they are subordinated to the interests of the developer". (p.103)

and that the planning of the urban area:

"is more or less limited to the creation of the situational advantages (transport facilities, public buildings, absorption of costs due to land speculation, etc) on which parts of the profits of property capital are made". (pp.103-104).

Saunders' (1974 and 1979) examination of the redevelopment of Croydon made him agree that this situation did appear to occur. Elkin (1974) and Wates (1976) both demonstrated that the development industry was capable of regularly manipulating the planning authority to its own ends, although no deliberate instrumentalist construction was attached to the analysis in either case.

Before leaving the discussion of instrumentalist theory and land-use planning, it is worth remarking on the work of Lojkine (1977) whose research on city centre development in Lyon and Rennes in France led him to the opinion that urban planners, in common with the state's involvement in other sectors of the economy, were consciously involved in facilitating the advancement of the interests of "big firms" (monopoly capitalists) to the detriment of local firms. By planning for large scale city centre redevelopment, a process particularly favourable to large scale investors and retailers, smaller regional or local firms must either attempt to expand their activities rapidly to become "big firms" or be deprived of land for their operations. Hence, urban planners in common with the state in general are seen as instruments acting not only in the service of the capitalist class in
general but also for the benefit of particular sections of that class and against smaller members of that class.

(e) **Structuralist Perspectives on Land Use Planning**

The tenets of structuralist-Marxist perspectives on urban planning are summarised by McDougall (1982) as being that:

(a) to understand urban planning, it is necessary to locate it within the state and within the processes of capital;

(b) to understand urban planning, it is necessary to locate it within the land property market and within the development process of the built environment;

(c) to understand the planning process and the nature of plans it is necessary to analyse them in terms of (a) capital accumulation and (b) the process of ideological reproduction;

(d) and to understand urban planners and planning it is necessary to begin by analysing actual planning practices in specific socio-historic situations.

Because of the inherently "tautologous" nature of the structuralist-Marxist theory of the state (see Chapter 2), Saunders (1981a) believes that the problems of this theoretical stance become even more apparent when empirical work seeking to utilise such theory is undertaken. The most influential figure discussing urban planning in structuralist-Marxist theory is Manuel Castells (1975 and 1978) who evolved a clear perspective on the role which he believes urban planning plays in urban development. His argument is complex and need exposition.

Castells tried to establish whether there was any fundamental aspect of human activity that could be identified that characterised urban
areas and could therefore be used to define urban sociology. Using structuralist-Marxist theory, he argued that an urban area must ultimately be defined by reference to one of the basic elements of society, namely some form of economic process. To be able to identify the essence of an 'urban' area, one had to identify the specific role it played in the total economic system. Since the production of goods is organised on a regional, national or international scale, one could not define urban by reference to the production process. For similar reasons urban areas could not be defined by reference to their role in the process of the exchange of goods. The urban area could not be defined at the political level, because political boundaries were only defined on an arbitrary basis. It could also not be defined at the ideological level since there was no identifiable urban culture (rejecting the earlier ideas of human ecologists).

Therefore, which process acting at the economic level could be used to define urban areas? Castells decided that what typified urban areas was a specific concern with the consumption of goods. Urban areas were typically areas where the consumption of goods was carried out. The primary form of consumption was by individuals, but there was always an element of state provision (e.g. schools, hospitals) which

26. For a critique of the 'myth' of urban politics and the efforts to define the 'urban' see Paris (1983) who argues that such a concept is both ahistorical and ethnocentric and cuts off the possibility of studying urban development in the proper context of capitalist evolution.

27. i.e. that society was structured around an economic base and a superstructure of politics and ideology.
ensured that there was an adequate supply of healthy and educated workers to assist in the production process.

However, two tendencies are visible in the history of the process of consumption. Firstly, as capitalism develops and urbanisation occurs, population becomes more concentrated. Secondly, as economic crises in capitalism occur, the inability of the capitalist class to provide certain goods for workers (like sufficiently cheap housing) becomes more and more apparent. Therefore, one has increasing need for certain consumption goods becoming increasingly concentrated in urban areas. The major force for the amelioration of the problems produced by capitalism is urban government, through urban planning (i.e. more than just land use planning). Therefore, as time progresses the urban government increasingly intervenes in the daily life of the city. As it does so its intervention results in an even greater politicisation of daily consumption issues. Failures to implement policies and reforms generate cynicism and create a legitimacy crisis for the state. As a result, Castells concludes, the seeds of revolution are sown among an urban population. This political unrest becomes especially active at any time when cuts are made in state expenditure on consumption goods.

Cawson (1981) states that:

"In his later essays (Castells) develops his ideas on the role that urban planning plays within the

Castells describes the use of such communal facilities as "collective consumption". Dunleavy (1980) has developed the concept of collective consumption considerably and identified its various forms."
reproduction process of the local state. He sees urban planning as supporting the structural class-based relations of capitalism, and has a repressive function (or at best a reformist function)". (p.8).

Saunders (1981a) notes that Castells' views changed considerably through the 1970s. In his earlier work, Castells (1975) saw urban planning simply as a regulator of contradictions in the urban system, simply preventing dysfunctions. For example, if firms were continuing to locate in areas of high profit leaving other areas without employment the state intervenes to readjust regional imbalances. Similarly, if "capitalist cannot provide adequate 'housing and facilities due to the lack of profit' (Castells, 1976, p.166; also Goldsmith, 1980, p.35) then urban planning intervenes to counteract this process.

"Urban planning cannot be an instrument of social change, but only one of domination, integration and regulation of contradictions". (Quoted in Pickvance, 1976, p.203).

Later, after empirical work in Dunkerque (Castells, 1979), Castells has increasingly come to view urban planning as having a dual function to mediate between the needs of the fractions of the dominant classes and to mediate between the overall needs of the dominant class and the needs of the dominated class.

Saunders (1981a) provides an excellent critique of the structuralist-Marxist position as a whole and continues to examine Castells' postulates about class struggle at the urban level. He criticises the direct linkage Castells claims between dysfunctions in the socio-economic system and "class struggle", since empirical evidence has
repeatedly shown that interest groups in urban politics are rarely related in any direct manner to economic classes. Therefore issues over consumption create political struggles that are not linked to class struggle. Hence, Saunders (1981a) argues, Castells may be able to theorise on what causes contradictions in the urban system but he has no way of actually linking them to the political struggles that arise. A further criticism by Saunders (1981a) is that Castells' theorisation of urban struggles has little room for the role of the individual.

In line with other structuralist-Marxist theory, Castells does not accept that government can be viewed as an institution and power independent of class struggle. This view is criticised by several people. For instance Batley (1980) notes that for Castells:

"The action of the state is understood by reference (a) to the forces to which it responds and (b) to the pre-determined (theorised) purpose (or function) for which it responds... The 'structural limits to change' are located outside the (state) organisation in the movement of the class struggle and the role defined for the state... There is thus a leap from statements about class interest to assumptions about their expression in the action of state agencies". (p.27)

On the basis of such criticisms, Batley (1980) tries to re-establish some managerialist principles noting that:

"The influence or constraints on (state) action cannot simply be deduced by reference to the assumed interests of capitalists; they can only be seen by examination of the administrative operation in practice". (p.26).

McDougall (1982) correctly notes that whereas Castells' interest in urban planning was arrived at through his concern with defining the "urban", others have developed similar interests through a far wider
concern with a wide range of state activities. Harvey (1973) was the first, with his concern that urban planning not only perpetuated inequalities within urban areas but actually exacerbated them. This was done by accommodating the needs of capitalists to reorganise themselves in space at the expense of the working class and by assisting in the creation of opportunities whereby capitalist developers and landowners could extract inflated rents through the zoning and other restrictive practices of urban planning (class monopoly rent).

(f) Corporatism and Land Use Planning

As Chapter 2 demonstrated, corporatism is a descriptive term which can be adopted by a wide variety of different types of theorist. This aspect of corporatism is repeated with respect to its use in connection with studies of land-use planning. There are two basic ways in which the relationship between corporatism and land use planning has been discussed. The first approach (see Simmie, 1981 and Doak, 1982) is to argue the general case that local government in Britain is corporatist and then use land use planning to "illustrate" (Simmie 1981, p.131) that fact. For Simmie, land use planning is a good example of corporatism because it deals with the use and development of land, one of the three essential factors of production (the others being capital and labour), in a formal manner. In a similar way, Doak (1982) argues that, because land use planning is a regulatory governmental function which bridges the interests of a wide variety of groups, it is likely to generate conflicts which will, in turn, mobilise incorporated as well as unincorporated groups into
identifiable political activity. As such, "corporatism-in-action" can be explored.

The case studies of both Simmie (1981) in Oxford and Doak (1982) in Bromley seem to support the hypotheses which the corporatist perspective had generally identified. The interests of powerful groups were responded to, often without their needing to act in any open political arena. Groups with greater financial or political resources and those with direct and close political connections did appear to have more success in terms of influencing policy and other decisions than poorer, less well connected or less organised groups. The results of these empirical studies (a more detailed analysis of Simmie's work and methodology is undertaken at the end of Chapter 5), have served to justify the validity of a corporatist description of local government rather than advance the theoretical underpinnings of corporatism.

Two other, very different, studies have also come to describe the land use planning system as corporatist. Flynn (1981), using findings akin to those of Blowers (1980) used the term "corporatism" to describe the way in which planners at structure plan or strategic level, attempt to:

"create, and then manage, a consensus about policy amongst themselves and their councillors, with other local authorities, industrialists and a range of other interest groups" (p.51).

This, he argued, was a form of corporatism.

At a very different scale of operation, Reade (1982a) has described
the manner in which local planners enter into deals with developers to permit developments (on the basis of a pre-arranged quid pro quo of some sort which produces some community gain or infrastructure expenditure from the developer) as being a form of corporatism. Reade (1982) describes this 'ad hocery', which is usually conducted outside the public eye, as a form of corporatism through which individual developers obtain planning permission at the expense of, or out of conformity with, existing planning policy.

Hence, in summary, there are those who see land use planning in general and in specific areas of practice, as an inherently corporatist activity. Such descriptions of planning have done little to further elaborate the theoretical underpinnings of corporatism, but have produced some interesting studies of how land use planners have been seen to operate in the recent past.

(g) Planning and the Dualist Thesis

Planning is problematic for Saunders' dualist thesis. Since planning is conducted at national, regional and local levels and is concerned with the physical aspects of production, consumption and exchange at all those levels, he cannot readily locate it as a distinct function at a distinct level of government. Using ideas from O'Connor's (1973) conceptualisation of three types of state expenditure and

29. Reade (1982a) was referring to 'Section 52' Agreements under the Town and Country Planning Act of 1971.
30. O'Connor identified social investment (investment to support economic growth, social consumption (investment to ameliorate the problems faced by the proletariat) and social expenses (investment for legitimising state action or coercing elements of society to fulfil the state's wishes).
Cockburn's (1977) work on the local state, Saunders (1979) produced a list of key functions which the local state performs. As Table 3.1 shows, for Saunders, planning is the main tool of a state concerned with the reorganisation and restructuring of production in space, with the major purpose of such activity being the "sustenance of the private production and capital accumulation".

i. Sustenance of private production and (capital accumulation):
   a. through the provision of necessary non-productive urban infrastructure (e.g. road development);
   b. by aiding the reorganisation and restructuring of production in space (e.g. planning and urban renewal);
   c. through the provision of investment in 'human capital' (e.g. education in general and technical college education in particular);
   d. through 'demand orchestration' (e.g. local authority public works contracts).

ii. Reproduction of labour power through collective consumption:
   a. by means of the material conditions of existence (e.g. low rent local authority housing);
   b. by means of the cultural conditions of existence (e.g. libraries, museum, recreation parks).

iii. Maintenance of Order and social cohesion:
   a. through the means of coercion (e.g. police);
   b. through the support of the 'surplus population' (e.g. social services and other support services such as temporary housing accommodation);
   c. through support of the agencies of legitimation (e.g. schools, social work, 'public participation').

Table 3.1: Functions of the Local State

In fairness to Saunders, he has not been concerned with land-use planning at more than a superficial level when testing and developing his dualist theory of the state. After an examination of Saunders'
thesis at a workshop in a conference in Bristol, Underwood (1981b) reported that:

"Our conclusions were that the concept of an autonomous local state does not apply well to the planning system. We are dealing instead with a state function operated principally at the local level. The different functions within the system require empirical analysis to determine in whose interest it operates - whether capital or non-capital and whether this equates with production and consumption functions. A dual theory may be useful, with a pluralist analysis of the plan making process and a corporatist analysis of the development control system having immediate appeal. It is the links between these which are important but difficult to make. We do not want to take a simple view that the plan making process with its 'public participation' is merely a legitimatory function. Nevertheless, to concentrate attention on the local political consumer, struggles within this process can be something of a diversion. It may be more important, in the first instance to clarify the more 'corporate' relations in relation to the plan making process and the way in which the machinery of the development control process reinforces or contradicts these relations". (p.66).

Underwood is therefore not endorsing Saunders dualist thesis but does consider that the use of different theories to describe different facets of land use planning as a state activity to be useful. Plan making is separated off from plan implementation by claiming that the development control system should be viewed as a different type of political forum to that governing the drawing up of plans. Plan making at the local level might be viewed with pluralist theory in mind whereas development control might be viewed with corporatist theory in mind. (Although the possibility for corporate involvement in plan making is seen as a possible first area of study).
Conclusion

The concept of using different theories of the state to explain different elements of the planning process suggests that the existing theories of the state are, in themselves, inadequate. Indeed, the evidence produced in Chapters 6 to 10 demonstrates that this is so. However, comment on the various theories of the state is left until after the evidence to justify criticisms have been assembled. Suffice it to say at this point that there is a myriad of conflicting claims, arguments and counter-arguments that exist, even within the world of land use planning, as to who benefits from state activities. These arguments are rarely conducted with evidence to hand and it is hoped that the accompanying empirical work will prove useful in this respect.

In connection with the theories of the state, this chapter has argued that land use planning is an overtly political procedure, underpinned by technical analyses of perceived problems. The state finds itself having to decide between who shall benefit and whose interests shall be prejudiced by individual occurrences of land development and by the general process of spatial reorganisation.

The range of interested parties which are involved in the debates over development are liable to vary across the city. In urban fringe areas, landowners, tenant farmers, residential developers and existing householders in the location are regularly involved in clashes over development. In the city centre, commercial developers, financial institutions, householders and conservationists are often in conflict.
(see Chapter 5). The interpretations of the role of the state in deciding between these various interests has been shown to be highly varied, from the pluralist view that issues will be decided by the balance of the various pressures, to the instrumentalist view that big business interests will always be favoured over those of the working class who will simply be moved about in any way which facilitates a more efficiently organised urban environment.

We have argued that land use planning is carried out through a dual process of plan formulation and implementation. These different aspects of land use planning are seen as integrally related. Indeed, Barrett and Fudge (1982) argue that there is a "policy/action continuum" (p.25) through which policies are bargained over by the local authority and private sector implementors. The basis to these negotiated settlements evolves through time as a result of problems experienced in implementation.

Certainly there is no guarantee that the land use plans produced by local planning authorities will be adhered to or implemented. If, as Pressman and Wildavsky (1973, page xv) suggest, implementation is "the ability to forge subsequent links in the causal chain so as to obtain results", then local planning authorities have few resources to manufacture the requisite links. In investigating the role of the state in guiding spatial reorganisation, such problems are important. In general terms, Van Meter and Van Horn (1975) have constructed a list of factors which are likely to affect the extent to which any policy might be expected to be implemented. They are listed in Table 3.2.
1. The economic, social and political conditions.

2. The nature of the policy to be carried out:
   (a) the amount of change involved
   (b) the level of agreement over the aims of the policy by the actors involved.

3. The standards by which performance of the policy is to be judged.

4. The disposition of the implementors of the policy. This includes:
   (a) their cognition, comprehension and understanding of the policy;
   (b) the direction of their response;
   (c) the intensity of their response.

5. The resources and incentives made available to implement the policy.

6. The quality of interorganisational communication and control.

7. The characteristics of the implementing agencies, including:
   (a) their size and competence
   (b) the degree of hierarchical control
   (c) the amount of political support
   (d) the 'vitality' of the organisation
   (e) the openness of internal communication
   (f) the channels/linkages between outside bodies and the policy-making body.

Table 3.2: Elements of Policy Implementation: The Van Meter and Van Horn Model

Adapted from Camina (1980).

Although Van Meter and Van Horn's (1975) paper forms a good checklist for viewing what factors are likely to affect implementation it makes no attempt to link the agencies which are discussed back to wider social structures. Indeed, economic, social and political decisions
are parcelled up, unsatisfactorily, as merely another element for consideration. For example, they note:

"The impact of economic, social and political conditions on public policy has been the focus of much attention during the past decade ... Although the impact of these factors on the implementation of policy decisions has received little attention, they may (sic) have profound effect on the performance of implementing agencies", (p.471).

We have seen that this isolation of state policy making from wider social forces is representative of a particular perspective on the state, namely pluralist, which views the state as a neutral and separate entity. Hence, although Van Meter and Van Horn provide us with some useful hypotheses relating to possible problems of the relationship between planning policy, plans and planning-in-practice, we need to be able to look at the wider socio-economic forces which underpin the activity itself.

In a recent report, Healey et al. (1983) isolated the principal factors affecting the likelihood of policy implementation as being:

(a) the level of powers and resources available (to the implementors) to achieve implementation;

(b) the level of agreement among those with an involvement in implementation over the use of the available powers and resources to implement policy;

(c) and the level of control which the agency determining the ends of policy has over the powers and resources for implementation.

We will bear these factors in mind when evaluating the control of office development in central Edinburgh.

However, the key finding of this chapter is that, although planning
documents produced by the state are the results of a considered approach to intervention into the land development process, the actual effects that the local authority might have on the urban form (Whitehand, 1977) are by no means predictable. Both plans and their implementation are usually the results of intense political struggle. We might therefore expect that the local planning authority is an agent of variable influence. Its ability to control development is likely to vary from situation to situation. It is hoped that this thesis might prove useful in identifying some of the factors which affect the outcomes of the process of land use planning.

Before proceeding to examine what happened in Edinburgh when the local authority tried to restrain the overall rate of office development in its central area, we need to know more about commercial property development as one specific form of the land development process and, secondly, we need to know more about the politics of commercial property development (which interests are involved and the general levels of powers and resources they possess to protect their interest). The next two chapters address these problems.
Chapter 4
Commercial Property Development and the City Centre

The previous two chapters have sought to identify how the state intervenes in the process of land development, and have discussed various perspectives on who might benefit from such intervention. This chapter attempts to describe the one aspect of the commercial land development process with which the state intervenes in British city centres, namely, office development. After examining land development as a form of production process and as one of several alternatives for investors, this chapter examines the details of the commercial development process. It then identifies the factors which make the city centre such an important and dynamic property market. Finally, it reviews central government guidance to local planning authorities, and some of the policies local authorities have initiated, to control patterns of office development. This chapter therefore introduces both the commercial development process and governmental responses to it. This information allows us to appreciate the complex politics that surround commercial property development more sensitively. Together with earlier information on the system of land use planning in Britain and who benefits, the essential background information presented in this chapter will be coupled with further information on the nature of the interested parties surrounding property development, to set the context for the Edinburgh case study. This is summarised at the end of Chapter 5. However, we first need a working definition of development, as a basis for what follows.
Towards a Definition of Development

Property ownership in Britain is akin to that in most capitalist societies, the common feature being that private property, (the general form of the relationship between individuals and land in twentieth century Britain) is a necessity for, and a corollary of, any workable capitalist economy (MacPherson, 1975). Capitalism requires that all objects, commodities and "things" (those that are corporeal like goods, and those that are incorporeal like rights) can "belong" wholly to named individuals. MacPherson (1975) argues that this is necessary because communally held goods cannot easily be bought and sold. Therefore, in the evolution from a feudal to a capitalist society, not only did the form of the process of commodity production change, but so did the relationship between individuals and property in general. Nowhere is this more readily observed than in the changes that occurred in individual's rights relating to real property (land and buildings).

It should be noted immediately that the system of land ownership in Scotland remained (at least technically) feudal until 1974 when a Labour government gave Scottish feuars the option of buying off the form of ground rent that was still payable to feudal landlords. In this legislation, if the feuar paid his or her feudal ground rents for a period of several years as a lump sum, the feudal landlord then lost all rights to expect a further revenue from his land. This left the

1. This change is best exhibited by the enclosure movements of the Seventeenth and Eighteenth century. The most explicit documentation of how capital, which had accumulated in towns was transferred into land ownership in the countryside is given by Hill (1940 p.15).

2. A feuar was the subsidiary interest in the Scottish system, equivalent to a form of tenant.
occupier of the site with something equivalent to that of an English freehold. The major differences between the two systems of land ownership are briefly described in Appendix 2. However, it is sufficient to note here that the ground rent payable to the feudal landlord, which is fixed in perpetuity at the time of sale, dwindles away to virtually nothing (£6 or £7 per annum per property) because of the effects of inflation over a long period of time. As such, the differences between English and Scottish property investments are largely irrelevant to a commercial property developer, except with respect to the extra powers to control land and its use accorded to a feudal landlord or "superior" under the Scottish system. These extra controls do not significantly affect our study. As a result, the property market in perpetual leaseholds in Scotland parallels that of freeholds in England and research into the property markets in both countries is almost directly comparable.

Individuals in both Scotland and England and Wales are capable of possessing such rights as those listed in Table 4.1. As such, they are seen as equals before the law. In order to exercise any of these rights one must have "obtained" them through purchase or inheritance, (another socio-cultural variable pertaining to property). In this thesis, we are primarily concerned with the right to develop land. Such rights in land must be secured by some means before a development

3. The Land Tenure Reform (Scotland) Act, 1974, allows feuducties to be redeemed by a complex equation relating to the value of Consolidated Stocks (Consols) at the time of sale. See Scottish Information Office (1974) The Abolition of Feuduties. Many feuars have not taken this opportunity up as yet, although any sale of property is now required to result in the redemption of feu duties over time. As a result very many properties in Scotland still have feu duties paid on them.
can be contemplated in a property system like that operating in the
United Kingdom.

1. rights which concern the use, occupation/custody and
development of all or part of a land parcel (the bound-
aries of which can be visualised as all or part of one
inverted pyramid (starting at the centre of the earth
and extending upwards through the surface and then into
space);

2. rights which concern the transfer of those rights
contained in 1 above;

3. rights which concern the restriction or regulation of
another's rights as described in 1 and 2 above;

4. rights which concern the stipulation of another's rights
as described in 1 and 2 above;

5. rights which concern the exaction of duties and the use
or ownership by others of those rights concerned in 1
and 2 above.

Table 4.1: Types of Rights and Obligations in Real Property
(From Pearce, 1980).

However, as we have noted, any individual exercising his right to
develop land could conflict with the rights of neighbouring
individuals to enjoy and use their land to the full. This is most
apparent in densely populated urban areas where a development could
well adversely affect the amenity (and ultimately the value) of
several neighbours properties. Therefore, for this and other reasons,
most urbanised societies have developed rules by legislation or other
means, which govern the rights of individuals to develop their land.

4. See, for example Koenigsberger and Groak (1980), Darin-Drabkin
   (1977) and Lichfield and Darin-Drabkin (1981).

In Britain, the Town and Country Planning Acts of 1947 (including the
Scottish Act) removed the right to develop land from the individual
and vested it in the person of the state.
In order to control land development, the state in Britain has had to define what it means by development. To this end the Town and Country Planning Act (Scotland) 1947, defined development as:

"The carrying out of buildings, engineering, mining or other operations in, on, over or under land, or the making of any material change in the use of any buildings or other land" (5). (Section 22).

However, the above definition still requires further clarification since it is not immediately clear what constitutes a 'material change' in land. The definition used in the Planning Acts is primarily to define the term "development" in a legal sense. As such, there are General Development Orders and Use Classes Orders which outline those forms of development which do not constitute "material change" and therefore do not require the state's sanction before being carried out.

This legalistic definition does not assist us very much since it is only concerned with the end product of a complex process. It has been argued elsewhere (McNamara, 1983) that a more useful definition of development could be derived by inspection of the development process itself. McNamara (1983) argued that land development represented an investment of labour and/or capital in land. This investment was both premeditated and had a distinct purpose. These features pertained to all developments, whether a dry-stone wall, a cathedral or an office block. Combining this with the recognition that

5. This definition is still used in Scotland and is exactly the same as that used in England and Wales.
6. An off-print of this paper is enclosed at the back of this thesis.
7. By which is meant money, machinery and raw material.
developments must be related to material changes (again, as in the legislation, this is difficult to define), McNamara (1983) suggested that a working definition of development might be:

"Land development is a purposive and premeditated material change in, or intensification of, the use of a parcel of land, brought about by an investment of labour and capital in land". (p.88).

Hence, as a general rule, any material changes in the use of land are brought about by an investment of labour and capital in that land. In contrast, the social organisation of that labour and capital, the ends to which that labour and capital are put and the distribution of the benefits generated through the investment of that labour and capital, will vary in time and across space, depending on the social organisation of production.

As such, all developers need to assemble the requisite materials, machinery, and labour at a particular location to perform work over an unspecified period of time. As such, land development can immediately be characterised as a production process. However, as we shall see, the "developer" does not necessarily become actively involved with any of the phases of development, but can act merely as an "impressario" (Marriott, 1967) making his profit from simply organising the development. The development process (and the wider process of spatial reorganisation) can therefore also be characterised as a form of investment, whether over the limited period represented by the construction phase of a development (developing for sale) or over a much longer period of time (developing for rent). We now turn to consider each of these characterisations.
Development as a Productive Process

As stated, all developments have a purpose and are meant to result in the production of a finished object through using labour and machines to transform raw materials. Therefore, the act of development can be paralleled in many ways to other forms of commodity production. Indeed, Boddy (1981) conceives of it precisely in such terms. It is important to review Boddy's work before proceeding to outline the idiosyncracies of the commercial development process, since it is the most explicit attempt to date to examine the flow of capital through land which characterises the land development process.

Marxist economy theory identifies three ways in which money could be employed to facilitate economic growth. Boddy (1981) calls them cycles "of capital" and explains that all three are central to understanding the commercial development process. Firstly, there is the process of commodity production. Here, a producer pays money to buy commodities (labour, machinery and raw materials) which are then combined together via the process of production to produce new commodities. These commodities have a higher value than the raw materials because labour has been "mingled" with the raw materials to make useful goods. This value is realised into a tangible form again (money) by the sale of the finished goods. The difference between the costs paid and the value realised is taken by the organiser of production as profit. This cycle of capital is portrayed in Table 4.2.

A second cycle of capital is where a merchant buys goods from a producer and sells to a buyer (Table 4.3). This allows a producer to
Production Cycle

\[ M \rightarrow C \rightarrow \{ LP \rightarrow P \rightarrow C \rightarrow M \} \]

\[ I \rightarrow I \]

- **M** = money
- **C** = commodities from materials for production
- **LP** = labour power
- **MP** = means of production/machinery and tools
- **P** = production
- **C** = finished commodities
- **M** = money for finished goods.

\[ \text{I = one cycle of capital} \]

\[ \text{I = capital used in production cycle} \]

Table 4.2 The Cycle of Capital in the Production Process
(Source: Boddy, 1981)

\[ \text{M} \rightarrow \text{C} \rightarrow \text{M} \]

\[ \text{c} \rightarrow \text{c} \]

- **M** = money
- **C** = commodities

Commercial Cycle

- **M** = money plus profit
- **c** = capital used in commerce cycle

Table 4.3 The Cycle of Capital in Commerce

receive remuneration sooner and to concentrate on the production process by reinvesting money from the merchant immediately into the production process, instead of waiting until all goods are sold before starting production again. The merchant makes money by selling at a
higher price than he originally paid for the product. The general application of this principle speeds up the production process and raises the rate of capital accumulation (or economic growth). The general interrelationship between these cycles of capital is given in Table 4.4.

