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April, 1955.
1. INTRODUCTION

In 1946, on the recommendation of the Reith Committee, the Labour Government passed the New Towns Act—and thereby launched a great experiment in social planning. In economic terms, the nationalisation of the coal industry or of the railways was more important; the Health Service, or food subsidies and social security benefits, have had a more immediate and widespread impact on living conditions; and the building programmes of local authorities have provided homes for many times the hundred thousand people who have so far moved into the fourteen New Towns now under construction. Even in money terms, the total capital investment so far in New Towns (£106,972,787 to 31 December, 1954) is a fairly small proportion of the total devoted to housing, and that investment will be self-financing over the years. Yet, among all the reforms that came after the Labour victory in 1945, the creation of New Towns must take a high place. They put to the test of practice so many of the theories and the assumptions of social democracy that they demand not merely enthusiastic support, but also the most careful study.

The concept of New Towns is not specifically or exclusively Socialist. On the contrary, much of the pioneer propaganda and more recent support have been inspired by social or practical motives. The unplanned sprawl of our great cities—‘conurbations’ as ugly as the word—had to be halted; urban congestion had to be relieved; the revolt against the squalor of the industrial barracks of the nineteenth century was reinforced by a reaction against the soulless council estates and middle-class suburbs run up between the wars. Architects, town planners and sociologists shared the Socialist hope that in post-war Britain we could begin building for the mass of our people the kind of urban life that we knew was desirable and possible.

The New Towns have been a practical expression of that hope. But they are, or should be, something more. At the heart of Socialist doctrine lies the belief that man is naturally good, and that he is capable of changing both society and himself for the better. And allied to this belief is another; that a bad environment corrupts and degrades, while a good one elevates and improves. We know that bad housing conditions produce ill-health, social demoralisation, family tensions and even crime; we know that poor
and over-crowded schools produce semi-literates; and we know, too, that lack of social and cultural amenities produce a fragmented community, in which recreation means escape, and in which escape is sought in the public house, the cinema and the dance hall. That is why Socialism means something beyond a change in the ownership and distribution of wealth, or the development of new planning techniques—for these are essentially instruments of change. It means richer human relations. And one way to create these is to create a new environment in which the human capacity for self-expression and community life can be fulfilled.

Lessons of Experience

Though the New Towns are not perfect, though they have some defects and have suffered under serious handicaps, they are for all that the closest approach yet made in this country to planned communities in which these Socialist assumptions can be tested against experience. To treat them merely as exercises in bricks and mortar, or in architectural design, is to mistake the substance for the soul. If they succeed they will provide invaluable lessons for the future.

It is time, therefore, to review what has been happening in the New Towns; to ask if, before they are completed, more can be done to help them fulfil their original conception, and to ask when, not whether, more New Towns should be started, especially to meet the needs of the North and the Midlands.

In this pamphlet, I try to deal with some of the problems that have arisen, without duplicating the excellent material which is now available, some published by the Development Corporations themselves, some by architectural and town planning journals (especially the journal of the Town and Country Planning Association), and much in the national and local press. Nor is this pamphlet intended to be definitive. Except where I indicate to the contrary, my comments are based upon the eight New Towns in the London area, which form a coherent group and of which I have personal knowledge. Yet I hope that it will be helpful to the Labour Movement, which has a greater stake in the success of the New Towns and more to learn from their experience than has yet been realised.

2. NEW COMMUNITIES

The New Towns are not housing estates, nor dormitory suburbs. They are designed as self-contained and balanced communities, each with its proper complement of schools, shops, social amenities and public buildings, to which industry and population have been moved from a congested area. They are intended to offer a combination of urban facilities with low-density housing and access to ample open space.

So much for the intention that lies behind the master plans of the fourteen New Towns that were started between 1946 and 1950. The actual construc-
tion is in the hands of public corporations, appointed by and responsible to the Minister of Housing and Local Government. These Development Corporations, which publish annual reports, are financed by loans raised through the Treasury, and they design, build and manage housing, commercial and industrial premises, as well as some amenity buildings. They may act, temporarily, as statutory undertakers, laying main services; they may provide other statutory and local government services, or act as agents for these authorities; they may divert roads, demolish property, create new town centres, provide public and amenity buildings, lay out playing fields, help form neighbourhood association and encourage local newspapers. They have, indeed, powers under the New Towns Act of 1946, 'generally to do anything necessary or expedient for the purposes of the New Town or for purposes incidental thereto,' although the Minister can and, in practice, does 'give directions . . . for restricting exercise by them of any of the powers under the Act.'

Differing Development Problems

The Corporations, in short, have considerable authority and a great deal of discretion. But they remain development corporations. They must work in harness with, not supersede, the Parish, District, Borough or County Councils which operate within their designated areas, for these are still the rating authorities which must supply all the services normally rendered by local government. It is a tribute to the capacity of the Corporation members and of local councillors, as well as to the co-operation of permanent officials on both sides, that the inevitable frictions have been minimised, and that this complicated relationship between old and new has not prevented the New Towns from growing at the intended rate.

The problems have been different in each town. Harlow, for instance, has been built around a small village nucleus, and the immigrants have been dependent from the start on the facilities provided by the Corporation. Stevenage and Crawley have been based on small country towns, with established shops and services and an existing community life; Basildon has been seeking to knit together a scrappy and, in part, semi-blighted development; Hemel Hempstead is expanding a borough which already had eighteen thousand inhabitants. The New Towns, therefore, have not coincided with previous administrative boundaries, nor have the local authorities had sufficient powers or resources adequately to cope with the large intake. In Crawley, to take a striking example, the designated area originally fell into the territory of three county councils, three rural districts and five parishes. In Harlow, it has already been necessary to create a new urban district council.

In the accompanying Table are given the latest figures of physical growth. They show a considerable achievement. The eight New Towns in the London area, for example, are building at the rate of about nine thousand houses a year, or about twice the rate of the London County Council, which is now faced with a desperate shortage of housing sites. In the first years, naturally, construction was not so rapid, for the plans had to be made, the contracts
## Table I
The Progress of New Towns to December 1954

<table>
<thead>
<tr>
<th>LONDON GROUP</th>
<th>POPULATION</th>
<th>HOUSING</th>
<th>FACTORIES</th>
<th>SHOPS</th>
<th>SCHOOLS</th>
<th>CAPITAL EXPENDITURE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>31.12.54</td>
<td>Planned</td>
<td>New</td>
<td>Size (sq. ft.)</td>
<td>Building</td>
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<tr>
<td>Basildon</td>
<td>25,000</td>
<td>31,000</td>
<td>80,000</td>
<td>1,806</td>
<td>16</td>
<td>498,900</td>
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<tr>
<td>Bracknell</td>
<td>5,142</td>
<td>8,403</td>
<td>25,000</td>
<td>932</td>
<td>8</td>
<td>286,639</td>
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<tr>
<td>Crawley</td>
<td>10,000</td>
<td>24,500</td>
<td>50,000</td>
<td>4,300</td>
<td>31</td>
<td>898,900</td>
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<tr>
<td>Harlow</td>
<td>4,500</td>
<td>22,500</td>
<td>80,000</td>
<td>5,340</td>
<td>42</td>
<td>708,825</td>
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<tr>
<td>Hatfield</td>
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<td>12,500</td>
<td>25,000</td>
<td>1,090</td>
<td>1</td>
<td>10,000</td>
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<tr>
<td>Hemel Hempstead</td>
<td>21,200</td>
<td>35,900</td>
<td>60,000</td>
<td>4,030</td>
<td>19</td>
<td>736,150</td>
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<tr>
<td>Stevenage</td>
<td>7,000</td>
<td>17,000</td>
<td>60,000</td>
<td>2,992</td>
<td>11</td>
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<td>Welwyn</td>
<td>18,500</td>
<td>23,000</td>
<td>50,000</td>
<td>1,553</td>
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<td>189,091</td>
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<tr>
<td>OTHERS</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Corby</td>
<td>15,700</td>
<td>21,000</td>
<td>40,000</td>
<td>860</td>
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<td>Cwmbran</td>
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<td>16,000</td>
<td>35,000</td>
<td>1,085</td>
<td>2 extns.</td>
<td>81,000</td>
</tr>
<tr>
<td>East Kilbride</td>
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<td>45,000</td>
<td>2,605</td>
<td>5 extns.</td>
<td>804,000</td>
</tr>
<tr>
<td>Glenrothes</td>
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<td>5,850</td>
<td>32,000</td>
<td>1,000</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Newton Aycliffe</td>
<td>60</td>
<td>6,061</td>
<td>10,000</td>
<td>1,865</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Peterlee</td>
<td>200</td>
<td>5,500</td>
<td>30,000</td>
<td>1,618</td>
<td>1</td>
<td>70,000</td>
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<tr>
<td>TOTALS</td>
<td>131,252</td>
<td>240,214</td>
<td>622,000</td>
<td>31,076</td>
<td>140</td>
<td>4,680,015</td>
</tr>
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</table>

