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The accountancy of marketisation: Fictional markets in housing land supply

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Abstract
This article investigates the performative role of accountancy in embedding market mechanisms in public services. Drawing on the work of Karl Polanyi, it argues that marketisation can be understood as a work of calculative modelling in which the fiction of a self-regulating market is propagated through the concealment of the social and political practices on which it depends. Exploring this thesis in the marketisation of housing land supply, the article provides a forensic study of an accountancy procedure called the Housing Delivery Test that modelled an ideal housing market in the English land-use planning system. The study points to the importance of Polanyi's analysis in theorising the performativity of calculative practices in the project of marketisation, not as creating the economy they describe but in fashioning a fictional market.

Keywords
Accountancy, Marketisation, Housing, Land

Introduction

The marketisation of public services has been achieved most effectively through the incorporation in former Welfare State systems of the accounting practices of financial markets (Callon, 2016). In the literature on marketisation, emphasis is placed on the power of accountancy to transform qualitative judgements into monetary values that constitute the truths that public services are made to serve (Miller, 1994: 2). As these 'market devices' are embedded in practice, they privilege the price mechanism as a means of distribution and as a determinant of public interest outcomes (Callon et al., 2007). Market devices are said to exercise performative power – meaning that economic theories of price equilibrium and supply and demand do not just describe the economy but model it

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according to their own template (Miller and Rose, 2008). The self-regulating market is an accountancy fiction in this thesis and the marketisation of public services is better understood as the performance of an accountancy practice (Smith, Munro and Christie, 2006).

In this article, I bring the idea of fictional markets into dialogue with fictional commodities. I introduce the literature on accounting as a social and institutional practice to the work of Polanyi (2001 [1948]) and his famed concepts of the double movement and fictional commodities. I want to understand the performative role of accountancy practices in constructing self-regulating markets in economies dependent on publicly regulated goods and services. I concentrate my study on an accountancy procedure in the English planning system called the Housing Delivery Test and the marketisation of housing land supply in the statutory regulation of land-use planning. I am concerned with the 'invisible power of an inscription' (Latour, 1987: 14), in this case an apparently neutral account of housing delivery, to orientate land-use planning to market prices and not public need. In examining the mechanics of this market device, I demonstrate the accountancy done in modelling an ideal housing market to conceal its dependence on public regulation. I argue from this evidence that marketisation can be understood as the performative accountancy of a fictional market within the shelter of public regulation. The article seeks to contribute a new perspective on the marketisation of public services to the literature on calculative practices, and it adds to a growing body of work that seeks to expose the practices through which land-use planning systems are repurposed to facilitate the extraction of value (Bradley, 2021; Ferm and Raco, 2020; Murphy, 2020; Waldron, 2019).

I begin with a brief summary of the literature on the performative role of calculative practices in the marketisation of public services before examining the insights that can be obtained by reading alongside this the work of Polanyi on fictional commodities and the double movement. I then turn to one of Polanyi's fictional commodities, land, to examine the role of accountancy in replacing need by price in the allocation of housing land supply. Turning to a detailed analysis of this process, I introduce the Housing Delivery Test as a calculative practice in English planning that effected this translation from the need to price by imposing an economic model of supply and demand on statutory planning authorities. Drawing on Polanyi's analytic, I evidence the work done to model a convincing representation of a self-regulating housing market while resolutely concealing its dependence on de-commodified practices. I conclude that Polanyi's work assists in developing a critical perspective on the performative role of accountancy practices in marketisation, not as the creation of markets but as the modelling of a fiction of a self-regulating market inside a broader social and political economy.

The performativity of marketisation

The marketisation of public services is defined as the process whereby goods and services outside the price mechanism are incorporated within a self-regulating market, 'expanding the empire of commodities and imposing the financial world's modes of evaluation on more and more sectors of activity' (Callon, 2016: 17). The difficulty with this definition is that it portrays marketisation in terms of the unstoppable expansion of a market economy and its subordination of 'the substance of society itself to the laws of the market' (Polanyi, 2001: 497). The purpose of marketisation in the liberal economic narrative is to remove obstacles in the path of market expansion by ripping up regulation. The only regulation supported is that which creates the conditions for the market to augment its organising power and extend its economic sphere. A self-regulating economy must according to its own 'laws' comprise all elements of economic life. No goods or services can be produced unless they are produced for sale, nor distributed unless subject to the interaction of price with supply and demand. Marketisation is understood as a matter of letting the market into a hitherto preserved space of goods and services that were considered unmarketable. Elements of production and distribution that were never described in economic terms are commodified and assigned values through their inclusion in the price mechanism. This understanding of marketisation promotes a narrative of a monolithic market economy with an essential identity and universalising dynamics. The political choices made in constructing the boundaries of the market economy and social practices that govern its functions are concealed and robustly denied (Smith, 2005).