Table 4.4: The Cycle of Capital when Production and Commerce Meet

The third method of using money is to make an investment by lending capital in some form and gaining interest in some way on that loan. In reality, one can see that both producers and merchants can use credit to facilitate their activities, and this indeed occurs in the world of commercial property development. Tables 4.5 and 4.6 show the funding for a production and commercial process respectively.

Boddy (1981) notes that all of these cycles of capital interact in the production and purchase of commercial properties when a property company is active. His diagramatic amalgamation of the three cycles is given in Table 4.7.
Boddy's (1981) model is of great interest although it is obvious that it is only relevant to larger scale developments. Cycles of capital for small housebuilders would reveal a very different pattern, with direct sales to consumers, and the use of external funds to both
Table 4.7: The Commercial Development Process: With Property Company Active


builder and consumer. "Middlemen" companies would be rare. For even smaller developments some of the cycles of capital proposed would not materialise (e.g. garage construction, extensions to houses etc). More importantly, through the Marxist concentration on the production process, the model seems to imply that the primary force in the development process is the builder. This is far from true in large scale commercial development, although it does accurately describe the residential development process. In commercial development, it is
quite often the property company or the financiers behind the property company who identify development opportunities and hire the services of a construction company.

Finally, although the model outlines the flows of money through the development process, its inclusion of the property company is now somewhat dated. As we shall see in the following chapter, investors are able, at any time, to take control of either the merchant or the production elements of the cycles. To date, financial institutions active in property development have frequently taken over immediate control of the "middle-man", merchant, activities of the property company. They also invest heavily in construction companies. However, Boddy's (1981) model does reveal that, at every stage of the development process, different agencies (builders, property companies and financiers) are all having to make investment decisions.

Investment in Land and Property Development

Ginsberg (1968) notes that:

"The act of making an investment requires the investor to refrain for a longer or shorter period from the use or consumption of part of his resources in the expectation that at a later date these resources will either produce a greater volume of goods and services than those given up or will replace resources that he will then need but which may not be available to him", (p.16).

The primary purpose behind investment is that resources which would otherwise remain idle in the hands of their owner, are put to use by some other body. The user of the resources repays the creditor from 8. For example, money for which there is no immediate use.
the profits made by the productive use of the loan. Hence an otherwise idle asset has been turned to use. In terms of the general economy, this means that the fullest use is made of all its resources. Idle assets are minimised and few producers are hindered by a lack of credit. However, there is a great variety of potential borrowers and investments. Therefore any investor must define the types of investment which best suit his particular requirements before making any investment decisions.

Plender (1978) notes that there are basically four areas of investment open to any investor. Firstly, there is the straightforward practice of lending money on a fixed interest basis. The invested money is returned with a predetermined rate of interest over an established time period. The largest borrower of this fixed interest type of credit in the United Kingdom is central government which repays loans with interest, by raising money on assurances of future tax revenue. The surety of repayment is such that these loans are seen as being "gilt-edged" and are known as such.

A second, similar, option for investors is to lend to private sector borrowers on the basis of a fixed interest return. This form of investment is most easily seen with respect to bank lending. Profits for the bank are made by borrowing money from investors at a lower rate of interest than they charge to people who borrow from them. The banks concentrate the spare assets of many individuals and can lend substantial sums to facilitate a whole range of economic activities.

9. Only a brief review of this vast and complex area is attempted here.
The rate of return expected from such investment varies through time with respect to the demand for credit and variations in the rate of inflation. Short-term loans are not so badly affected by rising rates of inflation, but long-term investments can have their real value seriously eroded.

A third area of investment is the purchase of shares in a company. Instead of the borrower offering to pay back a fixed sum on the amount borrowed, he offers to pay back the loan from profits made by the company. It is not the intention to review exhaustively the various forms this arrangement can take, but the basic concept is that the potential borrower makes it clear to potential investors that he is willing to share company profits with those creditors willing to proffer him credit. The more profitable the company, the more dividends are repaid to the borrower. Therefore, if an investor finds a company which is thought likely to make appreciable profits, then he might seek to buy their shares. Since these shares represent a right to a revenue from the company issuing them, a market in the shares themselves is generated. As the assessment of a company's potential to make profit varies, then so does the level of demand for their shares. As the demand pattern varies with a fixed supply of shares (at any given time), then so does the price of the shares. Hence, very great amounts of money can be made (and lost), through the purchase and sale of shares. A similar form of investment is where an investor purchases units in a unit trust. This trust then finds suitably profitable outlets for the money it has attracted and pays a

10. See, for example, Revell (1973), Leach and Wenham (1964) Royal Institution of Chartered Surveyors (1980).
form of dividend on each unit held. This reduces management worries for investors who wish to concentrate on other activities.

A recently expanded fourth option for investors is property investment. There are a number of ways in which investors can invest in property and these are listed below with the types of return the investor can expect from the investment (see Barras, 1978).

Table 4.8: Types of Investment in Property and Types of Return**

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolling Funds for a Property Company</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Loans with Share of Equity on Finished Developments</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans with Share of Rents on Finished Developments</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Partnership with Developer (Companies merge or take over)</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Separately Established Partnership Company</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Funds or Units in Property Investment Trusts</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Buy Newly Developed Property and Rent</td>
<td></td>
<td></td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Buy Old Property and Rent</td>
<td></td>
<td></td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Buy Development Land and Property - for sale</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>- for rent</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

Table 4.8: Types of Investment in Property and Types of Return**

* 1 = interest
  2 = equity
  3 = rent
  4 = final asset value

** use value from owner occupation is not included, but is discussed below.

In this thesis, we are primarily interested in investment in property. However, it is important to note that these different types of investment are of variable attractiveness at different times to
different investors, depending upon general economic circumstances. We shall see in Chapter 5 that under certain economic conditions money has been seen to flood into the property sector, destabilising further what is usually a volatile market. We now turn to consider the particular features which the market for property exhibits and which, in the case of commercial property, partially determines who invests in it.

The property market is unlike other commodity markets. The cost of land, even when in similar uses and locations, is very variable and depends to a large extent on the level of market knowledge held by vendor and buyer, the need to buy or sell, as well as the general levels of supply and demand for land. Therefore, the valuation of land before and after development is very difficult to calculate. Since valuations can dramatically affect the assessment of development opportunities by developers, this makes investment in property both hazardous and somewhat random.

The first basic difference between the property market and other commodity markets, is the extent of variation in the former. Properties vary enormously. Indeed, some consider all properties to be unique (Ratcliff, 1961). Variation between properties exists with respect to location, age, style, type of construction, the prestige it

11. The property market (more precisely "real estate") market has been defined as "that sector of the market system which regulates the use and production of urban real estate resources" (Archer, 1971) and "the sum of the buying, selling or renting of property" (Ratcliffe, 1961). For a detailed study of the features of the real estate market see Lean (1964) and (1969).
can confer, accommodation potential, present use, present users and condition (Ratcliff, 1961). The common lack of comparable properties can lead to abnormally high or low prices being paid.

Although the emergence of a property development "industry" (see Chapter 5), is changing matters, the land and property market remains relatively disorganised (Lichfield, 1956) having no coordinating body like the stock market for commodities. In general, the markets for different types of property tend to be quite localised when, say, compared to the international markets that exist in raw materials and certain manufactured commodities (Thorncroft, 1965). This is also changing with the growth of national and international property markets and a property press. However, there is still a problem over how to describe or sub-divide the property market. Thorncroft (1965) suggests: location, type of holding (leasehold/freehold), purpose of holding (investment/occupation) and type of use (factory, office, house) as possible ways of sub-dividing the range.

A further characteristic which differentiates the property market from other markets is that property cannot be built and then put into cold storage like some commodities. The condition of property deteriorates over time (Whitehand, 1978, Sim 1982 and Bourne 1967). In addition, it ties up a great deal of capital at any one time. It is often difficult to divide and costly to manage. It also usually forms a very large individual investment (Thorncroft, 1965). The nature of property conveyancing, the size of investment and the limited range of investors that are willing and able to get involved makes property a
difficult investment to sell quickly. As such, many consider it a relatively illiquid investment.

Like all other investments, property ownership and property development have features which endear them to some investors and not to others. It is generally the long-term investor who is attracted to property investment because the returns from property holdings accrue slowly over time but retain relatively high asset values throughout. Therefore, for institutions like insurance companies who regularly attract small amounts of money from a large number of sources but which have the expectation of paying out large sums of money at a later stage (i.e. the end of policies or on death), property investment is ideal.

Although property ties up a great deal of capital in one investment and is not easy to "cash in" (which deters many short-term investors), the major worry that most investors have about property is its greater than usual vulnerability to legislative control and nuance. If it so chooses, a government can affect virtually every aspect of the development and building process including the rent levels, interest rates, the supply of building materials, building operations, wage rates, the supply of money and even the location and speed of the process itself. As a result, some investors have avoided getting involved in property investment.

In contrast, there are several attractive features of property ownership. Firstly, rent is in a technical sense, a "prior" payment
and, unlike shares, is not directly dependent on the fortunes of the tenant. Therefore, it will produce a consistent return. Depending on economic growth, inflation and general movement in the demand for commercial property, rents will tend to rise through rent reviews. Reflecting the assimilation of property into wider investment portfolios, these reviews have become increasingly regular. Hardly known before the Second World War, rent reviews have become more frequent, dropping from fifty, to twenty-five, to ten, seven, five and even three years. Land is also seen as indestructable, relatively fixed in stock and increasingly in demand in global terms. Therefore, it is thought that, whenever a tenant vacates, an owner retains possession of a valuable asset.

Like the commodity and stock markets, the property market holds ample opportunity for speculation. Ambrose (1976), notes the existence of an "investment-speculation continuum" in land. Investment is simply an act with minimal risk where the possibilities of future returns are well-known and accepted at the time of investment. Speculation is concerned with taking risks which require the accurate prediction of future trends, but which can result in valuable assets being bought cheaply. The Royal Institution of Chartered Surveyors (1977) notes two types of speculation in land:

(a) Property-speculation The two forms of this were:

12. Although it is true to say that below this level the period of negotiation tends to take almost as long as the review period.
13. The perception of land as always having value is a key problem in inner city areas where landowners hold on to land rather than putting it on the market, in the belief that its real value is above contemporary market prices.
(i) where a property's value is seen to have the potential to rise quickly. Therefore it is bought and sold very rapidly, profit accruing from the difference in prices;

(ii) where a property's value is liable to rise through public action such as the granting of planning permission or the input of services into an area.

(b) Speculative-building

Where the developer constructs a building in an area with no apparent demand. Therefore the land is cheap and the building is built as an extension of the stock of such property. Eventually (through developments around it), it is taken into the stock and attains a high value even though early returns from the development were negligible or nil.

Short-term investment markets do exist in property, but they do not involve direct property ownership. Shares in property companies and units bought in property unit trusts and property investment trusts can be resold on the stock market like any other short-term investment, with their price reflecting the general fortunes of the property sector as a whole.

It is the case that, when inflation is running at a very high rate, gilt-edged securities and loans become unattractive to investors since their fixed returns quickly become devalued. Similarly, when economic stagnation reduces the profits from manufacturing, shares in manufacturing companies become generally less attractive, since...

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dividends become less likely. When these two phenomena coincide (inflation and economic stagnation) property becomes relatively more attractive because of its steady return which tends to rise in tandem with inflation. We shall see in Chapter 5 that this picture of "stagflation" accurately describes the economic situation in Britain in the early 1970s when the perception of good returns from property (amongst other things) caused money to flow quickly into the newly emergent "property sector".

**Contemporary Commercial Property Development**

Having looked at development as a sub-set of property rights, a production process and an investment process, it would now be helpful to concentrate specifically on describing the operations of a contemporary commercial property developer. As such, we are especially interested in the economics of the property development process at the level of individual sites. We first identify the identifiable stages of the property development process in order that they can be examined more fully below.

Models of the development process commonly identify what the property developer does and the sequential order in which he does it. To a certain extent we have covered what the developer does for, as Marriott (1967) has stated, the developer is an 'impresario', bringing land, labour and capital together at specific times in specific locations. The model that represents this organisational view most explicitly is that of Drewett (1973) in Figure 4.1, where the developer can be seen assembling land, finance and the elements of
production together, gaining "social sanction" and dispensing of the product, sometimes through estate agents.

Figure 4.1: Interrelationship of Development Agents in the Land Development Process (Drewett, 1973).

In contrast, Ratcliffe (1976) concentrates more explicitly on the sequence of events which culminates in the development of land. He sees the production process as a form of planning process with the following identifiable stages:

- goal formation
- objectives
- alternative strategies and evaluation
- selection and implementation
- monitoring, review and redefinition of goals.

This sort of sequential model is commonly repeated in the literature. Indeed, it is one of the problems in studying land and

15. For example Cadman and Austin-Crowe (1978), Massey and Chandler (1973), Robinson (1979), Chapman (1978), Barrett et al (1978) and Ratcliffe (1978) are but a few.
property development processes that, with almost every new text, a new model of the development process is formulated. Three such models are compared in Table 4.9 and their common features identified.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>evaluation</td>
<td>project desirability</td>
<td>development pressure and prospects</td>
</tr>
<tr>
<td>preparation</td>
<td>project planning</td>
<td>feasibility</td>
</tr>
<tr>
<td>implementation</td>
<td>project implementation</td>
<td>implementation</td>
</tr>
<tr>
<td>disposal</td>
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</tbody>
</table>

Table 4.9 Three Separate Views on the Stages of the Development Process

The common view is that development process comprises three major stages. The first stage is where the various opportunities for investment (in property and elsewhere) are assessed and a decision is made by the developer on whether to be involved with a particular development proposition or not. The second stage entails the preparation of a proposal for the site. This requires an assessment and assembly of all the multifarious requirements for a development (labour, machinery, credit, land, planning permission, etc). The third stage is managing the actual construction process and, as can be seen, Cadman and Austin-Crowe (1978) identify the disposal of a finished product as a fourth stage, whilst the others consider it as simply an integral part of managing and implementing development. Cadman and Austin-Crowe's (1978) more detailed division of the
development process is used for the following examination of the commercial property development process.

The Evaluation of Investment Opportunities

Obviously, any investor has first to decide whether or not to become involved with property development as a general business activity. If he does, then he may seek out and assess various opportunities for making profits through property development. A second stage of evaluation is reached when individual projects are assessed for their profit potential and elements of risk. If the site has the requisite potential then investment may occur (see below). Given the changing requirements for land in an evolving society, opportunities for land development will always be coming forward. However, the "attractiveness" of such opportunities, in relation to that of other investments, may vary over time and space. Therefore, the number of investors interested in land development will vary over time and space.

The decision to develop can be seen as a particular form of cost-benefit analysis. However, as will be shown, there are many different aspects of the development to be taken into account and many risks and uncertainties that have to be incorporated into the equation. Bourne (1967) attempts to simplify the problem to its most basic level by stating that development will take place when the value of a property after development ("time 2") minus the value of the property before

16. "Investor" is here used to cover both investors in land and developers.
development ("time 1") is thought to be greater than the cost of demolishing an existing building and reconstructing a new one. However, Bourne's simple equation disguises the problem that the valuation of land is extremely difficult. As we already know, the property market is both disjointed and localised and this makes calculating the various costs of development very difficult. Before considering the "benefits" of property development, it would be advisable to establish, with the use of examples, how commercial property developments are valued.

Developers are not usually concerned with buying land for what it is presently worth, but, rather, for what it is likely to be worth. Since any piece of land can be used for a variety of different uses then its future worth has to be examined for all possible future uses. As Bourne (1967) notes, land will not be developed to a use that ostensibly provides the same or less return than the existing use, since this would represent investment without return.

The valuation of property and analysis of feasibility for development is a skilled profession and the potential of a site is calculated through the consideration of many variables. Lichfield (1956) notes the following as having a direct influence:

17. This should not be confused with the concept of continual 'stepping up' to higher value land uses since development can take land from commercial or industrial uses into residential uses, because returns can be secured from such developments in a time of economic recession when there is little demand for office or factory space. There are in fact a number of recent cases of this happening in Britain. Indeed, some have occurred in our study area.
(a) the characteristics of the development;
(b) the physical characteristics of the site;
(c) the existence or not of public services;
(d) the location of the development relative to public services and to other land uses;
(e) whether legal restrictions cover the development;
(f) and, whether planning restrictions cover the development.

With respect to the characteristics of the development, Ratcliff (1961) identified three features for consideration. These are the physical "efficiency" of building (i.e. is the structure well adapted to the proposed activities?), the durability of the building and its attractiveness. Lean (1964) correctly points out that all of these elements of valuation will be affected by the level of knowledge of the property market held by the vendors and purchasers and the overall number of buyers and sellers active in the market. Different values will be reached for a property if monopolistic or oligopolistic, monopsonic or oligopsonic market situations pertain than if a large number of buyers and sellers are operating in an open market. Ring and North (1967) list twenty different possible types of value that could be accorded to a property (i.e. economic value, book value, tax value, cash value, etc) and three distinct methods for valuing property, namely:

(a) cost valuation where value equals costs plus profits;
(b) market valuation where value equals that of other similar transactions in the market;
(c) and, income valuation where value is based on potential future incomes.
For investors, whether financial institutions or property companies intending to rent, their valuation of property will relate closely to the net rental income they believe an existing or potential property will bring. However, given the variability in the level of risk that any investment in property represents, there will be a similarly varied concern by an investor with respect to how soon he retrieves his outlay. The riskier an investment is, the quicker an investor will wish to retrieve his outlay. This variation can be built into the assessment of what a property is worth. Taking a very simple example, if an investor requires a return of 5 per cent per annum from the prospective purchase of property from which the net income is £10,000, then he will be prepared to buy the property at a capital sum of which £10,000 is 5 per cent, that is:

\[
\text{capital value} = \frac{\text{net income} \times 100}{\text{rate of interest}}
\]

\[
= \frac{10,000 \times 100}{5\%} = £200,000
\]

i.e.

\[
\text{net income} \times \frac{100}{\text{rate of interest}} = \text{capital value}
\]

(Taken from Richmond, 1975, pp.54-55).

With this rate of return, the investor would retrieve his outlay in 20 years. This is known as "20 years purchase". If the rate of return had been 8 per cent, the capital value of the property would have been £125,000 and the years purchase would have been 12.5. Other terms for the rate of return are "capitalisation rate" and "yield". Following, Archer (1971), the calculation of the capitalisation rate is quite a complex operation for an investor. He notes that:
"The capitalisation rate is based on the market rate of interest, adjusted downwards by an inflation factor and upwards for a risk factor, and always upwards to allow for a depreciation factor", (p.2).

By estimating the capital value of development one can, by deducting all the likely costs (including profit requirements), arrive at a ceiling price for the land upon which the development will take place. To pay a higher price than this ceiling price is to reduce profit margins. Developers usually make offers for land below their ceiling price. If the vendor is unaware of the true potential of his land, and sells at this low price, the developer will make profits on both the land and the development, because the final value of the property will include the market rather than the actual price of the land. A well informed vendor will have a floor price below which he will not go. As such, a price gap emerges between vendor and buyer and a final price is negotiated. Since the property market is becoming increasingly well informed, it might be the case that these price gaps are decreasing.

Table 4.10 taken from Ratcliffe (1978) and illustrates the calculation for residual price in land for a fairly small development.

Clearly, if the land in the example given was offered to the developer for less than £130,000, then extra profits on the land would be made possible. Such profits were possible in the early 1960s when demand for space was high, the property market hardly existed and land owners were less aware of the true value of their assets. Ambrose and
Valuation

A. VALUE AFTER DEVELOPMENT

Rental Income £76,500
Rate of Return 5.5%

\[ \text{Capital Value} = \frac{\text{Rental Income \times Rate of Return}}{5.5} = \frac{76,500 \times 100}{5.5} = 1,392,300 \]

B. DEVELOPMENT COSTS

Building Costs 200m at £350 per m 700,000
Finance, Short Term for 12 months 84,000
12% of £700,000
Professional Fees, Architects and Surveyors (12% Building Cost) 87,500
Consultants (2/3 x 12% for 2 years) 14,560
Letting Fee (10% initial annual rent) 7,650
Advertising 5,000
Contingencies 25,000
Profit for Developer (20% of Capital Value) 278,460

\[ \text{TOTAL AVAILABLE FOR LAND AND ITS PURCHASE} = 1,202,170 \]

Cost of finance to buy land = 0.4 \times \text{land cost}
Cost of legal fees for buying land = 0.06 \times \text{land cost}

\[ \text{land cost} + \text{finance of land cost} + \text{legal costs} = £190,130 \]

1 + 0.4 + 0.06 = £190,130
land cost = £130,000

RESIDUAL LAND COST

130,000

Table 4.10: Calculating the Residual Cost of Land
From Ratcliffe (1978) pp.120-121.
Colenutt (1975) gave one example of super profits made through cheap land purchase. Their example was taken from the development of 18 Tolmers Square.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Cost</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Finance Cost for Land</td>
<td>1,594,000</td>
</tr>
<tr>
<td>Building Costs</td>
<td>7,740,000</td>
</tr>
<tr>
<td>Finance Cost for Building</td>
<td>774,000</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td><strong>15,408,000</strong></td>
</tr>
<tr>
<td>Annual Revenue from Shops, Offices and Car Park</td>
<td>£1,369,000</td>
</tr>
<tr>
<td>Value at 5% rate of Return</td>
<td>(\frac{1,369,000 \times 100}{5}) = £27,380,000</td>
</tr>
<tr>
<td>Profit</td>
<td>£11,972,000</td>
</tr>
</tbody>
</table>

Table 4.11: Profit from Tolmers Square

If perfect knowledge of the potential of the site had been available, and the land had been costed on the same basis as that indicated in Table 4.10, the correct price for the land would have been approximately £11,750,000. Secrecy and stealth can therefore produce large dividends by keeping land costs down to a minimum, explaining much of the secrecy that surrounds land assembly by developers. In this case a "super profit" of over £4 million was made on the land alone.

Land costs are not the only costs incurred. One must also note that the developer has to pay for any professional help he enlists, pay interest on any money he borrows, pay taxes on profits he makes and

18. Also see Wates (1976).
pay for the construction of the buildings. To save space, details of these costs have been put into Appendix 5.

The benefits of development are far less varied than the costs liable to be incurred in development. On completing a development, the developer can sell or lease the property, partly or wholly. If the developer is an intending occupier, he can use part, or all, of the property (see McNamara 1983, who uses this division to classify developers).

The decision on whether to sell a property or lease it out depends very much on the nature of the developer's activities. As stated earlier, property can be a long-term investment and some property companies do prefer quick sales of property in order to cut finance costs on raising the requisite capital for future projects. Others prefer the steady income obtainable from rents, using the collateral of existing completed developments to borrow further capital. Since the calculation of value is related to the rental income capitalised at a desired rate, the decision to lease or sell will largely depend on the developers' assessment of market conditions that prevail or are imminent. Different economic or legislative conditions may drastically affect the developers' assessments of what to do with their property. Certainly the tendency towards dominance of the property market by long-term investors like financial institutions is paralleled by a tendency for long-term holding of developments.

The Preparation and Implementation Stage

This stage parallels Chapman's (1978) "project planning" stage (in
Table 4.9) and refers to the operations of the developer between perceiving the opportunity to develop and the approach to the local planning authority with a set of proposals. She notes (p.11) that each possible development opportunity is evaluated on six individual scores:

(a) tax liability
(b) the likely demand for the finished property
(c) the planning restrictions on the site
(d) the costs and benefits of development
(e) the availability of finance
(f) and physical feasibility.

In the light of the results of such preparations, a preferred scheme is designed and the local planning authority is approached. Contact with the local planning authority can take several different forms. Wide ranging negotiations commonly take place prior to the formal submission of a set of proposals. These ensure that there is basic agreement between the local authority and developer on the contents of a proposal. If the developers respond to the wishes of the local authority, then the possibilities of an approval may be enhanced.

Once the project has reached this more definite stage, Cadman and Austin-Crowe (1978) recommend that a more thorough investigation of the relevant property markets should be made by a developer, and preliminary negotiations started with building contractors. They continue that:

19. In Edinburgh it was very common for letters and informal inquiries to be made to the local authority to ascertain their initial reactions to a development proposal.
"It is of the utmost importance ... that the developer refrains from committing himself until he is satisfied that his initial evaluation is correct or that any revised evaluation produces a viable scheme", (p.7).

This preparatory stage merges into the implementation stage, the critical divide being the granting of planning permission. As can be appreciated, the "preparatory" stage also means organising for implementation, especially with respect to the implementation of contracts and the preparation of programmes for the development team to steer the development to completion. The principle governing the implementation stage is that the development must run smoothly. Delays caused by inadequate co-ordination mean that the short-term loans (at high interest rates) used to finance the construction of the building are held for a longer period than necessary and, as a consequence, interest charges may eat into profits. The sensitivity of the commercial development process to delay is particularly well exhibited by the constant expressions of concern over delay caused by governmental procedures relating to their development proposals, especially development control and appeal procedures.

The development is monitored by regular team meetings (Table 4.12) and is guided by a project manager. It is common for the project management role to be vested in the architect, since his or her design forms the focus for all the building activities. The project manager must act as both organiser and quality controller, accepting and rejecting work. It is only a short step from this position to overseeing the whole project and, as Ratcliffe (1978) notes, the two jobs commonly merge.
Fig 6.1 Key Location Map: Central Edinburgh
Legal considerations, as stated earlier, include the contracts with builders and professionals, transference of deeds and the particulars of any letting arrangements. Planning consultants are only likely to be employed if there are problems incurred in trying to obtain planning permission. Their use has been noted in residential (McNamara, 1984c) and industrial development (Elson, 1983), but they are equally important in contentious office developments. Ambrose and Colenutt (1975) reflected on the strength of such professionals, when used to gain planning permission from a local authority. Their expertise on planning law and policy is encyclopaedic and their quasi-

Table 4.12: The Professional Development Team

<table>
<thead>
<tr>
<th>Development Coordinator</th>
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<tbody>
<tr>
<td><strong>Construction Considerations</strong></td>
</tr>
<tr>
<td>- Building contractor*</td>
</tr>
<tr>
<td>- Structural engineer*</td>
</tr>
<tr>
<td>- Electrical engineer*</td>
</tr>
<tr>
<td>- Architect*</td>
</tr>
<tr>
<td>- Landscape architect*</td>
</tr>
<tr>
<td>- Internal designer</td>
</tr>
<tr>
<td>- Quantity surveyor*</td>
</tr>
<tr>
<td>- Air conditioning consultant*</td>
</tr>
</tbody>
</table>

Sources: Ratcliffe (1978), Cadman and Austin-Crowe (1978)
Also see Whitehand and Whitehand (1983)
* Often reporting to a project manager
** This task is often done by the architect or letting agent.
legal background makes them formidable opponents should the local planning authority decide to refuse planning permission. This expertise is expensive and is therefore used only as a last resort, even by those who can afford it.

