



# AN ALTERNATIVE VISION FOR THE LAND REGISTRY







# An Alternative Vision for the Land Registry

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## Introduction

This booklet, 'An Alternative Vision for the Land Registry', is a timely contribution to the debate about the future of Land registration in England and Wales. This follows on from 'The Case for Civil and Public Services – an Alternative Vision' published in 2005. Against the backdrop of the biggest market failure in living memory, the Land Registry is under review by government. The scale of the economic crisis has produced a new consensus in favour of even deeper cuts in public expenditure. This booklet is a small but we hope useful addition to the PCS campaign to expose the fallacies behind these arguments and to restate the social and economic case for public services.

In looking at the work of PCS members in the Land Registry it argues that a reliable and transparent system is best achieved through:

- Promoting the wider public interest in the current debates around reform of the conveyancing process
- A comprehensive register of all land and property interests – a Domesday Book for the 21st Century
- Raising the issue of land ownership and the need for improved regulation, access and use
- Greater public scrutiny of the register and working with public bodies to better utilise Land Registry data and services in the public interest
- Land Registry providing good employment conditions and properly funded and staffed to fulfil its public service role.

The Alternative Vision aims to complement PCS campaigns in the Land Registry. Government and Land Registry management offer job cuts, office closures and a discredited business efficiency model. In rejecting this flawed approach, the booklet can be a useful campaign tool in building wider public support for an Alternative Vision for the Land Registry; one that respects the interests of its workforce and the public interest they serve.

The Alternative Vision is based on the work of academics Professor Roger Seifert and Mike Ironside. It considers the economics of land by looking at ownership, regulation and the consequences of the exclusively market driven approach by government and senior Land Registry management. It makes a case for radical reform and concludes by arguing for the Land Registry as a public body that recognises PCS as the independent and democratic voice of the workforce. The booklet also includes a number of related articles.

Land Registry management are fond of describing the staff as the organisation's greatest resource. As the case studies testify, the targets culture and business model have damaged the quality of service and created stressful conditions for the skilled but ever declining workforce. The first related article is the response of the trade unions to an earlier Quinquennial Review of Land Registry (1999) containing arguments for the Land Registry remaining a public service that still hold true today.

The contribution from Pat Budu, PCS Research Officer, tracks the impact of new public management methods upon the civil service over nearly three decades. This is the broader policy framework within which senior LR management have implemented a stream of new management initiatives largely imported from the business world.

The next article comes from a PCS member and an officer in the Labour Land Campaign, Heather Wetzel. It argues for a fairer tax system and the sustainable use of land; an important element of any serious reform of land registration.

Finally we attach an essay by the author of 'Who Owns Britain: The Hidden Facts of Land Ownership', Kevin Cahill. Collecting reliable data on who owns the land should be straight forward as there are records for all land bought or sold since 1925. Yet it took Kevin Cahill's groundbreaking work to reveal that between 30 – 50% of the total acreage of England and Wales is unregistered.

There was a time when it was possible to know who owned the land. The Return of Owners of Land (1872) collected a full inventory of land ownership from parish records, often centuries old, which are now lost. This important document revealed massive inequalities in landed wealth and has been largely hidden from history ever since. Through extensive research Kevin Cahill's book shows these inequalities remain today and why land ownership deserves wider public scrutiny and debate.

Land Registry reform is long overdue. This booklet maps out an alternative to the market driven and short term approach of government and the LR management board. We hope all those interested in the ownership, regulation, access and use of land will find its contents a compelling read. We hope it can assist the efforts of PCS members in the Land Registry to defend a vital public service and help stimulate a long overdue public debate about land reform in the UK.

**Chris Baugh**  
Assistant General Secretary

## Executive Summary

Land Registry and its staff are facing some sharp issues. In the depths of the current recession the volume and character of work has changed dramatically. This poses serious challenges to Land Registry management's business process model, and raises important questions about the future role and structure of Land Registry. It also presents some opportunities to revisit the very purpose of land registration within an economy with a pattern of land ownership that is mixed but that is also dominated by a relatively small number of very large landowners.

### The economics of land

This section considers the importance of land ownership and land use. Land is where people live, work, and play, and it is also a source of income. It is a factor of production and as such it plays a major part in the accumulation of both public and private wealth.

If the owners of land have the right to determine how that land is used this can result in land being used in ways that are environmentally harmful, or it can result in land being not used at all. Furthermore, it can mean that people have insufficient access to land for habitation and recreation. Planned use of land is fundamental to a democratic society.

Registration of land is essential for comprehensive regulation of land use, but it is estimated that approximately 30% of the land in England and Wales is not registered with the Land Registry.

### Regulating land

Here we discuss the mechanisms available for regulating the use of land in the interests of the population. A tax on land would have some advantages, but further regulation is essential to protect communities from the vagaries of markets. We argue that the individual choices of land-sellers and land-buyers, historically rooted in the feudal distribution of land, result in inequality, in inefficient land use, and in inadequate infrastructure.

We argue the case for an open and fair system of bureaucratic controls over the use of land. The Land Registry would be an important part of that system.

### The market for land and its use

Markets are dominated by those who have market power. So the use of land is driven by those who own it, those who have the cash to rent or to buy it, and those who provide market-facilitating services. The result is that we have land uses and property 'developments' that we do not want, demands for decent housing and community facilities are not met, and those with neither land nor

cash end up homeless. The case for a strong system of state regulation was clearly confirmed by the collapse of the housing market and the failure of the banking system.

### **Reforming the Land Registry**

Land Registry's main function is to keep a register of title to freehold and leasehold land, thus enabling security of title and confident dealings in land. For Land Registry management, the main areas of business development include e-conveyancing and the provision of consultancy services to organisations involved in property markets. A comprehensive register of all land is seen as desirable, but is to be achieved through a gradual voluntary process rather than through compulsion.

As with the rest of the civil service, Land Registry is required to achieve the 'efficiency savings' required after the Gershon Review. We argue the case for a broad view of efficiency based on the successful planned use of land for socially desirable purposes, and against the use of narrow market-transaction criteria to measure efficiency. We can have a system that enables people to buy and sell land very efficiently while at the same time having an extremely inefficient use of land itself.

Thus the Land Registry should not be seen merely as a market facilitator, meeting the needs of buyers and sellers; it could be playing an important role in a state system of planning and controlling the use of land.

### **The role of civil servants**

Such a system depends on the employment of a particular kind of workforce to deliver it. Public trust is essential, so a workforce of well-trained civil servants is required to apply national standards, accountable through transparent management systems. The employment culture should be one of serving the public rather than one of selling services to individual customers. Pay and conditions of service, including the issues of workforce planning and workforce restructuring, play a vital role in the establishment and maintenance of a high-performing and high-trust public-service workforce. The most effective way of handling such workforce issues is through the trade union, and PCS has its part to play as the independent and democratic voice of the employees.

**Roger Seifert and Mike Ironside**



# An Alternative Vision for the Land Registry

## Introduction

When we were asked to write this booklet in the summer of 2007 the staff in Land Registry, like their civil servant colleagues in other civil service agencies, faced a programme of staff reductions cloaked in the Gershon report's efficiency savings model. That was linked with aggressive modern management which increasingly excluded staff and unions from a voice, sought to narrow the focus of the organisation to a mere market facilitator, and threatened staff with mergers and possible sub-contracting of services. In other words there was a threat of privatisation to go along with the threat of job losses and work intensification.

Much of this was predicated on a rose-tinted view of the world after the Cold War (1946–1990): a world full of economic certainties about the forward march of finance capital through global free markets. Governments throughout the world, including the Labour government in the UK, supported strong banking systems with light regulation, a strong currency, and a high borrowing culture (personal and business leverage). This was believed to have secured rising living standards, job security, and economic growth with low inflation.

During this sustained period of relative calm political and business leaders, supported by large sections of the media and academia, ignored pleas to reduce the widening gap nationally and internationally between income-rich and income-poor, and between asset-rich and asset-poor. They ignored those voices, mainly from the trade unions and certain pressure groups, to invest more heavily in both public services and manufacturing, and they were prepared to allow increasingly unaccountable decision-makers to create an economic and political world separate from the lives and needs of ordinary people.

This was linked to a strong ideological commitment to free-market models of economic activity (neo-liberalism) that, it was argued, had served the finance sector well and so should be rolled out to the rest of the economy including public services. So Wall Street ideals of what constitute best management practice were fed across the Atlantic, through Harvard Business School and management consultancies, into UK business schools and then into our public services. In this process the traditional norms of public sector management (progressive public administration) were replaced by New Public Management and by the dogmatic assertion that ailing businesses and/or failing public sector organisations should not be propped up by state intervention.

At the time of writing in early 2009 this has changed dramatically. The Thatcher-Reagan dogma has been smashed on the rocks of economic reality. A deep crisis of the system has thrown the entire decision-making leadership of our political and economic worlds into both intellectual and practical disarray. As a result the threats to the civil service and the Land Registry have changed, but so have the opportunities. Obviously with the dramatic slowdown in the housing and property markets comes a reduction in work flows for the Land

Registry and this poses short-term issues for staffing levels and re-organisation. Despite this the Budget Statement in April calls for further “significant efficiency savings” through “estate and operational rationalisation and market testing of support functions Land Registry’s Blueprint, which promotes a ‘business process model’ to pursue a range of new commercial activities, is based on assumed growth in land transactions, property dealings, and property developments. Despite this, senior Land Registry managers are sticking with their already out-of-date blueprint, and are using the market downturn to push through their version of a business model.

Opportunities now exist to shift the purpose and use of civil service activity away from merely facilitating the operation of markets in the short term, and back to broader based planning and development work; and at the same time state intervention can be increased, deepening the involvement of the state in all aspects of economic activity. Alternative uses for land can be considered, and so can the alternatives to the precepts that underpin current management thinking on the future of Land Registry. The cases for compulsory registration of land assets, for a wider and deeper role for Land Registry in the use of land and in the control of land use, and for a better paid and higher skilled workforce can all be strengthened. The crisis in the housing market, due in part both to the failures of the financial markets and to the land/business cycle<sup>1</sup>, should jolt government ministers and their advisers out of their admiration for all things private and all methods managerial. This is the time to rethink land use and the use of the Land Registry in terms of a deep reappraisal of the causes of the crisis, the needs of ordinary working people for homes and jobs, and the failure of the markets when it matters most.

This booklet begins to tackle these issues. It starts with a brief discussion of the economics of land use and management, and then deals with the role of the Land Registry. It goes on to discuss issues of efficiency and staff management, and then illustrates the nature of current work within the Registry. Finally it provides the case for a public and open system for all, based on an understanding of the importance to us all of the reform of land use and the reform of Land Registry.

