

# The Urban White Paper

## Halfway to paradise?

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The White Paper on urban policy<sup>1</sup> - the first for almost quarter of a century - is an important statement of intent. However it is also a reminder that not much is new, in terms of the challenges we face in our cities or the ways in which they can be met. In 1976, a previous Labour government produced perhaps the last, best White Paper ever written – The Inner Cities<sup>2</sup>. Its prime mover Peter Shore then said to me that solving the problems of our cities was country's greatest challenge - but also its greatest prize - Not much change there during a quarter of a century! However, there are important differences between then and now which suggests this White Paper has a greater chance of success.

First is that the 1976 White Paper focussed upon the *inner* cities as if the problem or indeed opportunity was spatially concentrated in particular areas of cities. This one takes a wider view of the functional boundaries of cities and recognises that it is the linkages - or lack of them - between areas of opportunity and need across the wider urban area that constitute the key to success. A second difference is that although the 1976 White Paper introduced the idea of structural partnerships through the Inner City Partnerships in the largest cities, the partnership was essentially between the public and community and voluntary sectors. The private sector was not invited to the party. This White Paper recognises that we have left that kind of ghettoised thinking behind.

A third crucial difference is the financial context in which the White Papers were introduced. The fact that Anthony Crosland had declared 'the party was over' on public expenditure meant that the 1976 strategy was in doubt from the start. By sharp contrast, the strength of the

economy and the planned increase in public expenditure means that the circumstances now are much more promising, particularly given that the White Paper rightly focuses upon the importance of mainstream services and resources in achieving success in urban regeneration. A fourth difference is that the Labour government was replaced by a Conservative opposition with an entirely different view of the problems facing our cities and the policy responses they required. Now, there should be five years during which the government's assumptions and responses can be tested.

A final difference lies in the wider view of cities as sources of opportunity or need. In the late '70s cities were essentially seen as problems, economic basket cases which could be a drain upon our national economic competitiveness. This White Paper - rightly in my view - takes a more optimistic view of

the opportunities as well as the problems faced in our cities. The theme of urban renaissance is not just wishful thinking. As the recent 'The State of English Cities' report<sup>3</sup> indicated, there is some evidence that many of our cities have at least come through the worst in terms of economic restructuring and demographic losses and can face the future with a greater degree of confidence about their economic prospects.

### ***Where are we now?***

We are doomed to live in interesting times. The White Paper is just one part of a flood of government policies, initiatives, and policy documents which are changing the ways in which cities are shaped, managed and governed. We have: legislation on the modernisation of local government; new planning guidance on housing, regional planning and retail; green papers on housing

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and local government finance<sup>4</sup>; a best value regime being implemented; community planning under way; the Social Exclusion Unit's Neighbourhood Renewal Strategy published<sup>5</sup>; the role of Regional Development Agencies being redefined; Urban Regeneration Companies in 3 cities; Richard Rogers' Task Force report<sup>6</sup> with its eloquent statement on the relationships between civility and urbanity; New Deal for Communities, the Neighbourhood Renewal Fund<sup>7</sup>. And we have a Rural as well as an Urban White Paper<sup>8</sup>.

As a result, the spatial architecture of urban policy has been rewritten in front of our very eyes. For the Celts we have devolution. For London we have an increased helping of local democracy with the London Development Agency accountable to an elected mayor. But for the provinces we have merely regional administration with GORs and RDAs. And we have area-based initiatives for everyone. Whatever its merits or limitations, there can surely be no dispute that this arrangement is inherently unstable and will not be the same in five years time. How will the White Paper bring added value to the position?

#### ***How well does the White Paper stand up?***

The White Paper it has embraced good, important principles but there are some general concerns. It includes too much discussion of existing government policies, many of which are not particularly urban in intent or effect. There is also a slight timing problem. On the one hand many of its elements have already been introduced or announced and so there is a slight feeling of anti-climax. On the other there are many initiatives trailed in the White Paper but which have not yet been determined. So the document is an uneasy mix of history and future. And it raises a set of unanswered questions that all of us will need to focus upon in future. But there is more good news than bad.