As stated earlier, minor problems over planning policy are very often ironed out before the formal submission of a planning application. Such negotiations often include locally based estate agents acting as planning advisers to the developer. These agents are often the same agents involved with securing a tenant for a completed property. The role of estate agents in the commercial development process is generally under-researched (however, see Whitehand and Whitehand, 1983 for the important forms of agent). For office development, estate agents are important in finding sites with potential for development and for realising the potential of finished developments by either finding a buyer, tenant or variety of tenants. This field is so specialised that it is rare to find developers canvassing for tenants themselves. (Their activities will be considered in a little more detail in the following section).

Finally, it is possible that there might also be a financial controller in the developer's team with the task of overseeing the complex financial arrangements and monitoring cash flow in the same way that the project manager monitors the arrangements over construction. The risks attached to the development market are such that the financial controller has become extremely important (Ratcliffe, 1978, p.139).
The Disposal Stage

This final aspect of the development process is extremely important since it is through the disposal of the finished product that profits are turned into liquid capital. As we know, the developer has a number of options open to him when development is completed. He can first use an agent to find a tenant and then sell the finished property to an interested investor. These tenanted sales allow the purchaser a clear view of the income likely to accrue to him. In such cases, the price for the property is relatively easily fixed. The developer can also sell his property unlet. Here the buyer takes on the risk of letting and, therefore, the price is not so rigidly fixed. Finally, the developer can keep the property, letting it out and taking income in the form of rent.

The developer is almost sure to make use of agents whether he lets or sells. Cadman and Austin-Crowe (1978) note that estate agents, especially for such markets as offices, have a national or international company network and can therefore advertise to a wide range of potential tenants. They are either employed singly (sole agency) or together (multiple agency) to dispose of property (Stephens, 1981). They either take a fee from a percentage of the sale price or a percentage of the first year's rental. Ratcliffe (1978, pp315-317) lists the likely functions of an agent in commercial property as being:

a) finding tenants or vendors for premises (or sites);

b) preparing of property particulars for circulation to prospective tenants or vendors;

c) advising on the value of the property to vendors;
d) advising vendors and purchasers on the timing of purchasing (taxation timing);
e) advising on method of sale or purchase;
f) advise on methods of advertising;
g) advise on tenant mix for a property;
h) and occasionally aid a purchaser to secure finance.

Advertising is usually carried out through the local, national and specialist property press and by posters, exhibitions and "mail shots". Glossy brochures containing all the details of particular properties are commonly made up and sent to prospective purchasers.

The growth of a development industry has been paralleled by a growth in services for that industry. The changes in property estate have been amongst the most radical of all the changes in the post-war property market. As the size of developments, and consequently the amount of capital tied up in properties has grown, so has the need to have it sold or let immediately on completion. Hence agents are contacted at a very early stage in the development process to initiate the selling or letting campaign.

We have described the features of the property development process, paying particular attention to its commercial variant. We now turn to examine how and why that process takes place in city centres. This is followed by an analysis of the policies derived by the state to control and guide city centre office development.

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20. One expression of this is the increasing number of national and international agents that have emerged since World War 2.
21. Possible exceptions to this relate to the developers' strategy towards tax payments. See Marriott (1967) on Centre Point.
City Centre Redevelopment

Bourne (1967) suggests that one could identify a "redevelopment-development continuum" in most Western cities whereby redevelopment activity to replace existing built structures was particularly prevalent in the city centre but tailed off towards the urban fringe.

In contrast, new development (i.e. the development of land for the first time) was almost non-existent inside the urban area but was particularly important on the urban fringe. Hence, when travelling out from the centre of the city one moves from an area of high redevelopment activity, across relatively stable areas with minimal overall development activity, to an area of high new development activity on the urban fringe. Why is so much redevelopment activity focussed on the central city? In order to answer this question it is necessary to, first, identify the features of the city centre which make it attractive to developers of all kinds.

Present city centres usually represent the historic foci from which most urban areas have developed. The particular manner of urban growth and the topographical constraints which exist in variable degrees in different cities have usually combined to generate a slow movement in the location of city centres over time. However, almost without exception, they have remained the focus for the road and public transport systems of Western cities and, as we shall see, are seen by many as the most accessible location for the majority of people, in general terms, within the city. As Western cities grew through the rapid concentration of population and economic activity into urban
areas with the advent of the capitalist mode of production, the city centre was the logical (Daniels, 1979) focus for retail, and later, office functions to develop (see Cowan et al, 1969). Many geographers have directed their research towards establishing the reasons why offices find the central areas of cities the most appropriate locations from which to conduct their business (Bannon, 1973; Goddard, 1975; Fernie, 1974; McCowan 1970 are but a few. See Daniels, 1979 and Alexander, 1979 for reviews). Principal factors appear to be:

(i) Communications with other business concerns
(ii) Communications with government officials
(iii) Ready accessibility to clients and customers
(iv) Accessibility for staff
(v) Proximity to retail land uses for staff needs (e.g. shopping)
(vi) Access to specialist services
(vii) Prestige
(viii) Tradition
(ix) Property Investment.

Alexander (1979) reveals how these factors vary in importance from city to city. More subtly, McCowan (1970) demonstrates how different combinations of these locational factors are more important to some office users than to others. Using the case study of Edinburgh, McCowan (1970) reveals the very different importance given to, say, prestige factors by "headquarter" offices than by "branch" offices. Both desire central locations, but for very different reasons.

Although there is a need to consider the dynamics of urban change (Whitehand, 1977), the rather static models produced through neo-classical rent theory do indicate some of the processes by which land uses are allocated to land users in the city centre. Arguing on the basis that the "profits" that can be made from any parcel of land are variable, given the need to transport the "commodity" to the market
place (central point), then the willingness to pay rent for a land parcel decreases with increasing distance from that central point. Different land uses generate different levels of profits and different land users have different needs for proximity to the most central point. Therefore, various types of land users reveal a varying ability and willingness to pay rent at different locations.

All land users have a ceiling rent which they are willing to pay at the central point, and a distance from the centre beyond which they will pay no rent for the use of land (since transport costs cancel out all profits). Hence, at any location in the city one can note how much a particular land user might be willing to pay for a given area of land. When these are plotted, one can discern a 'bid-rent curve' for each type of land user.

Given the obvious need of retailers to have a passing custom and maximum accessibility, their bid rent curve is very steep away from the city centre. However, the turnover from city centre locations is very high. Similarly, given the factors relating to communications and staff availability listed above, office users will also have a steep rent curve. Less profitable uses of land, like space extensive agriculture, have less steep rent curves, with a ceiling well below what office users or shop users might have for the central area. Hence, one can identify different rent curves for different land users which are affected in different patterns of land use across space.

22. Rent is used here to represent both annual payments, and once-for-all purchase prices which can be treated as an 'opportunity cost' rent over a given period of capitalisation.
Thus Alonso (1960, 1964) sees three general rules guiding the distribution of land to land users, namely:

(i) land users determine land value through competitive bidding;
(ii) land values distribute land uses, according to the ability to pay;
(iii) and, steeper bid rent curves capture central locations.

Hence, the rent at any location is the highest amongst the various potential bidders. The land use at any location is therefore determined by the ability to pay. At its simplest, this gives rise to a concentric pattern of different land uses radiating out from the central area with retail and office uses at the centre and residential and agricultural land uses stretching beyond the urban fringe.

There is a considerable number of valid criticisms of the type of urban rent theory reviewed above. As Richardson (1971, p. 60) notes, "the modifications needed to the model are almost numberless". Hence, it would appear that neo-classical urban rent theory is only giving us an indication of the factors which explain why retail and office uses dominate city centres. It is therefore imperative that we are aware of the model's shortcomings if we are to understand or suggest other factors. For the sake of brevity we will merely list the major forms of criticism levelled at the theory (see Richardson, 1973; Harvey 1973, and Bassett and Short, 1980, for more detailed critiques).

Firstly, the model can be criticised on a wide variety of its general assumptions. For example, the model does not account for the needs of heavy industry and resorts to postulations relating to individuals' behaviour in describing the phenomenon that the poor live closer to the centre of Western cities than the rich. In addition, city centre
development generates traffic congestion which can seriously reduce its claim to be the most accessible location in the city. Many of the models' other assumptions can also be questioned in the same way.

Secondly, it is based on an oversimplified conception of the urban land market as one which operates freely and with perfect knowledge. We know from evidence given earlier in this chapter that such ideas are unfounded and, as will be seen later in this thesis (Chapter 8), the city centre land market could be drifting towards a more oligopolistic/oligopsonic situation than has hitherto been recognised.

Thirdly, it treats rent purely as an economic relationship. Marxist theoreticians, however, view rent as both an economic and a social relationship (see Breughel 1975, Harvey 1973, Edel 1976 and Smythe 1983), arguing that, in addition to the bid rent curves identified by the neo-classical economists, there are also rents which derive purely from the social relationship of landlord and tenant. For example, at the most marginal point of a particular land user's bid rent curve, neo-classical economists suggest that the land user would pay no rent for land. However, owing to the private property rights that are a feature of capitalism, it is unlikely that the landowner of such marginal land would allow a land user to use it for no charge. Hence, even at this location a rent would be charged by the landowner. This would derive purely from the social relations of rent and would ultimately lead to an increase in the price of the land user's produce. In addition, there are certain sites with particular

23. Marx calls this "absolute rent".

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qualities which produce unique products. The high prices these unique products can be sold for allows the landlord, by virtue of his monopoly ownership of the land, to extract a "monopoly rent", far higher than that for neighbouring plots of land.

Finally, the neo-classical rent model ignores political intervention in the land market which, as we have seen, is all pervasive and able to affect the uses land can be put to, the transport systems the model is based on, the level of taxation of profits from varying activities and virtually every aspect of the development process itself.

In spite of all these multifarious and important criticisms, the neo-classical rent model indicates that there is a high level of competition between particular types of land users to occupy sites in the city centre, and that land values and rents are higher in the city centre than elsewhere in the city. These factors are essential to understanding the dynamics of land use change in the city centre and it is to this that we now turn.

Bourne (1967) was unequivocal about the major force behind urban development as a whole, when he noted that:

"The largest proportion of investment in the urban physical plant derives not from public programs, but rather from the aggregate of thousands of individual projects scattered throughout the city" (p.iii).

Hence, as we outlined in our introduction, the city centre changes through time as individual land users assess and reassess the returns

24. Marx uses the example of a vineyard.
they are receiving from their present location. The speed and extent of urban change will relate to macro-economic factors relating to economic growth, population growth, the ability to buy new premises, the amount of finance available to support new developments, and socio-cultural factors like the space requirements of office users and technological innovations (see Whitehand, 1978).

At a recent conference, Goddard and Marshall (1983) noted that, in general terms:

"The city centre is inextricably bound up with that of the city region which it has grown up to serve and the place of that region within the national and even international system ... Although the city centre is a readily identifiable physical component of the urban fabric, in the long run the demand for the structures it provides will be determined by economic factors" (p.109).

Looking more specifically at why individual sites change, Whitehand (1978) notes that:

"The question of whether a site undergoes change may be considered in terms of whether there is a developer for whom the cost of a change is exceeded by the additional income derived. Thus the probability of a structural modification and renewal tends to increase as physical structures diverge from the 'optimum' (or most profitable) for the sites concerned" (p.80-81).

Whitehand (1978) argues the general case that the most profitable use of a site will vary with respect to the changing levels in the demand for, and the supply of, appropriate land parcels for particular land users over time. He also notes that, as land use functions evolve and decline and the demands that various land users make on their property changes, buildings can become sub-optimal with respect to their
"suitability" to the needs of the land users that occupy them. Sim (1982) using Lewis (1965), notes that there are five types of obsolescence which can afflict buildings in the city centre. There is "rental obsolescence", where there is no demand for a property in its present use, "condition obsolescence", where the present condition of the building is resulting in lower than possible rents being returned to an owner, "building obsolescence" when the building cannot be adapted to accommodate a more profitable land use, "functional obsolescence", where a tenant no longer finds the building suitable for his uses and, finally, "community obsolescence", where government action reduces the locational advantage that once existed for a building. In each of the above cases, the building may need to be replaced or improved to put the land to its fullest use. Sim (1982) argues that the value of any building will eventually depreciate from maximum returns immediately after construction to zero value. Bourne (1967, p.45) notes that it is rare for a building to depreciate to zero value in the city centre before being replaced by another development capable of "stepping up" the returns from a land parcel. (This depreciation in the value of buildings is contrasted with the steady appreciation in the value of land, through increasing demand and limited supply). Together, these factors explain why change occurs in the city centre. However, this perspective still concentrates only on the land users (i.e. the demand side). There is increasing discontent amongst geographers about the way the supply side of this relationship has been neglected, when it clearly fuels change in the city centres.
Traditionally, geographers have concentrated their efforts in city centres into either devising methods for defining where the central business district of a city is (usually by the presence of business functions or land values - see Carter, 1972 for a review), assessing the locational requirements of users (e.g. Fernie, 1974; Goddard, 1975; McCowan, 1970) or evaluating the activity systems and linkages between offices of varying types across the city centre (e.g. Bannon, 1973; Goddard, 1975). Valuable though these studies are, they have primarily concentrated on the locational requirements of land users. (See Goddard and Morris, 1976, on how these factors affect patterns of office decentralisation). There has been increasing concern over how completely the observed patterns of office users can be explained by just making reference to such variables. Daniels (1979) makes two important observations in this area. Firstly, he notes that:

"Office location decisions lack the rigour imposed upon organisations when the location of manufacturing plants is being considered. The costs involved are relatively small and often intangible in relation to the turnover of many companies ... " (p.4).

This suggests that office users are prepared to accept sites that approximate rather than occupy the optimum location. Secondly, he notes that:

"Development companies have an underestimated role in the office location process since the majority of office buildings are provided for occupation by organisations which are tenants rather than owners ... When demand improves (for buildings) organisations will be required to take space where it is available rather than where they would like it to be located", (p.14-15).

Hence, far from being able to explain the locations of offices by
simple reference to the locational needs of land users, it is obvious that we need to consider carefully the important role of the developer in the distribution of land users around the city centre. This is especially so given the ability of the developer to develop speculatively in an area around the city centre, in the knowledge that, depending on the supply and demand relationship at any particular time, he may be able to attract some tenants. Obviously the developer will make the highest returns by developing the most desired sites, especially if he can assemble land cheaply. But, as we know, the ability of the developer to satisfy each requirement is highly constrained by both landownership (i.e. the need to secure the requisite rights in land) and by local and central government policy. Given these complex interactions of agents, it appears that the role of the developer in city centre development and office location has been paid insufficient attention by geographers to date (with rare exceptions such as Whitehand and Whitehand, 1983). This is especially the case if, as Daniels (1979) suggests, that the realisation of the influence of developers is such that it leads one to suppose that:

"Office location patterns are not simply a product of easily accessible opportunities for information gathering and exchange (communications) but are also determined by complex financial and other vested interests which are on both the demand and supply side, directly or indirectly, of the office market". (p.15).

As we shall see in the following chapter, a specialised industry has

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25. Whitehand (1978) acknowledges these features as affecting patterns of development and the evolution of urban form. He also adds past war damage as another variable.
grown up to facilitate the activities of developers and investment in property development in the city centre has come to be dominated by large financial institutions and property companies with specialised investment needs. There is no doubt that, since the Second World War the agents behind urban change in city centres have altered. No longer is change being carried out by individual owner occupiers developing property for their own use, but rather it is now being driven by large financial institutions actively looking for outlets for their vast financial resources. We shall review this changeover more fully in the following chapter but, returning to the primary thrust of this section, it is now appropriate to examine in more depth which factors have made the city centre so attractive to investors and developers.

The city centre is attractive for land and property developers because the expectation is that the high level of competition for such sought after areas of land will continue in the medium to long term. There is a constant trickle of opportunities for upgrading land and making profits depending on the various factors outlined earlier in this chapter. There is also the expectation that, if economic growth continues then rents will grow over time. Major financial investors are involved in a variety of forms of land investment (see next chapter), but the city centre offers the chance for investors to obtain a steady return from major individual investments which require minimal overall management given the size of each investment.

26. See Chapter 8 for evidence of this in Edinburgh and Appendix 7 for similar evidence in Manchester taken from Catalano and Barras (1978).
Non-specialised developers, or owner-occupier developers have to assess the opportunity costs of investing in their own property in the city centre. As Boddy (1981) and the Wilson Committee (1980) have established, increasing numbers of city centre land users (and industrialists) have sought to become tenants rather than landowners. However, the city centre is still highly attractive to a wide variety of activities in Britain. The costs of development are such that many retailers and office users today are perfectly happy to rent from developers rather than tie up their own capital.

The following chapter will examine the growth of the commercial development industry in detail (and the response to that growth by other interest groups). However, before that it is important to review the various government initiatives that have been undertaken to control office development.

State Initiatives to Control Office Development

We have now identified many of the features of one particular variant of the land development process; a process which the state has felt obliged to involve itself since the Second World War. We now turn to examine some of the strategies adopted by central and local government.

27. Often by selling their freehold in land and leasing the property back from the purchasers (otherwise known as a 'sale-and-leaseback' deal).
28. Although many strategic planning authorities are concerned about the effects of migration of city centre activities out to sub-centres (e.g. Manchester).
29. It is not intended to review the work of the Location of Offices Bureau or the effects of Office Development Permits. Concentration is on land use planning strategies.
bodies to control office development. As in Chapter 3 it is more appropriate to review central government advice before looking in detail at the strategies used by a variety of local planning authorities.

Central government has only provided a limited amount of guidance to assist local authorities to plan for the extensive changes that the commercial development process has brought to city centres. Much of the early advice related to the replanning and redevelopment of blitzed city centres after World War Two (Ministry of Town and Country Planning, 1947). Typical of post-war ideas for urban reconstruction, the advice urged local authorities to design the future pattern of roads and land-uses whilst allowing private capital to develop the land. Holliday (1973) noted that:

"The social and economic complexity of the centre was not discussed, the model being perceived in terms of roads, buildings and the major land uses. It was an idealised conception with a faith in the ability of local authorities to achieve change with the new powers given to them, and without any apparent appreciation of the business of city centres ... While it is easy to criticise now, the publication (of advice) marked a big step forward in public planning policy at the time", (p.7).

The work of Lewis Keeble (1952) provided both a justification for (and is also a reflection of), early central government initiatives in the city centre. He identified the major problem of such areas to be traffic congestion and therefore, his strategy for central area plans

30. Holliday (1973, Chapter 1) gives an excellent review of planning guidance for the city centre in post war Britain. Also see Davies (1984) for a similarly detailed account relating to commercial development in the city centre.
was that, although city centres should perpetuate geographic centrality for higher order land uses (thus facilitating the process which pushes land to its highest value), they should also be made as accessible as possible to both pedestrians and vehicles with adequate road systems and ample parking provision. In general, city centres were to be compact entities. Intensively developed city centres were therefore seen as desirable. So were split level town centres where traffic and pedestrians were to be separated. Inner ring roads were advocated where feasible and the costs for car parking provision were to be recouped through charges made on the occupiers of land in the city centre. In addition, certain land uses, particularly residential and manufacturing, were to be removed from the city centre. (As will be seen in Chapter 6, some of these ideas were used in the planning of central Edinburgh).

Holliday (1973) records that by the early 1960s, many of these ideas had been put into practice in blitzed cities like Plymouth and Coventry. In addition, there was a major imbalance emerging between the supply of office accommodation and the rapidly increasing demand in many cities (see Chapter 5 for the reasons behind this shortage); car ownership was also increasing rapidly, resulting in worsening congestion. There was still a perceived need amongst planners (and many politicians) for major changes to be wrought in city centres. In some cities, like Coventry, bomb damage was such that these major initiatives could be accommodated with relative ease. In others, changes would have to be realised through the demolition of large parts of the city centre. At about this time further central
government advice was published (Ministry of Housing and Local Government/Ministry of Transport, 1962 and 1963). As we shall see the advice from central government merged "techniques-based" city planning with the political ideology of the Conservative government of the time.

The Ministers of Housing and Local Government and Transport saw the priority for city centre planning to be the establishment of 'attractive, convenient and efficient' areas (MHLG/MOT, 1962, p.1). Many of Keeble's ideas were developed in the pursuit of these objectives and a great deal of central government advice concentrated on the methods that local authorities should use when preparing plans for central areas.

The main element of local authority plans was to be a town centre map, and a lot of information was also given about novel cartographic techniques to make maps more useful planning tools. However, the final plan was to be 'sufficiently flexible to permit individual developments to be fitted in as convenience and opportunity allow' (para.20, MHLG/MOT, 1962). It was envisaged that the local authorities would help to initiate development through land assembly, infrastructure provision and other, more direct, stimuli such as financial assistance.

The other main thrust of central government policy was the financing of redevelopment. The Ministers were unequivocal, stating:
"Town centre redevelopment is essentially a matter for cooperation between local government and private enterprise ... Private initiative must be harnessed to planned redevelopment not be allowed to dictate it", (p.1).

Keeble (1952 and later editions) writing at a slightly earlier date, rather doubted that the planning powers available to local authorities would be sufficient to allow them to harness private development. He noted that:

"It is becoming apparent that the comprehensive redevelopment of town centres in accordance with sensible Planning Principles is an almost impossible task. The only mechanism available is the development control exercise upon the piecemeal proposals of individual developers", (p.210).

As far as commercial development was concerned the advice from central government was plain:

"Although a local authority may sometimes need to acquire a substantial portion of the land needed for a redevelopment scheme, the normal agency for carrying out the subsequent commercial development is private enterprise ... There is much to be said for getting private enterprise to take a stake in the town centre as replanned", (para.66 MHLG/MOT, 1962).

A later Bulletin (MHLG/MOT, 1963) recommended that the financial appraisal of developments was to be given the utmost consideration at the earliest possible stage in the planning process. Advice on cost-benefit analysis was issued along with the suggestion that local authorities should try to assess whether financial losses on their part were unavoidable or whether the development could be rearranged to limit deficits. The balance of public and private land use in the central areas was also mentioned as a matter for caution, since, "Land
which might well have a high commercial value is left a deadweight on the rates", (para.10, MHLG/MOT, 1963), if too much civic land was planned.

These guidelines very much reflected the planning philosophy of the day. For many authorities, especially those which had suffered war damage, the emphasis was on planning on a grand scale. This was further encouraged by the philosophy of the contemporary planning profession and the economics of a commercial property development industry. Because of the importance (economic, political and symbolic) attached to city centres and their high degree of public visibility and scrutiny, the grandiose schemes in city centres, conducted within the guidelines outlined above, were the single most important factor in generating an urban-based environmental conservation movement (see Chapter 5). By the end of the 1960s there was a greater level of public and academic disquiet at the methods and actions of city centre planners and developers than at any time before. Alexander (1974) concluded after an examination of the costs and benefits of redevelopment in Greater London that:

"It seems that many planners have become obsessed with the grand vision of a restructured city centre built to accommodate the motor vehicle effectively and to function in a superbly 'efficient' manner. This approach has blinded them to the virtues of the existing framework and mixture of activities", (pp.63-64).

Alexander (1974, p.65) has argued that both comprehensive redevelopment and piecemeal development have merits and disadvantages.

31. See Marriott (1967).
and it is up to town planners to assess which types of development are most appropriate to which parts of the city centre. The crises in local government finance have contributed towards solving the dilemma of which method to use. As funds have dwindled, much greater resort has been made to those limited powers of development control over which Keeble (1952) had so many doubts. Our case study of Edinburgh will throw some light on whether Keeble's worries are well-founded.

The most important piece of central government advice that emerged in the 1970s was the Pilcher Report (Pilcher, 1975) on commercial property development. This report followed a collapse in the property market in 1973/1974 (see Chapter 5) and was part of central government's review of property investment in the 1970s (see also the Wilson Committee, 1980). The tone of the advice had changed noticeably from that of the 1960s and included the idea that:

"Positive planning must seek to integrate the achievement of good planning standards and socially desirable gains with the promotion of viable commercial developments ... A balance must be achieved which ensures both that necessary and effective commercial development proceeds and that planning standards are maintained", (para. 2.22).

It should be remembered that the Pilcher Report was produced under a Labour government and spent a great deal of its energy assessing the likely effect of the Community Land Bill (as it was at the time) on

32. The Pilcher Report (Pilcher, 1975) forms an excellent introduction to all aspects of the commercial development process and the involvement of financial institutions in that process.
the commercial development process. However, its message was clear. Not only were commercial development projects to be economically viable and technically sound, as previous advice had suggested, but they also had to produce socially desirable gains. These "gains" were interpreted both in terms of the need for more sensitive physical planning and in terms of monetary gains. It was felt that the Community Land Bill (which proposed that all land for development should pass through the hands of the local authority before being released for development in order that a proportion of the pecuniary gains earned from development might automatically be collected by the state), would "perceptibly increase the local authority's influence in the process of initiating and implementing commercial development" (para. 2.21). As such, the Pilcher Report felt that local authorities would need to learn very quickly about the commercial development process since their staff had neither the right qualities nor experience to undertake such tasks. In the event the Community Land Act was repealed by the incoming Conservative government of 1979 and the impression is that only a miniscule proportion of city centre land was ever processed under the provisions of the Act, mainly because local authority funds were too limited to involve them in more than occasional developments.

In summary, we have seen that the tone of central government advice to local authorities has consistently been that the private sector must remain the driving force in funding land use and urban change in the city centre, whilst local authorities should play a supporting role in

33. See Barrett et al (1978), Barrett (1982) and Massey and Catalano (1978) for reviews of the implementation of this legislation.
this process in a variety of ways, including the provision of adequate transport facilities and land assembly. In terms of the spatial implications of land development in the city centre the early advice was that city centres should be compact with retail and office areas being segregated. Keeble (1952) even suggested that different types of offices should be separated from each other.

In terms of reviewing local authority approaches to office development one can discern a range of different strategies. The division is whether or not the local authority desires further office development in its central area. Clearly, one can have authorities that encourage, restrain or are neutral towards continuing office development in their areas. Secondly, one can have local authorities who are concerned to restrict office development to sites within their city centres, whereas other local authorities are keen to decant some development pressure to sub-centres outside the main city centre.

The various stances towards forms of development, and the policies that local planning authorities devise, usually emerge from perceptions of the particular problems which evolve in different locations. In areas like the depressed north-east of England (e.g. Middlesbrough), one can find policies like the following:

(i) encourage offices to locate in major central sites;
(ii) encourage redevelopment and improvement of existing offices;
(iii) and encourage new accommodation for small offices.

(Middlesbrough District Council, 1980).

Whereas in some of the towns in the South East of England, where many offices have migrated out from central London, there is often a belief .
that their central areas have been developed enough. One example of a restraint area is Surrey which has the following policy:

(i) Developments must form part of an integrated scheme, which must have had the approval of both the appropriate District and County planning authorities;

(ii) Developments must be occupied for ten years from the date of permissions by a firm resident in Surrey at the time of permission.

(Surrey County Council, 1976).

The national picture relating to the restraint or encouragement of offices is given in Figure 4.2. As can be seen the Midlands, Lancashire, Yorkshire and the North-East of England are generally seen as encouraging office development. In the South-East region there is one area (East of London) that is encouraging office development. The rest of the region is seen to be restraining development. Outside the South-East region, restraint can be seen in many county towns like Chester, Norwich and Gloucester, as well as major cities like Edinburgh.