### **The economics of land**

We know that all economic activity is defined by the combined use of land, labour and capital: the three factors of production. Nothing is made, whether a good or a service, without all three factors; and economic activity is both for use and exchange. This is where value is created, added if you like, to raw materials to create wealth and generate income.

When land, labour and capital are brought together for that purpose, the ways in which they are combined gives rise to the dual concepts of productivity and efficiency. The former is associated with the physical combination of quantities of the factors, and the latter with the relative costs required for any given

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1 See Boom and Bust by Fred Harrison 2003



outcome. Thus both productivity and efficiency relate combined inputs to a level, quantity and quality of output. Income is derived from the use of each factor: rent for land, profit for capital, and wages for labour. Therefore the ways in which each factor, including land, is treated by state policy-makers and market decision-makers are dependent on the use of the factor, the income generated from that use, and the decisions of the landowners themselves. Such economic arguments indicate the extent to which private ownership may distort usage and thus be counter to the public interest, and show the need for state regulation and control in the name of our common good.

Land is obviously the least mobile of the factors; other than at the very margins it cannot be moved, increased or decreased. But in many ways it is the most flexible in terms of potential and actual use, and intensity of use. So an arable farmer has a wide range of crops to grow and the use of fertilisers can significantly improve yields. Equally inner city office blocks can be taller and more packed than ever.

So what of land ownership, transfer of ownership, control and management? In his monumental work on the history of Europe, Norman Davies<sup>2</sup> reminds us that “in the beginning there was no Europe. All there was, for five million years, was a long, sinuous peninsula with no name” (p. xv). Such things as countries, nations, and regions only came into existence during the relatively recent period of human occupation of land. Collective human notions of territory were supplemented by notions of private property as primitive societies began to accumulate capital and as individuals began to accumulate private wealth.

As Kings and Queens, Princes and Princesses, Emperors and Empresses, and various religious leaders sought to conquer and enslave others through robbery, murder and force so the most important sign of their victories was the ownership of land. From the Romans to the Normans and beyond, land registration has been part and parcel of land ownership and control. Both William the Conqueror and his Domesday Book and later Henry VIII with the dissolution of the monasteries understood this political principle well. Cromwell in his puritanical attack on the privileges of monarchy and a landowning aristocracy succeeded in raising land ownership and use to the main purpose of state action. In all these cases the debate raged about the origins of land ownership, the rights of owners, and the nature of common ownership for the common good.

Moving rapidly forward, by the time we reach the age of empires culminating at the dawn of the 20th century, two main sources of enrichment have been established. Either you receive your income by using the property that you own; or you labour for your wage<sup>3</sup>. The accumulation of sufficient private property to make it a source of private income was largely based on the fact that owners deprive non-owners of access to the land and of the right to use it in the common interest. Once we recognise this basis for private ownership it

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2 Norman Davies (1996) *A History of Europe*, Oxford University Press.

3 Eric Hobsbawm (1994) *Age of Extremes: the short history of the twentieth century*, Michael Joseph.

challenges the legitimacy of the rights of property owners to do what they wish with their own, including the decisions of landowners about if or how their land should be used.<sup>4</sup>

This traditional socialist approach to the issue of ownership has played an important part in the thinking of the British labour movement. The movement's social democratic (traditional Labour Party) alternative view is well expressed by Tawney: "the dangers arising from inequalities of economic power have been less commonly recognised. They exist, however, whether recognised or not. For the excessive abuse of power, and its divorce from responsibility, which results in oppression, are not confined to the relations which arise between men [sic] as members of a state . . . they occur, in the absence of preventative measures".<sup>5</sup> So the link between land use and social justice is also an issue for all socialists and social democrats, raising questions about the role of the state in regulating both the use of land and the market for land.

Critical to that is the notion of planning. Where planning fits into the array of state activities remains subject to fierce debate. As GDH Cole noted: "planning, under public auspices, and with a view to the satisfaction of the consumers' needs, offers the prospect of eliminating wastes inherent in unregulated competition . . . and it also affords the means . . . of substituting a policy of plenty and cheapness for one of scarcity based on high prices and profits."<sup>6</sup>

Cahill's massive effort in recounting 'Who owns the world' presents us all with a huge array of information detailing the great land holdings of monarchs, religious orders, the state, large corporations, and various state governments.<sup>7</sup> His clear subtext is that ownership is concentrated in undemocratic and unaccountable hands, and therefore best use of land is never to be achieved under such massive private holdings. Amongst a startling mass of facts he notes that the UK has nearly 60 million people living in about 60 million acres. As he alarmingly reminds us: "the UK operates a version of the feudal system, whereby all holders of land are tenants of the sovereign. According to the government in the Land Registration Act 2002, the only absolute owner of the land in the UK is the Crown, Queen Elizabeth II. All others hold an interest in an estate in land, in fee simple, known as freehold, or have a leasehold" (p308).

Of the 60 million acres about 40 million is for agriculture, 4 million is urban, 6 million is forest land, and the rest is water, mountains, bogs, moors, roads and waste. There are nearly a quarter of a million farms, and about 25 million homes, 70% of which are held freehold and the other 30% are rented. The major landholders are the government with 3.4 million acres, and then the aristocracy: the Duke of Buccleuch with 277,000; trustees of the Duke of Atholl with 148,000; the Prince of Wales with 141,000; and the Duke of Northumberland with 132,000 acres (p 309).

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4 Gerry Cohen (1988) *History, Labour and Freedom*, Clarendon Press.

5 R.H.Tawney (1931) *Equality*, Allen and Unwin.

6 GDH Cole (1937) *Practical Economics*, Pelican Books, page 20.

7 Kevin Cahill (2006) *Who Owns the World*, Mainstream pages 308-9



Three Land Registries operate in the UK, with one each for England and Wales, for Scotland, and for Northern Ireland. There are 22 million parcels of land registered in England and Wales, and in 2006 there were 3 million transfers and the LR budget was £250 millions. As Cahill goes on to say: “the Land registry of England and Wales took 65 years to complete a rolling imposition of mandatory transaction registration in the two countries, beginning in 1925 and ending in 1990. Registration of actual land holdings is not mandatory, and there is no Land Registry record for about 50% of England and Wales – over 18 million acres.”

Furthermore if, as in the UK, registration of land ownership is not compulsory then the map of land ownership is incomplete and therefore knowledge and control of use and future planned use is outwith any democratic institutions. This raises profound questions about the rights of those so protected, and of course about the nature and scope of the work of the Land Registry.

## Regulating land

Comprehensive regulation of land ownership and land use would necessarily require the registration of all land, and would therefore require compulsory registration. At the moment there is no mood to introduce such compulsion. There is at best some creeping compulsion on a small scale and the present government ministers are not inclined to move to a more robust policy, illustrated by this exchange in the House of Commons on 7 January 2008.

**Mr. Pickles:** To ask the Secretary of State for Justice for what reasons the Land Registry is introducing new triggers to require compulsory land registration. [176518]

**Mr. Wills:** Section 5 of the Land Registration Act 2002 confers power on the Lord Chancellor, exercisable by statutory instrument, to prescribe additional events that trigger compulsory first registration of title to land. Land Registry has recently issued a consultation paper, on behalf of the Lord Chancellor, seeking views on the introduction of two new trigger events, aimed at making further progress towards a comprehensive land register. The events proposed are the appointment of a new trustee and the partition of land among trust beneficiaries. The consultation period runs from 19 November 2007 to 29 February 2008. No decision will be made about the introduction of new triggers until all responses to the consultation have been evaluated. (Hansard: Column 151W)

Heather Wetzel from the Labour Land Campaign argues that compulsory registration is necessary for a Land Value Tax to be introduced.<sup>8</sup> Such a tax would help shift the costs and risks of holding land and using it (or not using it). It might also help encourage more social use of land as hoarding would be less viable, and it could deal with the issue that high rises in property values not

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8 See the 2007 Manifesto of the Labour Land Campaign, *Towards a fairer tax system and a more just society*, [www.labourland.org/manifesto](http://www.labourland.org/manifesto).

associated with the owners' improvement activities go untaxed and therefore differentially benefit those owners with the highest valued properties.

Obviously such social engineering is aimed at helping those without homes to enter the market; to encourage better use of underused or unused brownfield sites; to reduce building on greenfield sites; and to bring about a more socially efficient use of all land. This also allows some recognition that land use and value, and therefore exchange, owes something to the wider social and economic activity of all citizens and not just to those that benefit. In times of rapidly rising property values, a dangerous bubble in its own right, such progressive taxation may be viable as part of a set of solutions for more rational use of land. When prices are falling across the board, however, that element of the tax based on higher valuations becomes redundant and could discourage recovery. In addition that marginal land not in use is unlikely to be put to social use in a recession whatever the tax disincentives to bring it onto the market. Nonetheless a land tax along the lines suggested by the Labour Land Campaign has a place in the array of policy tools for the future, but only when linked with compulsory registration and with state directed control of land use.

We are concerned to show that ownership and control over land is not just a market issue for individuals, but a major part of the political process in so far that government has obligations with regard to the citizens' best social and economic situation. There can be no government action worthy of comment that is not in some way and for some purpose planned. So if democracy is to be associated with justice and freedom then governments should act within a broadly defined public interest regime based on the ideals of the pursuit of a common good. Land itself and its use are a major part of that definition of common ownership and control for social justice and economic equality. Trying to impose a view of the national interest in terms of the interests of a handful of large landholders is both disingenuous and harmful. To defend their liberty as private owners against the social requirements of the majority is neither democratic nor right.

That is because democracy is a system of government that, among other things, requires both less individual freedom and more collective responsibility. It means that we agree to abide by the decisions of our elected government through Parliament even when we oppose them. Democracy is therefore built upon the rule of law, upon the foundation that the decisions made by those with the right to make the decisions will be carried out. But for the rule of law to prevail, for the just application of all rules (justly made even if actually sometimes unjust), there must be an equal and fair implementation and enforcement. In the case of land ownership and use this can only happen if all land is registered with the LR and this includes the vast areas owned by the Monarchy and associated aristocratic families. Feudal rights should no longer apply.

The relevant rules and regulations upon which all our lives depend do not apply themselves; they are not active. For that to happen, for laws and policies to become active and applied, and for democracy to become a living practice, we all need civil servants. Such workers carry out the tasks of democratic implementation on all our behalves; without this there is no democracy. In other



words it is not sufficient to have democratic government for democracy to prevail, we also must have the application of that government to people's lives. Otherwise corruption, nepotism, and other plagues undermine the system and lead disastrously to a breakdown in democracy. An accountable, well trained, and nationally employed workforce is part of the guarantee that elections mean democracy in practice. Rather than the obstacles to fairness, they are its instruments.

This so-called social contract was not born of dogma but from bitter experience. We accept that we are together responsible for some of the misfortunes of others because of the ways in which we arrange our society. Not all fellow citizens can share in the majority's comfort, and so we accept responsibility for their discomfort. So the homeless can be compared to those with more than one home, and the large landowners against the rest of us. But the historical acquisition of land is mainly through inheritance and that reflects an earlier age of inequality that should now be addressed.