* Based on a table prepared by the Town and Country Planning Association.
† 21,305 School Places.
‡ 20,492 School Places.
let, sites cleared, services provided, and factories built to provide work for the newcomers. Now, however, the New Towns have settled into their stride; they are probably building as fast as is desirable—a larger annual intake would be more difficult to assimilate, physically and socially—and the present prospect is that they will be all but completed within ten to twelve years. By that time, about 490,000 men, women and children—or just under one per cent. of the whole population of Great Britain—will have been resettled in New Towns. Given the comparatively limited resources devoted to this project, this achievement is a measure of the way in which the problem of urban squalor and congestion could be tackled by a Socialist administration.

**Industrial Growth**

The fundamental difference between New Towns and other forms of housing development is the direct link between industry and housing. Until the recent introduction of the Industrial Selection Scheme—which permits workers on the housing lists of local authorities in London to apply for jobs in New Town factories—the allocation of New Town houses was restricted to building workers, to employees of the firms which erected or leased premises in New Towns, and to utility employees, teachers and other professional workers who moved there to serve the needs of the new communities. Though modified, such remains the basic principle of this planned migration.

It has meant, despite certain transitional difficulties of keeping housing and factory construction in step, that the New Towns have a definite character, a social focus; they are places in which to live and work, a modern realisation of William Morris’s conception of the ideal factory, in which work, home and leisure are no longer divided into arbitrary geographical categories, but are interwoven into a unified fabric of life. I am not arguing that this conception has been perfectly realised; I am suggesting that the New Towns are a considerable step towards it, and that, where they fall short of it—and some of the problems of social and industrial balance are discussed below—it is not yet too late to carry them further towards this goal.

By December, 1954, in the fourteen New Towns, 140 factories had been completed, with a total area of 4,680,015 square feet, and capital expenditure on factories of over seven million pounds had been completed or approved. Another 78 factories were under construction. Already more than 21,000 workers had been found employment in the New Towns. For these, moreover, the conditions of work are among the best in the country; the buildings are new, the plants are new; the amenities within the factories conform to the highest modern standards. The industrial districts are well laid out, pleasant to look at, and are easy to reach from the workers’ homes, without tiring or unpleasant travel; the abolition of long, expensive or nervously exacting journeys is a great social advance. All these have an important effect on industrial morale and personal health, and, experience shows, on production.

Some of these factories have been built by the Corporations and leased to the firms that occupy them, especially small firms without the resources to build themselves. Others have been designed and financed by the industrial
concerns to suit their own needs, on land let at long lease. In all cases, they represent a substantial addition to the economy of the New Town areas, and in the long run their arrival may help to raise wages and working conditions in older establishments in the same districts.

Implications of the Labour Shortage

There are two tendencies at work here, however, that must be noted. In several of the New Towns there is a shortage of labour. To prevent firms 'poaching' skilled workers from each other, there have been restrictive agreements among the employers, whereby they will not engage a man who voluntarily leaves another New Town factory. The motive is understandable, but it seems an unnecessary precaution that could have undesirable consequences. Could it be used to exclude shop stewards or other militants from the area? And is it sensible to force skilled workers to travel away from a New Town to another area at a time when the Industrial Selection Scheme is being used to bring men with similar skills into a New Town? And is it not a limitation on a man's freedom to choose his job, to prefer one employer to another?

This tendency is all the more disturbing, though it has so far affected only a small number of workers, because of an attempt that is being made by the employers—Hemel Hempstead is not the only example—to 'tie' New Town houses. They argue that houses are allocated to the workers they bring with the new factory; that, as there is a shortage of labour and a strong demand for houses, if one of their employees leaves and goes elsewhere to work, he should surrender his house to another worker, brought in perhaps under the Industrial Selection Scheme. This proposal has properly been resisted by the Corporations. But it has caused some concern to active trade unionists, especially since the passage of the Rents and Repairs Act, 1954, removed New Town houses from rent restriction and gave the Corporations the power of eviction. These two tendencies may belong to a passing phase; they should, however, be resisted, for nothing could be worse than for a kind of company-town tradition to grow up. There are already some signs of paternalism on the part of senior Corporation officials and Corporation members, and of 'understandings' between them and the incoming industrialists. If there were a prolonged period of Conservative government, such an alliance could wield very considerable power.

Voluntary Organisations

The most effective answer to official paternalism or undue influence on the part of organised employers lies in healthy and vigorous voluntary organisation in the New Towns. This does not merely mean active political parties and flourishing trade unionism; it also means a very wide range of voluntary bodies, catering for all interests and tastes, and co-ordinated so far as possible through neighbourhood associations.

The conditions of life in New Towns are such as to promote a social network of this kind. The newer the town, the smaller the original nucleus, the more dependent the residents are upon their own voluntary organisa-
tions for recreation and mutual aid. New Towns, in fact, are as much a test of our capacity for community building as they are of physical planning. And though there are some disadvantages—the fact that most of the residents are newcomers without roots, the distractions of home and garden making, the problem of baby-sitting where there is a high proportion of young families—there are also many assets. One is that there is a continual infusion of fresh material, of people with youth and energy, whose latent talents and enthusiasm have been brought out by the challenge of a new environment. Secondly, the absence or comparative scarcity of ‘passive’ amenities, such as cinemas, public houses, dance halls, football stadiums, dog tracks, means that ‘creative’ and amateur interests are stimulated. Thirdly, voluntary organisations provide the most useful means, outside the factory and the local shops, of making new friends, of finding substitutes for the neighbours and relatives left behind in the old home district. Fourthly, the mere mechanics of life in a new community demand some form of contact between the residents and the Corporation, which for most tenants, at least in the first years of residence, plays a larger or more visible part of their life than the local or county council. All kinds of problems have to be settled, from responsibility for internal decoration, to landscaping, rents, garden regulations, and the use of community centres, and since the Corporation is not responsible to its residents by election, neighbourhood or community associations provide a channel for consultation.

The Corporations Help

In such matters the Corporations have worked largely by trial and error, and their practices differ. For the most part they have taken considerable trouble to answer grievances, even where they have been unable to meet them, and to explain to each newcomer what the plan for his town is and how it will affect him. Compared with many public bodies, the Development Corporations have been far more skilful and considerate in their public relations; far from trying to restrict the scope of voluntary organisations, they have done a great deal to promote and encourage them. In some cases, the public relations officer has found, in addition to his duty of publicising his Corporation’s work nationally, and dealing with the stream of professional and foreign visitors who descend upon him, that he has become organiser-at-large for the new community, running everything from fetes and carnivals to neighbourhood news-sheets.

The social balance, and the provision of the material facilities for community organisation are discussed below. For the moment it is only necessary to note the astonishing vitality which New Town residents are showing. Take, for instance, Crawley. By last December, in a town that now has twenty-four thousand inhabitants, there were more than two hundred and fifty associations, clubs and parties, and forty-five of these had been started within the previous year. Apart from trade unions, political party branches, religious groups, sports clubs, tenants’ associations and cultural groups, there were bodies catering for bell ringers, freemasons, old time dancers, Buffaloes, Druids and cage-bird fanciers. Hemel Hempstead issues every newcomer
with an excellent brochure, and this gives the names and addresses of more than a hundred organisation secretaries, apart from the representatives of the churches. Harlow has Caledonians, Cymrodorians, toxophilites and Fabians, as well as pigeon fanciers and a long list of more common pursuits.