As mentioned earlier (Footnote 28), planning departments in some British conurbations are becoming increasingly concerned at the rate at which offices and retail units are migrating from their central city areas. For example, there is real concern in Manchester (City of Manchester, 1983) that such migrations will ultimately damage the economic vitality of its central area and, as such, lead to a serious deterioration in its status as a financial centre if outsiders become aware of such problems. Similarly, there is concern in the West
Figure 4.2: Local Authority Attitudes to Office Development, 1980
Midlands over the migration of retail and office units to attractive secondary centres in areas like Solihull. As a result, there are conscious efforts being made to keep retail and office uses in many conurbation centres.

However, in many historical cities, with valued environments in their central areas, where the accommodation of new developments can be difficult as well as politically sensitive, there have been attempts to disperse offices to sub-centres within the city. The principal consideration in such cases has been to identify suitable locations for office concentrations outside the central area. These locations have to satisfy many of the criteria listed above which include ease of access, good transport routes and nearby retail and catering facilities for workers. They also have to be attractive to the office users and developers. We will see in Chapter 6 that, in Edinburgh at least, both estate agents and the representatives of local business interests were adamant that peripheral locations for office dispersal were unattractive to office users wanting to work in Edinburgh (and thereby to developers as well) and would remain so in the future.

Concerned at the uncritical adoption of office dispersal policies by a wide range of planning authorities, Alexander (1979) produced a cost-benefit balance sheet for local authorities to consider before adopting any particular office policy. This is given in Table 4.13.

Finally, with respect to general strategies adopted by local

34. See Chapter 6 where policy in Edinburgh is compared with that in Norwich and Chester.
<table>
<thead>
<tr>
<th>GROUP</th>
<th>COST</th>
<th>BENEFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Producers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Governments</td>
<td>1.1 Provision of new transport facilities in suburbs</td>
<td>1.1 Savings on provision of peak hour transport to city centre</td>
</tr>
<tr>
<td>(Central/Regional)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Local authorities</td>
<td>2.1 Provision of additional car parking in suburban centres</td>
<td>2.1 Rate or tax income from new office development*</td>
</tr>
<tr>
<td>3. Developers</td>
<td>3.1 Provision of new office development</td>
<td>3.1 Rental income from offices*</td>
</tr>
<tr>
<td><strong>Consumers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Office workers</td>
<td>4.1 Removal costs for employees relocating</td>
<td>4.1 Savings on work journey times and costs</td>
</tr>
<tr>
<td></td>
<td>employees relocating journey times and residence costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.2 Job transfer for employees unwilling to relocate</td>
<td></td>
</tr>
<tr>
<td>5. Inner city residents</td>
<td>5.1 Loss of accessible job opportunities</td>
<td>5.1 Reduced redevelopment pressures and congestion</td>
</tr>
<tr>
<td>6. Suburban residents</td>
<td>6.1 Increased suburban congestion and loss of amenity</td>
<td>6.1 Gain in accessible job opportunities</td>
</tr>
<tr>
<td>7. Occupiers of</td>
<td>7.1 Relocation, removal</td>
<td>7.1 Lower office rental</td>
</tr>
<tr>
<td>Offices</td>
<td></td>
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<td></td>
<td>7.2 Increased travel and communications costs reduced external</td>
<td>7.2 Higher staff productivity</td>
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<tr>
<td></td>
<td>economics</td>
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</tr>
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<td></td>
<td>7.3 Loss of staff</td>
<td></td>
</tr>
<tr>
<td>8. Metropolitan</td>
<td>8.1 Increased energy consumption</td>
<td>8.1 Maintenance of greater central area amenity</td>
</tr>
<tr>
<td>population</td>
<td></td>
<td>8.2 Reduced central congestion</td>
</tr>
</tbody>
</table>

Table 4.13: Planning Balance Sheet: Framework for Evaluation of a policy of Office Dispersal within a City

* Transfer of non-resource item

Source: Alexander (1979)
authorities to office development, it should be noted that there has been a general reaction by planners, in all areas (restraint or otherwise), against the perceived "excesses" of the speculative office developer. As we shall see in the following chapter, in the mid-1960s and early 1970s, speculative development activity generated oversupplies of offices in many city centres, often resulting in the premature destruction of residential areas and valued buildings and engendering a wide ranging political response from local people in many cities. Since that time, many policies have been designed to attempt to ensure that developers coming forward with proposals can identify who will occupy the buildings on completion. These 'user conditions' have a dubious legality in a planning system geared to controlling land use, but many authorities have tried them. (See Elson 1982 and McNamara, 1984b).

The policy tools which local planning authorities usually operate in city centres include restrictions on the levels of development, the location of development and the design of development. With respect to levels of development there are generally rules which permit expansions of buildings by up to 10% in situ (which as Marriott, 1967 notes, can facilitate far more than 10% growth in office space, by lowering ceilings within a previously gutted office block). In addition, there are policies which attempt to delimit the amount of office space to be permitted in a given period or the amount of vacant space beyond which no further additions to office stock will be permitted. As we have seen, the traditional form of control is to identify zones for office use which determine in large part the
planning authority's response to individual proposals (see Chapter 6). Finally, with respect to design, policies can affect the height of buildings, the ratio of office space to site size (plot ratio - see Sim 1982 and Marriott, 1967) and the permissible forms of development.

Conclusion

This chapter has provided such background information as seemed necessary to understand the nature of the development processes occurring in city centres and to introduce the governmental strategies that have evolved to control it. We have seen that the commercial development process is highly complex and results in major changes and investments being made in the city centre. The scale and nature of these investments limits the range of investors that are interested and can participate in such activities. The process is now dominated by particular types of specialised development companies and large financial institutions. These investors have extensive financial resources to pursue their interests, especially in the purchase of land. However, as with any developer, they remain subject to planning legislation while attempting to make successful investments and realise profits. Their principal aim of making profits differs markedly from the combination of pressures that influence the goals of a local authority at any one time.

If there are conflicts of interest between developers, local conservation interests and the local authorities, how are they resolved? Does the local authority merely accommodate the developers' interests as Ambrose and Colenutt (1975) suggest? How much political
"muscle" do these economic giants wield, and is it effective at local government level? To answer these questions we now need to examine the politics of commercial property development. This requires an assessment of who the main interest groups are in relation to city centre development and their connections with the political process.
Chapter 5
The Politics of Commercial Property Development

"The built environment is the result of conflicts in the past and present, between those with different degrees of power in society. Landowners, planners, developers, estate agents, local authorities, pressure groups of all kinds, insurance companies and so on", Pahl (1975, p.151).

In Chapter 4, we examined the economic dimensions of the land development process. However, as Pahl (1975) demonstrates one can view the whole process of urban change from a political viewpoint. Clearly, the link is that 'power' can be derived from a variety of sources including financial resources as well as land resources, connections with decision-making bodies and the possession of information. If, as Simmie (1981, p.7) suggests, "power is a... complex concept denoting the ability to produce effects by means of force, coercion, dominance, manipulation or influence", it is important that we identify who the main interests trying to produce effects on the local authority in city centres are, what resources they possess to produce those effects and, how they seek to produce them.

Given the constraints on space that exist in any thesis it is only possible to cover the main interests or protagonists in the conflicts surrounding commercial development. In the case study discussed in subsequent chapters, we will be able to look at the role of more peripheral or ephemeral groups in some detail, but the review in this chapter must necessarily concentrate on the central actors. The choice of which groups to examine is based on an assessment of whether
they form a coherent organised and active force capable of political campaigning at both central and local government level and have a particular focus on the land development process in city centres. Such groups not only involve themselves in the 'game' but are also able to have an influence on the rules of the game. We use Alexander's (1979) suggested list of interests (Table 4.13) as a basis from which to select our main protagonists.

Using Alexander's (1979) table (Table 4.13) it is clear that central and local government bodies have very different relationships to the development process. Indeed, it is our contention that they are very different types of interest to developers and pressure groups. As such, local and central government bodies are omitted from our examination of interested parties. Developers are, by definition, actively and directly involved with property development and the actions they take to defend their interests in political arenas must be considered in some detail. We need to assess the structure of the commercial development industry and its political significance. Because the structure has changed so radically in recent years, this requires a brief review of the emergence of the industry and its evolving political power.

In terms of consumers, Alexander (1979) correctly identifies workers and office users as having a direct interest in office space. However, they are only likely to involve themselves in the politics of development if insufficient or unsuitable office accommodation is being produced. A division between "suburban" and "inner" area
residents was specifically outlined by Alexander (1979) in order to meet the parameters of the problem he was seeking to address in his work on office dispersal. The confusion this is likely to cause if we take these interest groups out of the context in which Alexander originally worked, is seen when he also identifies the "metropolitan population" as a further group, one which presumably includes both of the previously mentioned sets of residents. However, Alexander (1979) rightly points out that inner area residents are greatly affected by office development, both in terms of their ability to remain in their homes in areas experiencing development pressures and with respect to the quality of their environment if they are not ousted from areas by development pressures. We have already noted that these residents' groups have been actively involved in political struggles to stave off office encroachment into their areas (viz. the longstanding issues in North Southwark, relating to the Hays Wharf developments). However, there is no known national pressure group or even a national association of local pressure groups to collectively represent this "interested party", other than individual politicians at national level being cognisant of the common problems their areas share with others, or more generalist groups like "Shelter". Hence, it is best to study this group at the local level. This is done with respect to Edinburgh in the following chapter.

The final group, is therefore what Alexander describes as the "metropolitan population". This rather clumsy definition should not blind us to the main interests he is suggesting. He correctly

1. Also see Chapter 3 where reference is made to some of these local studies.
identifies the concern that many people who do not live in the city centre have for maintaining and defending the amenity they enjoy from such areas (and others, like green belt land). Again, these groups tend to be involved in politics primarily at the local level but, in contrast to inner city dwellers, they are also a major political force at central government level, constantly making representations to the government and commenting on government initiatives. Their political significance must therefore also be assessed.

As will be demonstrated, both the developers lobby and the amenity lobby have been transformed out of all recognition since 1945. They are also very different in nature and therefore require different types of analysis. To appreciate the power or political significance of the development lobby one must first appreciate its economic strength. In contrast the amenity lobby is a straightforward political force which has grown substantially and derives its power primarily through its ability to turn environmental issues into overtly political issues. We will assess each lobby in turn. The history of the development industry and its lobby is complex and under-researched. As such, it requires substantial analysis. Adequate reviews of the amenity lobby exist already and, owing to space constraints, will only be reviewed fairly briefly.

The chapter is concluded by a review of the only study so far found in the literature into who benefits from land use planning that uses similar information and concepts to this thesis. This will allow us to develop an appropriate methodology for our study of Edinburgh and place our own research work in perspective.
The early developers

Very little has actually been written about the process of commercial property development operating before the Second World War. Whitehouse (1964) has noted that:

"Property development as a commercial proposition by a limited liability company was virtually unknown", (p.5).

According to Whitehouse, most property development was carried out by building construction companies or orchestrated by entrepreneurs, rather than under the guidance of specialised property companies. The property companies that did exist acted purely as corporate landlords collecting rents and distributing dividends (which were usually low). Rent reviews, as stated in Chapter 4, were usually over very long periods. With respect to insurance company involvement, another source has noted that:

"Before the war Stock Exchange portfolios (of life insurance offices) probably consisted almost entirely of government and other fixed interest securities, and its property investments, other than premises owned for the company's own use as offices, almost entirely of mortgages. Just as there had been a move towards the direct ownership of a share in the equity of industry, so there had been a move towards the direct ownership of property", (Hall commenting on Read, 1961, p.297).

This situation completely changed after the Second World War. Whitehouse (1964) noted that three and a quarter million properties (of various kinds) were destroyed in the war, and Moor (1980) has noted that over a tenth of the London office stock (8.1 million square feet in total in 1939) was destroyed. This destruction was repeated in many other cities across Britain ensuring that the demand for
office space was to outstrip the supply for many years. This imbalance was exacerbated by increasing office functions (see Cowan et al., 1969). The people made most aware of this mismatch of supply and demand were those closest to the post-war property market at the time. Marriott (1967) lists many of these early entrepreneurs, and the presence of architects and estate agents is very noticeable. Marriott goes on to note that:

"Property developers have often been portrayed as wizards with land and money and men with uncanny foresight. This is nonsense. They deserve this reputation no more and no less than other groups of proprietal businessmen. Some operated intelligently; others crudely. But they were men who happened to be in the right business at the right time and given the profit margins in that business could have hardly failed to make money". (p. 8).

The earliest post-war years, 1945-1951, were certainly a period of opportunity for property developers because demand was high. However, legislative measures contained in the Town and Country Planning Act 1947, worked to prevent potential developers from satisfying such demands. Finance was available from banks at 2% interest for most of the period and potential users were in such need that many were willing to take on relatively short leases (21 years), and accept clauses requiring them to maintain the property. However, several important government measures prevented prospective developers taking up these opportunities (see also Cadman and Catalano, 1983).

The incoming Labour administration of 1945 nationalised development

2. Edinburgh is an important exception here, suffering minimal war damage.
rights through the Town and Country Planning Act of 1947. It also introduced a Central Land Board to levy a 100% tax on all pecuniary gains made through the development of land. This removed the potential for developers and investors to gain from property development. A further control, introduced because of the grave shortage of building materials, was that developers needed building licences for any developments over 5,000 square feet or £50,000 in cost (see Parker, 1961). Hence, as post-war economic expansion progressed and demand for office space grew, additions to the overall stock were, in effect, constrained. In 1953, under the auspices of a more business oriented Conservative government, the 100% tax on development gain was abolished. The restrictions on financing development were eventually abolished in 1954. These actions gave the entrepreneurs with the requisite "vision", the chance to exploit the multifarious opportunities which they had long perceived. Alexander (1979) noted that, in the mid-1950s office construction in London peaked at 0.5 million square metres per annum.

This change in government was also accompanied by a change in economic circumstances. To gain more stability in a booming post-war economy, the Conservative government introduced a credit squeeze and the lending rate of 2% was slowly pushed up during the early 1950s to 3.5% in 1953, 5.5% in 1956 and 7% in 1957 (Whitehouse, 1964). Compared to contemporary (early 1980s) rates of interest, those of the 1950s seem low. However, they were unprecedentedly high in this period of relatively low inflation. The main targets of the credit squeeze were the banks since they were then the primary sources of credit. There
was also the need for companies to obtain government permission, via the Capital Issues Committee to raise capital. These moves severely affected the securement of both long and short-term capital by property developers. Hence, even though many restrictions on development were lifted, the potential growth in office development was still constrained, this time by the fiscal activities of central government. Developers, convinced that further opportunities existed, began searching for different sources of capital. Construction companies like McAlpine were approached, as were life insurance companies. As we shall see, this latter source was to become increasingly important.

Marriott (1967) identifies this 1955 to 1958 credit squeeze as a major factor in the introduction of insurance companies to property development. (It also reduced the rate of development in London). Whitehouse (1964) also notes that a further factor in this "introduction" was the desire of the insurance companies for bigger offices themselves. Insurance companies were planning for growth for an indefinite period ahead and were therefore developing properties much larger than they actually required. Surplus space was then rented off. This activity proved to be an introduction to property management for the institutions. However, they learnt quickly and were soon involved in developing a variety of contracts for partnership with property companies. These included profit sharing, joint action with property companies and other forms of contract.

3. This is very true for central Edinburgh, see Chapter 6.
In 1958 the government ended the credit squeeze. At the same time "Property" became a separate sub-market within the stock market. Since credit was becoming more available to property developers, insurance companies wishing to stay with property had to adopt a more aggressive approach towards property investment than simply funding it. Since most property developers are dependent on credit, they can be seen as "middle men" in their development process. Whenever the creditor decides to take a more active role in development, the property developer is at a disadvantage. This "squeezing" began to occur in the late 1950s and early 1960s as insurance companies became more directly involved with property development.

A contemporary report (Read, 1961) noted that property was then a relatively new phenomenon for insurance companies, with money in property being balanced between mortgages and properties.

<table>
<thead>
<tr>
<th></th>
<th>Property (fm)</th>
<th>Mortgages (fm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>111</td>
<td>149</td>
</tr>
<tr>
<td>1948</td>
<td>151</td>
<td>188</td>
</tr>
<tr>
<td>1951</td>
<td>229</td>
<td>311</td>
</tr>
<tr>
<td>1954</td>
<td>312</td>
<td>430</td>
</tr>
<tr>
<td>1957</td>
<td>450</td>
<td>658</td>
</tr>
</tbody>
</table>

Table 5.1: Insurance Company Investment in Property, 1945 to 1957 (Read, 1961).

Much of this mortgage area related to residential property. However, an unnamed discussant of Read's (1961) paper noted prophetically that:

"An entirely new pattern was emerging. There were three parties - one with the site to be developed,
the developer with the knowledge and expertise required for such projects, and the institutions with the capital... In the long run the developer might be squeezed out, but that was unlikely to happen for some years in developments in which most institutions were concerned, because there were so many problems arising from that type of investment which insurance offices were generally not competent to handle".

In 1961 the government reintroduced a further credit squeeze with interest rates rising sharply from 4% in 1959 to 7% in 1961. This time the insurance companies were also called on by the Governor of the Bank of England to act in accord with strictures placed on the banks. With banks and insurance companies unable to provide the requisite funds for development, developers began to approach a new and growing area of credit capital, the industrial pension funds.

The I.C.I. pension fund was the first to enter into property development. It was shortly followed by Unilever, Imperial Tobacco and the National Coal Board. The pension funds, using the experience gained by the insurance companies were soon involved in the full range of contracts that the property market had evolved by the early 1960s.

Most commercial development at this time was concentrated in London and was specifically concerned with office development, but as demand in that field was slowly satisfied, attention turned to retail and office development elsewhere in the United Kingdom (Marriott, 1967). In 1965, 500 shopping schemes were underway in the "provinces" compared with 73 in 1963. The developers were primarily concerned with High Street developments where they could reproduce profits akin
to those historically reached in the London area. The Bull Ring in Birmingham is perhaps the best example of this.

This geographical expansion of interest was also enhanced by a government ban on office construction in the central London area prompted through concern over increasing congestion in the capital. In the event, the ban did not affect the existing assets of property investors because it restricted supply and, in the face of increasing demand pushed rental levels up.

The Second Boom

Throughout the late 1960s there was gentle growth occurring in the commercial property sector. As opportunities in Britain dried up, property companies with backing from financial institutions became increasingly active in major European and North American cities. At the same time, the investments of financial institutions were diversifying to include new property types like agricultural (Munton, 1977), industrial and warehouse property. Throughout this period, the economic situation in Britain was changing. Inflation rose from 2.6% in 1968 to 6.2% in 1969 (Community Development Project, 1976) and the first signs of an economic recession and stagnation were being experienced. The ensuing lack of demand for short term money by industrialists who were unsure of market prospects, mainly affected

4. See Marriott (1967) for a full description of this type of development.
5. Known as the "Brown Ban", after Lord George Brown, then a Labour minister.
6. "Financial Institutions" are here taken to mean insurance companies, pension funds, investment trusts, unit trusts and banks. Unlike Plender (1982) I have not included building societies in this grouping.
the banking sector which formed the major source of such short-term credit.

With rising inflation and a worsening economic situation, the property sector (with its prior payments and shortening rent reviews), became increasingly more attractive in comparison to shares or gilt-edged securities. Real growth in property was staying between 5.2% and 5.5% above inflation (Blanden and Ward, 1978) making it highly attractive. Indeed, inflation levels of 5-6% were ideal for the property developer.

<table>
<thead>
<tr>
<th>Year</th>
<th>Insurance Companies % of £m total</th>
<th>London Clearing Banks £m</th>
<th>Scottish Clearing Banks £m</th>
<th>Other Banks % of £m total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967</td>
<td>95.3</td>
<td>238</td>
<td>17</td>
<td>82</td>
</tr>
<tr>
<td>1968</td>
<td>119.4</td>
<td>234</td>
<td>16</td>
<td>97</td>
</tr>
<tr>
<td>1969</td>
<td>185.9</td>
<td>207</td>
<td>16</td>
<td>97</td>
</tr>
<tr>
<td>1970</td>
<td>197.5</td>
<td>200</td>
<td>16</td>
<td>120</td>
</tr>
<tr>
<td>1971</td>
<td>198.1</td>
<td>219</td>
<td>19</td>
<td>192</td>
</tr>
<tr>
<td>1972</td>
<td>131.1</td>
<td>499</td>
<td>34</td>
<td>356</td>
</tr>
<tr>
<td>1973</td>
<td>306.8</td>
<td>784</td>
<td>56</td>
<td>829</td>
</tr>
<tr>
<td>1974</td>
<td>405.1</td>
<td>927</td>
<td>73</td>
<td>1704</td>
</tr>
<tr>
<td>1975</td>
<td>406.3</td>
<td>938</td>
<td>73</td>
<td>1900</td>
</tr>
</tbody>
</table>

Table 5.2: Lending to Facilitate Property Development 1967-1975


7. In periods of gentle inflation, property developers were able to buy in large stocks of land and materials in anticipation of their use at a future date. As materials are stockpiled at historic cost and charged to the purchaser at full market cost, profits are made on the materials as well as the development. Hence, the ratio of amount borrowed to the level of existing assets (the "gearing ratio") rose substantially as interests in property development grew. Panmure and Gordon Ltd (1976) show that for a list of property companies the gearing ratio (of debt to fixed assets) rose from 52% to 59% between 1965 and 1972.
Hence, as fears about economic performance grew and inflation rose, short-term creditors increasingly viewed property as a major area for investment. Table 5.2 shows that the insurance companies and pension funds took a much more long-term view of the property situation in the late 1960s and early 1970s, only marginally increasing their investment in the property market as a percentage of their total investment. In contrast the secondary banks and, to a lesser extent, the more conservative clearing banks, injected a major part of the capital requested by entrepreneurs and property companies (from £430 million in 1971 to £2,704 million in 1974).

This was done in an atmosphere of perceived demand for space. Owing to readily available short-term capital and minimum control over money supply, property developers were able to borrow from outside the (now) usual sources of credit - the insurance companies and pension funds. Together, changes in the banking system allowing greater competition between banks, cuts in taxes and a new economic strategy which saw an increased money supply as a means to obtain economic growth, meant that a great deal of money became available for investment. The lack of coordinated information about demand for property, the relative inexperience of secondary banks with property and the ready opportunities for gearing led to a rapid take-up of money by property companies of all kinds. Materials and land were bought in for a multitude of projects and the price of land throughout the country quickly rose. However, since the demand for new space is ultimately

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8. Much of this information was taken from a Radio 4 documentary entitled "Lifeboat for the Banks", broadcast on January 7th, 1984 at 5:00 p.m.
largely dependent on economic growth, and there was no such growth, the scramble for land and projects could not be sustained indefinitely.

Several factors operated together to bring about the property "crash" of the early 1970s. Firstly, there was an increasing cognisance amongst creditors of the very high levels of development that were occurring. This was coupled with a feeling that the economy was not growing sufficiently to warrant such high levels. This meant that rent rises began to slow down and creditors became uneasy. In late 1972 (5th November), under a Conservative government's new prices and income policy, rents were frozen for premises already let. Two months later this policy was reaffirmed and longer term controls on rent were considered. Since property depends on rental growth to outpace inflation, this made creditors even more uneasy. In October 1973, the Conservative government abandoned long term controls on rents but urged a standstill for six months.

In 1974 a Labour-controlled government was elected. Panmure and Gordon Ltd. (1976) described the affect that the new administration had on the property market at the time:

"The new Labour government announced in May 1974 the postponement of the process of (rental) decontrol for a year: a measure that was interpreted as confirmation that the new government would eventually introduce longer term controls; property values had fallen substantially following

9. Barras and Catalano (1975) correctly note that the key to property investment is the security of rent rising through time. Anything which puts this in jeopardy destabilises the market."
the May announcement and as property is the main collateral for the great bulk of bank advances, the viability of the banking system as a whole was brought into question". (p.67)

A combination of an increasing oversupply of space, the introduction of a rent freeze by a Conservative administration in 1973 (endorsed by an historically "anti-speculator" Labour administration in 1974), the substantial rise in interest rates from 5.75% in 1971 to 12.25% in 1974 and an inflation rate (at 11.6% in 1974) that was outstripping even rent rises and development profits, eventually precipitated a property crash. As worries amongst the short-term creditors like the secondary banks grew, many short-term loans were called in and the essential long-term loans for property developers dried up. In many cases property companies could not even sell their land or materials to pay back loans as the market values of built (and unbuilt) properties plummetted and the prices for materials fell. Many of the more over extended developers were bankrupted. These included many medium and small sized property companies with insufficient assets to cover their debts. However, as Plender (1978) notes, 'few companies of any size were allowed to founder', principally because if they had then a far more serious banking crisis could have occurred as loans were defaulted on. The Labour government felt it could not permit this to occur (providing an interesting illustration of the relationship between central government and the banking industry).

For Plender (1978) it was the pursuit of policies based on untested economic aims that led to the situation in the early 1970s which limited the range of investments for short-term investors in 1973 and
which ultimately herded them into property development. As we have seen, the principal impetus behind the second property boom in Britain was from the banking sector; a sector not usually known for its interest in property. Therefore, when the market collapsed, the entire secondary banking system was threatened and, as such, so was the future of London as a financial centre. This could have damaged the British economy severely. The banks stood to lose a very great deal of money inhibiting short-term loan facilities for any future economic growth. As a result, the Bank of England persuaded the secondary banks not to call in receivers to cover their debts and cajoled the pension funds and insurance companies to take many of these long-term commitments on.

Plender (1978), has noted that:

"British property companies have sold over two billion pounds of assets since the collapse of the property market in 1974. That two billion pounds is equivalent to ... the annual average pay of nearly half a million British workers. It is not far short of three quarters of the market value of all the property companies quoted on the London stock market at their pre-crash peak in 1973", (p.3).

The late 1970s therefore mark a new, and probably lasting, era in the history of commercial property development in Britain. Many property companies have simply been absorbed by the financial institutions, some have disappeared, others, mainly the larger companies, have survived. However, with few exceptions these companies remain virtually tied to institutional funds, often acting almost as property

10. This forms the subject of Plender (1982), Chapter 5.
The collapse of the property market led to the establishment of two royal commissions to gather information and analyse the occurrences of the early 1970s. The Pilcher Committee (established in 1974, reported in 1975) was set up to:

"Examine the arrangements for carrying out development of commercial property and the part played by investors, developers and local authorities; to consider how these may change; and to advise the Secretary of State for the Environment either generally or on the issues referred to them".

The Wilson Committee (established in 1977, reported in 1980) was set up:

"To inquire into the role and functioning, at home and abroad, of financial institutions in the United Kingdom and their value to the economy; to review in particular the provision of funds for industry and trade; to consider what changes are required in the existing arrangements for the supervision of these institutions, including the possible extension of the public sector, and to make recommendations".

11. The large property companies who were bailed out are again emerging as semi-autonomous profit making units, for example, Town and City Properties (originally bailed out by the Prudential Assurance Co. Ltd) (Sunday Times, 9th April, 1978).