***“An accountable, well trained, and nationally employed workforce is part of the guarantee that elections mean democracy in practice. Rather than the obstacles to fairness, they are its instruments.”***

To carry out this agreed social policy, in our minds a vital activity, civil servants check the rules, apply the rules, and ensure that the right decisions fit the right people in the right ways at the right time. This serves the individual in need, the community, and the democratic wishes of the majority. Using rules, being bureaucratic, means being fair and democratic.

Ownership, and the rights and duties associated with it, is a fundamental feature of our individual and collective lives. One of the greatest movements and moments in modern history was the effective abolition of slavery. With abolition came increasingly widespread notions of humanity, human rights, and the dignity of each and every life. Whatever happened to you, you were at least your own person. So the law protects our ownership of our possessions and ourselves. But because we own we can also sell. Many of us do sell our skills and talents in a labour market to employers: we exchange not ourselves but our labour for wages, which we then use to buy other goods and services. Modern society has become a massively complex web of buying and selling, selling and buying: everything can be exchanged for something. For most people the main expenditure over their lifetime is on their homes; and for most businesses it is on their premises. The ability to inherit property in the form of land plays a vital part in the distribution and redistribution of wealth.

At the very heart of all this buying, selling and inheriting, and of all other aspects of life, lies the state, the centre of political power and authority, the most powerful influence on our lives as owners, as buyers and sellers, as people, as citizens, and as subjects. The state can play a dominant role in the future

planning of society in terms of the location of schools, hospitals, transport links, small businesses, the provision of utilities and essential services of fire and police. Privatization has been largely inefficient and unaccountable despite light regulation and endless open and hidden subsidies. It is a dismal comment on current government policy-makers that they hold on so grimly to the outdated and false ideas that improving public services can be achieved through the failed combination of privatising and 'modernising' management. Hopelessly inaccurate and exaggerated claims about the situation in the public services do not help the argument, and extending the Operational Efficiency Programme appears to be another dead end. The government is actively considering "the potential for alternative business models, commercialisation, new market opportunities and, where appropriate, alternatives to public ownership". In particular this involves working with "the Land Registry to explore ways to improve its operating framework".<sup>9</sup>

The functions of the state apparatus are neither to be feared nor ignored, but to be understood and used – that is politics. But, as we have argued, the application of policy needs to be, and needs to be seen to be, fair within the rules and regulations laid down. Fairness must be seen as one of the most important elements of any civil service. Efficient delivery of fairness is a worthwhile objective, but such efficiency is an empirical matter that must be measured broadly across time, functions, and social activity. Efficiency should not be narrowly based on some arbitrary unit of work and time and place.

Fairness and efficiency require planning, national standards of staffing, and open control mechanisms over failure and risk. These can only be delivered in the publicly owned and publicly managed sector, fully staffed with the right quantity and quality of labour. The risks of getting this wrong are potentially very costly to us all, and can even be disastrous in some cases of catastrophic failure of the system.

### **The market for land and its use**

Land ownership and its registration provide a clear example of these points. Without a current, accurate and complete register it becomes difficult to plan future use, to tax and control current use, and to successfully map population movements with regard to affordable housing linked with jobs, community, and transport. Social and communal land use, as with parks and play grounds, cannot be integrated into endless supermarket developments unless and until a complete value assessment of all property is made. In particular when the local and central state decision makers create or allow a new facility, such as airport expansion or Olympic villages, then nearby property prices might rise and fall as a result. The costs and benefits need not only to be calculated but must be included in the cost-benefit analysis with the potential (in)efficiency knock-on effects subject to severe risk analysis.

Most people in the UK still accept that the government must take charge

of all of this otherwise it will not happen and we will all be much worse off. Who pays for the system? Who controls the standards? How do we as citizens know that what we want to happen is happening? And are we aware of the costs of failure, or of not abiding by the rules and standards? The nature and failure of regulation is under scrutiny with the banking collapse. It has been variously argued that the banking system went badly wrong because we had too much regulation, that we had too little regulation, that the regulation was incompetent and ineffective, that whatever the regulation the bankers were too clever and too global and too important to be properly regulated anyway! The questions raised after the 2008 credit crunch crash are about more serious, tighter, more focused and more alert regulation of all sectors of the economy. But will this new mood of state intervention spill over into the housing market, which triggered the crisis, and to land in general?

There must be civil servants in the relevant departments collecting, checking, controlling, advising, and doing what needs to be done for national policy to be carried out as desired. If they do not do so the policy fails, the practice collapses, and we all bear a high additional cost of the failure. The lessons from the current crisis include the need for a stronger more robust civil service, and one in which government remit is expanded away from recent trends to narrow technical matters into larger areas of public interest.

***“The proposed round of cuts to be made on the narrowest of criteria for tiny efficiency gains that could result in catastrophic collapse of the system must be abandoned”***

Hence the proposed round of cuts to be made on the narrowest of criteria for tiny efficiency gains that could result in catastrophic collapse of the system must be abandoned. We insist that policies on the roles and functions of civil servants must be based on an understanding of their importance for all aspects of our daily lives, and that in the housing and property markets this is now vital to the entire functioning of the economic and social systems.

The popular notion that the central state is too powerful and should become less powerful forms part of the rhetoric of rightwing political parties. Indeed Mrs Thatcher, Conservative Prime Minister from 1979-1990, constantly and consistently argued in favour of reducing the power and reach of central government. This neo-liberalism supported reduced state regulation of all business, especially the finance sector, while encouraging more state activity against crime and for wars. But again events have overtaken dogma. Rightwing parties across the continents from North America to Europe and Australasia have in practice given up on the small state ideal and have returned to support for massive state intervention. The calls from the right for such support for ailing companies is seen as temporary and without strings, but from the left the case is being made that such takeovers of banks should be for the long term, that many strings should be attached, and that this presents an opportunity to direct bank



lending to socially useful projects and for more help for working people. Central to all of this is the property markets: housing, commerce, and community.

We know that markets in and of themselves are essential to all and any economic activity, and that they are neutral mechanisms within which people make decisions about what to buy and sell and at what price and for what purpose. We also know that they cannot function in isolation from the wider social and economic world within which they are located, and that there has always been political and legal interest in their workings and outcomes. So the debate is not strictly between market and non-market societies, but about the extent to which markets are the main mechanism for economic activity, and the extent to which those involved in market transactions are responsible for their decision-making.

Historically when market systems grew outside the reach of political control then key decision-makers tended to control the mechanics of the system to favour themselves at the disadvantage of others, and this tended to extend beyond the market. So war and conquest as well as enforced poverty and propertylessness created market conditions favourable to the rich and powerful. But while such 'controlled' markets meant there were winners and losers, eventually they came crashing down. When that happened, most famously in the 1920s and again in the 2000s, then both leftwing and rightwing politicians called for state intervention. The former to protect and support the majority of the dispossessed, while the latter sought to prop up the status quo.

The lessons were that market mechanisms fail and that when it happens key decisions have to be removed from private hands and given over to political leaders acting on behalf of the citizens. So when and why do markets fail to live up to their promise?

In the first *Alternative Vision*<sup>10</sup> we set out the main reasons. First, markets are frequently incomplete. Not all citizens can afford to pay the price for land, resulting in homelessness. Furthermore, not all the possible uses of land result in sufficient profits being realised by the landowners. Because of property speculation and a lack of incentive to make proper use of all the land houses are left empty and land unused when homelessness is on the increase.

Second, markets may fail. Companies such as banks and property developers can simply fail to deliver, either because they go bust, or because they pull out of the business before they go bust, or they change their business strategy. Those who rely on mortgage services, on house builders, or on the availability of affordable housing are left with the prospect of homelessness or the alternative of living in sub-standard accommodation.

Third, a market-based system distorts the pattern of land use. Communities may be short of facilities for recreation and other community use, or of starter units for small businesses, while at the same time seeing yet more retail parks and being blighted by environmentally damaging uses of land.

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10 Roger Seifert and Mike Ironside (2005) *The case for civil and public services: an alternative vision*, PCS.

Fourth, market-based systems are shrouded in secrecy. Commercial confidentiality results in important aspects of business being conducted in secret with a consequent decline in knowledge sharing, accountability, transparency, and democracy. Meanwhile, confidentiality for the citizen-users is undermined as our details are passed around customer databases and billing agencies. All this inhibits the openly planned use of land to meet the needs of citizens and communities, favouring the property developers and those who handle property transactions.

All of this is now clear for all to see: the collapse of the market for housing, and the near-collapse of the world-wide banking system originating in the housing mortgage sector have exposed the limits to markets, and they have revealed why those involved in decision-taking must be controlled and regulated.

Thus the case for a public system of land registration is partly a case in favour of a public good, and partly a case against the market alternatives. We argued in the first Alternative Vision that public services benefit all citizens, whether they directly use the service or not. Those who own, buy, sell, or develop land cannot be allowed to call all the shots on the system of land registration, as their decisions affect everyone else. The Land Registry should be independent of the owners, developers, buyers and sellers, and the best guarantee of such independence is that it should be publicly owned and publicly run by public servants.

## **The Land Registry**

The main aims and functions of Her Majesty's Land Registry, known as Land Registry in everyday use, are set out in the Framework Document of 2008 as summarised here. Land Registry has been a non-ministerial government department since 1862, it was established as an executive agency of the Lord Chancellor in July 1990, and as a trading fund in April 1993. Like other non-ministerial departments, Land Registry's functions have always been entirely statutory. It has no prerogative powers.

Land Registry's main statutory function is to keep a register of title to freehold and leasehold land throughout England and Wales. On behalf of the Crown, it guarantees title to registered estates and interests in land. State-backed registration gives greater security of title, providing protection against claims of adverse possession. It is 'the cornerstone for the creation and free movement of interests in land'. If somebody suffers a financial loss because of an error in the register of title, compensation may be available. The register is the basis for interested parties to be provided with ready access to up-to-date land information relating to registered land so enabling confident dealings in property and security of title. A registered title is underpinned by the state, providing protection against claims of adverse possession.

The Land Charges Department maintains registers of land charges, pending actions, writs and orders affecting land and other encumbrances registered against the named owners of property not registered under the Land Registration Act 2002. The Agricultural Credits Department maintains a register of short-term

loans by banks under Part II of the Agricultural Credits Act 1928. These charges are secured on farming stock and other agricultural assets of the farmer.

Under the Land Registration Act 2002, Land Registry is able to pursue additional statutory functions relating to the provision of land and property information, consultancy/advisory and training/education services relating to land registration. It is also able to develop and provide services facilitating the process of electronic conveyancing in England and Wales. These are the main areas of current and future business development.