Not all these organisations survive, of course; and not all those who survive do so without some struggle to retain old members and attract new ones, or balance their budgets, or find quorums for their meetings. Yet, despite the counter claims of the home and of television, an astonishing number of these essential cells in the community structure have thrived and developed. For any New Town resident who is gregarious, and has a normal spread of interests, the leisure-time question is not 'Is there anything to do?' but 'What is the most interesting or important of the claims on my spare time.'

3. THE PROBLEM OF FINANCE

This pamphlet is not concerned with the interesting technical problems raised by New Town construction, such as the choice of site, the shape and size of neighbourhood units, the design of houses and the methods used to build them. Informed criticism on such matters must come from specialists, though some of the 'specialist' criticism seems to be prejudiced, distorted and even nonsense, springing from a priori convictions rather than from a study of how people really live and how they want to live. Such, to take a notable example, was the attack on 'prairie towns' launched in the Architectural Review of June, 1953, and accompanied by a set of photographs which seem to have been taken from trick angles. The answer to this abuse is that while New Towns have not been as experimental in their architecture as they might have been, and have produced a rather monotonous profile—'more building than architecture'—they are very much better aesthetically than bye-law or most modern local authority housing, and, I think, in social terms they are immensely superior to mammoth blocks.

Most of the defects, in design as well as in the provision of amenities, have been due to financial pressure. For the outstanding problem facing all the Corporations has been to make a limited amount of money go a long way. A little more generosity and flexibility in their finance would permit a very great improvement, and allow them more adequately to fulfil their master plans in the spirit of the 1946 Act.

What do New Towns Cost?

There is a popular misconception that New Towns are a luxury, and that the taxpayer is meeting the cost. The contrary is the case. In national terms, they are an economy, and the New Town residents are carrying more than the normal share of the expense of building them.

The Reith Committee in its second interim report of April, 1946, set New Towns in their right perspective:
'The investment in the New Towns must not be regarded as an addition to the aggregate of national expenditure on rebuilding, but as an alternative distribution of part of it... To a large extent the nation will be spending outside congested areas money otherwise spent, possibly to less good purpose, within them.'

This is the first part of the answer to those, even within the Labour Movement, who feel rather jealously that the residents of New Towns have somehow stolen a march on the rest of the country. Secondly, if the alternative to New Towns is rehousing on old sites, which may mean high costs for clearing, for compulsory purchase of property and land, then the cost to the national economy in terms of subsidies and higher construction costs will be much greater. It has been estimated, by way of illustration, that 10,000 flats in multi-storey blocks sited in Metropolitan Boroughs would cost ten to fifteen million pounds more than 10,000 New Town houses.

Some explanation of New Town finance is needed. The Corporations receive advances from the Treasury, at rates of interest that have fluctuated between 3 and 4½ per cent., which are repayable over sixty years. The upper limit of these was recently raised from £150m. to £250m. From these capital advances, the entire cost of construction has to be met, and the income from the completed project must be large enough to pay back interest and principal over the stated term. This is the crux of the whole operation: the Corporation has no source of capital but the Treasury, and no source of income save its rent roll and some minor ancillary activities.

**Local Dwellers Pay**

This means that the entire capital cost of a New Town, plus the interest on the borrowed money, must be met by the domestic, industrial and shop-keeping tenants. No such condition is laid upon local authorities undertaking housing schemes, nor would a private housing developer have to reckon in his overheads many of the items for which a Development Corporation must pay. The entire capital charge and revenue account must be met out of income—the land, the sewers, the roads and site preparation, architects' fees, Corporation staff salaries and expenses, building costs, the provision of town centres, public and amenity buildings, as well as the laying out and provision of many of the factory premises.

It is true that the Corporation receives the normal housing subsidies from the Treasury, which are reckoned as part of income, but unlike a local authority it has no rate fund to which it can turn for additional help. Thus, in the rent of every house, shop and factory there is a considerable contribution to overhead and development costs for the New Town as a whole. Naturally, in order to keep rents within reasonable limits, the Corporations must continually count the cost of non-earning assets or amenities; lower the housing density, permit larger gardens, wider streets and verges, and each tenant must pay a little more towards the cost of the land; leave land for parks and playing fields—a fraction more on the rents; turn a muddy brook into a stream flowing through water-gardens in the town centre—more capital expenditure without any increased income to meet it. So strong is
this pressure on the Corporations, so carefully must each new project be considered, that it is amazing how well they have resisted the temptation to cut standards all round and thus ease the financial burden. In 1952-53, standards were cut with results that now stand out by contrast with previous construction and with the slightly improved standards of 1954. These blemishes will last the life of the towns.

It is necessary to emphasise again that this burden falls primarily on the New Town rent payer, and that it is responsible for what has undoubtedly been the most frequent cause of complaint during the last three or four years, i.e. the high level of domestic rents, which may run as high as 50s. a week for a three-bedroomed house. These complaints have been voiced by the tenants, and also by the Corporations, whose annual reports have pointed out that the New Towns faced a crisis unless rents could be stabilised.

Making Ends Meet

These facts must be borne in mind when examining the balance sheets of the Corporations. The remarkable feature of these balance sheets, however, is that despite the increase in building costs and interest rates, and other factors which have added to the financial cares of the Corporations, they are already in effect solvent concerns.

For the details of this remarkable achievement, the reader must turn to the complete statements of accounts which accompany the annual reports of the Corporations. There is room here only to draw attention to three important financial features.

First, since the New Towns are growing rapidly, the accounts cannot be in balance. More capital is poured in each year, and the revenue from rents increases. In the early years, the ratio of capital to income was high; in the last years it will be low. But from one year to another, for special reasons, the proportion may vary. In Hemel Hempstead, for example, the accounts for 1953-54 were very favourable; it is unlikely that they will seem quite so good for 1954-55, as in the current year a great deal of capital has been spent on the first stage of the town centre, which will not produce so much revenue so quickly as would an equivalent amount devoted to houses.

Secondly, as development is taking place all the time, the test of good financial management is not the total income set against total investment, but revenue set against investment that has reached the earning point, or what are called ‘fructified assets.’ In Crawley, at 31 March, 1954, the Corporation had received advances amounting to £10,849,694: of its investment, properties standing at £7,896,000 were producing income at the rate of £434,810. On this basis, the yield on the investment is running at 5.5 per cent., which is extremely good in view of the difficulties facing the Corporation. Here are the comparable yields for some other New Towns: for Basildon, 5.6 per cent.; Hemel Hempstead, 6 per cent.; Bracknell, 5.7 per cent. Such figures promise well for the future.

On the revenue account, the position of most Corporations would be much better, and this is the third matter to bear in mind, if they were permitted to follow the normal practice of commercial developers and to
capitalise interest due on development that has not yet begun to earn. They
have, however, been instructed by the Minister that they must pay interest
on capital spent on assets still under construction, and this practice under­
states the capital cost of these assets and throws an additional charge on the
current account. In Basildon, the deficiency on revenue account for 1953-54
was £33,589, but of this £32,000 was interest on unfructified assets. The
whole deficiency is thus carried forward as a charge on future rents and
revenue, though the true current deficiency was only £1,589. Moreover, of
the total deficiency, £21,500 was the net cost of sewerage and road construc­
tion, and this will never produce revenue. It is clear that, even at this stage,
when there is still much housing and industrial development to come, and
when the proportion of capital spent on unremunerative projects is likely to
diminish steadily, the Corporations are almost managing to make ends meet.
Bracknell, for example, found that £20,800 of its total deficiency of £28,360
was due to this interest charge on non-earning capital; in Crawley it was
£40,000 of a total of £46,075; and if it had not been for interest of this kind
Hemel Hempstead would have shown a surplus of £25,000. Harlow, indeed,
managed to show a surplus of £2,649.