12. Having said this, it should be remembered that some of these large property companies were giants by the time of the property collapse. Although heavily dependent on, and part owned by, financial institutions, a recent survey (Observer, 29th January 1984), reveals that Land Securities is still the nineteenth biggest company based in Britain and, not counting housebuilders, there are four property companies in the 100 largest companies compared with ten insurance companies. This does not mean to say that the property companies are not partly or largely owned by insurance companies.
As we know, the Pilcher Committee looked directly at the workings of the commercial development process with a view to assessing the potential effects that the Community Land Bill, then before Parliament, would have on it. The Wilson Committee was much more interested in the wider issues of the functioning of financial institutions in the economy as a whole. Company investment was considered at length since there had been some belief in investment circles, that much of the lethargy of British industry had been induced through a forced lack of credit engendered by the massive investments of financial institutions in property. These two commissions revealed the determination of the government to avoid future crises in economic investment through over-subscription to property development. With respect to the Marxist-structuralist theories espoused in Chapter 2, action was being taken to ensure that the commercial property development industry would never again be in a position to threaten the viability of the British financial system through the consequences of their actions.

The response by the insurance companies and pension funds to criticisms made of their actions in the early 1970s was unequivocal. They argued convincingly that their long-term property investment strategies were providing an unseen form of long-term finance for industry and that their investment in property had fluctuated very little over the period of the property boom remaining at around 20% of their total investment. They believed that the secondary banks were to blame for the injection of capital into the property market in the early 1970s. In evidence, the National Association of Pension Funds (Wilson Committee, 1980, Volume 3, paragraph 3.1.3) argued:
"The secondary banks extended large lines of credit to property developers who drove prices up and yields down to artificial levels which no-one could justify. To illustrate the artificiality of the situation and the extent of the problem, it is sufficient to draw attention to the fact that in the five years prior to 1972, the average bank advances to companies in the property sector was around £350 million, whereas following the expansion of credit the amount rose to £2,700 million. The point is made merely to demonstrate against the background of years of stability in the market that the fuel to the fire was the expansion of credit and not the intervention of the savings institutions". (p.153).

Table 5.3, taken from Plender (1978), shows the recent involvement of pension funds in land and property ownership. To put this list into perspective, Plender (1978, p.23) notes that the Prudential Insurance Company, with total assets of £3,800 million had over £1,000 million invested in property (29%). Insurance companies in 1978 had total funds of over £30 billion which is fifty per cent more than the pension funds.

The key features of the property market in Britain since 1974 have therefore been major purchases of properties and property companies by insurance companies and pension funds, general sluggishness of the commercial property market in the period 1974 to 1978 and, since then, the slow recovery of the market in selected locations like the City of London to such an extent that the market is again quite buoyant in certain areas.

In parallel, there has also been a major increase in data and information on investment opportunities in property, as well as a

13. Although, as will be seen the situation was marginally different in Scotland, especially in Edinburgh and Aberdeen.
<table>
<thead>
<tr>
<th>1967/1977</th>
<th>Total funds (£m)</th>
<th>Property (£m)</th>
<th>% in property</th>
<th>% in offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Post Office</td>
<td>P.F. 1,316</td>
<td>325</td>
<td>25</td>
<td>n.a.</td>
</tr>
<tr>
<td>National Coal Board</td>
<td>P.F. 1,059</td>
<td>281</td>
<td>27</td>
<td>n.a.</td>
</tr>
<tr>
<td>British Railways</td>
<td>P.F. 860</td>
<td>80</td>
<td>9</td>
<td>n.a.</td>
</tr>
<tr>
<td>Electricity Supply Nominees</td>
<td>P.F. 769</td>
<td>260</td>
<td>34</td>
<td>37+</td>
</tr>
<tr>
<td>British Steel</td>
<td>P.F. 496</td>
<td>179</td>
<td>36</td>
<td>66</td>
</tr>
<tr>
<td>British Gas</td>
<td>P.F. 381</td>
<td>82</td>
<td>22</td>
<td>52</td>
</tr>
<tr>
<td>British Airways</td>
<td>P.F. 392</td>
<td>102</td>
<td>26</td>
<td>49</td>
</tr>
<tr>
<td>GLC</td>
<td>P.F. 199</td>
<td>32</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>Prudential Insurance</td>
<td>P.F. 194</td>
<td>41</td>
<td>21</td>
<td>-</td>
</tr>
<tr>
<td>Merchant Navy Officers</td>
<td>P.F. 171</td>
<td>12</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Ford Motor</td>
<td>P.F. 155</td>
<td>5</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Reed International</td>
<td>P.F. 135</td>
<td>16</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Courtaulds</td>
<td>P.F. 132</td>
<td>30</td>
<td>23</td>
<td>-</td>
</tr>
<tr>
<td>Rolls Royce</td>
<td>P.F. 125</td>
<td>13</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Vauxhall</td>
<td>P.F. 108</td>
<td>25</td>
<td>23</td>
<td>-</td>
</tr>
<tr>
<td>Boots</td>
<td>P.F. 101</td>
<td>30</td>
<td>30</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 5.3  Pension Funds (Over £100 million) Total Assets and Proportion in Property and Offices 1978

Adapted from Plender (1978).

growth in planning and property management consultancies to aid institutions in finding suitable sites. The difficulties of finding sufficiently lucrative outlets for the enormous incomes of the pension funds and insurance companies must be kept in mind. For example,
Plender (1982) notes that, the G.P.O. Pension Fund has a cash inflow of over one and a half million pounds per day to find worthwhile investments for. There is a great deal of money to be made by agents finding outlets for such funds.

Therefore, to summarise, commercial development has evolved from a process carried out by owner occupiers commissioning builders and utilising mortgages, to become a major production industry in its own right. Developers of commercial property have also changed and the situation is now one where the vast majority of the work is contracted by financial institutions or by property companies selling to such institutions. The commercial property market in any particular city or country is no longer (if it ever was) a free market with a large number of buyers and sellers. As will be shown for Edinburgh, it is now much more oligopolistic. However, by its absorption into the major long-term investment strategies of major financial institutions, the property sector has now become located very close to the core of the British economy. Insurance companies and pension funds are not only involved with properties. They are major investors in all areas of industry (in Great Britain and abroad), they are major creditors to the government (Plender, 1982) and potentially, they could wield enormous economic and political pressure. The following section evaluates whether this economic strength has been used to influence government policy and, if so, to what extent have they used it to protect their interests with respect to commercial property development.
The Political Significance of Commercial Property Development

A major concern of this thesis is to investigate the political significance of commercial property development and developers at local government level. Since central government is a major determinant of the attitudes and the framework for local authority activity, it is important to assess, briefly at least, the political significance of commercial property developers at central government level. This will allow us to ascertain whether the interests of developers are already incorporated into the form of the land-use planning system, possibly obviating their need to become overly involved at the local level. The evidence on this is limited.

As Plender (1982) notes, the financial institutions possess tremendous influence over central government policy by virtue of their enormous economic wealth. He cites examples of the financial institutions being able to affect the returns from gilt-edged stock issued by central government through the sheer volume of their purchases in this oligopsonic market. He is in no doubt that, had they wished to resist the Bank of England's plea in 1974 to rescue the clearing banks that had overstretched themselves with loans to property speculators, they would have been able to do so.

In support of this, the neo-Marxist, Longstreth (1979), has concluded that economic policy in Britain has consistently been directed by the interests of finance capital since the nineteenth century. This has mainly been through the ready access of the "City", via the Bank of England-Treasury link, to central government (see also Coakley and
Harris, 1983). He goes on to state that:

"In Britain since the declining importance of the landed interest the dominant class has existed predominantly as two fractions, the City or banking capital (including here generally the financial sector) and industry or productive capital. On the political level the City has exercised a dominant position in the determination of economic policy, which is to say that is perceived to have generally, although not exclusively, been the guiding thread for economic policy, even when faced with opposition from the political agents of other groups within the dominant class or those of the subordinate classes", (pp.160-161).

Despite his long-term perspective, Longstreth's primary examples of dominance by financial institutions have relevance for the twentieth century. Through their international nature, financial institutions have the ability to precipitate economic crises within Britain in order to force governments to pay heed to their advice when formulating economic policy (e.g. the incoming Labour government of 1964, see Longstreth, p.184).

Similarly, Massey and Catalano (1978) are in no doubt that the financial institutions are capable of wielding immense power to influence central government policy relating to land. Although their case study is not completely substantiated, they view the power of 'financial landowners' as central to the eventual form and limited effectiveness of the Community Land Act and Development Land Tax in 1975. Indeed, they suggest that the proposals in the various associated acts strengthened the hold of financial institutions on the property market, because they affected property development rather than ownership.
In accord with Longstreth's (1979) general view, Massey and Catalano (1978) see the financial institutions replacing 'former landed property' as the most politically significant group representing the interests of property owners. They noted that:

"(I)n contrast to the increasingly peripheral position of former landed property, the newly dominant financial institutions, are central to the dynamic of capitalism itself. This both increases the difficulty of direct attack on problems of landownership, and removes the cushion which landed property to some extent used to form between working class struggle and capital itself" (p.170).

As the political influence of landed property has declined, it has been replaced by financial institutions with different interests and different channels for exerting influence on central government, and made struggles between worker and capitalist more readily visible. Massey and Catalano (1978) note:

"At the level of individual agents, the interests of (financial landowners) are represented in the House of Commons, not the House of Lords (like former landed property)". p.169.

This is corroborated in the most comprehensive study of the topic to date by Colenutt (1975) who constructed the following table (Table 5.4).

As can be seen, financial institutions and property companies were well represented in Parliament in 1962 and 1972. There is no reason to suggest that this has changed. Colenutt (1975, pp.131-132) claims that the presence of these interests in Parliament has been visibly important in legislation concerning rent controls, taxation relating to benefit from development, land nationalisation, the partnership

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between local authorities and financial institutions for commercial development and, importantly for this thesis, the streamlining of the planning process.

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>(50) 81</td>
<td>(0) 2</td>
<td>(5) 18</td>
<td>(55) 101</td>
<td></td>
</tr>
<tr>
<td>Investment Trusts</td>
<td>(52) 58</td>
<td>(0) 1</td>
<td>(3) 5</td>
<td>(55) 64</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>(55) 52</td>
<td>(0) 2</td>
<td>(7) 10</td>
<td>(62) 64</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>(28) 84</td>
<td>(1) 3</td>
<td>(1) 26</td>
<td>(30) 113</td>
<td></td>
</tr>
<tr>
<td>Banking</td>
<td>(13) 39</td>
<td>(0) 1</td>
<td>(1) 3</td>
<td>(14) 43</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.4: Land and Property Interests of Members of Parliament, 1962 and 1972

Source: Colenutt (1975, p.130) and Roth (1973).

Knowledge about the influence of both property interests and financial institutions on planning legislation is woefully poor and requires urgent research. The influence of some other property groups has been researched (see the investigation of the National Farmers Union by Lowe and Goyder 1982), but the extent of the influence of groups like the National Association of Property Owners, the British Property Federation, National Association of Pension Funds and the Insurance Companies Association, remains largely unknown. Suffice it to note at this juncture that financial institutions do possess enormous economic power which can be brought to bear on government, both within and outside Parliament and which can (and some say has) been brought to bear on legislation relating to land development and the framework of...
powers and resources that local authorities possess to control the
commercial development process.

There are relatively few studies which have concentrated specifically
on assessing the power that property developers have at the local
level. Some of the work that has been done has, like this thesis,
worked primarily on assessing the outcomes of decision-making
processes as a means of assessing the influence of developers on local
authorities. From such an approach Simmie (1981) concluded, amongst
other things, that the larger a commercial or industrial interest was,
the more powerful it was in terms of planning outcomes at the local
level.

Other work has imputed power to developers by reference to their
resources at the local level. For example, Elliott et al. (1978),
tabulated the changing presence (and therefore power) of the property
lobby in Edinburgh between 1875 and 1975 within the city council
(Table 5.5).

<table>
<thead>
<tr>
<th>Date</th>
<th>Percent of Councillors Owning Property</th>
<th>Total No. of Properties</th>
<th>Percentage in Residential</th>
<th>Percentage in Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>1875</td>
<td>80</td>
<td>987</td>
<td>76</td>
<td>24</td>
</tr>
<tr>
<td>1905</td>
<td>72</td>
<td>1370</td>
<td>89</td>
<td>11</td>
</tr>
<tr>
<td>1925</td>
<td>57</td>
<td>631</td>
<td>68</td>
<td>32</td>
</tr>
<tr>
<td>1935</td>
<td>45</td>
<td>512</td>
<td>61</td>
<td>39</td>
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<tr>
<td>1945</td>
<td>32</td>
<td>404</td>
<td>59</td>
<td>41</td>
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<tr>
<td>1965</td>
<td>14</td>
<td>134</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>1975</td>
<td>20</td>
<td>41</td>
<td>20</td>
<td>80</td>
</tr>
</tbody>
</table>

Table 5.5: Property Ownership by Councillors, Edinburgh 1875-1975
Elliott et al. (1978) went on to illustrate the presence of these councillors on the appropriate committees relating to land development through their study period. They concluded that the owners (and therefore the interests) of real estate had been replaced slowly over time by those who service the real estate business (e.g. estate agents, architects, etc.). Interestingly, Elliott et al. (1978) concluded that these local property and developer interests actively strove to restrict outside developers, particularly residential developers from getting a 'toe-hold' (p.125) in the area.

This contrasts completely with Saunders' (1979) review of town centre redevelopment in Croydon, near London, where he noted:

"Croydon council has ... consistently allied itself with developers and with the interests of those companies which occupy the offices they build. They have done so at the cost of alienating many sections of the local petty bourgeoisie, locally based industrial capital and higher government authorities", (p.309).

Studies of political influence are difficult to mount and it is hoped that, in addition to its contribution to understanding the role of the state in guiding land development in the city centre, this thesis will provide evidence of relevance to assessing the role of developers in local politics. The polemics of Ambrose and Colenutt (1975) and Dumbleton (1977) see the basic power of developers at the local level as deriving from the "fettering" of planning legislation by developers interests at central government level in such a way that local authorities can only respond to the physical (rather than social or economic) aspects of any proposal. In areas that have depressed

15. Ambrose and Colenutt (1975) also cite the automatic right to an appeal as a further advantage.
economies, Dumbleton (1977) claims that:

"town planning laws and central or local government control is subordinate to the freedom of developers capital. Its freedom to come and go ... Its freedom to dictate terms. Its freedom, because of its sheer volume in accumulated Pension and Insurance Funds, to dominate the property and land market", (p.33).

Similarly Broadbent (1977) notes:

"(P)lanners in an individual local authority are in no position really to impose their will on property developers, industrialists, insurance companies and large construction companies. The most important of these operate on a nationwide basis, and it is they who are not only able to outbid existing landowners and existing land users in particular areas, but also to impose conditions on the local authority to gain its cooperation to make the necessary compulsory purchase orders, designate the comprehensive development areas and give the necessary planning permissions. Not the least of reasons why this is possible is because these developers can go elsewhere, and play off one authority against another. And so, even within the present limited powers of planning control, there is a large gap in the planning system itself. There is no regional or national coordination which could limit the abilities of these entrepreneurs to 'rape' particular towns", (pp.165-166).

Ambrose and Colenutt (1975) feel that these economic resources can be readily translated into purchasing expertise in the planning and land development field. Whereas, in comparison, the efforts of local authorities to resist development are viewed as puny. In addition, using Miliband (1969), they feel that developers and councillors often have a mutual interest in promoting land development; the former for profit, the latter for prestige and increased rate revenue. Because of this coincidence of interest, land use planning tends to implicitly reflect developers' interests, especially if, as Ambrose

16. See Chapter 1.
and Colenutt suggest, local authority planners feel that 'bringing off' a major development will substantially enhance their career. Elkin (1974) lists further tools that operate in the developers' favour as being:

(a) a developer might serve a 'purchase notice' on a local authority if their refusal of planning permission can be proved to have robbed him of making beneficial use of his property;

(b) developers, once they have a planning permission of one sort, can always invoke it at a later date, if they do not secure planning permissions for reappraisal projects on the site (17).

(c) and, bribery.

In short, there is a common belief amongst many commentators that the rules of the "planning game" are stacked in favour of developers. This "influence" is thought to have increased since the financial institutions have come to dominate commercial property development and become important industrial developers and agricultural landowners. However, suggestions that this power is mirrored at the local level remain unsubstantiated to date. Indeed, Blowers (1980) has suggested that:

"Broad generalisations about the role of interests in land and their relationship to the organisation of the state in a capitalist economy are unlikely to provide insight into the process of urban development. Such insight must be sought by the use of detailed empirical evidence gained at the local level", (p.120).

However, as will be demonstrated later, the discussion of the relationships between developers and planning authorities has often been oversimplified. The problems of trying to identify developers'.

17. Now no longer true, with planning permissions lapsing after 5 years.
interests are large enough; the problems of identifying the power they possess are enormous. Developers come in all shapes and sizes, have different connections to local areas and local authorities and possess different levels of financial and land resources. Because of the lack of research in this area, and given the constraints of space, our literature review has concentrated on the large commercial developers and it is true that such developers are of very major significance in the case study area. However, it is hoped that this thesis will demonstrate clearly and unequivocally that the straightforward links that some commentators hypothesise as existing between financial resources and power at the local level, oversimplify the situation. This will demonstrate the need for a far higher level of sensitivity in terms of identifying who developers are, and what influence they exert on local planning authorities.

Amenity Groups: The Response to Destruction

Property development, especially in the city centre, does not proceed in a political vacuum. The profits of many property developers have been made at the cost of the loss of many families' cherished homes, or their amenity. The destruction of communities and environment through speculative office development has generated widespread revulsion and political responses in cities all over Britain. Some of these are recorded in works such as those by Priest and Cobb (1980) on Bristol, Dumbleton (1977) on Swansea, Cardiff and Port Talbot, Ambrose and Colenutt (1975) on Brighton and London, Peacock (1976) on Edinburgh and, in national terms, Goodman (1969) on the United States of America and Aldous (1975) on Britain.
It is worth asking, however, how powerful a political movement is this anti-development lobby. It must be recognised at once, that it has two elements, namely, those defending homes and those defending amenity. As suggested earlier, the protection of the houses of inner city areas from office developers and local authority land assembly has resulted in organisations like "Shelter" protecting the interests of inner city residents. However, this cannot be described as a mass movement at the national level.

In contrast, Lowe (1975b) has noted that:

"On the basis of numbers alone, the environmental lobby is achieving the dimensions of a mass movement which clearly cannot be characterised by a narrow sectional interest", (p.235).

In this, Lowe (1975b), is referring to the environmental lobby as a whole. However, we are primarily concerned with the city-based, rather than urban fringe or rural elements of that movement. By far the most comprehensive review of this section of the movement has been conducted by Barker (1976), who has chronicled the history of the Civic Trust. Given the constraints on space, only the main points of the history will be reviewed.

Barker (1976) notes that although there were many local amenity

18. Indeed, as Dennis (1970 and 1972) and Davies (1972) indicate, most of these groups were formed to fight local authority proposals. With the demise of many urban clearance programmes and the increased emphasis given to rehabilitation rather than redevelopment, these groups can be said to have had some success.
societies in cities across Britain there was no national body to represent their interests until the Second World War. However, from 1939 to 1962, there was a Central Council for Civic Societies and from 1957 onwards there was the Civic Trust. Lowe (1977) has reviewed the staggering growth of amenity societies from only 215 in 1957 to 1250 in 1975. As we have suggested, the growth of the movement was generated through:

"The simultaneous realisation in quite separate places that the amount of physical change to familiar surroundings that people will tolerate is really rather low", (Lowe, 1975a p.32).

In his survey of the amenity groups affiliated to the Civic Trust, Barker (1976) established that sixty percent of the groups have grown as a result of planning issues, of which half were related to major commercial development or other schemes. Hence, it appears that our case study period of 1959 to 1978 in Edinburgh is representative of a more general revolt against comprehensive redevelopment of which, Barker (1976) believes, local societies were the vanguard. He feels that the amenity movement has achieved a large number of successes at central government level and was of central importance in obtaining more conservation areas, greater traffic restraint and increased levels of rehabilitation for buildings, which were "achieved without any clearly organised national campaign". Lowe (1975a) identified the amenity lobby in Parliament to have twenty MPs with known interests in the environmental lobby. However, the majority of these were 19. However, Dobby (1978) points out that there were several special interest groups operating at this level including the Ancient Monuments Society (established 1924), Georgian Group (1937), and the Society for the Protection of Ancient Buildings (1877).
affiliated to rural based societies (e.g. Ramblers Association). He concluded that:

"Environmental groups do not have such close direct links with government departments as well-established lobbies, for whom regular contact may be on a day to day basis, between officers of the lobby and civil servants", (p.74).

As a result, the environmental groups do not get very involved in pre-legislation negotiations, but require more formal access to decision making through MPs (although the recent successes of such groups over government advice over Green Belts in England and Wales indicates that this may be changing). This would seem to indicate that the environmental lobby is not automatically incorporated as equal partners in any discussion of environmental or planning issues in the way suggested by corporatist theorists in Chapter 2.

Most observers believe that the strength of these groups is at the local government level. Barker's (1976) survey reveals that over 80% of all local amenity groups affiliated with the Civic Trust have regular formal or informal communications with their local authorities and a similar proportion inspect the current register of planning applications on a regular basis. Lowe (1977) noted that:

"It is the decisions and actions of the local authorities that most local environmental groups are trying to influence in most of their political activities, and thus the relationship between a group and the authority is crucial to the former's political achievement", (p.38).

Barker's (1976) survey found that over 85% of the amenity groups found local authority planners sympathetic to their views, but less than half said the same of city engineers. Lowe (1975b) believes that this is because:
"the influential members of the planning authority and amenity societies probably come from the similar social backgrounds, share similar views and may even overlap", (p.237).

This evidence poses us with a problem. The local authority and its staff are seen as having the same background as conservationists. Does this mean that there is a conservationist rather than development oriented elite at local level? Is it the case that central government is allied with developers and local government with conservation? Different authors concentrating on the local authority and its staff with different groups both claim the same sort of alliance between land use planners and the subjects of their studies. Which is true? It would certainly appear that in contrast to developers, the amenity groups have their strength at the local level using open, pluralist-type, political channels (although, Barker's, 1976, survey indicates a level of incorporation into local authority decision making). However, Barker (1976) notes that:

"If the strength of the amenity movement is its attachment to locality this is also its weakness. Local societies can influence local decisions but uncoordinated local groups cannot easily cope quickly with national issues", (p.34).

Finally, it should also be noted that a feature of amenity societies is that they are very often ephemeral, forming around particular issues and, occasionally, disbanding after a resolution of those issues.

Conclusion

This chapter has considered the evolution of two major political
forces which are intimately involved with the process of land development in city centres, namely developers and amenity groups. It has evaluated their position in relation to influencing decision makers within central and local government. We have shown that the two groups are opposites in almost every respect. Developers are thought to possess immense political power through their possession of economic resources, which they can convert into political muscle and which not only affects the ways in which local authorities control development but also the rules by which they can control it.

In contrast, amenity groups derive their power from the mobilisation of large numbers of people, principally at the 'grass roots' level, to put pressure on politicians by making the environment an important political issue. They are also thought to have been instrumental in changing the rules of the land use planning process (especially by ensuring that the planning process was opened up by public participation), whilst possessing substantial influence over local government decision makers.

An interesting finding, in that it suggests that the regulative process of land use planning is capable of being interpreted differently by different observers, is that authors on both lobbies believe that planners are in sympathy with the aims of the groups they have examined. Hence, as we might suspect, given the information in Chapters 2 and 3, the politics of land use change in the city centre seem capable of being represented and interpreted in a variety of different ways by different people. Most of the evidence of direct
relevance to our topic is too anecdotal to produce worthwhile generalisations (although Ambrose and Colenutt, 1975, attempt to do so). Hence, it is necessary to set up a case study with these specific questions in mind. To do so we need a topic or case which:

(a) is representative of the tasks planners undertake;

(b) must be a manageable research project;

(c) must be a form of local authority action in which a variety of interests, especially those listed above, have direct interests;

(d) and, provides available data to assist in the evaluation of a wide range of decisions, in order that the actions of the local planning authority can be viewed over space and time in a systematic manner.

The attempts of the local planning authority to control the rate, location and type of office development in central Edinburgh satisfies all these criteria and must therefore be considered an appropriate topic. In terms of developing an appropriate methodology, there has only been one other study which has come close to matching the criteria listed with respect to land use planning. This was Simmie's (1981) attempt to evaluate, in aggregate terms, who had influenced (and subsequently benefited from) land use planning in post-war Oxford. Before proceeding it is worth reviewing his work briefly, in order to establish a relevant methodology for our own study.

Simmie (1981) divided the whole of Oxford into three areas and, using a sample of all planning applications between 1953 and 1973, tried to
establish whether particular groups or organisations had fared better than others through the development control process. This entailed dividing applicants into identifiable groups and analysing their particular rates of success. Unfortunately, the exercise proved overambitious. In order to simplify the analysis down to a manageable level, Simmie had to standardise across all types of application, so that a planning permission or a refusal became the unit of measurement. This may be defensible across one type of application (e.g. offices), but raises problems when new factories are compared with household extensions, because of the different ways in which such proposals would be considered through the process.

Similarly, Simmie tries to aggregate his data by area and by interest group. His three-fold division of Oxford means that very different types of area are brought together and comparisons between their levels of success and the socio-economic characteristics of an area contain many possible errors through the aggregation of data. With respect to interest groups (see Footnote 21), Simmie's classification is overly generalised. For example, speculative developers are classified as though they were just another 'industrial and commercial concern', whereas for them land and development is more than just a factor of production, which is the case with manufacturers or office

20. Simmie argues that applications of different types can be considered similar with respect to their implications or "influence", in that they all represent the restoration (or not) of development rights to an applicant. See also Simmie and Hale (1978).

21. His classification of applicants referred to feudal landowners, state, industry and commerce, individuals and voluntary associations.
users. Land developers and land users have fundamentally different interests with respect to land use planning.

The difficulties which Simmie (1981) experiences in interpreting these results of his survey led him, as with Ambrose and Colenutt (1975), to examine case study applications ("illustrations", p. 240) of development, in order to see more clearly who was benefit ing through the planning system. Undoubtedly, Simmie gains substantial insight from these case studies. However, the criteria for their selection remains unclear. Hence we do not know whether or not they are truly representative of the government process Simmie was seeking to assess. Despite these problems, Simmie's work is of major importance to the understanding of the politics of land use planning and his experience illustrates how we might best proceed in this thesis. In addition, Simmie produced several hypotheses which we will need to consider in our own conclusions. They are that:

(a) the larger the land owner, the more powerful he is in terms of planning outcomes;

(b) the larger the commercial or industrial interest, the more powerful it is in terms of planning outcomes;

(c) the more formal an organisation is (including residents) the more powerful it is;

(d) the more formally incorporated into decision-making a body or reason is the more powerful it is;

(e) and, in general, the number of groups operating primarily at the local level is fairly limited.

Despite the shortcomings of Simmie's (1981) pioneering work, he has outlined the basic parameters that it is essential for us to concentrate on in our own case study. Chapters 4 and 5 have shown
that office development in the city centre is a complex and rapidly changing process with which a wide range of interests (with very different objectives) are involved. It is also a process which central and local government have tried to control at national and local levels. The interests involved in the process are thought to have very different powers and levels of resources with which to influence government policy relating to office development. Indeed, there is the possibility that certain interests are powerful enough at central government level to limit the ability of lower tiers of government to influence the process at anything more than a minimal level. Hence, the control of office development in central Edinburgh presents us with a good topic area to ask questions provoked in Chapters 2 and 3 about how, and for whose benefit, does the land use planning system in Britain operate.