Rather than buy into the perspective that an externally existing sphere of economic activity is engulfing social practices, researchers into marketisation are directed to the work done by social practices in the performance of markets (Gibson-Graham, 2006; Miller, 1994). This reversed viewpoint draws attention to the practices and processes through which the marketisation of public services is achieved, and in particular to the role of accountancy, valuation and financial calculations in embedding markets within public services. It has been argued that these economic practices play a constitutive role in market creation. Michel Callon (1998: 2) famously maintained that economics 'performs, shapes and formats the economy, rather than observing how it functions'. The self-regulating market is a performance and apparently universal market laws, like supply and demand and price equilibrium, are the consequence of practices that do not so much 'describe economic life as make it possible and manageable' (Miller and Rose, 2008: 11).

The argument that economics is performative—that economic practices construct the economy rather than describing it—suggests to me a process of modelling or trialling of ideal markets through specific interventions. Rather than describe a self-regulating market that exists externally, marketisation produces a model of how markets are expected to function (MacKenzie, 2006). What the model supposes then becomes actual, as Michel Callon (2007: 320) said. The model supposes a self-regulating market and establishes the conditions required for it to operate, not in a market economy, but in non-market goods and services. An ideal market modelled in public services is presented as an accurate depiction of how a 'free' economy works. The messy reality of the market as it is actually experienced, with its monopolies, price-fixing, externalities and inefficiencies, is masked. The ideal market, with its invisible hand and price equilibrium, is brought about through the regulatory interventions of the state and in the public sector. Marketisation does not mean deregulation. It may even mean more regulation (Graeber, 2015). It is just that regulation is now directed to different ends.

This perspective on marketisation draws attention to the function of the state in creating and shaping markets, and not simply enabling their expansion or mitigating their failures (Mazzucato, 2015). Perhaps more importantly, it challenges the separation of economic and political spheres and points to the role of statutory regulation as the engine of market activity, supporting Karl Polanyi's thesis of the economy as a function of the social order. The process of marketisation, the commodification of goods and services formerly outside the price mechanism, and the consequent necessity of re-embedding them in a more diverse economy, constitutes the core of Polanyi's (2001[1944]) well-known thesis of the 'double movement' in his classic work *The Great Transformation*. Understood in some readings as a pendulum-like dynamic, swinging between commodification and decommodification, the double movement describes how efforts to create a market society that is global in scope and detached from the social and political spheres call forth counter-movements that re-embed the market in society through state regulation and intervention (Hough and Bair, 2012). In the place of the pendulum metaphor, other critics suggest Polanyi intended the double movement to be understood as a dialectic process in which movement and countermovement occur simultaneously (Goodwin, 2018). Polanyi identifies the state as deeply involved in creating the conditions for markets, as well as providing correctives to market failures. The double movement indicates the dependence of the supposedly dis-embedded liberal market economy on social and political relations to provide the conditions that enable it to function. Or to put it another way, the ideal of the utopian self-regulating market comes about only as a result of state regulation (Langthaler and Schüßler, 2019; Maucourant and Plociniczak, 2013).

Polanyi's concept of fictitious commodities is central to understanding the achievement of marketisation in simultaneously embedding and dis-embedding markets. It provides a useful framework for thinking about the performative role of accountancy practices in transforming goods that exist outside the market into commodities. The fictitious commodities identified by Polanyi (2001: 497) are labour, land and money and all three are essential to the operation of a self-regulating market economy. The essential principle of self-regulation is that 'a market economy can exist only in a market society'. It must 'comprise all elements of industry, including labour, land and money… But labour and land are no other than the human beings themselves of which every society consists and the natural surroundings in which it exists. To include them in the market mechanism means to subordinate the substance of society itself to the laws of the market'. Since labour, land and money are 'human and natural components of the social fabric' that were never produced for market sale, Polanyi argues to treat them as commodities is to base the claim of a self-regulating market on a fiction (Polanyi, 2001: 876). The marketisation of fictitious commodities – these goods and services produced outside the market – establishes a fictional market, what Polanyi (2001: 508) calls 'the extreme artificiality of market economy'. The essential nature of market liberalism is built on myth; it is a fiction.