Land Registry's vision is "making property transactions easier for all", which is to be fulfilled through four key areas for development: customer service (improvements to the delivery of services), land registration (delivering secondary legislation and creating a comprehensive register), electronic service delivery (electronic conveyancing, through which most property transactions will be effected) and other business (developing services for property professionals, the public and others). These issues are addressed in the business plan, published annually by the Chief Land Registrar.

Current objectives and performance indicators are set out in the business plan for 2008-09<sup>11</sup>. Progress towards a comprehensive register is to be achieved through voluntary persuasion. Business developments include the provision of data services (including property price information), and consultancy and advice services, and developing property-related registers on behalf of other organisations. Customers include debt recovery businesses, estate agents, and property infrastructure developers. E-conveyancing will be rolled out over the next 5–10 years.

Land Registry's staff are civil servants employed on terms and conditions in line with the Civil Service Management Code and the provisions of the Civil Service Pension Scheme. Within this framework, the Chief Land Registrar is responsible for the appointment of staff and for determining their tenure and other conditions of appointment. Land Registry conducts its own pay bargaining and has its own pay and grading structures. HR and pay policies are developed and implemented in consultation with staff and their trade union representatives through the Whitley procedures.

### **Reforming the Land Registry**

In the first 'Alternative Vision' we discussed the issue of efficiency at length. Gershon's report on his review of public sector efficiency asserts that increased efficiency results from:

- Reduced numbers of inputs (e.g. people or assets), while maintaining the same level of service provision; or
- Lower prices for the resources needed to provide public services; or

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11 Land Registry (2008) *Making property transactions easier for all – Land Registry Business Plan 2008/9*, Land Registry Corporate Marketing Services, available at [www.landregistry.gov.uk](http://www.landregistry.gov.uk).



- Additional outputs, such as enhanced quality or quantity of service, for the same level of inputs; or
- Improved ratios of output per unit cost of input; or
- Changing the balance between different outputs aimed at delivering a similar overall objective in a way which achieves a greater overall output for the same inputs (“allocative efficiency”) (Gershon Report pp.6–7).

Cost savings are achieved either because some tasks and functions have ceased, or because some tasks and functions are being carried out more efficiently in the private or public sector. We have to ask if ceasing to carry out some tasks and functions might result in increased costs. Not doing something might prove very expensive. We need to know exactly what is not being done and how that affects us. A cost saving today may be a huge cost increase in the future. And if the tasks and functions are still being done but more efficiently, then we need to know how that efficiency gain has been achieved.

We have made the point that there are risks involved in not doing things or in doing them less well. This is not an attempt to stop change and improvement. It is a warning that the risks of making mistakes vary, and risks vary both by degree of severity and by the numbers involved. The question with risk-assessed decisions is not just the level of costs that may be incurred; it is also the consequences if it all goes wrong and the different consequences for different citizens. The failure to prepare for down-side risk was one of the worst elements of the banking crisis and the mortgage lending fiasco, by now everyone involved should have learned this lesson. Cut at your peril!

At the moment the work of the Land Registry has altered but not diminished. The flow of work has changed in character, with less registration of house purchases and more registration of land belonging to public bodies such as the Highways Agency, Forestry Commission, Welsh Assembly, and Local Authorities. This is important and valuable work, but under the current business model it has been given little commercial value. This is because Land Registry senior managers are slaves to a phoney market and an arbitrary allocation of prices and rewards. The Trading Fund Model and the Target Operating Model push the management of the service towards a particular set of operational management performance issues. But those involved are fully aware that market failures and market distortions, both now publically acknowledged, create a false accounting regime that drives the wrong management models.

Over-reliance on narrow versions of efficiency linked with dogmatic adherence to discredited management models are a recipe for failure and disaster. That path can only lead to cutting for its own sake and to missed targets, allowing short-termism to run the patch. Ministers must know by now that both the model of the trading fund and the underlying risk assessment exercises are debunked not by academics nor indeed by trade unionists, but by the market decision-makers themselves. The time is right to move away from these models and to reassert the primacy of a public service, especially such a vital one as the Land Registry, as agencies of change in the public interest. This would require

new guidelines from central government on land registration as part of the wholesale commitment to a more accountable system of land ownership aimed at developing practical models of use and value.

Yet the debate on civil service jobs is still dominated by the dogma that bureaucracy is wasteful and that public bureaucracy is most wasteful. Private service sector businesses are said to be less bureaucratic and more efficient than public services. Again recent events should have knocked on the head the idea of private sector efficiency as an ideal to which all others should aspire.

The efficiency of a unit of activity is based on the notion of combining all currently available resources (at cost) in such a way as to maximise output values. We can combine the main factors of production, land, labour and capital, in a variety of different ways to achieve the desired outputs. Efficiency takes account of the relative costs of these inputs rather than the level of their productivity. So if labour is very cheap and capital very expensive then it is more efficient to use labour in place of capital even though productivity is low; and if land is cheap but labour expensive then this will determine the way in which the two are combined. One unit of activity can be both more efficient and less productive than another. The most efficient combination of factors at any given time (what economists call 'x-efficiency') matters, and in many ways is what short-termist management is all about.

These technical notions of efficiency are important and helpful, but they only tell part of the story. We are also interested in efficiency over longer periods of time: in allocative efficiency (the best ways to allocate different resources to different activities); and in efficiency beyond the atomised unit of activity. We wish to distinguish between the now widespread notions of market efficiency and the increasingly ignored ones of social efficiency. Very limited notions of market-related efficiency have taken over the debate, and the equally important notion of social efficiency has been neglected. We must avoid falling for the fallacy of composition: each and every unit of activity within a system can improve its own efficiency, but the system as a whole can still be less efficient.

So we need to see Land Registry as one component in a wider system of the regulation of land ownership and land use, and to avoid the possibility that each component (such as Land Registry, local planning authorities, highways authorities, various statutory undertakers) becomes more efficient while the system becomes less efficient. This is vital for successfully planned management and use of our most treasured resource, the land, and it raises the important issue of the role of Land Registry within the wider planning system.

Services provided by Land Registry cannot simply be seen as responses to the demands of customers. Demand is not only driven by those individuals and firms involved in the buying and selling of property; it also depends on state policy. So if government compels landowners to register then the demand for the services of Land Registry will increase. And if government uses such registration to help plan the future use and control of land then again demand for Land Registry services will expand.

Just in case the government still believes that any such expansion in the role of the Land Registry could be done better in the private sector, we wish to remind them that bureaucracy, although a byword for waste and inefficiency, is a good accountable method of dealing with these matters. Calls from rightwing political groups for a reduction in red tape are now completely out of touch with reality, as the lack of regulation is acknowledged to be one reason for our present difficulties.

Likewise for privatisation. Neo-liberal policies, shared by many centre-right and centre-left parties in government in Europe and European-dominated countries, assumed that private markets (not in any sense free or efficient) are superior to state planning. Public Choice Theory, developed in US business schools and first adopted as the basis for a political programme by Margaret Thatcher and Ronald Reagan, has been used by the political elite to assert that civil servants cannot be relied upon to efficiently and effectively allocate resources between societal needs.

Public choice theorists argue that decisions about public services should be transferred to private sector managers running private companies who are not hamstrung by the welfare state model and its public service ethos. Privatisation remains very much on the agenda and the domination of managerialism will still take some shifting. Assumptions of New Public Management, a set of nostrums about how to manage public sector 'business units' based on using the language and exemplars from private sector management, still underpin Land Registry's business plan. Performance targets are pushing managers to manage their service delivery units as if they are business units.

***“The management techniques that are used in the pursuit of profit are just not appropriate for public services organised in the pursuit of trust, democracy, security, and justice”***

Catastrophic failures in the private sector seem to pass completely unnoticed by these people. Did RailTrack's collapse even register with them? Enron, the giant USA energy company, was used by Harvard Business School and subsequently by management consultants in the UK as a model of Best Practice. It went bust overnight leaving devastation in its wake, and senior executives admitted to massive fraud along with their accountants. These are not good models on which to base public services. The management techniques that are used in the pursuit of profit are just not appropriate for public services organised in the pursuit of trust, democracy, security, and justice.

### **The role of civil servants**

Civil servants in the Land Registry make additions and changes to the register, and they deal with enquiries about land ownership and associated issues such as mortgages, restrictions on land use, and rights of way.



This work can involve relatively simple examinations of a small number of documents, through to highly complex analysis of documents accumulated over a long period of time and involving complicated transactions between large numbers of people and organisations. Documents may exist on paper and/or in electronic form. Such work requires specialist technical knowledge and a range of highly developed skills.

Customers can access the services and the staff who provide them in person, by telephone, by post, or by internet. In 2007 two thirds of enquiries were handled on line, and 94% of casework was done through post and personal contact. Staff in local offices are organised into teams, each one covering a geographical area. Work arriving by post is sorted at the local office and passed to the teams. Team members select their own work, and process this using their specialist knowledge. They respond to enquiries, arrange meetings with customers who wish to see documents, and they update the register. Staff performance is assessed in line with the Land Registry's Key Performance Indicators (KPIs). Performance targets include these examples:

- 80% of registrations processed within 18 working days;
- 98% of official copies and official searches processed within two working days;
- 98.5% of registrations handled free of error;
- 95% of customers satisfied with LR services.

Work activity is, of course, directed towards hitting these targets. Uncompleted work has a lower priority than new work – if a difficult job cannot be completed within the KPI time period, then it is left on one side so that other jobs can be completed in time.

By 2010 transfer of land ownership, removal of old mortgages from the register, and registration of new mortgages will all be possible over the internet through e-conveyancing. As well as enabling individuals to watch the progress of house sale and purchase chains and even to do their own conveyancing, this will also open up the access of property developers, property managers, property marketing agents, and conveyancers and lenders to the register.

Plans set out in the 'Organisational Blueprint 2007'<sup>12</sup> include the level of staffing to fall to less than 6000 by 2015 as e-conveyancing is established. During the same period, two offices will close, and dual sites in five towns will be merged into single offices. Jobs will change, and new roles will be introduced as the new technology and the new working routines are established. There will be changes in patterns of working time and in the pay structure as the length of the working day and the working week are increased. Since the publication of the Blueprint the Chancellor of the Exchequer's 2009 budget statement announced a further £5billion 'efficiency

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12 Land Registry (2007) *Blueprint 2007*, available at [www.landregistry.gov.uk](http://www.landregistry.gov.uk).

savings' in 2010–11, on top of the £30billion announced in the 2007 spending review, with staffing implications for all civil service departments.

The Blueprint places a heavy emphasis on a 'new business model'. As well as maintaining existing 'traditional' ways of carrying out the statutory functions of registration and information services, which will increasingly be carried out electronically, the range of non-statutory commercial services will be developed and expanded.