The argument developed so far requires that, for our principal questions to be answered, we must first develop a detailed history of the formulation and implementation of the policies under investigation. Similarly, we must identify the range of interested parties and evaluate their political activity at the local government level with respect to the policies in question. Together, this assessment will allow us to establish who tried to influence government policy, whether such action led to any tangible reaction from government in terms of the outcomes of the decision-making process and, finally, what the reflection of the political process was on the spatial distribution of offices in central Edinburgh.
The main data sources used for constructing a history of local authority policy on offices were local planning authority documents, press reports, planning committee minutes, interviews with planners, conservationists, estate agents and a major investor and a review of published literature on the topic. The data sources used for assessing the implementation of the policy were records of all development control decisions over office development between 1959 and 1978, decision notices on planning appeals, interviews, press reports and other published literature. Information on the land resources of financial institutions and property companies was taken from Valuation Rolls and the Register of Sasines.

Together this information allows us to proceed some way towards answering our main questions. The formulation of policy is dealt with in the following chapter, the implementation of policy is assessed in Chapters 7 to 10.

22. The Register of Sasines represents a historical record of all land and property transactions in Scotland, the only recognised rights in land, in Scotland, being written ones.
Chapter 6

Introduction

"There is indeed something about Edinburgh in this period (late 18th and early 19th Century) that made architects build better than they knew. No doubt the plan had a momentum of its own which called for the finest work and therefore received it: they knew what they were doing, they were building an Athens of the north, and they had the taste and the resources to do so with magnificent conviction. The citizens of today need something of that same conviction now to save the New Town from the vandalism of neglect and development carried on today with the consent of the present council, whose crocodile tears and pretty exhibitions do nothing at all to stop the builders rape of the capital". (Smout, 1969, p.459).

The above quote, from the Scottish economic historian, T.C. Smout, admirably summarises the feelings of many Edinburgh citizens in the late 1960s and early 1970s. This chapter seeks to establish the source of such feelings and investigate the effect that their expression has had on the formulation of local authority policy. The pressures for office development in central Edinburgh have varied throughout the period under study in this thesis (1959-1978), but the opposition to new development has steadily grown. As such, office development in central Edinburgh presents us with an intriguing case study of how local government has acted to accommodate conflicting demands with regard to the retention or alteration of a valued townscape and the use of land in that area. In turn, this analysis allows us to comment in some depth on the theories of state activity presented in Chapters 2 and 3, with respect to questions of who benefits and how the state acts to resolve such conflicts.
However, as Chapter 3 suggested, policies can be viewed as possessing two distinct, yet integrally related parts, namely policy formulation and policy implementation. There is a variety of evidence which must be brought together to enable us to assess the way in which the policies to control office development have evolved and the extent to which they have been implemented. This chapter collects together documentary evidence and interview material, to identify how policies in the mid-1970s were designed to control further office development in the central area. Integral to this is the identification, from these same sources, of who the main protagonists in the debates over policy were. In contrast, the following chapters concern themselves more directly with the extent to which the policy has been implemented. This requires the collection of information on the development control decisions made by the local authority over a considerable period of time and, ideally, some qualitative material to allow us to assess the role of policy in those decisions. For this chapter and the following analysis, we also need some means of assessing how influential, in political and economic terms, the various interested parties were, and what pressures they could bring to bear on the local authority in order to secure their interests. This requires the collection of information on the various economic and land resources they possess and the form of political linkages they have had with the local authority.

Hence, a wide range of evidence is required in order to fully investigate the wider implications of controlling office development in central Edinburgh. However, a preliminary task is to evaluate the suitability of Edinburgh as a study area.
The Suitability of Edinburgh as a Study Area

It remains a problem for geographic theory that any phenomenon under examination has features that might be considered unique and others which are common. This is particularly true of cities. Edinburgh, like any other city possesses certain features which make it unique and may make generalisation difficult. Nevertheless, the city also has many features in common with other cities which qualify it admirably for investigation. The first advantage that Edinburgh offers as a case study area is that the city has remained a major office centre for over two centuries. Through most of the study period of this thesis, Edinburgh was one of the most attractive centres in Scotland for office development and investment although Glasgow and, more recently, Aberdeen have clearly been important locations.

Secondly, given the architectural value of central Edinburgh, there has been a continuous effort on the behalf of conservationist and amenity groups to defend the environment of the city centre. Consequently, there has been extensive public debate about property development in the city. These arguments have provided valuable information about the conflicting pressures placed on the local planning authority in the city's central area. Thirdly, until the end of the study period, the city has remained under the control of either the Conservative Party or an anti-Socialist alliance of Conservatives and Liberals ("progressives" - see Elliott et al, 1978) for all but
one brief period since 1935. This has led to a high level of policy continuity, with changes relating more to the changing political environment than to alterations of ideology underpinning planning policy. Local government reorganisation has complicated this situation somewhat with a Labour-run Regional council being in power for most of the period since 1975. However, for their own reasons, the Regional Council also supported the idea to restrain offices in central Edinburgh in the late 1970s.

Fourthly, certain data (with respect to land ownership) is available in Scotland, which could not be gathered, without an inordinate amount of difficulty, in any other part of Britain. This land ownership data, which is of immeasurable use in investigating "property interests", is of itself so valuable to the topic of research as to affect the selection of an area for study (see Chapter 9 for details).

Finally, the city experienced minimal war damage. Therefore no easy options for allowing road improvements or new developments were ever available to the local planning authority when seeking to improve traffic circulation in the central area. In almost every case, new development has had to replace existing, valued and often well defended, buildings.

1. Although the period of a minority Labour administration was brief (May 1972 to May 1974), it was the period when the policy to restrain offices was endorsed by the City of Edinburgh Council. The Labour group depended on the support of the Liberal group, throughout its period of minority control. Office restraint was discussed before Labour took control and the policy was not altered when the new District authority came under Conservative control in May 1974. There was no major political disagreement around this topic known to the present author.
The disadvantages of Edinburgh as a case study area clearly relate to features which might mitigate against generalisation. In considering the geography of office development in the city, the fact that central Edinburgh is split along the east/west line of Princes Street Gardens and Shandwick Place (see Figure 6.1 and a more detailed map placed in the pouch at the back of this thesis, for place names) into two distinct and dislocated halves (the New Town and The South Side) is unusual and, obviously, affects patterns of development. However, an appreciation of these effects is both possible and, indeed, instructive. This bisection of the city centre, which is paralleled by different socio-economic characteristics for each half of the city centre, also allows us to investigate more fully which types of pressure group have influenced office policy most in the city, and how.

It could also be argued that the extent to which central Edinburgh is endowed with fine and valued architecture is unique and therefore inappropriate for generalisation. However, since the defense of such "assets" by conservationist and amenity groups against the activities of the development industry is a central feature of this thesis, this must be considered a bonus rather than a disadvantage.

The City Centre of Edinburgh

As stated, the central area of Edinburgh is varied in character. To the south of Princes Street Gardens lies the South Side. This area crowds upon the ice-eroded crag-and-tail which supports Edinburgh's magnificent castle. Settlement on this prominent feature dates back
MISSING
PAGES
NOT
AVAILABLE
beyond medieval times, with present land use patterns being the result of centuries of continuous pressures for redevelopment. Until the eighteenth century these pressures were confined to a limited area stretching along the spine of the crag-and-tail. The constraints which existed around this area and continued pressures for space in which to live and work resulted in extensive multi-storey development in this area, much of which is still visible today along either side of the High Street.

The "First New Town", which lies directly to the north of Princes Street Gardens, contrasts markedly with the old city. The area was developed in the eighteenth century as an escape for the wealthy from the burgeoning squallor of the medieval burgh. Not surprisingly, this new area was developed in a very different architectural style from the existing town. It has a clear overall plan with the geometric street design characteristic of the 18th century with wide boulevards. It is still of a generally uniform nature comprising low rise buildings (see Youngson, 1966 and Reed, 1982). The original houses were large and have since proved appropriate for both housing and small offices.

Over time, both halves of the city have developed outwards from the centre. The South Side or "Old Town", has expanded southwards to absorb the established villages of Tollcross, Newington and others, whilst the New Town spread northwards until it coalesced with the port of Leith to the north east and the villages of Dean and Corstorphine to the north west. These periods of growth produced further areas
with elaborate geometric street patterns.

These two contrasting halves of the city centre form the background to any discussion of property development in Edinburgh and it is upon these distinctive areas that the recent pressures for large scale development have made their different impressions. However, the differences between the two halves of the city are not purely related to built form. When constructed, the New Town converted social distinctions into spatial segregation with a large proportion of the rich moving north, leaving the poor in the Old Town. As Elliott and McCrone (1980) note:

"The creation of the New Town was a very deliberate and dramatic step in the formation of ecological and social barriers in the city" (page 2).

The New Town developed into a prosperous business area, quickly surpassing the older area as an office and shopping centre. In contrast, the Old Town has not flourished and its fabric has tended to become dilapidated and neglected. Twentieth century planners have seen the South Side as an area in need of major improvement. As shall be seen, early post-war plans envisaged the demolition of substantial parts of the South Side. These proposals have since been superseded by plans to inject money into regenerating the area.

Finally, a further factor affecting the pattern of development in central Edinburgh is the topography of the city centre. Situated as

2. For an excellent review of the political and economic influence of developers in this period, see Elliot and McCrone, 1980.
it is, on a highly broken landscape of fault slopes and volcanic rocks, the pattern of settlement has a distinct regard for the dramatic physical environment. There are parts of the central city where the slope of the land is too steep even for today's advanced building industry to develop sites. However, the total area of land producing such problems cannot be greater than 10% of the whole central area. Hence, with the exception of Princes Street Gardens and the area close to the castle, these topographic features cannot be said to impinge greatly upon the processes studied in this thesis, except that they form the basis of a townscape and a range of views which are highly valued by conservationists and visitors to the city alike.

The Office Function in Central Edinburgh

"The heart of Edinburgh has always been one of the most prized office locations in Great Britain and extraordinarily tight planning restrictions have kept space at a minimum". (Moir, 1978)

It is not intended to represent the findings of past studies of office employment in central Edinburgh in detail (Freeman, 1970; Fernie, 1974; Turner, 1978), because our main interests relate to the production rather than the eventual use, of offices. However, a resume of their findings will indicate the importance of Edinburgh as an office centre and help to show the levels of pressure placed on the local planning authority to permit new office development.

Fernie (1977) notes that, in 1975, nearly forty per cent of persons employed in Edinburgh were engaged in some form of office work. The growth of office employment in the city has been especially rapid in
the Insurance, Banking and Finance sector. Between 1951 and 1966 Edinburgh experienced a rate of growth of 69% in office employment. This compared to 27% in Scotland as a whole and 49% in the U.K.. The total number of office workers in Edinburgh in 1966 was 69,000, making it the fifth largest provincial office centre in the U.K. after Birmingham, Manchester, Glasgow and Liverpool which all have substantially higher populations.

The city's role as a commercial, judicial and administrative centre is historical. Annan (1939) notes that the city has been the focus of the Scottish legal and governmental systems since 1535. Edinburgh now possesses the headquarters of two (of the three) Scottish-based banks, seven major life insurance companies, and many international finance companies. Penfold (1978) recorded the presence of over 55 national and international banks with headquarters in central Edinburgh. In addition to these financial offices, Edinburgh contains both the headquarters and main administrative body of central government in Scotland (the Scottish Office). It forms the location for the headquarters of the Regional Council (Lothian Region) and, like all other major cities, contains the offices of local government (i.e. the City of Edinburgh District Council). The highest court in Scotland and related offices, are also to be found in Edinburgh.

As will be shown later, the vast majority of these offices are
contained within the limited area of the city centre. Hence, although Edinburgh has a higher proportion of residents in its central area when compared to other cities, there is still a great deal of daily commuting into and out of Edinburgh's city centre. The problems of traffic circulation as a result of commuting have formed a major part of post-war physical planning in Edinburgh.

The planning of offices is therefore closely related to transportation planning. Owing to the pressures from office developers to redevelop sites, office policy in Edinburgh is also related to the planning and conservation of existing land uses and buildings, many of which are considered to be of great historical and architectural value. Therefore, there are three interrelated aspects of physical planning in central Edinburgh which need to be reviewed in order to fully appreciate the history of office planning in the city. As the next three sections show, transport planning, conservation policy and office planning, have evolved together to determine the eventual form of the office restraint policy.

Highway Planning in Central Edinburgh: Early Plans

Edinburgh has a long history of transport planning. This has arisen, not because of early innovation by planners, but of necessity. Ever since the First New Town, the idea of planning on a grand scale has

3. See Turner (1978). McCowan (1970) established that central location was of varying importance for varying types of office users in Edinburgh. Headquarter offices were in central areas primarily for ease of accessibility for staff. Many branch offices were in the central area for prestige purposes. The office as property investment was an important factor for over half the office users he interviewed.
become a part of Edinburgh's planning heritage. However, as we shall see, the city has been unable to solve its twentieth century transport problems satisfactorily by resort to action on a grand scale or otherwise.

Acute problems for Edinburgh were noticed as early as 1931 when the Mears Report (1931) called for the replanning the central area in order that "the great and increasing difficulties connected with modern traffic might be adequately dealt with". (Quoted in Dickson, 1971). Early plans were adventurous. The Clyde Report (Clyde et al 1943) recommended a number of new roads, the widening of several existing roads, an underground car park in the central area, a new bypass road outside the city and a new bridge from the Southside to an area to the east of the New Town.

The Abercrombie and Plumstead Plan (Abercrombie and Plumstead, 1949) added a great deal to the recommendations of its predecessors and, in fact, set the pattern for much of Edinburgh's later land-use and transportation planning. Traffic movement was monitored and a series of important proposals were made as a result of the surveys. In common with the planning ideology of the times, the proposals were far reaching in scope, including four new radial roads into the central area and an inner and outer ring road. The inner ring road formed the key to the plan, running alongside Princes Street (at a submerged level), the Bridges and Lothian Road (see Figure 6.1).

Under the rulings of the Town and Country Planning (Scotland) Act,
1947, the preparation of a Development Plan was made statutory. The Development Plan for Edinburgh was approved by the Secretary of State for Scotland in 1957 (City and Royal Burgh of Edinburgh, 1957). It contained many of Abercrombie and Plumstead's earlier recommendations, but with two of his radial roads omitted (leaving only a western and an eastern approach to the centre) and a new radial road added (entering the central area from the south west). The inner ring road was broken into two major, but unconnected, "relief" roads. The earlier plans for Princes Street were omitted completely. The Secretary of State modified this plan on approval by deleting the western approach road.

By the time the Development Plan had been approved, over twenty-six years had passed since the first, official, recognition of transport problems had been expressed, yet actual construction to aid the city's traffic problems had been negligible. By the time the Development Plan was approved, there were again calls for a comprehensive re-examination of the traffic problems in the light of changing circumstances (see Dickson, 1971). However, in the 1960s, several extensive surveys were commissioned by the local authority as a prelude to action.

The City and Royal Burgh of Edinburgh Corporation (1962), examined the level of usage of major roads in the city. It was found that Princes Street was carrying more than 23,000 vehicles within a twelve hour

4. In subsequent years part of this proposal re-entered plans and is, ironically, one of the few road proposals made for Edinburgh that was ever completed.
period (7 a.m. to 7 p.m.) and eight other roads in the central area were experiencing more than a thousand vehicles an hour in both directions at peak times. This survey, in conjunction with the progression of a major redevelopment of the east-end of Princes Street (St. James' Centre), led to revival of interest by local planners in proposals for a full scale inner ring-road. The first estimates for such a scheme (in 1964) were approximately £54 million. In addition, a local authority working party again restated a belief in a proposal to build a western approach road to take pressure off the existing overworked road running out of the centre towards Glasgow. These recommendations formed the basis of the Development Plan Review (City and Royal Burgh of Edinburgh, 1965).

A continuous and parallel problem associated with increasing congestion in Edinburgh was car parking, an issue of constant concern to Edinburgh businesses and traders. In a separate survey, Dinnis (City of Edinburgh, 1966) calculated that approximately 60,000 vehicles were parking in the central area of Edinburgh each day. Nearly half of these were long stay, reducing the parking space available to shoppers. With a long term estimate of demand for parking being 75,000 spaces, the need for action was seen as urgent. In response Dinnis argued that a maximum of 38,000 long-stay spaces should be provided through a variety of provisions such as park-and-ride schemes, public car parks, parking meters in the centre area and through encouraging central area businesses to cater for employees car parking within the curtilage of their premises. It could, however, be argued that the effect on the environment of such proposals might have
been almost as great as the road proposals themselves.

The road proposals contained in the Development Plan Review were met with a public outcry which ultimately united two main groups against the provisions of the plan. Tenants from residential areas under threat from road plans linked with conservationist groups to fight proposals which also affected ten areas with listed buildings (Johnson, 1966). The focus for the anger was the re-emergent proposal for an inner ring road. The Cockburn Association, Edinburgh Architectural Association, the Georgian Society and 400 individuals lodged complaints, not the least of which was against the inadequate amount of information on the design and likely effects of the road.

A major public inquiry was held into the Development Plan Review in 1967. When the Secretary of State published his findings in 1968, he advised the local authority not to proceed with the inner ring road, but to appoint consultants to examine properly the possibilities for, and the costs and benefits of, such a major scheme. Other road proposals, such as the eastern and western relief roads and certain suburban by-pass roads were left in the plan.

As we shall see in the following section, the 1960s witnessed a mounting tide of opposition to the changes taking place in Edinburgh's physical fabric. Because of minimal action on road construction, little of this can be attributed to completed transportation

5. The modifications to the Development Plan Review were not made formal until 1974, after the consultants had reported and the local authority had fully considered their proposals.
proposals. Much more is attributable to completed office developments and major office projects both under construction and in preparation at this time, and the threat of new roads. These feelings were recognised in the Development Plan Review which noted that:

"The opportunities for major highway construction to meet the need of increasing traffic generation are limited by the requirements of preservation of the character and form of areas of historic and architectural importance and practical considerations of cost". City and Royal Burgh of Edinburgh (1965, para 4.3).

They were even more apparent when, in 1969, Buchanan and Partners and Freeman Fox, Wilbur Smith and Associates were engaged by the local authority to prepare a transport plan for the central area. In an attempt to formulate a more comprehensive and coherent set of proposals, the planning consultants recommended that the Bridges Relief Road, which had been proposed for a considerable time and for which substantial land purchase had been made, be shelved owing to misgivings relating to the likely levels of benefits in relationship to its estimated cost of £11 million.

The consultants submitted a preliminary report in mid-1969 but the bulk of their empirical analysis was conducted in 1970 and 1971 with a final report published in 1972 (see Buchanan et al 1972). In common with transport studies occurring in cities across Great Britain at the time, a set of alternative road schemes were designed, which were then subjected to a cost-benefit analysis over a predetermined period up to 1991 in this case). By closely examining the proposed schemes, and parts of schemes, a final "preferred solution" was chosen. The total cost of the consultant's proposals was £104 million at 1970 prices,
with approximately 90% of this money to be spent on property purchase and road construction. The rest was for public car parking. In conjunction with providing specific recommendations with respect to new roads, the consultants urged the local authority to view their transportation problems in a much broader way. Importantly, they urged the local authority to consider adopting land use planning policies which would help to stabilise levels of employment in the centre and thus slow the growth in commuting. This was the first intimation of possible restraints on office development in the central area.

The final strategy of the consultants was one which envisaged greatly improved bus services, limits on car usage at peak hours for commuting and a system of new roads. The roads included a city by-pass, and Intermediate Circular Route, which was to be based on disused suburban railway lines in areas outside the centre, and some improvements on the central area road system. The central "loop" was to include using existing roads (Queen Street, Melville Drive, Meadows Road), a tunnel under part of the West End, a relief road for the Tollcross area and a subsurface Bridges Relief Road. The inner loop was to be connected to the Intermediate Circular Route by improved radial spurs (Buchanan et al., 1972).

When the road proposals were finally presented to the local authority, they were again bitterly opposed by a growing number of amenity groups. Their presentation was also affected by a developing concern for economy in public expenditure and rising inflation. The availability of £104 million to complete the project was never secure.
and the possibility of an inner ring road had dwindled through time.

To examine the consultants proposals the local authority established a Technical Working Group which published its findings in 1974 (City and Royal Burgh of Edinburgh, 1974). The local authority was increasingly being made aware of the general lack of public support for the major road proposals and the anger of those in areas to be disrupted by the plans. The major concern shown by the Technical Working Group was for the cost and it was noted that a two-edged problem existed. One could either cater for more traffic or restrain further traffic growth. Owing to the necessity for economy, the opposition to the demolition of properties to facilitate the plan and the public support to conserve the environment, the report advised that emphasis in the late 1970s should be on traffic restraint. However, the plan for a city by-pass was retained.

Hence, when the new local government structure was introduced in Scotland on 16th May 1975, the newly formed (and Labour dominated) Lothian Region Council inherited an entirely different range of possible solutions to help solve these long-established traffic problems. Major transportation measures in Edinburgh (as opposed to land use planning measures), have since been designed on the basis of ever decreasing budgets. The first statement of the new authority on road construction (Lothian Region, 1975), gave priority to eradicating the blight left by unimplemented road proposals. The

6. Interviews with officials of the local planning authority indicate that opposition to the plan was largely from those with "vested interests", namely residents whose homes were threatened by the plans, rather than conservationists.
eastern and southern link roads were no longer safeguarded, but some new roads were still kept under consideration. These included the eastern approach road and the Bridges relief road. The emphasis of the strategy was altered towards increased investment in public transport, rather than in new roads.

Two years later Lothian Region (1977) foresaw an annual transport budget of just over £3 million for the entire region (which contrasts with the £104 million proposed for the 1970 scheme in central Edinburgh). Road building proposals were now largely confined to outer and suburban areas, whereas the emphasis in central Edinburgh was put on low cost traffic management, very tough car parking restrictions to deter commuting by car, the use of bus lanes and the use of computerised systems to aid traffic flow at problem junctions. The bus was seen as the principal mode of transport and Edinburgh was quick to experiment with bus lanes, having twenty-one by 1978 (National Bus Company, 1978) costing over £500,000 in 1978/79 and an estimated £2.2 million in the following year. In 1977, Lothian Regional Council (1977) calculated that over sixty percent of city travellers, travelling at peak times were using buses, a very much higher proportion than in most other British cities.

7. See City of Edinburgh District Council (1975) for a full history of the extensive schemes in this area which have been responsible for severe blighting in the South Side for many decades. Also see, MacInnes (1976, p.66), who notes that the boundary of the South Side Local Plan was fixed in such a way that the possibility of a future Bridges relief road did not need to be considered in detail in that plan (prepared throughout 1974).

8. Bus fares have been subsidised for a long time in Edinburgh, forming the focus of a row over expenditure between the Conservative controlled district and Labour controlled regional authorities in the early 1980s.
The Lothian Region Structure Plan (1978) reiterates this new approach to transport planning. The Regional Council noted two environmental issues:

(a) the importance of tourists, visitors and shoppers to the economy of the city and wishes to accord them pleasant surroundings where possible.

(b) the need to develop ugly gap sites in the city centre. It was thought that this would lessen the number of available car park spaces and generate more traffic when they are developed.

As a result of these two desires, the Regional Council advocated a reduction in the volume of traffic within central Edinburgh. The means suggested to achieve this aim included maintenance of an office restraint policy, the introduction of subsidies for public transport, the initiation of more bus-priority schemes and the creation of park and ride schemes. The Structure Plan also proposed to investigate how disused railway lines might be used as routes for a new city-wide system of single carriageway roads.

The Structure Plan also abandoned proposals for southern and eastern link roads as well as two major suburban proposals. However, traffic problems are still very serious in central Edinburgh with only seventy-six car park spaces per 1,000 jobs (Lothian Regional Council, 1979) compared with, for instance, 120 in Nottingham and 240 in Bristol.

With respect to defending Edinburgh against road proposals, as recently as 20th June 1983, the Sunday Times reported on the "uproar over town centre motorway plans" (Sudjic, 1983) in Edinburgh, with a
further consultant's report advocating a £26 million extension and improvement to the existing Western Approach Road. The defence of Edinburgh's central area from road development is still an emotive issue as it was in the early 1970s. Thus, the road proposed in 1983 was seen by one protagonist as a "dagger aimed right at the heart of the city".

Hence after nearly fifty years of designing, researching and proposing major changes to the traffic system of central Edinburgh, only a small number of suburban road proposals and a single relief road have actually been completed. The extent of planning blight in the South Side area of the city has been extensive and has led to severe environmental decay, whilst, in other areas of the city, serious traffic problems still persist. The opportunity to plan for major schemes has gradually evaporated under the joint pressures of increasing political opposition and decreasing available funds. It is to an examination of this political opposition to physical change that we now turn, since it forms an essential prelude to understanding the policies developed to control office development in the central area.

Amenity Groups and Conservation Planning in Central Edinburgh

Given the extraordinary scale, beauty and general condition of the Georgian New Town of Edinburgh, it is hardly surprising that conservation and amenity groups have operated in the area for a considerable length of time. The houses of the New Town have for the

9. Early planning control, before the advent of statutory planning powers, was generally vested in the powers of feudal superiors to place the equivalent of covenants to operate on their land after transfer. More specific to Edinburgh was the Dean of Guild Court which operated a form of building control, but which did not formulate policy.
most part remained, since their construction, in the hands of the upper and middle classes of the city. The communal ownership of gardens and the maintenance of tenement buildings encouraged the development of small area residents' associations. Early amenity groups, composed mainly of intellectuals, professional people, gentry and businessmen, have been in existence in the city for a long time. It will be shown that the amenity societies in Edinburgh are similar in size, organisation, resourcefulness and direction to those outlined as "typical" in Barker's (1976) nationwide review of such groups. However, Edinburgh is a major city and stocked with valued buildings to such an extent that its amenity groups would rank amongst the biggest and the most resourceful of any in Britain with support stretching to the highest levels in British society.

Contemporary amenity groups fall into three different categories. Firstly, there are those groups which are territorially based such as the Charlotte Square Gardens Proprietors', West End Residents Association and South Side Association. Throughout the study period of this thesis (1959-1978), the number of such groups has grown dramatically. In both the New Town and in many of the working class areas inside and outside the city centre, locally organised tenants' groups have emerged.

A second category of amenity group in Edinburgh is that concerned with general environmental issues in the city. Included in this category are the Cockburn Association (named after Lord Cockburn and

10. These distinctions are akin to those outlined by Barker (1976). Also see Chapter 5.
established in 1875) and the Saltire Society. As we shall see, both are predominantly composed of higher socio-economic group members. Other environmental "watchdogs" with a nationwide concern have their basis in Edinburgh and can be included in this group, like the Scottish Civic Trust and Scottish Georgian Society. Generally speaking these groups are the oldest and largest of the amenity groups active in the city.

The third category of amenity group is that established to campaign and fight on specific issues. These groups can become formally recognised and even funded by the local and central government (as in the case with the Edinburgh New Town Conservation Committee), or they can remain active without such help, as in the case of the Edinburgh Amenity and Transport Association which emerged in response to the road proposals mentioned in the previous section.

It is manifestly impossible in the space available to consider the detailed history of all of the multifarious amenity groups operating in central Edinburgh. However, with respect to the topic at hand, it is essential to consider the movement as a whole and its relationship to the formulation of planning policy in Edinburgh. Hence, we will concentrate on the actions of the most important and active group (Cockburn Association), and its role in co-ordinating the efforts of smaller residents' groups and larger, more general groups.