The commodification of these fictitious commodities has destructive consequences for the market economy which can only be mitigated by regulation, Polanyi's argument continues. It is necessary for the state to actively intervene to re-embed the market in the social and institutional practices of a broader and more diverse economy and to sacrifice the ideal of a free market in order to manage the consequences of the market's own mythic claims to universality. State intervention employs a range of economic practices in order to uphold the fiction of commodity markets and labour, land and money are made subject to supply and demand only through the intervention and support of public services (Gibson-Graham and Dombroski, 2020). The mythical market that results is promoted as an accurate representation of an independently existing self-regulating economy even though it is designed by state intervention and maintained by modes of production and distribution outside of the price mechanism. This perspective on marketisation calls for a closer analysis of economic practices. How are fictional commodities accounted for and made subject to supply and demand? How is the principle of self-regulation modelled in the accountancy of need? To explore these questions further, I turn to one of Polanyi's fictional commodities, land, and the state regulation or zoning of land use in urban and rural planning.

The marketisation of housing land supply

In *The Great Transformation*, Polanyi (2001 [1944]) defines land as a fictitious commodity because as a natural resource it was never manufactured for sale. The definition has been critiqued for its representation of land as original untouched nature (Fraser, 2014), but the argument that land is natural, finite and cannot be replicated, and therefore cannot embody value, was endorsed by classical economists, Smith, Ricardo and Marx who considered any market in land inextricably entangled in social and political relations. The desire to rescue finite nature from the destructive effects of commodification animated the early town planning movement in North America, Australia and Western Europe (Ravetz, 1986). State regulation of land use and development was considered a necessary step to avoid 'neighbourhoods and landscapes defiled, rivers polluted… the power to produce food and raw materials destroyed' (Polanyi, 2001: 505). Since the early 1900s statutory urban and rural planning systems have partially de-commodified land by freezing land values to protect specific landscapes from development and allocate land to social needs. The perception of land as a fictional commodity has qualified, but not discouraged, the valuation of land as a commodity. Land markets flourish, and the ground rent captured through land-use planning, fuels a global market in property development and investment (Haila, 2016), the financialisation of rents and mortgages (Fields, 2018) and the consequent crisis in access to affordable housing (Gallent, 2019). The role of the state in the commodification of land has been central to this process. From the earliest legislation that allowed common land to be enclosed (Blomley, 2008) to the deregulation of mortgage markets by statutory regulators (Aalbers, 2016) and the privatization of public land by state agencies (Christophers, 2018), the commodification of land has been 'the outcome of a conscious and often violent intervention on the part of government' (Polanyi, 2001: 1331).

A 'double movement' between regulation and deregulation characterises the statutory frameworks of land-use planning. The distribution of goods and services by need, rather than by ability to pay, underpinned New Deal and Welfare State strategies that sought to remedy poverty and inequality through amelioration of the price mechanism (Smith and Easterlow, 2004). In early town planning legislation, the principle of need regulated the state allocation of land use, ensuring that privately owned land was reserved for public facilities and public interest goals (Raynsford, 2018). The allocation of land for new housing was governed by the principle of housing need calculated according to the numbers of households who were homeless or living in insecure or inadequate housing. The provision of public, social or municipal housing, rented at cost rather than market value, continues to provide a functioning model of distribution by need, rather than the ability to pay, and supplies more than 50% of all housing in European and Far East cities, and 17 % of homes in the UK (Broughton, 2018). The distribution of housing by need requires the suspension of the price mechanism and coexists uneasily with a commitment to price as the fairest mechanism of distribution. In a liberal economic perspective, 'the idea of need signifies no more than a preference shared by many people' that is best addressed by the private market (Doyal and Gough, 1991: 10). In contemporary planning systems, land for housing is allocated on need but the price, location, quality and type of housing is determined by the ability to pay. The marketisation of housing land is enabled by the adoption of accountancy practices that adapt the principle of needs to the operation of a self-regulating market. The first step in this adaption is to detach qualitative values from their social and political context and bring them into a standard frame of accounting where they can be evaluated impartially as cold hard numbers (Callon and Muniesa, 2005; Kurunmäki et al., 2016).