These services will be market-driven, oriented towards the needs of customers, and supported by marketing activities. The business model will define the most important customers by the amount of income derived from them, suggesting that the large firms of conveyancers and property developers will call the shots in terms of business priorities. It has been suggested that certain customers may even be able to make changes to the register.

At the local offices the 'traditional' activities will continue, some activities will be extended, and new activities will be introduced. New activities will include sales, marketing, account management, finance support, information services support, and customer compliance. These suggest a new set of skills requirements, with marketing, selling, and managing customers being seen as the key competencies to be developed. The Blueprint assumes that 'the majority of skills required can be developed within the existing workforce', and it states that 'staff will need a customer service mindset' including 'a desire to serve the customer'.

To summarise, the key issues for some staff will be relocation, redeployment, redundancy, or early retirement. Issues for all staff will include changes in working time, changes in job content, training, and assignment to new grades. New staffing structures will be established, reflecting the changes in work organisation and the new division of land registry labour.

What of the ways that these workers are managed? We have argued that the logic and the language of the market predominate over systematic planning. So services are to be oriented towards the needs of individual consumers rather than towards collective sharing of benefits, risks and costs. Public services will be the sum of individual choices rather than the outcome of planned risk-sharing. Such marketisation, often referred to as 'modernisation', requires less discussion and debate in the political arena, thereby excluding political representatives and workforce representatives from having a voice in the organisation and delivery of public services. Service provision by business units becomes a matter of market responsiveness, a management issue rather than a political one. Authority over operational decisions shifts to senior business unit managers, while power over strategy shifts to government and their auditors and regulators.

Assertion of a stronger 'right to manage' in the name of the consumer must also be associated with less collective bargaining and more individual contracts, and with fewer worker rights and more management prerogatives. Employees are transformed into weak individuals, both in the labour market and in the

employment relationship. The consequences of this are well known: less secure work, lower relative pay, worse conditions of work, less representation, longer hours, higher turnover, lower performance, higher absence, more bullying, more discrimination, and more stress. The weakest workers become weaker still, and ultimately the service suffers. Staff may wish to deliver better services but they are forced to deliver worse ones. Employees turn to their trade unions as the only viable form of protection under such circumstances.

In the current serious downturn many citizens have lost trust, quite rightly, in the senior decision-makers in large companies, and with some of the political leaders associated all too closely with them. It is more important than ever, therefore, that citizens retain faith in the essential qualities of the state civil servants: trust, probity, security, skill and knowledge, fairness and even-handedness, and independence from corrupt and reckless private sector practices and models.

Trust in civil and public servants is the hallmark of a healthy modern democracy. If citizens believe that public servants will treat them unfairly, arbitrarily, unjustly, or corruptly then the trust breaks down. Our trust is directly related to our own experiences and those of our family and friends in our daily encounters with public servants. We need those public servants to be fair, well-trained, knowledgeable, and not corrupt. If the system fails us we expect to be able to seek redress through procedures that are also impartial, fair, and free from corruption. Cover-ups do happen, but they are uncovered as well.

***“Trust in civil and public servants is the hallmark of  
a healthy modern democracy.”***

There is one further aspect of the trust that we place in our public services. We expect that the public servants actually see themselves as public servants, which implies that they have a characteristic set of attitudes towards public service, or a public service ethos. This reminds us that when we receive public services we enter into a relationship with the public servant delivering the service.

The public service ethos is essential for the relationship to be one of trust. If civil and public service workers do not see themselves as public servants then how can the public trust them to organise and deliver public services? A privately managed service would be increasingly unlikely to win our trust in that way, and there would be constant undermining doubts that a private company would not function to the same high standards of probity and integrity. This is not because civil servants as individuals are intrinsically good, and private sector employees automatically corrupt, but because private management of service brings in the profit motive and resulting changes in management style, leading to an undermining of trust in the eyes of the public.

Civil servants implement policy: they make sure the right subsidies go to the right places; they ensure all obey the same rules so that there is a level playing field; and they guarantee probity of action, standards of implementation, and an ethos of service to the community. These aspects of civil service



contribution are central to our trust in the system. We rely on trust that the civil servants themselves have integrity; that they are neither corrupt nor prejudiced; that they exhibit probity; that they do not wilfully waste public time and money; that they share a common ethos of service; and that they understand that they make a difference to people's lives. Of course sometimes this does not happen, but again we trust that there are remedies within the service to rectify failures.

It is the lack of trust and confidence in the banking system and its regulation that has fuelled the current credit crunch, therefore the need for central government to deliver both these scarce commodities into the public arena is essential. But to do so senior ministers must themselves revert to trust in both the staff and the ideals of the civil service.

We have emphasised the importance of training for a strong national system of public service provision, but knowledge also comes from experience. Within the public services there is a vast reservoir of knowledge, accumulated over decades of experience. Knowledge is disseminated through networks that tap into the reservoir, networks that are both formal and informal and that have grown out of the collectivised experiences of public servants.

This is associated with the ability of senior managers to achieve set targets and goals. So an organisation is more effective the closer it comes to reaching its stated targets. This matters, and we all wish that such effectiveness prevailed. But we cannot allow a one-dimensional concept to dominate important decisions. We must be concerned with target setting itself if that is one judge of the effectiveness of management. We must also be concerned with how we arrive at effective decision-making. It may well be that corrupt dictatorships are very effective in some aspects of their country's lives, but at what cost elsewhere and to whom?

Policy implementation requires the establishment of standards of practice. As citizens we expect that our public services will be consistently delivered at all places and at all times. National standards are central to the principle of trust. Training is the main transmission belt for national standards, so we have nationally regulated systems of training for a wide range of public servants involved in service delivery. The organisation and delivery of national training programmes itself requires planning based on continuous evaluation of effectiveness and relevance to both needs and policy. The frontline work of delivering services is directly conditioned by training, which is provided on or before initial entry to the service, and after entry in the form of refresher and update training and in staff development programmes. Both frontline and back room staff rightly expect to be involved together in the development of training strategies and programmes.

National regulation of services therefore implies the national regulation of service delivery work. But this requires much more than either more or better management of service delivery work, either in the back office or on the frontline. It involves a national system of planning, training, monitoring, evaluating, analysing, and reviewing.

A major issue for all employers is the nature of control over the work done by employees, both in terms of quality and quantity. This means having control over the quantity and quality of labour expended by the workforce doing the work. The chain of control has three main stages: control over the work done by senior managers; control by managers of the work done by workers; and control over the task itself by the worker. How are these controls to be maintained in the public interest?

In any large organisation the senior managers might pursue their own objectives rather than the objectives of the owners, what economists call the principal-agent problem. The principal needs to be confident that their senior manager agents are at least carrying out their express wishes, and that operational practice conforms to policy.

Much has been said and written about this for private businesses, with various solutions to the problem mainly consisting of rewards and punishment. Managers may be offered the carrots of large bonuses and share options as incentives to pursue outcomes desired by the owners. Failure to achieve those outcomes could result in the withholding of bonuses and the non-renewal of fixed term contracts.

But here is the rub. In the private sector such outcomes might be easily agreed and easily quantified, in the form of share price, market share, and profits. In the public sector no such simple measure can be used. What, after all, is the main objective of education for example? There is disagreement, over a wide range of opinion and ideology, about the purpose of the state education system. Consensus may emerge, but it does so from a context of deep disagreement and hot debate. Furthermore, the consensus shifts over time, in response to changing conditions and in response to the changing balance of forces involved in the debate. In a democracy, the majority view is always tempered by the need to balance this against the minority views. Our public services pursue objectives that are not shared by all of us, and we certainly cannot agree on clear performance outcome measures.

This is, of course, a good state of affairs rather than bad. Shared common goods and services such as health and education must be endlessly debated in a complex democracy. Services continue, change, and develop because of the creative tensions between those involved in the system. If we are not able to have continuous debate about our public services then the dominant group decides a disastrously uniform set of policies. Nevertheless, we still need to assess the performance of senior managers in terms of policy achievement, and civil servants play a key role in doing this.

Carrots and sticks are also the stuff of management control over workers, but this time there are large numbers of staff to watch over and control. Fads in labour management come and go, but they are all based on three well-established techniques for maximising the amount of work done by workers while minimising labour costs. Techniques like work study, job evaluation, and other tools for organising work tasks and distributing them between workers are based on the so-called 'principles of scientific management' set down by FW Taylor at the turn of the 20th Century. Attempts to win worker commitment through leadership drives and teamworking, known as the human relations

approach, originated with Elton Mayo and the Hawthorne experiments in the 1930s. Employee participation and involvement schemes are linked to the neo-human relations approach based on the work of Abraham Maslow in the 1940s.

Modern human resource management techniques draw from all of these approaches, aiming for flexible internal and external labour markets with a workforce that can be hired and fired, deployed and redeployed, tasked and multi-tasked, rewarded and punished at will. Wherever they occur, such labour management measures tend to result in low-trust and ultimately low-performance cultures. If this is rife in industries such as toys, clothing, hairdressing, and pubs we might not be greatly concerned, unless we happen to be employed there. But we would be more concerned if this was true for our hospitals, fire services, civil services, and police forces, because the workforce makes decisions and takes actions that vitally affect our lives and the lives of our families, friends, and fellow citizens. Nobody wants vehicle tests, driving examinations, coastguard services, tax collection, benefit claim processing, or any other public service to be delivered by a low trust and low performance workforce.

***“Change that is achieved through negotiated agreement is more sustainable than change that is imposed unilaterally”***

The workforce is at the heart of any labour-intensive service. Civil servants, collectively, carry out the functions paid for and agreed upon by the government of the day acting in the name of the citizens of the nation. The performance of civil servants, their employment status, and the quality and quantity of the service provided, are all linked together. The historical development of the modern civil service has been forged through trial and error, need and necessity, and war and empire. At virtually every twist and turn of its development the staff themselves have argued that they can implement policy properly and fairly if, and only if, they are appointed and promoted fairly; they are free from arbitrary and short-term management; they receive adequate training; and their pay and conditions of service are fair and not driven down by governments seeking short-term triumphs. The 1955 Royal Commission on the Civil Service recognised the importance of these issues. Civil servants can carry out their jobs efficiently only if the public has a high level of trust in their impartiality, probity, integrity, and accountability.

Civil servants' own views about the civil service are best discussed and formulated through their own democratic representative bodies, their trade unions. Trade unions exist and function mainly to bargain collectively on behalf of their members with their employers. Such bargaining through agreed national systems and procedures, frequently under an umbrella Whitley Council, is not just about negotiating pay and terms of employment. It is also about negotiating change through the representative voice of the workforce. It is an efficient and democratic method of settling differences and moving the service forward collectively. Collective bargaining between representatives of the employers and employees is a tried and tested device to avoid conflict, to agree and give credible status to change, and to deliver pay and associated terms that are both fair and seen to be fair in order to recruit, retain, and develop the best staffing mix for the purposes of service delivery.