Such figures suggest an optimistic conclusion. There is a very good
chance that, by the time the New Towns are completed, they will be producing
sufficient revenue to repay interest and capital, and possibly provide an annual
working surplus. When the sixty-year loans run out, moreover, the Corpora­
tions or their successors in title will possess very profitable properties, on
whose substantial revenues the cost of maintenance and provision for depre­
ciation will be the only heavy claims. If this conclusion is justified, it raises
very important questions about the future ownership of these New Towns.

The Rate of Interest

Since the passage of the New Towns Act and the establishment of the
Development Corporations, their finances have had to carry two additional
burdens that were not foreseen, for no one foresaw the extent of post-war
inflation, the recurrent crises in balance of payments, the Korean War, the
re-armament programme and all the consequent economies. The first of
these burdens has been the steady rise in building costs, and the other was
the increase in interest rates after the Conservative Government took office
in 1951.

It is true that Mr. Macmillan, the then Minister, raised the housing
subsidy in an effort to offset some of the additional interest charges these
increases laid on housing authorities. But, so far as the Corporations were
concerned, the higher subsidies, which met the additional interest charge
only for houses costing less than £1,300, did not offset more than a portion
of the higher charges. For a majority of the houses built by the Corpora­
tions cost more, sometimes much more than £1,300, and, in addition, a
considerable part of the Corporations capital expenditure, on which more
interest had to be paid, did not attract subsidies. As I showed above, millions
of capital have been paid out on general development; rents have had to
cover interest and capital repayment for such development purposes.
Inevitably, therefore, the higher rate of interest has led either to higher rents, or economies in house and other construction, or both. Some of the deficiencies in the New Towns can thus be laid directly at the door of the Conservative Government.

Here, in a simplified form, is a statement of the capital advances made to the Hemel Hempstead Corporation. It shows how the higher interest rates have laid, for a term of sixty years, an additional charge on the revenues and thus on the tenants of the New Town: —

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
<th>Advance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to 7th November, 1951</td>
<td>3%</td>
<td>£2,912,200</td>
</tr>
<tr>
<td>to 8th November, 1951</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to 8th February, 1952</td>
<td>3½%</td>
<td>£693,000</td>
</tr>
<tr>
<td>to 9th February, 1952</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to 19th October, 1953</td>
<td>4½%</td>
<td>£7,622,800</td>
</tr>
<tr>
<td>to 20th October, 1953</td>
<td></td>
<td></td>
</tr>
<tr>
<td>to 31st March, 1954</td>
<td>4%</td>
<td>£1,746,000</td>
</tr>
</tbody>
</table>

If the rate of interest had remained at 3 per cent., the annual interest charge on the advances made up to 31st March, 1954, would have been about £138,000, instead of £154,000, thus reducing the amount to be found every year by approximately £16,000. And this additional amount has to be found until the advances are paid back sixty years later. In round figures, this means that merely for the advances between November, 1951, and March, 1954, while the Conservatives held office, an extra £960,000 has to be found for interest from the revenue account over sixty years. And advances since then have been given at 4 per cent. The New Town, like all public works, pays for Tory monetary policy.

This table shows quite clearly that Hemel Hempstead, like other Corporations, will have to carry the burden of these higher interest rates for a long time to come—unless a later Government permits the conversion of some of these advances.

**Building Costs**

The rise in building costs cannot be discussed here. That rise has been general, and has created similar problems for all housing authorities, just as standards of building have been reduced generally in an effort to keep rents within reasonable limits. I make only two comments. First, the New Towns have been large-scale projects, in which very large contractors have been concerned. Yet there does not seem to have been much economy of scale, and it is widely believed in the New Towns that some sub-con-
tracting has been excessive and expensive. Secondly, only one or two of the New Towns have experimented seriously with direct labour schemes—in Aycliffe the scheme has done well—though semi-permanent undertakings such as these might have provided a useful field for the employment of a fairly large direct labour force. **The experience of the New Towns, indeed, seems to underline the need for a reorganisation of the building industry, including the introduction of new construction methods.** It should be added that, in the last year, building costs seem to have levelled off and, in some respects, they have shown a slight fall. This may be due as much to an increase in productivity as to other causes. Hemel Hempstead reported that, for 1953-54, the volume of building per man year was £2,100 against a figure of £1,300 in 1951.

**The Rent Problem**

From the tenant’s point of view, the level of rents has been the most pressing problem. Protest meetings and many resolutions from community organisations have claimed that rents are unduly high in relation to earnings; that sickness for any period of time makes the rent burden intolerable; and that both the method of financing New Towns and the increases in interest rates have meant that tenants have had to carry more than their fair share of the total cost. Part of this dissatisfaction has sprung from the fact that the more recent a house, the higher its rent and/or the lower its construction standards are likely to be. Though, for a variety of reasons, strict comparisons are difficult to make, the following is an example from the three neighbourhoods of Hemel Hempstead in the order in which they have been built.

<table>
<thead>
<tr>
<th>House with</th>
<th>Adeyfield</th>
<th>Bennetts End</th>
<th>Chaulden</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Bedrooms</td>
<td>20 to 29</td>
<td>27.5 to 31</td>
<td>27.5 to 29.5</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>22 to 31.5</td>
<td>30 to 33.5</td>
<td>25 to 32.25</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>24.5 to 37.5</td>
<td>33.75 to 34.5</td>
<td>34</td>
</tr>
</tbody>
</table>

This table shows quite clearly the upward trend. While recognising the difficulties that have faced the Corporation, anyone who compares the standard of the Adeyfield houses with those of Chaulden will realise that the spread in rents would have been much wider had the original quality and amenities been preserved.

**What the Tenants think**

As an illustration of the residents’ opinions on rent, and one that is broadly confirmed by my own experience, there is a survey of a sample of five hundred households recently conducted in ‘Silkin Newton,’ an unspecified New Town. This survey (summarised in the *Manchester Guardian*)

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1 See, for example, proposals in *Policy for the Building Industry* by Kenneth Albert, Fabian Research Series 170.
of 21 August, 1954, by Dr. Stephen Taylor) showed that about half the families had weekly earnings of £10 a week or less. They were asked this question: 'Bearing in mind building costs and the housing you get, do you feel that your rent is reasonable or unreasonable?'

<table>
<thead>
<tr>
<th>Rent</th>
<th>10s. to 20s.</th>
<th>20s. to 30s.</th>
<th>30s. to 45s.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasonable</td>
<td>96</td>
<td>51</td>
<td>32 per cent.</td>
</tr>
<tr>
<td>Unreasonable</td>
<td>1</td>
<td>43</td>
<td>54</td>
</tr>
<tr>
<td>No opinion</td>
<td>3</td>
<td>6</td>
<td>14</td>
</tr>
</tbody>
</table>

Without knowing the distribution of this sample, we cannot tell what proportion of it consisted of the low-rent tenants, of whom 96 per cent. were satisfied. But it should be pointed out that, for almost all the New Towns, only the last two columns are significant, since hardly any New Town house rents for under one pound a week. It then appears that more than half the new tenants believed that their rent was unreasonable.

A second question reinforces this conclusion. When asked whether there was anything else that they would have liked added to the house 'for which you would be willing to pay extra rent,' less than a quarter of the households with rents above one pound a week were willing to pay more for anything.

There is a further relevant point here. As a high proportion of incoming residents are in the early years of married life, domestic expenditure is at its peak, with the purchase of furniture and the arrival of two or three babies within a space of five or six years. The children, moreover, tie the mother to the home and prevent her from becoming an additional earner. (The same survey showed that more than a third of the families in 'Silkin Newton' were paying hire-purchase instalments, against a national average of a quarter. A survey confined to newcomers would probably show an even higher proportion.) This means that, rent apart, there are heavy claims on the family income that can often be met only by overtime. It also means that it will be very difficult to persuade employees of public utilities and the distributive trades, where wage rates are lower than in industry, to take up residence in New Town houses.