The Cockburn Association has for a very long time been the largest and most influential amenity group in Edinburgh. It was established in
1875 with the following objectives:

(a) the preservation and improvement of the natural attractions of Edinburgh and its neighbourhoods;

(b) the encouragement of efforts for the promotion of the means of healthy and elevating recreation for its inhabitants.

(Cockburn Association, 1875).

By 1958, these aims had been changed to "the preservation and improvement of the amenity of Edinburgh and its neighbourhoods" (Cockburn Association, 1958). With these aims the Cockburn Association has acted throughout our study period as a general coordinator for other pressure groups. In 1960, its published list of executive members revealed the presence of several leaders from other smaller amenity groups. Even in the early 1960s, the Cockburn Association was active in challenging the local authority planners on a variety of issues concerning the environment and development. By 1960, the Cockburn Association had over 500 members and had established four expert "research" panels to examine all aspects of planning in the city. With the professional expertise available to the group, it was not difficult for the Cockburn Association to construct extremely competent panels of experts to review and comment.

11. The Cockburn Association was greatly revived after the Second World War. Its inter-war membership of 1200 has never been repeated but, with the growth of other amenity groups taking potential members, its mid 1970s membership of over 800 could be considered a major recovery. As early as 1961 the Cockburn Association organised a "Joint Conference of Amenity Societies".

12. An interview with the present Secretary of the Cockburn Association revealed that, in the 1960s, several major developments had occurred without too much opposition from the Cockburn Association. This has since changed. The Association now review the published list of planning applications every month and are involved in making comments on most of the important proposals.
on planning policy in the city. The four areas of policy review were historic buildings, new buildings, town planning (policy) and open spaces. However, it should not be thought that these early years of our study period were conflict ridden. The amenity groups' concern over the environment was to grow steadily throughout the 1960s.

Other groups active in the early 1960s were the Saltire Society, Scottish Georgian Society and, advising the local authority on development proposals in a corporate capacity, the Royal Fine Art Commission. In general, each group carried out its own work in accord with its own aims and objectives. But the general picture is not one of groups working in isolation, but rather one of close contact and cooperation, enhanced by substantial cross-membership. Major environmental issues regularly brought the groups together. Although evidence presented in the following chapters of this thesis shows that pressures for property development were being exerted on both halves of the city centre, it was the First New Town, north of Princes Street, that formed the focus of attention for the early political activities of the amenity groups (McEwen, 1975).

Owing to the increasing concern over the effects of property development, the environmental groups became involved in the planning process. The Cockburn Association, for example, was instrumental in the preservation of historic buildings. Their influence was evident in the development of planning policies that recognized the importance of historic architecture.

13. Details from Bruce (1975) show over 80% of all the listed committee members of the Cockburn Association between 1959 and 1975 were members of established professional institutions or possessed other titles.

14. In addition, there was also the Princes Street Panel. This was a body of professional architects in private practice who were requested to give comment on design aspects of development proposals. In 1967, the Panel was commissioned to recommend principles and standards for the future development of Princes Street, George Street and Queen Street. The emphasis was primarily on the design of new development rather than the actuality of its occurrence.
development in the early 1960s and with the prospect of further development, the close relationship and cooperation between the local planning authority and the amenity groups deteriorated through the 1960s. Although they were consulted on many of the proposals coming forward, it often seemed as though their views had only marginally affected decision making. Consequently, a steady stream of valued buildings was lost. Contemporaneously, increasingly grandiose developments were being proposed for the city centre by speculative developers. These included a twenty-three storey office block on the western edge of the city centre (Haymarket Station, see below), an eighteen-storey hotel in George Street and a major new headquarters for the Scottish Office to the east of the city centre (see below). Hence, although the importance of the conservation of amenity was appreciated, even in statutorily approved planning documents (viz. Development Plan Review para 3.7), valued buildings were still being lost. This engendered a sense of frustration and anger for many of the groups.

The re-emergence of a plan for an inner ring road in the Development Plan Review was seen by the conservation lobby as utterly intolerable. Until now the expression of discontent at trends in development had largely been left to the amenity groups. However, the road proposals of 1967 formed a natural focus for the expression of discontent about planning practice in general in the city. The Cockburn Association Annual Report (1967) stated that:

15. e.g. Mary Erskines School in Queen Street and the Venetian style, Life Association of Scotland building in Princes Street.
"Edinburgh in 1967 witnessed an unprecedented growth of public concern over the City's planning proposals. That the ignition of the flame required such an outrageous proposal as the Inner Ring Road as an activating spark is a sad reflection of past apathy" (page 3).

With respect to the central government recommendation encouraging the local authority to engage consultants to prepare road proposals, the Cockburn Association noted:

"In the light of that recommendation perhaps the citizens of Edinburgh can look forward to the years ahead with some hope that the planning of their city will be neither piecemeal nor patchy as in the past, but comprehensive and constructive" (page 3).

The period 1967 to 1970 marks the most important period in the development of conservation policy in central Edinburgh. In response to the calls for more stringent controls over development in the New Town, the body of architects and other professionals used by the local authority to comment on incoming development proposals (the Princes Street Panel) was asked to publish a report establishing design guidelines. In 1968, a second body, the Holford Commission (1968), advised the local authority to exercise far greater control over the development of high buildings in the central area and conservation areas in order to retain Edinburgh's low level townscape. This report was published after increasing concern over the possible despoilment of valued vistas which would occur if certain proposals were to go ahead. In the same year the first Conservation Study and Report (City and Royal Burgh of Edinburgh, 1968), isolated office development as one of the major processes eroding the amenity of the central area by decreasing the residential base of key parts of the New Town.
Possibly the most important single event in the history of conservation planning in central Edinburgh took place in 1970 when the Scottish Civic Trust sponsored a conference to discuss the need to conserve central Edinburgh. Eminent speakers and public figures from across the world were invited to speak. (Scottish Civic Trust, 1972). At the conference Viscount Muirshiel recorded that:

"The Queen Mother ... has asked me to tell you how deeply she feels on the whole question of the conservation of the New Town of Edinburgh. It is very much a matter close to Her Majesty's heart".

and Lord Hughes, Under Secretary of State for Scotland stated,

"I am confident that no Government will flinch from the responsibility of playing its part in safeguarding this great asset. It is an asset which is priceless, not only in aesthetic but also in economic terms. The New Town is an essential part of the unique character of the city". (page 7).

In conclusion, the conference urged, in the strongest possible terms, that the local authority and central government establish a committee with appropriate funds to help conserve the New Town of Edinburgh.

Government bodies responded and in 1973 the Edinburgh New Town Conservation Committee (ENTCC) was established with funds from both central and local government and with a remit to act both as a semi-autonomous body to aid the restoration of parts of the New Town and to act as a watchdog on planning policies affecting the New Town. The ENTCC executive contained both representatives of local and central government and representatives from many of the major amenity groups in the city including the Cockburn Association, New Town Residents

Association, Scottish Georgian Society and Scottish Civic Trust. The income of the ENTCC grew from £160,000 in 1974/75 to £400,000 two years later, although it has since fallen in real terms (ENTCC, Annual Reports, various years). Hence, a new, more intimate and incorporated channel for registering discontent over development with the local authority was established for New Town groups.

Under Section 262 of the Town and Country Planning (Scotland) Act 1972, and the Town and Country Amenities Act 1974, thirteen conservation areas had been established around Edinburgh by August 1975. There were conservation areas in Calton, St. Andrews and Dean Village (see Figure 6.1), which were later enlarged and amalgamated into the New Town Conservation Area. There was also a smaller conservation area centred on the High Street in the South Side. These Acts placed an obligation on the local authority to define valued parts of their area of jurisdiction for stricter building and development control. The newly emerging policy of supporting conservation meant that this national initiative was embraced with enthusiasm at the local level in Edinburgh. On 28th July 1977, a further eleven conservation areas were declared. The old Dean conservation area was extended at the same time and the South Side conservation area was absorbed into a much larger Old Town conservation area. It is to conservation efforts in the South Side that we now briefly turn.

In contrast to the longstanding community involvement with conservation in the New Town, similar pressures did not fully emerge
in the South Side or Old Town until after the establishment of ENTCC (and in many respects forms an extension of it, with somewhat similar aims). One possible reason why the authorities did not take this responsibility on is given by McEwen (1975) when she notes that,

"Edinburgh City Corporation has been reluctant to designate conservation areas to give grants to the maintenance of listed buildings, or to spend money in any way, because it feared that with so much to preserve, conservation would be a vast drain on the City's resources" (page 40).

Public protest in the South Side was much more concerned with planning blight, derelict property, road proposals and services. However, the local authority (Edinburgh City Council) established a South Side Advisory Panel in 1974 to:

"form a representative body through which the opinions and comments (of those with an interest in the area) could be channelled to the planning team and through them to the Planning Committee of the Corporation". quoted in MacInnes (1976, page 62).

It also established a South Side Planning Workshop to:

"inform the public of work currently in hand, exhibit information as it became available and generally to enable the planning team to meet local people in an informal atmosphere" (South Side Local Plan, Vol.1, page 23).

17. There had been two major cases of blight in this area. Firstly, there were the road proposals mentioned earlier, and secondly, there was the plan for a major redevelopment of large areas of the South Side, produced jointly by the local authority, the University of Edinburgh and a private developer (Murrayfield Real Estate Co Ltd). The plan for a major commercial and cultural area in the South Side foundered when the private developer backed out, but in the course of preparing for the scheme both the local authority and the University bought up large numbers of residential units, many of which were ultimately demolished or left to become semi-derelict. For a detailed discussion of this plan and residents reactions to it see City of Edinburgh District Council (1975) and Peacock (ed) (1976).
The resentment of many South Side inhabitants towards the planning authorities in the city is shown vividly in polemics such as 'The Unmaking of Edinburgh' (Peacock (ed) 1976) and in the proliferation of community newspapers. As in the New Town, the local authority proved eager to formalise the channels for this opposition. A further example of this eagerness to support amenity groups with whom they could later negotiate was shown in the establishment of the Old Town Association. The early literature of the Old Town Association, notes the support given to the association by both the planning and social work departments of City of Edinburgh. It also exemplifies the mutual support various amenity groups were giving each other, with the Cockburn Association, Grassmarket Area Group, St. Mary Street Association, Ramsey Garden Proprietors and Tron Community Association who all assisted and supported the new group. The constitution of the new group (Old Town Association, 1977) sought to secure more houses, the rehabilitation of existing properties, attract more improvement grants for housing more shops and social amenities to the area, support action on derelict sites and give a general priority in planning matters to the needs of pedestrians.

Figure 6.2 shows the growth in amenity groups known to the local

18. In the South Side there was the 'South Side News'. Elsewhere, the areas threatened by road closures developed the 'Colonies Newsletter' Dean Village Association News and Gorgie-Dalry Free Press. The 'New Town Association Newsletter', Fettes Row News and the Great King Street Association Newsletter were among many publications in the New Town.

19. In an interview, a District planning officer explained that it was easier to respond to the views of an organised body rather than to a varied set of comments and complaints. However, such attitudes have led to criticisms of unrepresentativeness in this dialogue with business and property interests being given disproportionate attention (MacInnes, 1976).
Figure 6.2: Amenity Groups in Edinburgh Known to the Local Planning Authority 1968-1982

Source: Various Local Authority Listings of Groups
authority. The major rise through the period 1968 to 1976 is largely a result of the growth in the number of amenity societies outside the New Town area. Growth has continued throughout the study period but has tailed off slightly since that time.

Hence, by 1977 developers wishing to engage in office development in central Edinburgh were faced with an array of powerful and fiercely conservationist amenity groups, twenty-six conservation areas covering most of the central area with complex sets of design rules and, as we shall see later, tight planning restraints on office development. The developers' view of the ascendancy of the conservationist lobby to a position of power with respect to the formulation and implementation of planning policy is succinctly summarised in the following statement made to the City's planning sub-committee by a representative for Phoenix Assurance Company after a lengthily discussed proposal for a major new office development in St. Andrews Square (see Figure 6.1) was, after extensive negotiations, refused. He noted:

"Many ... deplore the almost total erosion of this Committee by outside bodies, which has been so apparent during the unfortunate history of this development", (Planning Committee Minutes, 1972-1973, p.593).

Before considering office development and office policy directly, it is important to outline a further group with definite interests in the appearance of the city centre. The following section outlines the 20. The Edinburgh Room of the George IV Bridge Library in Edinburgh reveals that there were at least sixteen different amenity groups in the central area publishing regular newsletters in the early 1970s. Almost all of these regularly featured planning policies.
growth and incorporation in policy making of a Tourist Industry lobby in the city and its views on development in central Edinburgh.

The Growth of a Tourist Industry Lobby in Edinburgh

As early as 1962, a group campaigning against any imposition of restrictions on the use of cars in central Edinburgh noted that:

"Edinburgh is a tourist city and the visitor should be encouraged not frightened away, because there is no doubt if there was serious restriction on the use of cars in the central area it would have repercussions on trade, shops and hotels", Road Campaign Council (1962, page 25).

Since that time, there has been a growth in both the economic value of tourism to the City of Edinburgh and in the perception of the importance of tourism to the city. A survey in 1966 estimated a growth of one million "bedspace nights" in the City between 1971 and 1981, raising the total to over three million bed space nights per annum (Scottish Tourist Board, 1970). In the same year, Lindsay (1970) noted:

"Edinburgh already claims, after London, the largest number of tourists who visit Britain. Tourism is, in fact, the most profitable commodity which Scotland has to sell ... The Edinburgh citizen, preoccupied with his day-to-day business, perhaps worrying about the level of his rates or the political complexion of his local councillor, is apt to forget the basic capital value of the tourist to (the central) part of the city", (p.30).

With growing tourist numbers and a dwindling range of alternative opportunities for economic growth, the business community and the Edinburgh citizen have been made increasingly aware of the importance of tourism. Vaughn's (1977) comprehensive study established that tourists spent almost £17.5 million in Edinburgh in 1976, of which
approximately £5 million stayed in the area as local income. This expenditure also sustained the equivalent of nearly 3,500 permanent jobs in the city.

However, it is true to say that this growing economic importance has only recently been translated into any significant input into policy making in the city. In parallel to central government initiatives encouraging local authorities and local representatives of the tourist trade to engage in a mutual discussion of problems and plans, City of Edinburgh District Council established the 'Edinburgh Tourism Group' on 24th September, 1982. The new body comprises members of the local Chamber of Commerce, the major transport groups (e.g. airlines, railways and buses), representatives of the entertainment, hotel and restaurant trades, as well as the local Trades Council. It meets with nine local councillors on a quarterly basis with the following objectives:

(i) to provide advice generally on the best methods of encouraging persons to visit Edinburgh for recreation, for health purposes or to hold conferences, trade fairs and exhibitions;

(ii) to examine and advise on proposals by the ... District Council, Scottish Tourist Board or Edinburgh tourist trade for the encouragement of tourism in Edinburgh;

(iii) to coordinate and liaise with tourism interests in Edinburgh;

(iv) to cooperate with other bodies in the field.

(Minutes of the City of Edinburgh District Council Sub-Committee (of the General Purposes Committee) on Public Relations and Tourism, 24th September, 1982).

21. Vaughn (1977) notes that the effects of business trips add considerably to this total. The overall value of visits to the city was £40 million, creating the equivalent of 7,300 full time jobs.
The first known comment of the new body on the environment of central Edinburgh was made in the second meeting of the group when it was noted that:

"the trade were extremely concerned at the general untidy appearance of the City Centre manifested by empty buildings, unsightly 'to let' signs, dirty streets, all of which presented a very poor image for the City', (29th March, 1983, item 17).

Hence, despite indisputable interests in environmental conditions in the central area, the tourist 'lobby' seems to have only recently established a formal channel of communication with the local authority. Previous to this, the general feelings of the lobby were expressed to the local authority through the Chamber of Commerce, of which the tourist trade forms a noticeable element. Undoubtedly, this particular lobby is concerned over the availability of parking spaces and the need to ensure sufficient provision is made to accommodate tourists. The formulation of communication between the tourist industry and the local authority is likely to make conservation policies more secure in Edinburgh, although there is the scope (and some would argue, the need) for more conference and hotel facilities in the central area. Sites at Castle Terrace and Lothian Road have been discussed in this context for a considerable time.

Background to the Formulation of the Office Restraint Policy

The attitude of the local authority towards office development in central Edinburgh has changed radically through the period under study in this thesis. However, these changes have been closely related to

22. Obtained through scrutiny of the minutes of the Edinburgh Tourism Group's meeting.
the changing circumstances of transport planning and the emergence of conservation as an emotive political issue. Since the background to the changing policy stance has already been outlined, this section concentrates specifically on the history of planning attitudes to offices in central Edinburgh paying particular attention to the influence of the growth of office use and office development on policy formulation. This is followed by a review of the influences of various interests, including the property and business section, on the form and nature of the policy.

As early as the "Abercrombie Plan" (Abercrombie and Plumstead, 1949), the interconnections between office use and traffic generation were seen as likely to cause problems. The loss of residential units in the New Town, through their change of use to offices was also considered undesirable. However, there was no conception that office use should be restrained (other than where it entailed the removal or demise of an existing residential unit). Economic growth with a combination of growth in office use and improved roads were thought likely to solve the problems of commuting and retaining economic vitality simultaneously.

The Development Plan (City and Royal Burgh of Edinburgh, 1957) adopted the stance of the Abercrombie plan towards office development, and, in common with its first review (City and Royal Burgh of Edinburgh, 1965), divided the city up into intended land use zones within which certain uses were "preferred" and others considered contrary to good planning. Uses not specified as preferred or unacceptable would be taken on their merits.
Most of the central area of the city was zoned in both plans for "general business" or "commercial" uses (Table 6.1 for full schedule). Offices were the preferred use in general business zones, with only general- and special-industrial uses considered unacceptable. All other uses, including shops, warehouses, public buildings and schools, were to be considered on their merits. In terms of other zonations, offices were only considered unacceptable in areas designated as open space, agricultural use and school and institutional zones. In all other zones (residential, commercial, cultural and industrial) offices were to be considered on their merits.

In summary, the Development Plan Review, like its predecessor, encouraged office growth in the central area of Edinburgh. Since the vast majority of the central area not covered by the general business notation was covered by zones in which offices were to be considered on their merits, there were very few areas in which offices were explicitly considered as undesirable.

It is significant that the Development Plan Review of 1965 remained the statutory planning document for central Edinburgh until 1978 when it was superceded by the non-site specific Lothian Region Structure Plan. It remains the only site-specific statutory plan for the New Town area, which has no published local plan to date (March, 1984).

In 1967, in the face of criticism about the form and piecemeal manner of redevelopment in the New Town, and Princes Street in particular, the Princes Street Panel were requested to draw up design guidelines
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**Note:** The letter "P" in the Chart indicates that the zone is primarily intended for the group of building uses opposite which it appears. The letter "X" indicates that it would be contrary to good planning to allow within the zone any of the group of building uses opposite to which it appears. The absence of a letter against a group indicates that the grant or refusal of planning permission will depend upon the scale and exact location of the proposed development within the zone rather than upon its kind, and that, therefore, each proposal will be decided by the Corporation according to its individual circumstances.

This table does not apply to the Green Belt area, control within which is referred to in Section XVII.

Table 6.1: Use Zone Table, City of Edinburgh Development Plan, 1957

Source: City & Royal Borough of Edinburgh (1957)
for any further development in the New Town area. Wishing to maintain the architectural unity of built forms, the Panel developed guidelines to which all further redevelopments on Princes Street should conform. Building materials were to be controlled and height and plot ratios were defined by the Panel for the First New Town. It decided that an external walkway was to be included at first floor level in all redevelopments in Princes Street. Based on the assumption that Princes Street would eventually be completely redeveloped (City of Edinburgh Planning Department, 1982), these requirements would lead to a new sense of architectural unity being created in central Edinburgh's busiest thoroughfare. In effect, the growth of interest in conservation and the considerable length of time necessary for a street like Princes Street to be redeveloped by the individual decisions of proprietors, has (somewhat inevitably) meant that only part of the redevelopment has occurred, resulting in recurring criticism of this "ghastly mistake" (Sudjic, 1982). However, in terms of office policy, the Panel Report (1967) made an important contribution. The Princes Street Panel advised the local planning authority to establish policies to restrict the activities of speculative developers which it saw as being responsible for much of the damage to Edinburgh's architectural heritage. Buildings had been bought and demolished by developers in anticipation of future demands for office space but with little or no feelings for the townscape or environment of central Edinburgh. Speculative developers were viewed as Philistine outsiders who were "not to be allowed to proliferate unchecked". However, the Panel were also very concerned that local business interests should not be affected. Their report notes:
"(The expansion of office activity) is inescapable and it would be most unfortunate for the continuing prosperity of Edinburgh if our great business and commercial houses were forced to move to another centre, possibly to London, because sites cannot be found in the (First New Town). It is desirable therefore that the needs of established concerns be given sympathetic consideration", (Princes St. Panel, 1967, p.10).

This view has formed the basis of all subsequent policies relating to office development.

The Influence of Major Development Proposals On Office Policy

As we have seen, the need for policy change can arise from a wide variety of political pressures, centred around different issues and applied through different channels. However, it must also be recognised that the design of policies is not isolated from the exigencies of day-to-day planning practice and, although we have noted the influence of highway and conservation planning on office policy, we must also look at the evolution of planning responses as they evolved through the consideration of applications for office development in central Edinburgh during the 1960s. Two particular developments epitomised the change in attitude towards office development in the city during the 1960s and early 1970s and were instrumental in turning office development itself into a political issue alongside highways and general conservation. One of the two proposed developments, the St. James' Centre, went ahead. The other, a 23-storey office block at Haymarket Station, was initially given planning permission in 1962. Under mounting public protest, the local authority later modified this permission in the early 1970s, a decision which cost them over £400,000 in compensation to the
developers. Detailed, though incomplete, histories of both development can be found elsewhere.

The following section briefly summarises the histories of the two developments. It adds to the work of Haug (1976) and Tetlow (1977) with extensive research into press cuttings and Planning Committees of the time, to reveal their impact on the formulation of office policy in Edinburgh. These two cases were chosen for detailed study because of their central importance to the formulation of policy.

(a) St. James' Centre

A feasibility study to examine the possibilities for a comprehensive redevelopment of St. James' Square to the east of the New Town was commissioned as early as 1958. A report published in 1962 foresaw the possibility of a major commercial and office redevelopment which, in line with central government guidelines described earlier, could be developed through a joint partnership between the local authority (a major landholder) and private developers. The scheme was put out to tender and three developers were shortlisted. The Scottish company of Murrayfield Real Estate Company Ltd were appointed in October 1964.

The accepted design was for over 300,000 sq.ft of offices, 68 shops, a 160 bedroom hotel, 2 public houses and a multi-storey car park. Both

24. This company had been working with the local authority on the previously mentioned scheme to comprehensively redevelop the South Side and as a result of this appointment pulled out of that scheme, causing it to collapse. The company was almost immediately merged with another of the three short-listed developers, Ravenseft Property Company Ltd (now a part of Land Securities).
McNamara (1979) and, especially, Hume (1976), have reported the extreme difficulties experienced by the local authority, in trying to control the design and contents of the development, despite being the major landowner and through its own pension fund, part financier. Hume (1976) also reports the unequal returns to the developer (guaranteed 11% return) and the local authority (forty years to regain outlay). Hume notes that the local authority spent £4 million on acquiring the site.

The contribution that the St. James' Centre development made to policy came through the opprobrium it generated in the conservation lobby and general public. The design of the development had been consistently opposed by the Royal Fine Arts Commission for Scotland who were not consulted to their usual extent on this development. However, the furore over the new centre grew enormously as its grey concrete bulk imposed itself on the Edinburgh landscape. Started in 1968, the development neared completion in 1973, and in many ways (along with the Haymarket development) formed a focus for conservationist's anger against the general processes of office development in the city. On completion, regular features and letters in local and national newspapers condemned both the politics of its construction and the final form of the development. Comments included:


Member of Parliament Nicholas Fairbairn emotionally described it as:

"a major and terrible disgrace..., a disgrace to planning, an offence to the eye, ... a wound to our city ... a monument to profligacy", Scotsman, 12th June, 1974.
In response, a plan was formulated (but never implemented) to cover its greyness with ivy. Public requests were made in the national press for the Secretary of State to conduct an inquiry into how such a "monstrous" development came to pass.

(b) Development at Haymarket Station

At the same time that the St. James' Centre was emerging onto the Edinburgh skyline, conservationists were fighting a further battle on the other side of the city centre to prevent a development of similar scale (though radically different form) from going ahead.

In 1962 an outline planning permission had been granted to joint applicants (Railway Sites Ltd. and Campbell Henderson Holdings) to develop a twenty-storey office block on the site of Edinburgh's second station (Haymarket). This proposal also included plans to redevelop the station and generate a new hotel and shopping complex. Tetlow (1977) explains that opposition to the scheme was minimal at the time it was first proposed. Indeed, the council viewed the development as both innovative and inevitable. It was hoped that the development would boost the city's image and represent its first step into the modern era. No major opposition was shown when, in the following year, the proposal was amended to add a further three storeys to the development.

However, owing to difficulties between the landowner, developers and

25. This call was not responded to. Some believe that this was because the development was designed to house the new headquarters of the Scottish Office and had not been called in by the (same) Secretary of State nearly a decade earlier when at proposal stage (Hume, 1976).
financiers, the proposal was taken no further until 1969 by which time, as we have already noted, the mood in the city towards new office developments had changed radically. Detailed plans, in conformity with the earlier outline permissions were submitted by the (now named) British Railways Property Board and Dalry Developments. The scheme had financial backing by Norwich Union Life Insurance Society and included over 250,000 sq.ft of offices, 16,300 sq.ft of shops, a 35,000 sq.ft hotel, a new station and car parking for 550 cars. Since the proposal was in conformity with an existing permission the local authority felt it had little choice but to accede to the development, despite vocal opposition. Detailed planning permission was subsequently given with a starting date for construction in April 1972. These proceedings were bitterly condemned by amenity groups across the city and the progress of this development emerged as a major political issue in the city.

The final hurdle for the developers was to obtain consent from the Secretary of State and the Dean of Guild of Edinburgh to demolish the Victorian Haymarket station which, in line with national conservation legislation, had been declared as a listed (and thereby especially protected), building. With respect to the Dean of Guild this was usually a formality. However, this procedure gave the amenity groups time to mount a highly effective protest campaign against the development. Opposition to the proposal mounted throughout 1971. In August 1971 the Royal Fine Arts Commission requested the Secretary of State to call the proposal in. The Cockburn Association wrote open letters to the national press campaigning for a revocation of the
planning permission (Scotsman, 17th August 1971). In September 1971, a major public meeting, repeating the success of the Scottish Civic Trust conference a year earlier, was attended by over 200 people and speeches were heard from the Cockburn Association, the Saltire Society, local politicians, academics and residents associations. The speeches were given ample coverage in the press and efforts were made to turn the development into an electoral issue. One speaker at the public meeting (from Leith Civic Trust) moved that:

"It is high time we looked at the people who voted for this proposal and get them out at the next election", Scotsman, 15th September, 1971.