So both the process of collective bargaining and its outcomes (collective agreements on conditions of service including pay and pensions) serve the twin aims of the civil service: to provide an efficient service delivered by participating and fairly treated staff; and to provide a democratically accountable service in which management mistakes can be challenged from both within and without the service. Change that is achieved through negotiated agreement is more sustainable than change that is imposed unilaterally.

### **Conclusions**

We argued at length in 'An Alternative Vision' that services are more efficient and effective if kept under public ownership and control, and we also supplied evidence and analysis as to why markets fail and why costs and risks are not evenly shared if private suppliers are used. Since then there has been a tragic collapse in the housing markets creating both financial and social crises alongside a deepening economic crisis in terms of growth, employment, and stability. Markets have failed again. The free-marketers' cry that the state should keep away from business activities has been replaced by demands for the state to help companies out in the time of their need. Thus the weight of both argument and evidence shifts decisively towards keeping the Land Registry public, and to maintaining high levels of trust and competence through investment in staff retention and training. This requires politicians to revisit the fundamental purposes of land registration as the case strengthens for compulsory registration of all land; for a renewed look at the tax and other state mechanisms for regulating land use and abuse; and for a planned approach to land use with more council housing, more controls over misuse and non-use, and a more even distribution based on social priorities.

The collapse of the housing and mortgage markets suggest an urgent need to develop policies that both control market decision-makers and create a more planned system. The planning must be for a purpose: namely for a property ownership both more equitable and more integrated with the other needs of community such as health, jobs, education, transport, the environment, and community life itself. Now is the moment to bring in full compulsory registration for all, allowing the Land Registry to map all land ownership and use, and therefore to supply policy makers with both necessary information to plan for a better housing market and to make the political point that wealth inequality in the form of land is unacceptable in its current imbalance. Senior policy-makers should recognise that the narrow policies advocated by those involved in property markets are not adequate. They would do well to listen more to the calls from their own workforce for an integrated and joined-up use of the civil service as a complete planning, research, and operational part of the state function for the purpose of pursuing the national interest. They should remember the simple proposition that land is a common good.

**Roger Seifert and Mike Ironside**



## Related Articles

Andrew Edwards  
Independent Consultant  
Quinquennial Review

14 December 2000

Dear Mr Edwards

LR Quinquennial Review – Departmental Trade Union Side Submission

On behalf of the Departmental Trade Union Side (DTUS) I should like to first thank you for meeting us on the 28 September and the interesting discussion that took place. As agreed at our meeting, I now furnish an outline of our response to the Review.

LR has coped with a programme of change and delivered year on year improvements in productivity and service to the customer throughout the most challenging period in its history. LR made the transition to agency status, computerised its methods, dealt with the property boom in the mid to late eighties and the subsequent downturn in the housing market whilst maintaining a steadily improving service to customers. The 1999 financial year saw record intakes and record levels of productivity through what the LR Board have described as the heroic efforts of the staff. We believe this experience has demonstrated in practice that LR is best served to continue providing a high quality service and meeting the challenging period ahead for all stakeholders in the conveyancing process by retaining its public sector status.

Our arguments for the Land Registry remaining a public sector body can be summarised as follows.

1. LR was founded to provide a state guarantee of title. This has been shown in practice to be a vital component of a thriving housing market. In our view, introducing private finance risks compromising the integrity and impartiality of the register.
2. Privatisation would require new regulatory bodies creating a large and unnecessary layer of bureaucracy with a concomitant claim upon the public purse.
3. LR has demonstrated the highest standards of public service. This is reflected in the Key Performance Indicators (KPI's) contained in the Chief Executive's Annual Report to the Lord Chancellor.
4. LR as a public service has been able to limit fee scales and cost to the public. Privatisation would create a real risk of higher charges as shareholders sought to maximise profits.

5. The high standards delivered by a public service LR have minimised claims upon the Indemnity Fund. These high standards could be jeopardised by privatisation and lead to an increased call upon the public purse through increased indemnity claims. In view of the likely increase of indemnity claims under a privatised LR the indemnity fund would have to be underwritten by the crown. The impartiality of the administration of the indemnity fund is a valuable element of a public LR. Private administration of the indemnity fund could lead to protracted litigation.
6. LR administers a wealth of information of a sensitive nature. A public sector LR ensures the confidentiality and security of data expected by our customers. Accountability can be best ensured by a public body.
7. Any private concern bidding for LR would need to possess substantial assets. Those in this category such as financial institutions could face a conflict of interest in view of their role in the conveyancing process. Large companies with little or no current involvement in conveyancing are unlikely to possess either the necessary expertise or commitment to a cheap and comprehensive system of registration of title. Privatisation policy pursued over the past two decades reveals many examples of this particular problem.
8. For reasons of public accountability, we believe LR should remain in the public sector. It is subject to parliamentary scrutiny through the public accounts committee. As a public body it is subject to periodic scrutiny the by National Audit Office and is required to produce Annual Reports and Corporate and Business plans. Its activities are therefore carefully monitored by the Lord Chancellor's Department, Cabinet Office and of course the Treasury. A privatized LR with a regulatory body would be a poor alternative thus reducing the accountability of LR to the public we serve.
9. The DTUS believe the views of the workforce are an important factor in this review. The review creates an understandable sense of insecurity about the future. After the efforts of the staff in meeting the many challenges in recent years, proposals to change our public service status would have a very damaging effect upon staff morale. We share the widespread public concern at the effect of privatization of public utilities and hope LR will not be required to follow this failed approach.
10. The public sector status of LR enables long term planning rather than the short-term concern for profits which would accompany privatisation. Retaining our public sector status is important if the opportunities provided by e-conveyancing are realised. LR is best placed to protect the public interest by developing its services in a number of ways and playing a pivotal role in a simplified conveyancing process. We offer some brief ideas on how this might be achieved.

- i. The proposals contained in the consultative document “Land Registration in the 21st Century” offer a welcome and long overdue reform of the conveyancing process itself. An important caveat should be added. As the technology makes on line registration a realistic prospect, to protect the integrity of a state guarantee of title LR will need to assume the role of ‘gatekeeper’ to the register. The proposed reforms also offer an important regulatory role for LR in the training, licensing and supervising of outside practitioners – the details of which will need to be the subject of discussion and public debate. We welcome the decision to appoint LR as chair of the working party established to take forward the most radical change to conveyancing since LR was instituted.
- ii. We believe a careful study should be undertaken into extending trigger points for registration that will enable us to move as rapidly as possible to a comprehensive system of registration. Registering the vast tracts of unregistered land will require legislation, political sensitivity and the necessary resources for LR.
- iii. Research should be conducted into the prospects of marketing LR data for commercial purposes including offering a consultancy role that might cover point 2 above.
- iv. Increased public access to LR services could be achieved by extending the open register provisions to include a search of the index map on the basis of proprietors’ names. The position in Registers of Scotland offers a pointer to how this might be achieved.

As a final point, the accumulated experience together with the enthusiasm and professionalism of staff is surely the Land registry’s most valuable asset. We consider that it is very much in the public interest that this asset continues to be developed so that it can be fully utilized in the changed environment made possible by e-conveyancing. This will require a clear vision of the Land Registry’s new role so that the necessary training and development can be planned well in advance to ensure that the staff are fully equipped to meet the challenges that lie ahead.

This is a very brief outline of DTUS views. Nevertheless we hope you feel able to take them into account when preparing your report. Please contact us if you would like clarification of any points raised.

Yours sincerely

**Chris Baugh**  
DTUS Chair

## Case studies

### **Economics of land – Emma White RE2(L) Gloucester Office**

The Land Registry should concentrate more on the quality of its product, which has been diluted by multi-skilling and forcing training on unwilling recipients.

Using the Index Map as an example, the quality of indexing is being addressed under the Quality Initiative Flowline (QIF). At the beginning of the project, high levels of the more experienced plans staff were placed in the QIF team, but now many have been moved on to our Customer Contact Centre (CCC) in order to staff that section adequately. The experience and aptitude these members of staff have acquired over the years would have continued to be of great benefit to QIF.

At the moment the Land Registry appears to be viewed by the number of units it produces, rather than the cost of these units – as was previously the case - or by the quality of the end product.

The Land Registry doesn't have any competition so shouldn't therefore be run like a company. It exists to provide a state guarantee of title.

This doesn't mean we shouldn't strive to evolve or improve services, on the contrary. But such change shouldn't be driven by a desire to meet artificial and meaningless targets as is currently the case.

### **Economics of land – Jan Hodkinson RE2(L) Birkenhead Office**

There is a shortage of work at the moment but we are still encouraged to process work on day one, no different to the times when there are high intakes of work.

The emphasis seems to be on doing more and more, its all target driven.

In some cases this can mean pressure on the staff such as working later than they wish, which has a knock on effect on their life outside of work; the loss of control over their day; and stops them really getting to grips with work that may be new to them or new procedures that are brought in.

The staff, despite many years of the department evolving, have maintained, indeed, have improved standards, which is something that is rightly expected of public servants these days. However, they give this service as public servants, not as employees of a private company and believe that this should remain the future of the department.



## **The role of the civil servant – Michael Kavanagh PCS Land Registry Group President**

Over the past 20 years, the Land Registry has gone through massive change.

We have seen computerisation of the land register and mapping systems, team working, trading fund status and radical changes to the way in which we carry out our work.

By and large, the changes have been successful with increasing levels of performance and customer satisfaction, without detrimental impact on working conditions. This was due to proper consultation with the trade unions.

More recently we have experienced industrial unrest over the dogmatic imposition of unrealistic same-day processing targets and imposed, below inflation pay awards.

Meaningful consultation, where we are able to have a genuine influence on all aspects of Land Registry policy, seems to be being replaced by management merely telling us about what they plan to impose. This trend needs to be reversed immediately.

Proper consultation and negotiation is now more important than ever.

## **The role of the civil servant – Elenor Haven RE2(U) Head Office**

The commercial sector of the Land Registry seems to be expanding, while the core work is being moving more to IT systems where businesses and individuals do the work themselves.

You can put in as many IT systems as you want but there will always be a need for staff to check work is accurate, legal and in line with Land Registry rules.

I have taken part in some 'stakeholder' workshops and invariably it is the big conveyancing houses that are invited in. They are more likely to have the resources and high-tech systems, and are pushing to get work automated.

Land registration is highly-technical and smaller businesses, or people doing DIY conveyancing, may not be able to do this.

Our core ethos is the state guarantee of the ownership of land. The Land Registry now sees itself as a commercial organisation interested in selling as much information about land as possible. The core business is being sidelined to commercial considerations.

### **The role of Civil Servants – Kim Lowes RE2(U) Durham Office**

The Land Registry is a major employer in most of the towns and cities where there is a LR presence. Secure employment is therefore vital not only for the individuals concerned but also for their local communities.