The calculative model economises the political in planning and displaces it or abstracts it from questions of the justice of outcomes (Miller, 2001). It changes the way in which values are thought about and addressed. In planning for housing needs specifically, a market model of supply and demand is intruded into a sphere of provision that has traditionally nurtured very different principles for the distribution of public goods (Smith and Easterlow, 2004). To economise the concept of housing need is to give it not just a number but a price and to present it as a proxy for demand in a housing market in which it is assumed that 'the supply of goods (including services) available at a definite price will equal the demand at that price' (Polanyi, 2001: 482). Quantified as a measure of demand, need becomes comprehensible only in relation to the price mechanism and the task of planning for housing need is reduced to one of balancing housing supply and demand. An increase in supply requires a sufficient volume of land to be allocated for residential use to enable house prices to reach equilibrium.

Urban economists think that land can be treated like any other commodity whose utility determines its price. Land is simply another factor of production and the rent charged for its use appears to the landowner 'as the interest on imaginary capital', as Marx (1981: 716) put it in volume three of Capital. David Harvey (1982: 347) extended this simile to point to a tendency for land to be treated as a pure financial asset. The rent paid for the use of land was 'considered as the interest on some imaginary, fictitious capital'. If land is treated as a pure financial asset, then the use is determined by price rather than the other way around. Landowners seek a use value that attracts the highest potential rent and land use becomes an object of speculative investment (Haila, 2016). The idea of fiction, whether in fictitious capital or fictitious commodities, usefully points to the fictionalisation required to turn a natural resource into an object of exchange and investment. The success of this fiction depends on the performative power of accountancy to actualise, in Michel Callon's (2007: 320) word, the world modelled in its formula. A calculative model in which house prices respond to land supply does not provide an accurate representation of transactions in financialised land markets where price now determines use. When imposed on statutory planning authorities, however, this model requires them to supply land zoned for housing in a quantity that responds to house prices. A calculative model of a fictional market where supply equals demand and price follows use is actualised through the state regulation of land use. Within the confines of public service, and only there, land then functions like any other commodity. To pursue this thesis, I examine an accountancy procedure in housing land supply in England called the Housing Delivery Test. My concern is with the calculative practices through which housing need is equated with price and the fictional commodity of land is modelled in a self-regulating market.

Supply and demand in the Housing Delivery Test

Launched by the government in 2018 as a standard approach to measuring the delivery of completed homes in England, the Housing Delivery Test compiled an account of housing supply against housing need to produce a percentage measurement of the number of homes delivered against target. It was governed by the following formula:

$$\text{Housing Delivery Test (\%)} = \frac{\text{Total net homes delivered over three year period}}{\text{Total number of homes required over three year period}}$$

Local planning authorities were held accountable for the results of this calculation through a performance management regime intended to align the regulation of residential land supply with market prices (Callon and Muniesa, 2005).

The total number of homes required in the Housing Delivery Test was calculated using an affordability metric that effectively marketized the principle of housing need by transforming qualitative values into price signals. Affordability metrics have become increasingly popular in the USA, Australia, New Zealand and the UK as a means of defining housing need for public policy purposes (Meen and Whitehead, 2020). The affordability metric used in the Housing Delivery Test was a median multiple: a measurement of the ratio of median house prices to median incomes. Considered at best an unreliable rule of thumb by economists, this affordability metric is internationally associated with the assertion that planning and zoning interfere with price signals and constrain supply (Murphy, 2014). The metric was introduced in England in 2017 in a government consultation paper in which affordability was defined in the following terms:

> 'If the average worker cannot get a mortgage for the average home in the area without additional help (e.g. from the 'bank of mum and dad'), then there are not enough homes in the area and the local authority needs to plan for more' (DCLG, 2017: 12).

Consistent with the narrative that planning interferes with the price mechanism in land markets, the affordability metric produced a simple economic model that did not include demand-side effects, despite being based on the loan to value calculations of financial institutions (Gallent, 2019). As the new standard methodology for calculating the number of homes required in the Housing Delivery Test, this affordability metric broke with all previous calculations of need. It did not require a specific count of homeless households or those in unfit housing nor did it assess the backlog of concealed households, the waiting lists for social housing, and it took no account of medical or social housing needs. Instead, it expressed housing need as a house price formula.

It mandated that for every percentage increase in house prices above four times the median wages, local authority planners must apply a housing need uplift to household projections of a quarter of 1%.

The formula for housing required in the Housing Delivery Test did away with the qualitative task of determining housing need. It monetised need as a ratio of house prices to incomes and concocted an economic model in which both housing need and demand would be met through a self-regulating market. Need was to be addressed when supply and demand were in equilibrium and house prices were no more than four times median wages. The Housing Delivery Test made it the responsibility of local planning authorities to ensure the unobstructed functioning of supply and demand to turn this fictional model into an actual housing land market. Any failure of housing supply to respond to prices was received as evidence that statutory land-use regulation was obstructing a self-regulating market. It was essential for the operation of this accountancy model that housing supply could be calculated as a commercial product governed by price alone. The problem with this calculation was that price was not the only determinant of supply.