### Financing Amenities

The financial structure of the Corporations has meant, in a period of rising interest rates and construction costs, a continual pressure to economise. And though this pressure has been resisted, it has naturally limited or delayed the provision of amenities. Yet there is a more serious handicap that is due to the Minister's strict interpretation of Clause 12 (7) of the 1946 Act. This states that any proposals for amenity construction 'shall be approved by the Minister with the concurrence of the Treasury as being likely to secure for the Corporation a return which is reasonable having regard to all the circumstances, when compared to the cost of carrying out those proposals.' This means, as the Minister has interpreted it, that they must be able to meet both capital and interest charges.
As an illustration of the consequences of this we may take the fine new hall in Queen's Square in the Adeyfield neighbourhood of Hemel Hempstead. This has a central hall, used for dances, fashion shows and trade union branch meetings, and two smaller rooms, suitable for committees and smaller groups. which can be used for sitting out or refreshment purposes when there is a big occasion in the larger hall. It is admirably designed to serve the needs of the many community bodies in the neighbourhood. Permission to build this, however, was obtained only if it could cover its own cost; other neighbourhoods have so far had to make do with converted premises, often ex-Army huts.

The hall cost £23,000. The money was borrowed by the Corporation at 4\(\frac{1}{2}\) per cent., or at an annual rate of 4.66 per cent. if allowance is made for capital repayment over sixty years. (The annual charge is £1,071, or £64,000 over 60 years!) It thus requires a weekly income of £20 merely to cover interest and capital charges, while maintenance costs run at about the same figure. Under the Act, the Corporation is obliged to find £40 a week in rental from this hall, or about £7 for every week-night. This would have meant that charges for the large hall would have been prohibitive for many of the local organisations for whose use it was built, and that even the small rooms would have cost up to a pound for a few hours in the evening. This policy, in fact, would have meant that the hall and rooms would have gone unlet many nights in the year, and the project would have been failing in its purpose. The solution, which followed a good deal of local controversy, was that the Corporation itself turned dance promoter, and pre-empted the best night of the week. Though local organisations which wish to run dances feel annoyed that Saturdays are always booked for the Corporation dance, as well as alternate Fridays, this policy has enabled the Corporation to let the hall and committee rooms below their economic rent and thus make it possible for them to be used by local organisations on four or five nights a week.

Paying the Price of Parsimony

Such restriction upon material provision for amenities is a serious problem in all the New Towns. (There are similar difficulties about the provision of playing fields, for which the Corporations have been willing to provide land and, in some cases, lay out; the problem is revenue for upkeep.) The most telling comment on all this came in the Stevenage Corporation's report for 1953-54, though all the other Corporations take the same view. Stating that 'the supply of suitable premises lags a long way behind,' and pointing out that the principal difficulty is one of finance—in addition to the points made above, capital grants from local education authorities have been severely cut since 1949—the Corporation reports that it has . . .

'. . . experienced much difficulty in obtaining the sanction of your Ministry for the erection of community buildings under the New Towns Act. Increasingly, in the result, has the rapidly growing population had to be content with unsatisfactory makeshifts. This is destructive to that spirit of voluntary enterprise upon which the organisation of communal activities so largely depends.'
To this must be added the remark made by the Hemel Hempstead Corporation, which is able to contrast the excellent social accommodation in Adeyfield, its first neighbourhood, with the later makeshifts to which it has had to resort. 'Early provision of adequate social facilities' is essential 'if the new inhabitants are to be happy and capable of forming a community. . . . There is no guarantee that the improvised means provided with the physical aid of the new residents in the earlier neighbourhoods can successfully be repeated.'

4. THE BALANCED COMMUNITY

The concept of 'balance' is one of the central ideas in the construction of New Towns, that mark them off from ordinary housing estates, private speculative projects and mere dormitory suburbs. It means that a town should not only have enough schools, cinemas, shops and other amenities for its population, but that this population should be sufficiently diverse in its interests and occupations to give the town a healthy civic complexity. We have learnt from such places as Dagenham, Jarrow and Merthyr, the price that communities can pay for being too limited either in social composition or industrial range.

This is why the Reith Committee laid such emphasis on social balance, and insisted that the New Towns must not be one-class communities linked to unplanned factory development. The Committee urged that New Towns should include 'head offices and administrative and research establishments, including sections of Government Departments and other public offices. It is most desirable that proprietors, directors, executives . . . should live in the town. . . Many professional men and women, writers, artists and other specialists not tied to a particular location . . . retired people from home and overseas, from every kind of occupation, as well as people of independent means.'

Social Structure

It has not been easy to achieve this aim; indeed, it is not being properly fulfilled. The middle classes do not take kindly to living in New Towns, partly because they prefer to buy rather than rent their homes, partly for reasons of snobbery. In all the New Towns in the London area, there has been a tendency for property values to fall slightly, as 'professional men and women . . . people of independent means,' sought to sell their houses and move, if only to what the estate agents describe in their advertisements as 'desirable property, outside New Town area.' For some of these New Towns were at first bitterly resented by the middle class, whose small country-town retreats seemed threatened by the new housing areas and the inflow of workers from London. Moreover, the managerial class, whose work has brought them to a New Town, seem to prefer to buy a house some little distance
away if they can; several of the Corporations have had difficulty in dispo­sing of their ‘middle-class’ houses. Harlow, for instance, suspended con­struction of its Standard Two houses in July, 1954, as it found it increasingly hard to let houses at more than 50s. a week; two houses rented at four pounds per week had remained unlet for about nine months. If Government Departments had moved part of their offices to New Towns (as the Land Registry is to go to Harlow), it would have been possible to get a far higher proportion of salaried and clerical workers living in them.

At the other end of the scale, the proportion of unskilled workers, public utility employees and people in the distributive trades remains below normal. There are two reasons for this. First, the rents are too high in most cases for a man earning six, seven or eight pounds a week—especially if his work is of a kind where it is difficult or impossible to do overtime and thereby raise his earnings. Secondly, since the majority of new residents are workers who have moved with their factory, the percentage of skilled workers tends to be far higher than in a normal residential district or than in the working-class section of an industrial town.

The majority of residents, therefore, are skilled or semi-skilled workers, earning between eight and thirteen pounds a week, and for the most part employed in light engineering of various kinds. (Aycliffe, Corby, Peterlee and the two Scottish New Towns differ, in this respect, but these are likely to have even less balance.) This follows, of course, from the industrial pattern which has been established.

Types of Industry

The greater part of the factory construction has taken place in a period of re-armament and of restrictions on certain types of industrial development. Priority has been given to firms producing, or capable of producing, for defence contracts; location certificates from the Board of Trade and building licences have been granted far more easily to firms making a contribution towards the defence programme. All the Corporations have been making efforts to offset this industrial bias, and during the last year they have had rather greater success. The bias remains, however, and it is quite certain that the New Towns need more plants producing consumer goods and services, food processing, for instance, and also additional sources of employ­ment for clerical, technical, women and juvenile workers.

This is not merely a matter for the Corporations. They have to interest business concerns in their industrial premises, but their efforts are useless unless they receive whole-hearted co-operation from the Government. The detailed analysis of the industrial structure of the New Towns, may be found in the annual reports of the Corporations. The essential point is that it is both socially and economically undesirable for the New Towns to be too dependent on one or two types of employment. If a proper balance is to be secured, the planning powers which cover the location of industry must be used much more vigorously, not weakened or abandoned as under the present Conservative regime.

There is a further problem of balance which raises most interesting
social questions; it has, incidentally, already raised problems for the educa­tional authorities dealing with New Towns. The proportion of young married couples and of children of school age is far above the national average. We know that in the country as a whole there is a ‘bulge’ in school population. In the New Towns, this is even more marked. Take, for example, this breakdown of the age-structure of the newcomers to Crawley:—

<table>
<thead>
<tr>
<th>Age</th>
<th>Crawley Percentages</th>
<th>National Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>0—9</td>
<td>28.3</td>
<td>16</td>
</tr>
<tr>
<td>10—14</td>
<td>5.1</td>
<td>6.6</td>
</tr>
<tr>
<td>15—19</td>
<td>2.7</td>
<td>6.4</td>
</tr>
<tr>
<td>20—44</td>
<td>54.7</td>
<td>35.4</td>
</tr>
<tr>
<td>45 and over</td>
<td>9.2</td>
<td>35.6</td>
</tr>
</tbody>
</table>

Thus, if this is a fair sample, about ninety per cent. of the new popula­tion is under 45 years of age; more than half is under 35; and one-third is of school age. For purposes of comparison, the equivalent national age-structure is shown in the last column.

