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Fracking: compensate locals, not councils [1]

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Ministers are exploring various proposals to encourage local residents to accept fracking projects, reports the Financial Times. The ideas including offering people cheaper household energy.

This is exactly how planning should work, as the Adam Smith Institute explained in a conference and report back in the 1980s, and more recently in Planning in a Free Society [3]. Developments such as airports, roads, quarries ? and now fracking projects ? may bring a wider benefit to the community but adversely impact local areas with noise, pollution, traffic congestion, and so on. The decision to give the go-ahead to such projects should not rest with some 'expert' planning bureaucrat. Instead, those proposing the development should compensate everyone affected by these 'spillover effects' for their losses.

Although the physical spillover effects of fracking might be limited, there are psychological spillovers too. There may be a chance that fracking could disturb the underground geology in ways that could damage property or pollute water systems - though fracking supporters argue that these are very unlikely and that they will even then diminish over time as academics and the professionals understand the process better through experience. Still, people fear the possible effects ? and those fears must be compensated if fracking enterprises are to proceed with the goodwill, or at least toleration, of the community.

We proposed that any new development, which produces a planning gain to its proposers, should compensate the local losers. One can imagine a supermarket, say, that leads to local traffic problems as roads become congested. Those near the congestion should be compensated, and those less affected compensated less. It is not an exact computation, but at least it is better than people whose lives are blighted by some development having no redress.

Local authorities do, of course, try to tax developers of some of their 'planning gain'. But the system is totally corrupt. Petty officials bully people who want to extend their house or build a new house in their garden, implying that they must pay thousands to the council if there is any chance of their proposals being passed. Larger developers can find themselves being invited to pay for swimming pools or other large 'community' projects. Of course, it is local councillors and officials who benefit from this corrupt system, not the residents who are actually affected.

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