The Housing Delivery Test provided a calculation of housing supply expressed as a percentage of the number of homes required. This percentage provided the test of local planning authorities to judge the extent to which they facilitated a correspondence between supply and demand. The annualised sum of housing supply for the Housing Delivery Test was provided by a nationally collected statistic of 'net additional dwellings' reported annually eight months in arrears (MHCLG, 2020c). This data source was particularly problematic because it did not distinguish between the private sector and not-for-profit housing providers. Although the supply of public housing had reduced to a trickle, 20% of the housing supply in England continued to be provided at discounted rents or sold as 'affordable' homes. The distribution of these affordable homes was decided by a qualitative assessment of need either on housing priority or according to income levels. While the affordable housing sector operated in a housing marketplace, supply was boosted by a public grant programme and access was determined by administrative assessment. The data on supply used for the Housing Delivery Test significantly under-counted new affordable housing and treated it as if it were distributed on the ability to pay (National Housing Federation, 2021). The annual calculation of additional dwellings was provided net of demolitions which again produced inaccuracies in accounting for housing distributed on the principle of need. Between 2004 and 2020, just under 120,000 social rented homes were demolished in England to make way for market housing in high land value areas. The loss of these homes was only recorded 'when the redevelopment on the same sites complete in their entirety' (@HennessyArch, 2020), which in the case of many metropolitan regeneration schemes could be ten years after their demolition. Quarterly and more up to date figures for housebuilding that accounted both for private and not-for-profit housing delivery and tracked the construction pipeline from start to finish were also collected by the government (MHCLG, 2021), as were statistics on Energy Performance Certificates (EPCs) that enabled closer analysis of new housing supply (Hudson, 2020). Neither of these more detailed data sources was used for the Housing Delivery Test.

The omission of any specific record of affordable housing production in the Housing Delivery Test propagated the narrative that housing was supplied only in a self-regulating market independent and distinct from the broader economy of social relations. Considerable effort was expended to present it in that accountancy format. The Housing Delivery Test envisaged housing as an economy best left to its own devices and as a market that would work if only it could be made 'free' from planning (Miller, 2002). The only politics allowed in the housing supply market were about 'freeing' it up (Smith, 2005). When applied as a performance management tool to discipline local planning authorities, the test worked to support a causal connection between too much planning and house price inflation. The Housing Delivery Test affirmed in cold hard numbers that a self-regulating market could provide affordable homes and meet housing needs if land-use regulation was removed.

In Michel Callon's (1998) introduction to *The Laws of the Markets*, he identifies the accountancy practices necessary to create a model of a market. A market, he says, is a coordination device. It establishes 'a space of calculability', a calculative agent and a list of elements from which a price emerges. The coordinating function of the market is created by an act of framing, which demarcates those elements taken into account and those that are excluded. 'It is owing to this framing that the market can exist, and that distinct agents and distinct goods can be brought into play' (Callon, 1998: 17). Callon's concern here is with calculations and formulas that produce price as the outcome (Miller, 2002). In the case of the Housing Delivery Test, price was not just the outcome of a list of elements, it also appeared as the organising principle, as Polanyi had predicted. The Housing Delivery Test was framed by the market assumption that 'order in the production and distribution of goods is ensured by prices alone' (Polanyi, 2001: 482). All de-commodified elements contributing to housing supply and any specific recognition of need as a mechanism of distribution were excluded from the frame. The Housing Delivery Test modelled a market in which a fictional commodity could be made to behave as a commodity should behave. What was excluded from the calculations, however, was the fictional commodity itself: land.

What is counted and what counts

The Housing Delivery Test imagined a market in which the self-regulation of supply and demand was unfairly obstructed by the state regulation of land use. It created a performance framework to ensure planning authorities delivered sufficient quantities of permitted land to the private house-building industry. Presented with two sets of figures removed from their contexts and associated in calculation, local planning authorities were then tested on the results. They failed the Housing Delivery Test if housing supply did not correspond with housing demand. They were then disciplined through a package of sanctions that at their most onerous allowed developers and landowners to overturn local land-use regulation and access the value of land that otherwise would have been subject to environmental protection.