School Population ‘bulge’

These figures alone suggest the kinds of problem that have to be faced. Many new schools are needed in any case to meet the needs of New Towns: should there be sufficient to cope with the enormous ‘bulge’ of the next fifteen to twenty years, or should the school accommodation be designed for ‘normal’ purposes, which would mean serious overcrowding in the critical years? And what is the ‘normal’ population expected to be? How long will it take for New Towns to even out the distortions in their age-structure? Should there be special types of school building, some of it of an emergency type, and can the schools be so designed that their function can be changed over the years? The early need is for enough primary schools, but later the ‘bulge’ will reach the secondary and technical level.

Education, moreover, is only part of the population problem. Should special plans be made now to ensure that there are enough openings for young workers as the ‘bulge’ reaches school-leaving age? And how can sufficient openings be created without having a great many blind-alley jobs, or forcing the young people to leave the district to work? Again, what is to be done to provide houses for the abnormally large number of young people who will reach marrying age within ten or fifteen years? By that time their parents will still have many years of working life and then retirement before them; there will be far fewer houses falling vacant than is normally the case, because for a long time the death rate will be well below the national average. And what opportunities will there be, either for work or social relaxation, for the large group of married women, still relatively young, who will be released from much of their household burden as the children grow up?
Leaving too Much to Chance

I ask these questions now because they cannot be left to answer themselves; at least, if the principle of social planning is to be maintained in the New Towns, they ought not to be left to find their own answers. Some decisions have to be taken now. Schools are the most pressing problem. But what of houses? Are parts of the designated areas to be left for later development in order to provide homes for New Town children? Should construction be halted or slowed down at some point below the maximum level provided for in the master plans? Surely sufficient space should be left within the designated area for later housing? In Hemel Hempstead every possible site has already been earmarked. Some 'buffer' is needed, and needed within the area of the local government housing authority, otherwise the town will begin to sprawl and boundaries will have to be adjusted.

This unusual family structure raises a further social problem. In a normal 'old' residential area, the 'three-generation family' is the rule. In New Towns, the pattern is largely 'two-generation.' Grandparents, brothers, sisters, cousins—even family friends so close as almost to rank as relatives—are usually left behind when a couple move to a New Town. This means that the baby-sitters are left; so too are the helping hands in illness or other times of family crisis. The family has lost many of the barriers it normally erects to protect itself within a community and to give itself stability.

Naturally enough, this change has an effect on the family and social life of the newcomers, and on the vitality of the community organisations which seek their support. It becomes hard for both parents to go out together in the evenings; and if one must stay behind, there is often pressure for the other to stay at home. (Television as a mass entertainment has come at the right moment for such households.) And the distance from mother adds to the psychological burdens which a young married woman must shoulder on moving to a New Town—the unfamiliar experience of making friends, the loneliness of a new house in a new district, the loss of the security-giving family environment.

A Credit Balance

Yet the credit side to this balance sheet must surely offset the criticisms, the uncertainties and the omissions. The youthfulness of the newcomers means, in the long run, freshness and energy. The strangeness of the new surroundings, something that all have in common, is a spur to community organisation. The newness of it all is a challenge to build and create and pioneer, bringing out the latent skills, interests and hobbies. In the areas from which many of these people have come, a neighbourhood organisation was usually unheard of: in a New Town it is the co-ordinating link in the chain of community building.

Tastes may also change. The Hatfield Corporation says of its experiment in providing a 'Show House' furnished by the Council of Industrial Design: 'Perhaps it may be interesting to mention that the effect of the Council of Industrial Design's method and manner of furnishing the modern small house is noticeable in the houses of our tenants.' Here, surely, is an
admirable example to be followed, and applied to other aspects of life than house-furnishing. It is not far-fetched to recall the enormous success of the Tennessee Valley Authority in introducing new techniques by means of the demonstration farm, whose merits were a constant challenge to neighbouring farmers. This is how voluntary effort can be stimulated within the framework of social planning, securing diversity at the same time that general standards are raised.

5. RELATIONS WITH LOCAL AUTHORITIES

The relations between the Development Corporations and the local authorities responsible for services within the designated areas are perhaps the most complex and most difficult to summarise of all the network of new relationships created by the New Towns. They are defined, in part, by statute; but they are also very much a matter of ad hoc adjustment, and good relations have been much more the product of good sense and personal co-operation than of the rigid application of rules laid down in advance. Moreover, as the New Towns develop, they are in fact transforming the local authorities with which they have to deal, changing not merely the political balance of their elected members, but the form of the councils themselves. Harlow is a case in point. Here, as construction has proceeded, it has been necessary to create a new urban district council to provide the necessary services. In other places, there have already been changes in council boundaries, and more will be needed before the New Towns are completed. Hemel Hempstead is unique in being the only New Town in which almost all the development falls within the boundary of an established borough council.

For these reasons a much more elaborate survey of Corporation-Council relations is needed than it is possible to make within the limits of this pamphlet. A summary tends to be misleading because each town has its own problems, and because there is such a wide variation in the character of the authorities concerned.

The Question of Status

Some consideration has to be given to the question of status, however, for a number of reasons. First, as is shown below, it seems to have been intended that the New Towns shall ultimately pass into the ownership of a local government authority, though the Act is not clear on this point. In that case, it is essential that the authority concerned shall become, or have powers, equal to a non-county borough. Over a period of ten to fifteen years it may thus be necessary for a town to pass through all the stages of growth from a parish to a borough, which means a continual expansion of powers and responsibility. Secondly, it is desirable that the jurisdiction of that authority should be at least the same as the designated area by the time the town is completed. This is especially important so far as housing is concerned. If the New Towns are to be prevented from sprawling, enough space must be left within the Council and Development Corporation bound-
aries to permit an adequate housing programme over the years to meet the
town's own need for new houses. Thirdly, the authority must be large
enough and possess sufficient status to carry the technical and other obliga­
tions which will pass to it in the course of time.

This raises some problems for the County Councils concerned. They
have faced already some of these in having to provide County services
(especially education) for New Towns in their area, and as the towns reach
maturity there will be others.

Finance

The most immediate problem, and one that has been the cause of most
difficulties so far, is that of finance. A county such as Hertfordshire, which
has four New Towns and two L.C.C. out-county housing estates, has had
to provide a great many services out of its rate fund for which it has not
so far received a completely compensating income, either from the L.C.C.
rate-subsidy or from the increased rateable value of the new houses. For
the current estimate is that to be self-financing for local government services
a house must have a rateable value about £25 a year. Each house built
that falls below that rateable value thus becomes a net liability.

This, of course, applies to all rates levied, whether county, borough,
district or parish. Yet too much should not be made of this liability. Over
the years, the rateable value should rise, especially in the town centres and
the commercial properties, while the cost of services is unlikely to rise nearly
so much. Some local government expenditure, moreover, arises in advance
of rate revenues. The construction of a new reservoir, street lighting in
some cases—to take only two examples—may be necessary before the houses
for which these services are provided are ready to yield a rate income.

There is, moreover, a further prospect of relief. In the case of New
Towns, the repeal of industrial de-rating—to which the Labour Party is now
pledged—would make a substantial contribution to local authority income,
and one that could reasonably be carried by the new and efficient industries
which have been established. These, even more than industrial premises in
an 'old' area, gain a great deal from the services provided by the local
authorities, and there is a strong feeling in New Towns that they should
make a rather larger contribution to the income of these authorities.

Education

A separate pamphlet could and should be written about education in
the New Towns. Where else, for instance, is almost the whole of the school
population housed in modern schools? And what effect does this have upon
the morale and efficiency of both staff and pupils? Is the bi-lateral or com­
prehensive school specially suited to New Town needs? Answers to such
questions have an importance which goes beyond the local conditions of
New Towns.