The meeting concluded with a call for conservationists to be given a chance to make their representations direct to a planning committee meeting. This request was acceded to. The local authority also allowed the protestors to mount an exhibition of the potential damage that the development could cause. To this end the protestors hired two air balloons which were floated over the proposal site at the height of the proposed development (thus achieving maximum publicity). They then transported the members of the planning committee to various parts of the city in order that they could obtain a visual impression that would have on Edinburgh's skyline. The demonstration showed that the development was clearly visible from all over the city and was, in fact, higher than Edinburgh Castle.

A meeting of the planning committee, developers and objectors was held in December 1971, after which the Chief Planning Officer was asked to present a report on options available to the local authority. At the meeting they had been warned, both by the developer and a specially
commissioned estate agent, that to revoke the planning permission could lead to the local authority having to paying up to £1 million in compensation.

The course of action eventually taken by the local authority was to issue a modification order to the planning permission. This effectively removed the earlier permission and replaced it with one in conformity with the recommendations of the High Buildings Commission (i.e. low level development only). In addition, they also paid over £415,000 in compensation to the developers, out of court.

The modified permission has since formed the basis for subsequent development on the site. On April 24th, 1980, the Scotsman newspaper announced that a six-storey development by Cruden Development had been given detailed planning permission, conditional on the use of certain materials.

Together with the road proposals, the St. James' Centre and Haymarket Station developments form the most important single issues through which disquiet about the way Edinburgh was developing became focussed and thereby politicised. They were the foci for anger generated by the loss of a variety of valued buildings through smaller redevelopment schemes. This anger was channelled into popular support for political action which sought to control the effects of office development on the townscape and architecture of the city centre.
The Office Restraint Policy

As previously noted the first proposals for an office restraint policy are found in the recommendations of the consultants on the road proposals for central Edinburgh (Buchanan et al, 1972). They advised that:

"There is ... a need to evolve a land use framework that will enable further growth in employment beyond the predicted level (of the plan date) to take place without endangering Edinburgh's central role as a capital city and tourist centre of world renown or prejudicing conservation and environmental objectives. A policy that sets out to keep the level of activities in the centre at roughly their present level, while encouraging growth outside the Central Area would meet this aim and would reinforce the case for suburban employment locations linked with transport facilities", (p.138 para. 703).

In their final report, consultants put forward three basic objectives in relation to future office growth. These objectives were:

(a) to locate further office growth outside the central area at selected locations which were well served by transport links;

(b) any unforeseen degrees of office growth should be deployed to these new locations;

(c) and, there should be a policy of nil growth as far as central area employment was concerned.

The advocation of out-of-centre office locations reinforces a much weaker intention expressed in the earlier Development Plan and Review.

26. Some might argue that the recommendations of the Holford Committee (1968) to restrain the development of high buildings (by implication - offices) was the first real restraint. However, Buchanan et al. (1972) were the first to think of restraint in functional or land use terms as opposed to design terms.
(City and Royal Burgh of Edinburgh, 1965) to "consider applications for the erection of necessary additional office accommodation in suitable locations outside the central area" (p. 9) to reduce traffic congestion in the central area.

The basic idea behind the consultants' prescriptions in 1972 was that they expected a marginal decline in manufacturing jobs in the central area to be compensated by (a much reduced rate of) growth in office employment, resulting in relatively stable employment levels in the city centre. They advised the local authority about the dangers of an over-strict office restraint policy which they felt could jeopardise the further economic viability of the centre. The consultants envisaged that, by restricting the supply of office space in the central area, rents could be pushed up. This would make it sufficiently economic for developers to involve themselves in the more costly process of refurbishing existing buildings, thereby assisting the conservation aims of the local authority.

27. This is an important point in terms of assessing who benefits and who loses from office restraint in Edinburgh. The relative costs of refurbishment and redevelopment are not easy to define. Even in the case of simple replacements (i.e. a building of similar size), the matter depends on a host of different phenomena. Refurbishments are often more limited in scope than redevelopments and, as such, take place over a shorter period. Hence, less money is spent over a shorter period, reducing construction and finance costs. There is also, usually, less involvement with the planning authority. However, rents for refurbishments are usually lower except in the most prestigious prime sites (no air conditioning etc). Where substantial rebuilding occurs, as was very often the case in central Edinburgh, redevelopment is as cheap as refurbishment. This was even more the case when interest rates were lower. In addition, there is still evidence of a very high level of involvement in refurbishments by the local planning authority in Edinburgh. Evidence to support Buchanan et al's (1972) suggestion that the costs of refurbishment were higher than (contd)
A local authority Technical Working Group appointed to review the consultants' report agreed with their recommended office policies, strengthening them further by advocating the arrest of new office development in the South Side. Its advice was to:

"Ban further office development, other than limited classes in the Central Area, but review as necessary in respect of the need to safeguard the commercial viability of the city and to sustain the current level of employment",
City and Royal Burgh of Edinburgh, 1974, (p.6).

In the interim, the following policy was adopted by the city's minority Labour administration in July 1973, for an area based on the "Central Area Traffic Control Zone". The policy was to:

(a) restrict all new office development in the central area except for:

(i) those offices with an overriding need to be located in the area;

(ii) extensions of existing premises up to 10% of the gross floor area as a maximum other than in special circumstances;

(iii) rehabilitation of buildings of special architectural, or historic interest involving extraordinary costs;

(b) direct new office development to South Gyle, Leith, Nether Liberton and other district centres, subject to the adequacy of existing or improved public transport facilities and road capacity.

The same policy was formally adopted by the Planning Committee in March 1974. Its plans for dispersing office developments to

27. (contd) for redevelopment in central Edinburgh comes from a planning appeal eight year later (in George Street) where Standard Life Assurance Co. Ltd suggested that to refurbish the site in question would be £315,000 more expensive than to redevelop it (see Chapter 10). Readers are advised to consult Aldous (1980), and Egerton Smith (1980) for more general comments on this area. Obviously, if replacement is not the objective then, redevelopment is capable of putting substantially more space on a site than had hitherto existed, resulting in very much greater returns.
peripheral areas in the city was very much like the recommendation in the Holford Committee that certain areas, like Leith, Sighthill and Portobello should be kept free of height restrictions and therefore remain available for speculative office development.

It is the implementation of this office restraint policy which forms the central object of study for this thesis. This policy was developed at what was the crest of an office development boom in Edinburgh. It was initially used to control development in a high period of speculative activity which was 'artificially' sustained by the possible devolution of a variety legislative powers from Westminster to a Scottish Assembly which was to be based in the city (see Penfold, 1978).

Local plans being prepared by the City of Edinburgh District Council at the same time reiterated the office policy. The Leith Local Plan (City of Edinburgh District, 1978a), notes that:

"Offices would be especially appropriate in accordance with the general policy of directing office growth to Leith", (p.1).

The Tollcross Local Plan (City of Edinburgh District, 1979), for a blighted area to the south west of the central area, specifically notes that office restraint was to apply, but that:

"In Tollcross, the Planning and Development Committee is also prepared to consider changes of use of buildings (to offices) which would otherwise become vacant and possibly derelict, subject to proof that they cannot be used for a more acceptable purpose", (p.4) (present author's emphasis).
Both the South Side (City of Edinburgh District, 1978b) and Gorgie and Dalry (City of Edinburgh District, 1978c) Local Plans are primarily concerned with economic and environmental regeneration in their areas, and no specific reference is made to office policy.

As will be shown in the following chapters, one of the major effects of the office restraint policy was to deflect pressure for new office development onto the edge of the Central Area. This generated further problems and, in a District Council review of policy in 1977, it was noted:

"that, in view of the growth of office developments on the edge of the Central Area, careful consideration (will) be given to the aggregate effect of these developments before further consents are granted", (Edinburgh District Council, 1977, Also Planning Information Sheet 1977, No.12, p.2).

In the Lothian Regional Structure Plan (Lothian Region, 1978) it was further noted that:

"The Regional Council agrees with the District Council that strictest (sic) control must continue over new office proposals", (p.26).

The restriction of central area offices was important to Lothian Region for two reasons. Lothian Region became the highway authority after local government reorganisation and, as such, was concerned with the remaining traffic problems in central Edinburgh. In addition, the Region sought to restrict office development in central Edinburgh in the hope that some of the pressure could be directed, not only to the district centres within Edinburgh but also to economically depressed areas outside Edinburgh (e.g. Livingstone and potential office centres.
like Portobello). Since the Regional Structure Plan was developed at a later date than the District (or Old City Corporation) policies, it was able to take into account such problems as the deflection of office development pressures into the residential areas around the centre. In short, the Region adopted all of the District's office restraint policy, except for the exemption from restraint for offices with an overriding need to be in the central area. Restraint was strengthened in the Haymarket area through the Regional Council's structure plan after the District had given some extensive permissions in the area (see Chapter 7) which the Region felt had exhausted the potential for development in the area. The principle of restraint was also extended to the inner suburbs. Although opposition to office growth in the inner area was aimed at the Examination in Public of the Structure Plan, with respect to the Haymarket area the Region's reply was that:

"The endorsement of existing permissions in the west of the city centre is one element of an overall strategy for the location of offices which is designed to preserve the character of the central area without foregoing the new jobs that could be created", Lothian Region (1978, p.67).

A policy was also included which sought to ensure that any major new office proposal would require the agreement of the Regional Council as well as the District Council, except for Leith "where the existing ... policy of promoting offices (was) endorsed" (p.26). This suggests that the Region were keen to involve themselves in guiding the development of the city centre. It also implies that the Region were concerned about the commitment of the District to its own restraint policy. This subject is further explored below.
As Figure 4.2 has shown, Edinburgh was not unique in adopting an office restraint policy. Its form was akin to those in other historic centres like Chester (Cheshire County Council, 1977) Norwich (Norfolk County Council, 1976) and other major regional centres like Bristol (Avon County Council, 1978) and Aberdeen (see Murray, 1983), which all sought the rehabilitation of older, historic buildings. It contrasted markedly with places like Glasgow (Strathclyde Regional County, 1979), Gloucester (Gloucestershire County Council, 1979) and Manchester (see Damesick, 1981), which sought to contain office growth within a central area rather than disperse it, as a revitalisation measure for declining central areas.

Attitudes Towards Office Restraint

"(F)or some the New Town symbolises privilege - and the efforts of a dedicated minority to secure its repair and conservation are seen simply as the well-to-do pulling strings to get improvements to their own already well-endowed territory at public expense, while underprivileged areas in Edinburgh deteriorate further", McEwen (1975), (p.395).

Before concluding on the formulation of the office restraint policy it is necessary to establish, where possible, the reactions of various interest groups towards the concept of office restraint. Unfortunately, almost everyone and every corporate body has a slightly different attitude towards a policy initiative or planning decision. This section, however, attempts to present a synthesis of those varying attitudes, and is organised in such a way as to allow the

28. The situation in Edinburgh is beginning to change in this respect, towards relaxing restraint (see Appendix 8).
collective view of certain key "interests" or interested parties to be recorded and thus to provide some indication of how the office restraint policy was perceived as likely to affect them. The major groups considered are the development industry (both developers and estate agents), "general" business interests (who are primarily concerned in using rather than developing land) and amenity groups (who, although they do not own the land in question, take enjoyment from and place value on it). Evidence for this section is derived from a variety of sources including personal interviews and letters, published documents by the various interest groups and the planning departments involved, newspaper reports, planning committee minutes and from tape recordings of the day-to-day proceedings of the Structure Plan Examination-in-Public (EIP). Table 6.2 (designed after Darke, 1979) shows the full range of organisations and individuals from whom comments were solicited by the Regional Council (and their actual involvement).

There was no direct representation of commercial property developers at the EIP. Rather, their interests were represented indirectly by architects and estate agents whose main interests lie in facilitating development and the turnover of property through sales. Individual manufacturing or service firms hardly contributed anything to the proceedings with only one out of twenty-eight firms responding in any

29. Since no full transcripts are in existence the present author had to resort to taking notes from tapes of the proceedings instead. This time-consuming exercise provided much material of considerable interest.

30. It should be recognised immediately that most of the landowner and property interests were engaged in debate over the highly controversial question of housing on the urban fringe rather than office development in the city centre (see Brigginshaw, 1981).
<table>
<thead>
<tr>
<th>Organisation</th>
<th>Numbers Circulated</th>
<th>Numbers who Made Substantial Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Central Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department and Ministries (inc DoE)</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Commissions</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Advisory Councils</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>2. Regional Bodies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Economic Planning Councils</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Water Authorities</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>3. Nationalised Industries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Local Authorities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Chambers of Commerce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Agricultural and Land Owning Interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Mineral Interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. House Builders/Property Interests (including Estate Agents and Architects)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Transport Groups (i) Site Organisations (BR, BWB)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ii) Motoring Interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(iii) Pressure Groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Amenity Groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Leisure Interests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Community Councils</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Individuals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Professional Institutes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Educational Establishments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Religious Groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Commercial and Industrial Federations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Individual Commercial Firms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Individual Retail Firms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. Individual Industrial Firms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Individual Transport Firms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. Political Groups:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Liberal</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Conservative</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>S.D.P.</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>10 MPs</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>23. Ratepayers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. Consumer Organisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25. Others</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6.2: Participation by Various Groups: Plan Formulation, Lothian Region, Structure Plan 1978, After Darke (1979)
substantial way. However, both of the Chambers of Commerce in the City (Edinburgh and Leith) replied and through their own mechanisms for internal discussion can be seen to represent the "general" interests of land users (discussed below). Table 6.2 also shows that pressure groups, amenity groups and leisure groups all showed a high level of response, but professional institutions and educational establishments tended not to get involved.

(a) Developers' Responses to Office Restraint

We have already seen that one developer (Phoenix Life Assurance) was extremely perturbed that the City planning committee had fallen into the hands of anti-development bodies. In the case of the Haymarket Station development, Henry Clayton expressed an outsider's view on office restraint in central Edinburgh when he stated that he was "staggered by the fuss" over his proposed 23-storey development (Evening News, 17th September 1972). He continued that "(Edinburgh) is not the Holy City. You cannot stop progress". Other evidence, presented in more detail in Chapter 10, shows that some developers argued at several separate planning appeals that the concept of office restraint in the central area was likely to deleteriously affect the potential for economic and employment growth and that the options for out-of-centre office developments were not viable.

As we have noted, these commercial developers have no separate forum to express their views to the local authority and to protect their

31. The managing director of the development company.
32. Also see Planning Committee minutes, 7th January, 1972.
interests. Rather, their views tend to be expressed over individual planning applications. Unfortunately, since the present author was denied access to local authority files on individual planning applications, only those views expressed in the local press, planning committee minutes, at planning appeals or through interviews, have been recorded.

In terms of the apparent lack of response by developers to the restraint policy, it must be remembered that, as with the "Brown Ban" of offices in central London, the office restraint policy was likely to ensure that rents would remain at a relatively high level and rise quickly since the demand for offices is having to be accommodated by a limited supply. Hence, regular developers in the Edinburgh central area (Chapter 9) were faced with both higher than anticipated yields from their past developments as well as potential problems or higher costs for future developments. Therefore, this seemingly simple to define "interest group" is shown to possess very different interests, and is likely to have a variety of reactions to the same policy.

In general terms, estate agents have a very much closer relationship with the local authority than developers. This comes from their day-to-day interaction with planning departments and their unparalleled knowledge of development opportunities and market trends in an area.

33. The deputy property investment manager of a leading institutional investor, based in Edinburgh, explained in an interview that he simply did not have the time to study or comment on the planning policies of any individual authority. Even though his company was based in Edinburgh, he paid little attention to planning policy, tending to discuss general matters of policy only at social functions where local authority members might be present.
Both through interviews and evidence given at the Structure Plan Examination-in-Public, it is possible to note that the estate agents were in support of the general principle of office restraint (if not its implementation in specific cases in which they have been involved). Kenneth Ryden and Partners, a leading national estate agency based in Edinburgh, were "greatly heartened" to see the restoration of George Street and other parts of the New Town, back to their "original state" (tape 6, EIP proceedings). Obviously, office restraint was not seen as likely to affect the profitability of their activities.

Indeed, the restraint policy can be seen as favouring those who are most knowledgeable about the local property market and those who are the most able to negotiate with the local authority. Estate agents are skilled in both areas. In a recent article, one agent, Bernard Thorpe and Partners (1982), noted that office policy in Edinburgh was very strict but that:

"This policy has enabled Edinburgh to retain its natural beauty and attracted the tourist trade to the business centre of the City and be proud of the visual aspect of their squares and business centre which has not been polluted by buildings which have no correlation with the existing structures and are out of focus with these attractive New Town areas" (p.10).

They also noted that:

"(The) Firm have specialised in project management and advising major institutions and builder/developers for the last few years in the process of acquisition, refurbishment and investment sale of (high standard) properties, and have been involved in some 25 blocks which have been given the appropriate 'local treatment'" (p.10).

34. See Chapter 10.
These agents are seen to put their opinions to the local authority formally and informally through the planning process at both inquiries and over individual applications. They also provide the local authority with information and views on market trends in the area. Their importance cannot be underestimated (see McNamara, 1984c).

(b) General Business Interests

As we have noted, general business interests have generally been represented through the organ of the Chambers of Commerce, of which local developers, locally based financial institutions and estate agents are usually members. It is therefore important to establish the strength of developer interests within this forum, before considering its views as proxy for general business interests. Table 6.3 shows the membership of firms with a possible development interest in the Edinburgh Chamber of Commerce and Trade.

<table>
<thead>
<tr>
<th></th>
<th>1968</th>
<th>1973</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architects</td>
<td>34</td>
<td>31</td>
<td>25</td>
</tr>
<tr>
<td>Building Contractors</td>
<td>50</td>
<td>32</td>
<td>25</td>
</tr>
<tr>
<td>Public Works Contractors</td>
<td>12</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Civil and Structural Engineers</td>
<td>9</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Development Consultant</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Estate Agents</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Insurance Companies and Brokers</td>
<td>37</td>
<td>35</td>
<td>30</td>
</tr>
<tr>
<td>Investment Companies, Managers &amp; Secretaries</td>
<td>9</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Planning Consultants</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Property Agents</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Property Developers</td>
<td>1</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Property Development Consultant</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Property Investment Company</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Scottish Landowners Federation</td>
<td>_/</td>
<td>√</td>
<td>x</td>
</tr>
<tr>
<td>Surveyors</td>
<td>32</td>
<td>31</td>
<td>32</td>
</tr>
</tbody>
</table>

Table 6.3 Development Interests Represented on Edinburgh Chamber of Commerce and Manufacturers, 1968-1978

Source: Chamber of Commerce Journals (various).
There is, of course, some overlap or double counting in Table 6.3, but, in total, possible property development interests represent approximately 6% of the total membership.

It must be said that the Edinburgh Chamber of Commerce has exhibited a very keen interest in planning matters in the city. Their published journal has regularly contained features on parking in the city centre (Volume LVII, 1976), shopping and tourism (Volume LVIII, 1977), conservation (Volume LIX, 1978), transport plans (Volume LX, 1979), and planning restraint on offices (Volume LVIII(4), 1977, pp.56-57).

"The Chamber has worked closely with the local authorities for many years" (Volume LVIII(4), p.53) and discussions have covered a wide range of topics.

"A number of meetings have been held with District and Regional Councillors and officials and submissions put forward with regard to rates, local authority staffing, salary levels, bus lanes, the road network, central parking area schemes, unemployment, the poor educational standards of school leavers and the attraction of new industry to the city and region" (Volume LVII, p.41)(36).

There are also regular social functions, where local politicians and businessmen meet. Without doubt, the most pressing planning problems considered by the Chamber of Commerce are traffic flow and car parking problems. Its views on office restraint can be listed as being that:

35. One developer, J. Miller, was vice president of the Chamber of Commerce in 1979, president in 1982 and was Lord Provost of Edinburgh.
36. See Edinburgh Chamber of Commerce and Manufacturers (1943).
37. Meetings are not held on a regular basis, nor is there a formal group as in the case of the Edinburgh Tourist Group. No publicly available minutes were discovered by the present author.
(a) routine office jobs should be relocated to outer areas, even though the achievement of this would require "a brave management to attempt it first"; relocation should be organised, not piecemeal;

(b) economic growth in the city centre, either by outsiders wishing to come to Edinburgh or by small local firms, should not be hindered in any way;

(c) small firms should be encouraged to grow in the central area, with local authority subsidies if necessary;

(d) the local authority must, in the final analysis, leave decisions over where to locate to individual firms;

(e) refurbishment, for prestige offices and for local firm expansion, should be encouraged.

These views were reiterated forcefully by representations throughout the Structure Plan ZIP and in a letter to the present author which summarises their stance:

"By and large the Edinburgh Chamber supports the restraints placed on office development in the city centre in 1973. The main grounds being to allow the continuance of existing offices in the New Town".

Not surprisingly then, the primary interest of the Chamber is to allow existing businesses (i.e. their members) to flourish. However, we must remember that these "local" businesses include some of Britain's major financial institutions. Here again, we can appreciate the general position held by representative of local business interests. The environment of the centre is valued, it is seen as unable to absorb much more growth without some action on car parking and roads, but, at all costs, economic growth must be supported. Individual businesses seeking planning permissions will obviously take a less general or generous view towards possible refusals of planning permission (see Chapter 10).
(c) Amenity Groups

Earlier in this chapter three different types of group were identified. Each is considered in turn. Area-based groups (central area only) tended to respond to issues as and when they affected their areas. In the case of the West End, the main response of small amenity organisations to office policy was not to support office restraint as such but to try and resist the threatened levels of office growth in the Haymarket area. For example, at the Structure Plan EIP, the Atholl-Torpichen Association expressed a desire for a "balanced" form of development, whilst the West End Residents Association expressed dismay at the prospect of more offices in the area, although they were not opposed to other forms of commercial development.

By far the most active groups at general inquiries, like the EIP, were the groups with a more general environmental interest. Of these groups, only the Cockburn Association specifically expressed a view on office policy, which it supported. However, it agreed that the western end of the city centre could be revitalised by office development, but such development should only occur in conjunction with other uses. Other generalist groups like the Scottish Civic Trust, Scottish Georgian Society and the National Trust for Scotland, all gave the loudest possible support for the general conservation aims of the council, although not mentioning office restraint specifically.

As Table 6.2 has shown, the issue based groups were very well
represented throughout the Structure Plan process. However, since such groups are by definition largely concerned with single issues, often only indirectly related to offices, they did not comment substantively on office policies.

Area-based groups tend to interact with the local authority when individual applications or aspects of plans affect them. However, we have seen that the local authority has tried to formalise these relationships. The local authority has difficulty in establishing exactly who these groups represent, but interviews with the authority indicate that there have been determined efforts on the part of the local authority to make arrangements to hear their views (viz. the South Side Association). We also know that the strength of opposition of the general environmental groups was such that many of their aims were achieved. They too became an integral part of a network of amenity groups which operated coherently to lobby over conservation issues at local and central government levels. Their views were incorporated into those put forward by formal organisations like the Edinburgh New Town Conservation Committee.

Single issue groups also possess formal channels to communicate their interests. Examples in Edinburgh include the Scottish Association for Public Transport and the Edinburgh Amenity and Transport Association. Interaction is usually direct with the relevant department, at either central or local government.

38. In common with other reviewers, including the present author.
Conclusion

This chapter has tried to show the complex political background to certain aspects of land use planning in central Edinburgh. Planning for offices has been shown as just one element of a wider range of policies which have evolved in an inter-related and dynamic way as a strategy to control economic activity, daily movement by the population and the environment. Pressures, resolutions and policies in different policy 'fields' have been shown to have ramifications for related fields. Hence, in many ways, the key decision behind office restraint in central Edinburgh was the abandonment of the major road proposals for the city centre.

We have also seen how an active consortium of conservation bodies helped to organise a wide array of newly emergent amenity groups into a coherent and powerful political lobby to resist further demolitions of valued properties in central Edinburgh. They were accompanied in this by a wide range of groups in working class areas on the fringes of the city centre who had the very different aim of defending their homes. Both sets of groups worked in a very public and openly aggressive way to secure the protection of their interests. In this, their approach differed from the rather institutionalised and private lines of communication between the representatives of business and the local authority, whose dialogue apparently continued in a largely unchanged incorporated manner throughout the study period.

39. It is immediately acknowledged that, even without this decision, pressures to halt more office redevelopments would almost certainly have resulted in more strict controls on office developments.
In contrast to the findings of Ambrose and Colenutt (1975) in their case study that the local authority facilitated the activities of developers, this chapter has shown that the office restraint policy (in its formulation at least) impinged on the interests of speculative developers who were looking to redevelop sites in central Edinburgh. Those developers appeared to have no lobby at all to defend their interests and, consequently, could only make individual complaints at the 'injustices' which befell them.

The ultimate form of the office restraint policy was a compromise in every sense of the word. The policy is based on the premise that no damage will be done to the existing or future economy of the city by the application of restraints on office development. The policy contains a range of caveats which, for instance, permit development which allows any business with an 'overriding need' to develop unhindered. This ensures that established land users were never jeopardised by the policy.

Similarly, developments which would lead to the improvement of a valued building, through the expenditure of monies which could not be recouped by retaining the development in existing, non-office uses, were to be permitted. Hence, development seems to be being channelled to fulfil conservation and amenity policies. Finally, even speculative developers are given a 'consolation prize' in that major new office development is to be encouraged in certain preferred peripheral locations. The speculative developers are encouraged to consider these opportunities which, if undertaken, would facilitate council policies to reduce traffic flow in the city centre.
Hence, before turning to our consideration of the implementation of the office restraint policy (and not wishing to pre-empt the very much fuller conclusions reached in Chapter 11) we can already see that our case study has provided some useful insight into the theories of the state outlined in Chapter 2. For example, it might be argued that the structuralists' concept of capitalist interests being totally and consistently opposed to those of the working class is perhaps an inadequate theoretical formulation by which to explain what is happening in central Edinburgh. We have examined a variety of "capitalist" interests, often with opposing interests (e.g. developers versus hoteliers). Similarly, the interests of different residents groups and their attitudes varied widely in their interests, level of resources and direction towards development and local authority policy.

It seems apparent that the more 'politicised' the issue of land development in central Edinburgh became, the less influence planning officials had over the direction of policy. The longstanding technical exercise of preparing road plans and guiding the slow redevelopment of the central area was overturned in a few years and even existing planning permissions were modified at huge cost to the local authority in order that the politicians could be seen to be taking action.

In terms of how the state interacts with interested groups in the city, the case of central Edinburgh shows the local authority actively pursuing the 'incorporation' of views and opinions. They supported
the establishment of known groups with whom they could discuss issues and negotiate directly. This was shown with residents' groups in the South Side and with the Edinburgh Tourist Group (with central government encouragement). They also attempted to establish a similar group of property developer interests but failed to organise this disparate and busy group of people. It should also be repeated that they have been involved in such 'incorporated' discussion with general business interests throughout the entire study period.

Undoubtedly, the main conclusion that can be drawn from this chapter is that the local authority reacted speedily to a changing political environment relating to development in the city by the production of a range of policy measures, which included the office restraint policy, to resist further change in the built environment of central Edinburgh. In this sense amenity interests were most certainly accommodated, at some expense to the interests of speculative developers. The form of the office restraint policy would appear to make the speculative developers' position in the city very weak. However, as we shall see, policy implementation is not carried out in the same highly public arena as policy formulation and it is possible for a policy to exist merely as a political statement of intent rather than a code of practice (see Healey et al., 1982). One must now ask whether the proposed restraints on office development were actually implemented? The next four chapters attempt to investigate this question in some detail.