Calculative practices and formulas make visible only the information that connects procedure to responsibility. Their purpose is to govern performance or to make numbers rule (Miller, 2001). The Housing Delivery Test framed its calculative space as a specially prepared 'stage' on which local planning authorities were spot-lit in an attribution of culpability, as the only actors responsible for ensuring the correspondence of supply and demand and house price equilibrium (Callon, 1998: 253). When the count of housing supply in a local planning authority area was less than 75% of the housing requirement, a clause in national planning policy called the 'presumption in favour of development' was triggered (MHCLG, 2019: para. 11). Otherwise known as 'the tilted balance', this sanction undermined the powers of local authorities to determine the location of new housing or to refuse speculative applications for residential planning permission. It partially deregulated the supply of housing land and endowed the market with widely enhanced opportunities to acquire residential planning approvals (Chadwick, 2017). In 2020, one third of all planning authorities failed the Housing Delivery Test and 52 local authorities were disciplined through the removal of their residential land-use planning powers (Simmie, 2021). This gave landowners, property investors and developers in those areas opportunities to secure a change of use in land under their control and unlock potential increases in its value.

The Housing Delivery Test did not include land in its calculations. It applied an economic model of supply and demand in the housing market to discipline local planning authorities into supplying permitted land for residential use. Housing commodity markets were utilised as a proxy for the supply of a fictional commodity – state regulated land use – with the intended effect to increase the supply of land. Local authorities in England are not directly responsible for building homes, except in very small numbers. In their statutory planning function, they influence housing supply by ensuring a requisite quantum of land is granted planning permission for residential use and they have no power to ensure that planning permission translates into houses built. The Housing Delivery Test did not include any data on residential planning permissions in its calculations. Instead, it measured local planning authority performance according to the number of homes built by the private market. The Housing Delivery Test made local planning authorities responsible for a function outside of their control – the completion of homes – rather than what was in their remit, the supply of land with planning permission (NAO, 2019).

If the Housing Delivery Test was concerned to provide an accurate assessment of the contribution of planning authorities to housing supply, it would include a calculation of the number of homes annually given planning permission. These figures were not collected as a national statistic by the Ministry of Housing, Communities and Local Government. The only statistic collected was 'the numbers of decisions on planning applications submitted to local planning authorities, rather than the number of units included in each application, such as the number of homes in the case of housing developments' (MHCLG, 2020a: 9). The data on the supply of houses used to measure the performance of local planning authorities in the Housing Delivery Test included, bizarrely, homes that had been built without the requirement of planning permission. The expansion of permitted development rights since 2013 had allowed shops and offices to be converted to residential use without the need to obtain planning permission. This strategy to deregulate land use had exploited a traditional feature of the English system which had always licensed small alterations to properties to open a major new route to housing delivery (Clifford et al., 2020). More than 35,000 residential conversions were added to the completion total in the 2020 Housing Delivery Test results, even though their construction bypassed the planning system and was wholly out of the hands of local planning authorities (MHCLG, 2019).

From 2012 to 2019, the number of homes annually given planning permission by local authorities in England increased by over 200,000, while the number of homes completed rose by only 62,000 (MHCLG, 2020b; Raynsford, 2020). By 2019, local planning authorities were awarding planning permissions for almost 400,000 homes a year, while only 214,000 were built (MHCLG, 2020c; Savills, 2019). An estimated 20% of these annual residential planning permissions were renegotiated by land promoters and developers (Hudson, 2021), and new planning applications were submitted to take advantage of rising house prices, leading to purposeful delays in development to improve returns (Woodcock et al., 2011). In September 2020, the English housing charity Shelter demonstrated that housebuilders had yet to build one million of the homes given planning consent by local authorities since 2011 (Shelter, 2020).

Accountancy is a matter of taking notice of some numbers and not others (Kurunmäki et al., 2016). The Housing Delivery Test turned the narrative of planning as a constraint into an accountancy model and applied it as an accurate reflection of the residential property market. Its effect was to render invisible the 'poor supply responsiveness' of the private housebuilding industry (Barker, 2003: 5) and to conceal the obstruction to housing supply caused by a flourishing market in the asset value of land with residential planning permission (Murray, 2020; Paccoud, et al., 2021). Landowners charge ground rent or its capitalized equivalent for the use of their land and 'what is bought and sold is not the land, but title to the ground rent yielded by it,' as David Harvey (2006: 367) wrote. A change of land use enabled by the award of planning permission unlocks the potential for a landowner to profit from an increase in ground rent. This future ground rent can be secured by developing the land for housebuilding, but an uplift in the exchange value of land can be also brought about through a permitted change in land use. The award of planning approval may enable a landowner to profit from increased investment yields without any development necessarily taking place (Haila, 2016). Planning permission to build homes does not necessarily result in housing completions and residential development only occurs when it is the most profitable course of action for property interests (Paccoud et al., 2021).