It has been hard for the education authorities to keep pace with the
inflow of children. As I have shown already, the proportion of children is
much higher than normal, and room has had to be found for them as they
come in. This has meant, at times, serious over-crowding—the use of dining
halls, staff rooms and even cloakrooms for teaching purposes. Such crowding, moreover, has been accentuated by the 'freeze' in new school construction imposed when the Tory Government took office in 1951, and by other educational economies. At one time in 1953, the school-building programme in Hemel Hempstead was almost eighteen months in arrears.

Yet, despite the obligation that the County Councils have rightly felt towards their 'old' ratepayers and their children, they have done their best to keep pace with the demands of the newcomers. Hertfordshire, for example, has built over one hundred new schools since the end of the war, and nearly one-third of the children in the county are now housed in post-war schools—a remarkable achievement in the circumstances. Other education authorities have not done quite so well. Crawley was handicapped for some time by the fact that West Sussex had always preferred to build schools out of revenue and not by capital borrowing, and by the fact that the programme for Crawley alone was equal to the whole programme for the rest of the county. Not unnaturally, there has been some pressure on the County Councils to eliminate schools condemned years ago, especially in their rural areas, rather than meet New Town claims that the 'old' population thought excessive and selfish.

At the end of 1954, though local difficulties remained, the situation had improved a good deal, and it seems likely that the County Councils will now be able to keep abreast of the essential requirements of New Towns. There remains a need, however, for more facilities for technical and further education. These are fundamentally industrial towns, and they are going to need trained workers with skills and imagination. It seems desirable that technical colleges, preferably of the polytechnic type, should be built before long to meet the needs of the young people. The 1956 programme for Crawley I notice, includes a technical college, serving much of North Sussex.

Other Services

The strict control imposed on Corporation finances, and in particular the requirement that 'community' projects shall be self-financing—has meant that some amenities and facilities they wish to provide in the New Towns cannot be provided by them and must therefore be undertaken by the local authorities or not at all. In some cases, responsibility has been shared: a Development Corporation has provided and laid out a playing field, while the local Council maintains it. In others, the Corporation has offered to take a share—in a new hall or special construction in the town centre—and has found the local Council unwilling for reasons of expense to join in the project.

This is one reason why there should be special transitional grants to New Towns, of which a part should be given to the local authorities concerned. The other reason for this proposal is that, by accepting New Towns within their boundaries, these authorities—from parish to county—have shouldered special burdens in the interest both of the country as a whole and of the exporting local authorities whose housing problem they have helped to ease at very small expense to the exporting authorities,
6. WHO IS TO OWN NEW TOWNS?

The way in which New Towns are to be disposed of by the Development Corporations still lies in the future, perhaps ten, fifteen or even twenty years from now. That, at least, was the original intention, though some Conservative interests have privately discussed the idea that parts of them should be sold off to private investment trusts in order more speedily to recoup some of the capital outlay. Such a move, if seriously proposed, should be strenuously resisted. There is no case for it whatsoever.

Sale of Freeholds

Yet some small steps have already been made in that direction. The Development Corporation, it was intended, should be the main ground landlord, disposing of land and property only on long leases. This would permit it to retain the development value of its properties, and retain substantial planning rights. Since the Conservative Government took office, and since it has been putting considerable pressure on the Corporation boards for quick and cheap results, there has been a growing tendency to dispose of freeholds. While this may not be so serious a matter where it affects private residential property, provided that the freeholds are in a special area, it is a different matter where shops and industrial premises are concerned, especially shops in the town and neighbourhood centres. The value of these sites will grow rapidly as the New Town approaches maturity; yet speculative interests are being permitted to gain a footing in a number of towns and become, in exchange for undertaking some part of the development cost, ground landlords themselves.

What this may mean can be simply illustrated. Suppose a multiple store is sold a building site in the town centre. It may erect its own store, and use part of the site for smaller premises that it lets on lease. In ten years time, that site and the buildings on it may have doubled or trebled in value—an increase that accrues to the freeholder. If the freeholder sells then, he has made a capital profit; if, for any reason, the Development Corporation, or its successor in title, needed to re-acquire the site and the property, it would have to pay at a valuation greatly exceeding the original cost. Yet all the capital gain would have arisen because of the increased size and prosperity of the town as a whole, something for which the Corporation has been primarily responsible. A Labour Government should therefore put a stop to sale of freeholds.

Handing-over New Towns

It may seem early yet to discuss the eventual hand-over of New Towns and the problems that will then arise. But, before too long, some of those problems will have to be faced and they will be faced more effectively if there is some informed opinion about them.

The second interim Report of the Reith Committee (para. 82) had this to say:—
'When the town has reached maturity, it will have to be decided whether the agency should be dissolved and the assets and liabilities taken over at a valuation by the local authority or some national body, or whether the agency should continue in being, modified in constitution, as land owner and estate manager.'

The Committee inclined to the latter view, though some of its members favoured a transfer to the local authority. The majority foresaw a division of labour in which local authorities should take over their normal functions—roads, housing, planning, education, sewerage, etc.—while the Corporation, as land owner, would settle rents, lettings, maintenance and re-development for all its land and buildings, handing over any surplus to the local authority for general use. In order to maintain a proper liaison between these two different bodies, the Committee thought it would be appropriate 'when the major work of construction is completed' to include in the Corporation 'a minority of members—possibly two—resident in the New Town and elected by the residents by direct vote.'

Local Representation

Here is the origin of the suggestion, strongly urged by local Labour parties in New Towns, that the Corporations should already be broadened to include more local representation. The problem, so long as the Corporations remain responsible to the Minister, is one of maintaining responsibility; elected Corporation members (either by direct vote or from among present members of the local authority) would have a dual loyalty. The answer lies, really, with the Minister, who can choose more local representatives, who broadly reflect the political outlook of the town, from among those proposed by the local authority, yet insist that their responsibility to him remains unimpaired.

When the New Towns Act was drafted, the emphasis differed from that of the Reith Committee. Section 15 (1) of the Act provided:—

'Where the Minister is satisfied that the purposes for which a Development Corporation was established under this Act have been substantially achieved, and is further satisfied, with the concurrence of the Treasury, that the circumstances are not such as to render it expedient on financial grounds to defer the disposal of the undertaking of the Corporation under this section, he shall by order provide for the winding up and dissolution of the Corporation.'

Ownership was then to pass to the local authority (its status is not specified in the Act) on terms to be determined by an order made by the Minister with the consent of the Treasury.

These terms are only broadly defined. But they may contain any special provisions that the Minister 'thinks necessary or expedient' and they may similarly 'extend or modify the powers and duties of that authority.' In short, without further legislation, the Minister can do more or less he and the Government of the day choose to do.

Clearly, the transfer of an undertaking which has a capital investment of £20 to £40 millions, will be an important landmark in the development
of English local government, and it may well require a new type of authority to handle such obligations. At this stage I am not prepared to make any very definite proposals about the timing, method or character of the ultimate transfer. This is a matter which requires a special and careful study, and that would in any case depend partly on whether any structural changes in local government have been introduced nationally before the transfer becomes due.

I would, however, make two general observations. The first is that it accords with the general policy of the Labour Party that ultimate ownership of a New Town should pass into the hands of an elected municipal authority. The New Towns, perhaps before other urban areas, should become models for the social ownership of residential property. Secondly, it now seems probable that the New Towns will surmount the financial difficulties which threatened for three or four years to cripple them. They will reach maturity as going concerns, and any authority taking one of them over will take over an asset and not a liability. Moreover, apart from their solvency on revenue account, they will represent a capital asset of enormous value. There should be no doubt that a local authority owning a New Town will be in a strong and healthy financial position.

The Terms of Transfer

How strong, how healthy, will depend in part on the terms of transfer. From the standpoint of the local authority, it would clearly be desirable to take them over on the basis of outstanding debt—for this would merely mean maintaining for perhaps twenty or thirty years the annual payments previously made by the Corporations, payments that would be covered by the current revenue account. The Exchequer, however, is more likely to propose transfer 'at valuation'; this would enable the Treasury to cream off much of the development value, and it would impose a far heavier annual burden on the authority which assumed ownership.