The governments response to the recession has been to slash public services and punish those delivering these services by cuts in pay and conditions of service. It is important however that the public and decision makers should be aware that whilst slashing public spending may initially make savings to the public purse, It is the civil servants under attack who provide the essential services the public rely on in all areas of society from benefit payments, finding employment and in the Land Registry's case providing the state guaranteed backbone for the housing market and associated financial institutions.

Land Registry management has always boasted that its "staff" are its greatest asset. Customers also regularly praise us for our experience and technical knowledge. A large number of staff within the agency have worked here for many years and have a wealth of experience in the registration process. It is this wealth of experience and technical expertise, which underpins the conveyancing system in England and Wales.

The public ownership of the Land Registry, gives the public, the financial, and legal sectors the confidence in the conveyancing process. The state guarantee offered by HM Land Registry to the ownership and registration of Land is based wholly on the competence of the staff that work here.

### **Regulating land – Michelle Doyle RE2(L) Birkenhead**

There are too many artificial key performance indicators, a lot of which our customers and the public just aren't interested in.

This can lead to a culture of short-term fixes instead of investing in the future. It adds to the pressure to produce results and means sometimes people find ways to get round them, which obviously makes them meaningless.

I recognise we need to be measured to assess how we are doing but fewer or more appropriate Key Performance Indicators would be better, as well as asking more specifically customers what they require and adapting to meet their requirements.

We are a public service but I feel we are running more like a business. Too often the emphasis is more on accountability and value for money, to the detriment of quality in the product and the investment for the future.

We are ending up acquiring some knowledge in all areas but being masters of none.

## **Regulating land – Janet Burfield RE2(U) Head Office**

When I joined the Land Registry in 1985 the ethos was different – it was very much more like everyone knew each other, we were more of a team and worked together.

We felt we had respect from management, they looked out more for our concerns, and we respected them. This is part and parcel of the public service ethos.

Now, often the way people are treated means they don't feel they want to give as much back. You're not going to get as good a service, some of the caring aspect has gone.

People are very worried about their jobs and are taking on too much responsibility because they don't feel they can say no. This causes stress and unease and creates a falsely competitive environment.

I feel we need to get the respect back. We need better management training.

## **The market for land and its use – Martin Hazel RE2(L) Information Systems**

It can't be stressed enough that one of Land Registry's main functions is guaranteeing title to land. Wouldn't it be fantastic if instead of making cuts, additional resources and legislation could be put in place to enable us to complete the land register? I don't think any commercial organisation could do that as the profit motive could get in the way. I don't think privatisation of any of the registry would work, partly because work is so specialised in the local offices.

In other parts of Land Registry, the service could suffer dreadfully and would cost a lot more than it does now for things like IT. At the moment, with an in-house IT division, changes get made quickly and people are flexible.

We have a very low turnover of staff where I work, and people are loyal to the Land Registry. I'm not sure the same would apply in an outsourced or privatised company.

I think we should be singing our praises a lot more and saying how good we are, and challenging whether outside companies would be able to do the same.

## **New Public Management: an overview of the impact on the UK civil service**

### **Introduction**

Since the 1980s, there has been a constant debate about the performance of public sector organisations including the civil service in the United Kingdom. This debate has also been accompanied by a steady flow of private sector management practices into the civil and public services under the banner of various reform programmes.

This development is not by accident nor is the debate really about the performance of civil and public servants. Rather, it is part of a global move, which started in the United States and later caught on in the UK, to redefine the role of the state and the institutions through which public services are delivered. Supporters of this view say that traditional or centralised bureaucracy, as exemplified by the Westminster model before changes were introduced from the 1980s, was no longer effective in terms of sustaining efficiency in public administration. The distinguishing features of traditional bureaucracy are:

- Centralisation
- Structured management hierarchies
- Specification of spheres of competence
- Continuous organisation of officials and functions bound by rules
- Institution of rules which regulate conduct
- Maintenance of record systems that would ensure continuity and predictability.

The new approach which is characterised as New Public Management, they argue, would make civil and public service organisations more efficient, more responsive to demands of the public, and more accountable.

### **New Public Management**

The thinking underlying New Public Management (NPM) is that private sector methods and practices are far more effective than those of the public sector. NPM also draws heavily on the principles of neo-liberalism, which advocates a laissez-faire approach to economic policy in which outcomes are left to be determined by the free play of market forces. So, in summary the NPM calls for:

- A break-up of traditional bureaucratic structures into smaller units with some independence



- Increasing competition in service provision through internal market systems
- Strong emphasis on cost-cutting
- Promotion of management style that gives preference to measurable output targets
- Short-term contracts, especially for senior staff
- The use of performance related pay and rewards to motivate and increase employees' performance<sup>1</sup>.

Thus, NPM is about redefining the role of the state and the institutions through which public services are delivered. It is essentially a product of the political and intellectual debates that started in the United States and later in the United Kingdom following the worldwide economic downturn of the 1970s leading to the demise of the Keynesian economics and the associated policy of full employment, which many on the right blamed for fuelling the recession.

This period also saw the rise of New Right politics in developed countries of which the Thatcher government that gained office in 1979 was one particular national response<sup>2</sup>.

The New Right agenda, like the NPM doctrine, also favours the principles of neo-classical economics where outcomes of economic policy are left to be determined by the free play of the market. The NPM proposition, thus, became attractive to rightwing governments notably those of Thatcher and Reagan who interpreted the expansion of the role of government as backdoor socialism.

It was also influenced by public choice theorists who have used the perceived dysfunctional nature of traditional bureaucracy to offer a plausible explanation for the growth of public expenditure and wastage of resources in public sector organisations.

This was the background against which the Thatcher government pledged to reform the civil and public services when it came to power in 1979. NPM reforms were introduced in the UK under the memorable slogans of “value for money, and choice”. Similar reforms had been introduced earlier in the United States but failed to take hold as a new concept mainly because the NPM initiatives were already a fact of life.

The Thatcher government set up the Efficiency Unit to oversee the implementation of the reforms and the associated value for money agenda. By late 1986, efficiency reviews had led to a reduction in the size of the civil service by 19% resulting in savings of £1 billion.

The publication of the ‘Ibbs Report’ or the ‘Next Steps Report’ in 1988 consolidated the NPM reform agenda in the UK. It paved the way for the civil service structure to be broken up as it was considered too large to be managed

as a single entity. Parts of departments were hived off into agencies, Non-Departmental Public Bodies and some later privatised.

1991 also saw the publication of the report 'Competing for Quality', which promoted the idea of internal market systems through market testing. This took the process further and endorsed the trend of contracting out services previously delivered directly by civil servants to private contractors including privatisation.

These changes were also accompanied, from the 1980s onwards, by a new approach to managing the performance of staff by increasingly using performance management tools, which originate from the private sector such as:

- competencies
- psychometric testing
- 360 degree feedback
- short and fixed term contracts,
- use of the S-M-A-R-T system to set performance objectives and measure output
- performance related pay and rewards

There were also moves to grant civil service departments freedom in terms of controlling their budgets and managing their internal affairs. Autonomy is a key requirement for the operation of the internal market system, and this was addressed through the Civil Service Order in Council 1995 which devolved authority to departments.

The reform of the civil and public services continued throughout the 1990s but it would appear that overall, the outcomes were not what the government had anticipated, mainly because of trade union opposition. As a result, the Labour government that gained office in 1997 pledged to radically reform the civil and public services. This led to the publication of the 'Modernising Government White Paper' in 1999, the basis of the current and ongoing reforms, which appear to be a continuation of what the Thatcher government started in the 1980s.

In March 2009, the Cabinet Office published a working document<sup>3</sup> which reviews the major initiatives that were introduced over the last 10 years under the civil reform agenda, key amongst which are the public service agreements introduced in 1998 and the move from one year to three year budgeting following the creation of the Prime Minister's delivery unit in 2001.

But the most radical component of the reform agenda during this period is the work of the Operational Efficiency Programme overseen by HM Treasury<sup>4</sup>, with

the main purpose of achieving value for money through savings in the public sector based on the premise that efficiency in the public services should keep pace with developments in the private sector. It was against this background that the government announced in 2004, without consultation, that 104, 000 civil service jobs will be cut and 20,000 jobs relocated, following the Gershon and Lyons reviews.

## Trade union response

Public sector unions have been campaigning against the different components of NPM, and in particular privatisation. Individual unions have mounted their own campaigns but have, on occasions, come together to campaign, as in the case of the Public Services not Private Profit campaign. PCS has, and continues to campaign against the NPM initiatives. Its campaign strategy is broad-based, combining negotiations with actions such as lobbying, protests, setting up of the protect public services unit dedicated to fighting job cuts and privatisation, raising awareness amongst voters through the Make Your Vote Count campaign and the promotion of an alternative vision for the civil service.

## Conclusion

2009 signals the crumbling of the neo-liberal agenda following the collapse of the markets which triggered a global recession. Despite these developments, New Public Management practices are still seen within the civil service as a driver for efficiency. This is encapsulated in the 'Operational Efficiency Final Report' published in April 2009, which argues that "in the current economic circumstances businesses are facing up to real challenges of cutting costs in order to stay in business and emerge stronger from the downturn. The public sector needs to do likewise, looking for savings in addition to the routine savings departments are expected to make each year, so that they can continue to invest in excellent public services while maintaining sustainable public finances".

Clearly, the challenge for the trade union movement is to extend its campaign beyond fighting New Public Management practices by tackling the philosophical and political ideologies that are driving it.

## Pat Budu

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- 1 Hood, C; 1990: Beyond the Bureaucracy State? Public Administration in the 1990s (extended text of an inaugural lecture on 16 January 1990, published by the London School of Economics; and Hood, C; 1995: Emerging Issues in Public Administration – Public Administration 73, Spring 1995
  - 2 Gamble, A; 1988: The Free Economy and the Strong State
  - 3 Civil Service Reform Working Paper published by the Cabinet Office in March 2009
  - 4 Operational Efficiency Programme Final Report published by HM Treasury in April 2009

## Tax Land Wealth

The Labour Land Campaign congratulates members of PCS in producing the Land Registry's 'Alternative Vision'.

The policy paper offers an imaginative, sustainable and viable alternative business proposal by proposing services that will support and work in harmony with new economic, environmental and social policymaking based upon an ethos of fairness, justice and a good quality of life – for all.

PCS has identified how the Land Registry can grow and thrive rather than shrink and be subsumed into a weakening public sector that is being steadily destroyed because of the government's destructive obsession with 'private sector values and services are best'.

The PCS has shown that public sector workers are creative and caring and are concerned to improve not only the lives of their members but also to improve the social, economic and physical environment we all live in.