The housebuilding industry in England is dominated by ten companies in competition over access to land supplies, rather than over the price or quality of housing sold (Colenut, 2020). It is an industry that tends towards monopoly, with the top three housebuilders each owning on average a six-year pipeline of land with residential planning permission (Chamberlain Walker, 2017), while locking-in through restrictive contracts a further six or seven years of strategic land sites (Jefferys, 2016). The failure of this market to respond to demand with increased supply has been evidenced by a succession of government inquiries, and the Barker Review of Housing Supply (2003), the Calcutt (DCLG, 2007) and Letwin (2018) reviews confirmed the tendency of private housebuilders to deliberately restrict output to maintain prices (Archer and Cole, 2014). A 'drip-feed' of between 30–60 homes completed per year per sales outlet was evidenced across all housing sites, with large sites building out most slowly (Adams et al., 2009: 304; Lichfields, 2017).

The Housing Delivery Test increased residential land supplies but had little impact on the rate of housing delivered. Instead, it created the conditions for the expansion of land investment markets. The grant of planning permission itself became an object of exchange as a promissory note on future development returns (Ward and Swyngedouw, 2018). The uplift in value made possible by residential planning permission in areas of high housing demand in England could be more than 100 times the existing use value. Agricultural land in Oxfordshire, typically worth £25,000 a hectare, might be valued at £5.6 million a hectare with residential planning permission – an increase of 224 times (Murphy, 2018). Site promoters monetised the planning permission process by creating a profitable market in auctioning residential permissions on behalf of landowners, fuelling a speculative market in land at the expense of housing completions (Bradley, 2021). Research by the development consultancy Lichfields (2017) identified what the industry called a 'lapse rate' in residential permissions with, in some areas, 50% of homes given planning permission never being built. Sites selected for housebuilding were those that offered the highest margins and the decision to 'lapse' permitted land suggested it offered a better return as a tradable asset than as a resource for production (Murray, 2020).

This trade in permitted land as a commodity distinct and separable from housing construction impacted the already-constrained supply of completed homes. While local planning authorities increased the supply of land in response to sanctions, developers and landowners sold the permitted land, used it as collateral or repurposed it in new development applications leaving on average 40% of annually permitted homes unbuilt. The time taken to build a home after full planning permission doubled, rising from two to four years, reducing the rate of housing supply still further (Bradley, 2021; Chamberlain Walker, 2017). The Housing Delivery Test made the supply of a fictional commodity, land, dependent on demand for a real commodity, housing. Its effect was to incentivise cartelistic markets in land speculation and encourage artificial scarcity in housing supply. By 2021 – three years into the Housing Delivery Test – more than four million households were with unmet housing need in England. Most were stuck in overcrowded and unsuitable accommodation, while over 500,000 households were homeless and 50,000 were living rough on the streets (Halewood, 2021). The Housing Delivery Test promoted the commodity fiction that a self-regulating market in housing would make homes affordable if land supply was deregulated. But the model of an ideal self-regulating market did not correspond with the cartel-like practices of commercial housebuilding, the monopolies of institutional landownership or the speculative investment strategies of property developers (Anderson, 2019). The price mechanism did not organise the market. Deregulation of land use did not significantly increase housing supply; instead, it stimulated land speculation, encouraged monopolies and artificial scarcity.

Two contrasting perspectives on Polanyi's theory of the double movement are present in the Housing Delivery Test. Considered as a pendulum-like swing from regulation to deregulation (Hough and Bair, 2012), the Housing Delivery Test provided landowners and developers with greatly enhanced opportunities to secure increased land values and to undermine the state protection of environmental resources. Resistance to the marketisation of planning came from local politicians and environmental campaigners with calls for more public regulation, rather than less (Raynsford, 2020). Reporting in 2021, the House of Commons Select Committee for Housing, Communities and Local Government recommended new penalties for developers who failed to build out housing permissions. A coalition of 500 residents' groups opposed to deregulation was launched that year (Community Planning Alliance, 2021), while in the planning practice literature the investment and accumulation strategies of landowners began to attract wider notice and concern. This growing discontent had little effect on the dominant narrative of the efficacy of 'free' markets, although it weakened political opposition to public housebuilding and led to widespread criticism of the use of market definitions of 'affordability' and 'affordable housing' in statutory housing and planning policy (Meen and Whitehead, 2020).