#### ***Reasons to be cheerful***

There is a vision of where we want cities to be. The Paper recognises that cities are a source of economic competitiveness as well as social cohesion and should be treated in that way. It attempts to build on the clear evidence of economic success that has appeared in recent years – what 'The State of the English Cities'<sup>9</sup> called the green shoots of renaissance.

It also adopts a more rounded view of the approach we should adopt. In the past, the policy focus has shifted from economic, to social to physical. This White Paper recognises

the need to have an integrated approach on all three fronts.

There is recognition of the importance of mainstream programmes. It really is education, housing, social services, crime reduction that will make the difference in the end – not the special regeneration initiatives and pots of money. And the White Paper underlines how much the Comprehensive Spending Review will put into those core services.

There is a commitment to much better management of the environment, which should please the Rogers' lobby. Indeed, the sections on physical regeneration, design, environmental quality, using brownfield rather than greenfield land, form some of the stronger parts of the document. To encourage the latter there are some useful fiscal concessions for developers: reductions in stamp duty, accelerated payments of tax credits for cleaning up contaminated land, 100% capital allowances for creating flats above shops, and VAT reforms to encourage conversion of stock for residential purposes. The government has accepted the results of the initial evaluation of the Urban Regeneration Companies<sup>10</sup> and promised to extend them to up to twelve areas and review their powers and status. There is a determination to get a more creative planning system and a commitment to get the CPOs system revised. There is a commitment to do things on education and training for urban professionals.

The White Paper rightly recognises that policy is a moving target. It has set some clear goals so we can track the extent to which it remains on course. It has also put in place a series of initiatives designed to maintain the momentum. We should welcome the proposed Urban Policy Unit, the Cabinet Committee on Urban Affairs, the Urban Summit, the State of the Nations' Cities Report and the more general commitment to improve the quality and availability of urban data. These should all help to keep the issue of the cities nearer the top rather than the bottom of the political agenda.

#### ***Some unfinished business***

But if that is the good news, there are other issues which remain unresolved or about which the White Paper is relatively silent. Some are essentially administrative. Others are about political priorities. Yet others concern the relationships between different levels of the state and its various partners. Many of them are old chestnuts - but are no less significant because of that.

### ***Singing from the same hymn sheet – joined up government?***

It is clear that DETR is onside with the urban renaissance. But it is less clear that other government departments share its commitment to the same targets. In particular the Select Committee<sup>11</sup> was concerned about the lack of fit between the priorities of DETR and DTI. The White Paper does not give great reassurance upon how that will be tackled. This underlines a wider point that we do need joining up - but vertically as well as horizontally. In some ways there is evidence that local agencies and authorities have got their act together more effectively than national government in this respect.

### ***Creativity or confusion in the regions?***

There are a number of critical administrative issues which yet to be sorted out. The PIU report *Reaching Out*<sup>12</sup> gave a devastating critique of the complexity and inefficiency of government operations at regional level. In particular the relationship between RDAs and the Government Offices in the Regions have yet to be clarified. As the RDAs move towards their more precisely defined economic function, questions about the relationship between, and responsibility for, economic competitiveness and social cohesion will need to be sorted out.

It is good news that the Regional Co-ordination Unit has been set up to address these issues. But the Select Committee was not convinced that if had sufficient resources and political clout to really knock heads together at the centre of government as well as in the regions. The problem of inter-departmentalism is as much a political as an administrative one and will need clear political leadership and commitment - as well as an effective administrative system - to implement those political decisions.

### ***Grown-up government?***

Despite the lingering ambiguity about the extent of government's commitment to local government, at operational level there is some evidence of improved working relationships between the two. But more could be done to sort out issues of control and accountability. Despite its rhetoric of decentralisation, the thrust of much policy has led to more centralised decision-making in this area. There is still a question about the merits of more explicit compacts between national and local government around agreed regeneration strategies. This principle was introduced - but not really realised by - the LGA's New Commitment to Regeneration.<sup>13</sup> It will be equally raised by the emerging Local Strategic

Partnerships.<sup>14</sup> We still have quite a lot to do before it is clear what national government being a genuine partner at local level can and should mean. As we move from discussion to implementation in the coming months, getting this sorted out will become more not less important.