In the present economic crisis (Spring 2009) we see once again, the failings of the uncontrolled, greedy, profit-led capitalists, bankers and landowners who are not only the cause of increasing unemployment, homelessness and poverty worldwide, but have also destroyed our environment by their selfish behaviour.

Businesses are going under with self-employed and small business owners suffering the most; employees are losing their jobs and being made redundant. Because incomes are falling or disappearing altogether, many are losing their homes or business premises they own or rent.

The Land Registry's Alternative Vision gives hope to the wider vision of a society where the values of local and national government are based on sharing the wealth we all create, respect for everyone, public services provided on the basis of individual need and a society where greed and selfishness are not the norm.

The Labour Land Campaign (LLC) is an organisation that is committed to a system of fair taxation, to the redistribution of all natural resource wealth and to the conservation of and efficient use of all our natural resources. We recognise the injustice and immorality of only 10% of the world's population owning and controlling 90% of the world's natural wealth. This distortion in the ownership of our natural resources has encouraged and allowed the environmental destruction of our planet, global poverty, wars, economic chaos, political instability and misery for a growing number of us. Indeed, the Labour Land Campaign predicted the economic crisis would happen because the UK, and increasingly the world, economy is based on faulty economic theory. With the rise of capitalism, economic teachings have been deliberately corrupted to serve the needs of the richest at the expense of the poorest to the extent where even after 12 years of a Labour government, the richest 10% of our population pay less tax proportionately than the poorest 10%. Taxes are paid by those who do not have the resources or inclination to avoid or evade them and that means the UK government maintains a system that tolerates at least £13 billion of



taxes being avoided or, put another way, a system where it accepts that those who cannot avoid paying tax are picking up the bill for those who can. What an immoral and unfair system we operate.

The LLC has identified a fundamental wrong with economic thinking that western governments are spellbound by. Politicians, economists and academics ignore the relevance of land and other natural resources in their economic analysis, their social policy formation and thus their decision-making. The result is that those who claim ownership to our land and natural resources are reaping huge unearned incomes at the expense of all of us. Our taxes and incomes pay for services that create and increase land values and yet it is only landowners who reap the financial benefits – at the expense of the poorest of the land!

We all need access to land and natural resources for our homes, our jobs, our food, our transport, our leisure, our public services and the production and distribution of all goods and services. But, the location of where each of these activities takes place will vary in value according to how accessible each site is to good public transport, roads, communications, airports, homes, work, shops, health care, good education facilities, leisure, crime prevention, markets, natural views and so on. As our taxes pay for developing and maintaining public services, so the demand for premises for businesses and homes in their catchment areas is greater than for other sites and the price we pay for those sites will reflect the total value we place on accessing those services.

However, because only 1% of the population in the UK own 70% of land, we do not have a fair land market or a fair redistribution of the wealth from land that arises from the economic and social activities of us all.

Land speculators not only vandalise buildings and sites to avoid paying property taxes, they deny us access to land for our very existence unless we pay them a sum of money equivalent to the economic value of their land that we together have created. Speculation in land causes artificially high prices in land markets leading to booms and busts and encourages urban sprawl as developments are built upon green sites – leading to long distance commuting and derelict sites that blight our communities. We all pay for public and private services through our consumption and our taxes but our economic system rewards those landowners that damage and destroy our environment.

The Labour Land Campaign says 'Let's stop subsidising landowners! Let's collect the wealth we all create: instead of taxing our wages – tax land wealth'. The LLC values the work of the Land Registry and we want it to expand by registering the ownership of all land in the UK and by valuing each site annually so that the tools are in place for a government of equal vision to collect at least a proportion of the wealth of each site to be used for maintaining and developing our public services. By taxing land values and not buildings, trade or wages, we will reclaim at least a share of the surplus value of production that currently goes only to owners of land.

This 'Alternative Vision' challenges the government's policy of cutting jobs and services within the public sector. It says we should all work efficiently and

purposefully and for the benefit of the whole of society. To put people out of work makes no sense either morally or economically. Society loses the skills and talents of those it discards and a greater proportion of our taxes have to go to paying benefits to those people. What a destructive and wasteful system to operate. Let's hope the PCS can reach out to other unions and to the government – it is time for new thinking and for a fair and sustainable economy where we care for each other.

The Labour Land Campaign echoes the message in the 'Alternative Vision':  
***"They should remember the simple proposition that land is a common good".***

Land rights were stolen from us generations ago by the Monarchs and landed aristocracy, let's at least take back some of the wealth of land that we all create and stop paying this immoral and illogical subsidy to the richest few.  
(See: [www.LabourLand.org](http://www.LabourLand.org))

**Heather Wetzel**

## **A real Land Registry for the new community of citizens of the United Kingdom**

The purpose of the Land Registry is to record who owns land in the United Kingdom. That at least is what the public think. As professionals in the business and the staff of the Land Registry know this is a fundamental error. The Land Registry as currently structured, does not record ownership on land in the UK. In the words of the explanatory notes to the Land Registration Act 2002 on the parliamentary web site “there is only one owner of land in the UK, the Crown.” And the explanation then goes on to say that what citizens have in the UK is two forms of tenure, leasehold and freehold, both derived from medieval land law. Freehold in particular is defined as “an interest in an estate in land...” but not the land itself.

When confronted with these facts the majority of freeholders, who are the majority of land holders in the country, are outraged and rightly so. And when we say the ‘majority’ what we mean is over 70% of the population itself, who have a stake in land through freehold tenure based on a private dwelling. There are over 18 million freeholds in the UK.

The outrage of the freeholders is at two wholly justifiable levels. The first is aimed at the fact itself, that what they thought was ownership, is not ownership at all. That there is a secret or concealed owner lurking behind their homes and that ‘legal’ owner is relying on feudal law to deprive the freeholders of true ownership. The second element of the outrage is at the public deception involved in the general presentation of what the Land Registry is, mostly by the government but aided and abetted by the Land Registry itself, which almost never makes clear the underlying facts, but avoids them.

Were the generality of land holders aware of the historic deceit that gave rise to the absurd situation we have in relation to the Land Registry, they would be even more outraged. That historic deceit lies in the restoration of the Crown’s discredited feudal claim to all land in the 1925 Land registration and Law of Property Act. Parliament, when it named what became the second or true Domesday of the United Kingdom in 1872 as the “Return of Owners of Land” believed and implied that the Crown’s claim to the ownership of all land in the United Kingdom was extinct. Attempts to set up a general Land Registry following the publication of the Returns, failed until the 1925 Land Registration Act and the Law of Property Act reduced all forms of tenure to just two, leasehold and freehold, and restored the Crown’s claim, setting it in statutory law where it had never previously been framed. There is no available record which shows that the 1925 acts and the four other associated acts were debated in either House. It appears to have been passed through ‘on the nod’. And on the nod the freeholders of the UK were once more reduced to feudal serfs in relation to their most important asset, their home.

The first step towards reform of the Land Registry must lie in a root and branch reform of the underlying law, the 1925 Land Registration and Law of Property Act. The Crown's feudal claim which is enshrined in that Act, has to go, and go totally and without compensation to the Crown.

We are all citizens now, neither subject nor serf and our first assertion of freedom from feudal servitude in the modern age is to get rid of the legal chain that binds us to an absurdity from history, the absurdity that the Crown can usurp our rights to own what we have bought in the market place.

That step must be preceded by a truthful statement from the current institution, backed by the government, accompanying all land transactions and stating that freehold is not ownership, but tenure. This is an essential legal health warning that should have been there since 1925. The avoidance of that clarification makes the Land registry complicity in a public and constitutional deception enacted in 1925, without public debate.

The next most essential reform is a structural one. The Land Registry is a public, not a private record of land holdings. Land is one of the most essential economic fundamentals in the UK. Without a public Land Registry in which the owners (holders) of land can easily be found, the market in land is corrupted and falsified. In fact until 1990 the Land Registry as structured on the 1925 acts was the biggest single contributor to a rigged market in land in the UK, a contribution that only partly corrected itself through the limited public access granted in the 1990 reforms. That public access now needs to formally recognise the role of land in the economy and to be accessible in the same way shareholder records are available on the stock exchange for public companies or at Companies House for private companies.

In his letter to Adrian Saunders MP in relation to the minor reforms in the 2002 Act, Michael Wills MP, then as now the Minister responsible for the Land Registry, stated that;

"The Land Registry do not possess information about the acreage of England and Wales. It creates titles without recording the acreage of each title they register" He went on to say that there was no alphabetical index of land holders and that between 35% to 50% of the acreage of the two countries was not registered at all.

Here are the next vital reforms then. That there should be an alphabetic index of owners; that the acreage of each holding should be recorded, that all land holdings in England and Wales should be recorded and identified as to their use, or perhaps potential use. This latter would be a step towards rationalising and regulating the market in land and especially development land. But it goes further than that. Certain lobbies in the United Kingdom have been able to make absurd and alarmist claims about the availability of land, especially land for housing. One lobby went so far as to suggest that at present rates of home and office building, the whole of England would be bricks and mortar by 2035. Even at present levels of construction the whole of England would not be under bricks and mortar until close to 4000 AD, 2,000 years hence. The lack of proper

facts, from an authoritative source such as the Land registry, ensures that house building remains constrained by fantasy, not facts, and ensures that we continue to build for our families and young people, the smallest and most cramped homes in Europe.

In the face of global warming and ecological destruction there is no single issue more important than the proper management and use of land. Any chance of good management is destroyed when the basic facts about land ownership and land use are confounded inside an institution basing its operations on feudal principle and feudal law. Reform of the Land Registry is not a luxury but an urgent necessity.

**Kevin Cahill**



## Further Reading

Who Owns Britain – The Hidden Facts Behind Land Ownership in the UK and Ireland – Kevin Cahill (Canongate Pub Ltd, August 2000)

This Land is Our Land: Struggle for Britain's Countryside – Marion Shoard (Paladin Books 1987)

Pemberton, Alan: HM Land Registry – An Historical Perspective (HM Land Registry, 1992)

The Case for Civil and Public Services – An Alternative Vision – Profs. R Seifert and M Ironside (PCS, 2005)

Who Owns the World: The Hidden Facts Behind Landownership – Kevin Cahill (Mainstream Publishing, 2 Nov 2006)

## Notes on Contributors

**Chris Baugh** was for many years a union rep in the Land Registry and is the Assistant General Secretary of PCS.

**Pat Budu** is a research officer who works for PCS.

**Kevin Cahill** is an investigative journalist and author of several books including "Who Owns Britain" (2001) and "Who Owns The World" (2006).

**Mike Ironside** was a senior lecturer in industrial relations at Keele University until retirement in 2009.

**Roger Seifert** is professor of industrial relations at Wolverhampton Business School.

**Heather Wetzel** is a PCS member and the Labour Land Campaign Trade Union Liaison Officer

## Notes

## Notes









Illustration: Clifford Harper

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