If the double movement is understood in terms of simultaneous movement and countermovement (Goodwin, 2018), the Housing Delivery Test was a regulatory device designed to model market dynamics in a fictional commodity, land-use planning, and to perpetuate the myth of an all-encompassing market economy, unfettered and free. Although its intent was deregulatory – consistent with the narrative of planning as a constraint on self-regulating prices – it added to the regulatory framework a new standard methodology and a performance regime of sanctions. The introduction of an affordability metric to calculate housing demand was, in part, intended to compensate for the withdrawal of the state from public housing provision. The provision of municipal or public housing is a characteristic of a social market in which the practices of exchange are embedded in wider political and cultural institutions (Kemeny, 1995). Public housing provided homes allocated by need and rented at cost rather than market value for one third of all UK households until its managed decline in the late 1980s. If the introduction of affordability metrics and affordable housing products are understood as Polanyian strategies to embed the market in social relations, then the social market itself is now subject to the price mechanism. As a double movement, the intention of the Housing Delivery Test was to conceal the contribution of state support for land and housing supply in order to create a convincing fiction of efficient markets. It was difficult to maintain this fiction since local planning authorities provided sufficient residential land-uses to deliver more than 300,000 homes a year while regulated not-for-profit housing providers contributed 20% of all new supply. The regulated sector built out all their permissions and had no incentive to drip feed the supply of affordable housing in contrast to the restrictive practices of private developers and landowners (Affordable Housing Commission, 2020). In concealing the role played by state regulation in creating a functioning housing market, the Housing Delivery Test confirmed that the ideal self-regulating market can only function through 'the disestablishment of the commodity fiction' (Polanyi, 2001: 1341).

Conclusions: accountancy and the Polanyian analytic

In this article, I wanted to unravel the practices through which public services are marketised, distribution by need is aligned to the self-regulation of the price mechanism, and de-commodified goods are accounted as commodities. The calculations and formulas through which the project of marketisation is accomplished are said to be performative – that is they create the very conditions they describe. Rather than transform public services into markets, they describe the workings of an ideal market and impose this model of how markets are expected to behave on non-market goods and services. To pursue this idea of a model or fictional market, I encouraged a dialogue between the literature on the accountancy of marketisation and Karl Polanyi's concepts of the double movement and fictional commodities. The marketisation of public services can be read through Polanyi's thesis not as the expansion of the self-regulating market into a de-commodified sector but the modelling of ideal markets in non-market environments. Polanyi argues that the self-regulating market is created and maintained by the state and remains firmly embedded in social and political relations while effectively denying its dependence on de-commodified economic practices.

I explored this application of Polanyi's thesis in a study of the marketisation of statutory land-use planning and the introduction of accountancy practices in the allocation of land for housing supply. These calculative procedures displaced the principle of housing need as the primary mechanism for the statutory allocation of residential land use and constructed a performance framework in which market price and supply and demand were made the arbiters of distribution. A detailed study of one such accountancy practice in English land-use planning in a performance framework known as the Housing Delivery Test demonstrated the work done to fashion a fiction of supply and demand from the purposeful selection and exclusion of performance data. The Housing Delivery Test promoted an ideal of a self-regulating market that concealed its dependence on an economy of social and political practices. Its purpose was to install price, in the place of need, as the self-steering mechanism for statutory land-use regulators, and to apply market disciplines, supplemented by sanctions, to encourage local planning authorities to supply land to meet market demand. Increased supplies of land, however, did not translate into an increase in housing supply. Housing and land markets were shown to depend on the public regulation of land as a fictional commodity, of housing need as a target of public intervention and of housebuilding as a practice supported by public and not-for-profit production and distribution.

The performative effect of accountancy in this case study was to demonstrate how markets 'should' work to those whose role was to regulate supply. The practices of a social and political economy were to be aligned more closely to the price mechanism. To read the performative role of accountancy in marketisation through Polanyi's analytic is to see it as the work done by statutory services to model an ideal market that functions only within the shelter of a de-commodified economy. A definition of marketisation as deregulation or commodification may not be helpful here if it brings with it the imaginary of a self-regulating market. While we see commodification and marketisation taking place in this study of the Housing Delivery Test, both are perhaps better understood as accountancy effects rather than market forces. Accountancy practices do not create the economy they describe. They fashion a fictional market in social and political relations.

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