This problem must be argued in more detail, in terms of comparative payments. But there is this consideration. On the basis of repayment of outstanding debt, the Treasury would have received back, at the end of sixty years, each of its capital advances as well as the appropriate interest for the term of the advance. It will have done little else but advance the capital; the town will have been created by those who built it, work in it and live in it. Its future value is the value they, as a community, have given it. If the capital had been borrowed privately and repaid with interest, at the end of the loan the freehold would pass to the Corporation, just as a private house-owner acquires his title from a building society. Why should the State seek to make an additional profit? As the years go on, this question will certainly be thrashed out in greater detail.

The point to note now is that social planning can be, and is, a financial success.
7. A POLICY FOR NEW TOWNS

At several points this survey has indicated some of the ways in which the New Towns might be helped better to fulfil both their original purpose and, indeed, to go beyond it in certain respects. What is needed, however, is a Ministry which really believes in the idea, which regards New Towns as something more than a sector or the housing front which can be left more or less to its own devices, and which is prepared to make the success of the first group the justification for a second series.

There is ample evidence that the Conservative Government is lukewarm about New Towns. Local Conservative Associations usually fought against the establishment of a New Town in their area, and only later began to come to terms with it; the Conservative Party in Parliament, though it did not oppose the original Act, has never shown any enthusiasm for it; and there have been many attacks on New Towns in the Conservative Press and publications. In January, 1954, the *Economist* expressed its doubts about ‘continued Government backing,’ and wrote:—

‘There are signs that the lukewarm support that the Treasury has hitherto given to the New Towns is falling off . . . if the Treasury will not provide the money, the New Towns must either stop operations or lease or sell land on terms which involve both loss of control and loss of profits in years to come. There may be a case for Treasury restrictions on public loans to the New Towns; but if so, they should be allowed to raise money by other means. [Through independent loans.—N. M.] Otherwise a Development Corporation becomes even less independent than a local authority and has more complicated problems of co-ordination.’

Some of these doubts have been confirmed, notably the disposal of leases for independent development in some of the town centres. There is, moreover, a certain anxiety which was not directly expressed by the *Economist* yet is widespread among people who wish to see the Corporation retain the control originally given for them. This is an anxiety lest parts of the New Towns, or even residential property as a whole, should eventually be sold off to private investment interests, leaving the Corporations or their successors in title merely as owners and managers of the largely non-earning public service and amenity assets. I do not suggest that this idea has yet been formally proposed. But should a Conservative Government remain in office for any length of time, there is a danger that something of this sort might be proposed when the problems of hand-over begin to be faced.

A Comprehensive Policy

1. Financial. The New Towns are not unique in their financial problems. A lower rate of interest is clearly required for all kinds of public works. Yet a general reduction in the interest charges would make a substantial difference to New Town revenue accounts, permit more flexibility in Corporation finances, and help reduce the rent burden. The supply of capital at a rate not exceeding three per cent. p.a. is therefore urgently desirable.
There is a case, moreover, for special capital grants. Both the Corporations and the local authorities concerned have undertaken special expenditure, and this has been a net contribution to national resources by the provision of new industrial areas as well as to a national problem of planning, housing and education. To offset that special burden, which at present falls on the rate and rent payers concerned, and to allow more rapid provision of essential amenities, the Government should provide for a period of five years a special transitional capital grant. This should be of the order of £5 millions, divided pro rata among the Corporations and local authorities involved.

2. Amenities. The 1946 Act should be amended or interpreted to abolish the requirement that amenity buildings or similar projects should be self-financing. The Corporation should be permitted to provide such amenities as they see fit, and to finance them in any way consistent with the general provisions of the Act. Special grants should be made for playing fields. Until 1951, grants were made under the 1937 Physical Training and Recreation Act. This Act should again be implemented and its scope extended to permit Corporations to use it in the same way as local authorities. The new Ministry Circular 283 releases local authorities from restriction in ‘specially urgent’ cases, and permits grants for community centres up to 50 per cent. of a scheme built by voluntary labour, less if carried out by the authority itself, and ‘assumes’ the total cost will not exceed £10,000. This will be quite inadequate to meet the needs in New Towns or large housing estates.

3. Social Services. The provision of health service facilities should be improved. An immediate start should be made with health centres and new or additional hospital accommodation.

4. Education. As part of an enlarged school-building programme, there should be a special review of New Town requirements. Comprehensive schools are peculiarly suited to New Town needs, and local authorities should be encouraged to provide them, as well as facilities for further and technical education, which will be increasingly required. If necessary, the Treasury should give special assistance to local authorities undertaking these projects.

5. Housing. A lower rate of interest would not merely help ensure lower rents. It would also permit an improvement in building standards. Building and planning standards should be restored, at least to the 1950 level. Density should be reduced again from 17/18 houses per acre to a maximum of 9/14.

6. Industry. By use of planning powers, greater industrial diversity should be secured in New Towns. Government and other official offices should be established as a matter of policy.

7. Corporations. The Labour Party should now ensure that its policy for the hand-over should be worked out. It should reach some general conclusions about the financial aspects of transfer, and also about the type and powers of local authority which could take over.

All this, of course, provides merely a framework within which the Development Corporations will work. But these changes would eliminate most of the difficulties they still have to face. Their record so far offers
sufficient guarantee that, the restrictions removed, they would continue to
discharge their responsibilities, not merely with efficiency and imagination,
but also with a real desire to make their New Towns the happiest and most
comfortable communities in Britain. Social planners and Socialists cannot
ask more from public servants.

8. CONCLUSION

This pamphlet has sought to show that the New Towns have more than
justified themselves. Their success, indeed, makes it hard to understand why
further projects of this kind have not been started, especially since the net
cost to the Exchequer has proved so relatively small. One of the first tasks
of a new Labour Government should be to select new sites for this purpose.

There remains, however, one obstacle that I have not so far discussed.
There is, even in the Labour Movement, a curious attitude towards New
Towns that amounts almost, if one can use this word, to jealousy. I hope
it has been shown that this is based upon misconceptions about the total
cost and about the means of financing them. Yet, if further progress is to
be made along these lines, that attitude must be replaced by a more positive
enthusiasm for what social planning has achieved.

Socialism, among other things, is a matter of priorities. There will
never be enough money, materials and man-power to do all the improvements
to our social system that we all know it needs. It is a question, therefore,
of deciding where to concentrate the resources available at a given time.
In specific terms, it means deciding whether to build a new community centre
in Tredegar or Cwmbran. in Motherwell or East Kilbride, whether the
Hertfordshire County Council builds a new school in St. Albans before
meeting the needs of newcomers in Stevenage and Hemel Hempstead.

To such questions there is always the ready answer. The New Towns
are doing very well. Why should they be given privileged treatment when
they already have so much that other areas lack? Why not devote resources
to blighted areas before improving New Towns?

We should, of course, do both. And the claims of New Towns are not
so great that to make a success of them would impose serious hardships
elsewhere: their total cost is a small proportion of what is annually spent on
housing, education and public buildings.

Priority for New Towns

Yet there is a case, and I think it is a strong one, for not stinting New
Towns of the marginal money they need to carry out their original plans.
First, all our experience of urban development teaches that if a town is
starved of amenities in its early years, it bears the marks of that malnutrition
all its life. The face of our industrial towns bears witness that arrears are
seldom if ever made up: consider the difficulties now faced by local
authorities which seek to provide essential community facilities in our overcrowded and grimy cities. Secondly, the New Towns were designed to measure up to a modern conception of what a community should be like, not merely to provide a replica of what we already have as a legacy from the past. To reduce them to the general existing standard is to defeat their whole purpose; they should be models towards which we should move, not repetitions of our previous mistakes. Thirdly, the New Towns represent a net saving in national resources as against rehousing in old areas, as well as making a contribution to the health, efficiency and happiness of our people. Labour must learn the lessons of its own achievement, must fight to preserve high standards, to improve and to extend the original plans.

It was a Labour Government that launched this unique experiment, which has drawn visitors from all over the world to study and admire it. It should be the concern of the Labour Movement to see that it is carried through to success. The New Towns should be showplaces of democratic Socialism, the proof that it can develop people as well as change things.
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