### ***City-regions - a concept whose time has not yet come?***

This White Paper does adopt a wider spatial perspective than some previous policies. But there is not yet enough clarity on territorial relationships between different parts of urban areas and their wider regions or sub-regions. Everyone agrees that local authority boundaries are not really appropriate to economic realities but virtually everybody agrees that another round of local government reform is off the agenda. But this does mean we have to be more creative in encouraging internal as well as external linkages between agencies, authorities and partners. The White Paper does not say much about links between cities and their sub-regions. It is possible that Local Strategic Partnerships will address issues of scale, territoriality and functions and will operate at city-wide levels. But at present the guidance is agnostic about the levels at which they operate leaving it to local circumstances. It may need to be more prescriptive on this.

### ***Is bigger more beautiful?***

There is another large question about which the White Paper seems agnostic - the precise role and contribution of the nation's largest cities. There has clearly been some division within Whitehall and Westminster on the big versus medium sized cities.

But opinion has come down on the view that all places are equally important and we should not differentiate between them in our treatment of them. Although their view always offends those who live in or represent smaller and medium sized cities, I am more inclined to the seven Core Cities' view that all cities are important - but some are more important than others. In particular our seven large cities constitute the greatest need and economic opportunity and we should think of ways in which that could be realised through more public investment, greater political support or particular forms of partnership arrangements.

### ***The regional divide –a discrete silence?***

Mention of the large cities draws attention to a related issue, the imbalance of the economic performance of the cities in the north and the south of the country.

The issue of economic performance is regional as well as urban. Despite some recent improvements in their performance, the largest cities are mainly in the north and they are also those which are performing most poorly. But the White Paper confines itself to the standard government view that economic variation within regions is as great as those between them. In one sense this is true. But the fact remains that levels of performance in the northern regions are worse than those in the south. To oversimplify, the internal variation within southern regions can be seen primarily as one of the distribution of wealth whereas the variations between regions is more one of the creation of wealth. A national strategy will still have to come to terms with the implication of these differences.

#### ***Willing the economic means as well as the ends?***

The White Paper sensibly accepts that cities are the source of innovation, creativity, and competitiveness. And it does embrace the goal of cities based upon the high value added, modern sunrise industries. However, it says relatively little of the means whereby that is to be achieved. There is little in detail about the levers of change which will be pulled in different economic sectors – for example, through the universities, ICT, Research and Development, the creative industries.

#### ***Financing the renaissance - a halfway house***

The government has accepted a number of the Rogers' proposals on fiscal incentives. But much that Rogers called for remains to be explored rather than being on the table. This includes for example Town Improvement Zones and Local Tax Reinvestment Programme (which would allow local authorities to retain increases in rateable value created by regeneration) as well as the English Cities Fund. Crucially the Treasury did not give what most regard as inevitable, the equalisation of VAT on refurbishment and new build. This anomaly is a disincentive to brownfield development, which is hard to justify.

#### ***Equal partners?***

The White Paper rightly endorses the notions of partnership throughout. But even though the SEU strategy and the Neighbourhood Renewal Fund will support the efforts of community and voluntary groups, it does not explicitly identify a strategic intention to empower and resource those groups to make them equal partners at the table. More work may need to be done on this in the coming months.

#### ***Who does what, where?***

During the coming months there will need to be decisions about scale and the relationship between macro and micro urban policy. Government will need to give greater clarity about its position on Rogers' concerns with the macro scale and urban renaissance and the SEU's concerns with the micro scale and neighbourhoods. It may be that the local level approach holds sway with No 10 since there can be easier quick wins at that level. But we do need an urban rather than a neighbourhood policy. As the Select Committee suggested, the government might need to make it clearer whether it endorses the SEU's view that all neighbourhoods must be saved with the more radical Rogers' notion of demolition and starting again.

#### ***Local Strategic Partnerships – brilliant institutional innovation or a tail trying to wag a dog?***

The sub-text of the White Paper is *delivering* an urban renaissance. And here the most important bit of the Paper - by the Treasury, out of the SEU - are its proposals for the Local Strategic Partnerships (LSPs). In principle the LSPs are the way forward. But they are being asked to accomplish large goals. They are not a cheap or an easy solution. And they will have to confront many of the administrative and political dilemmas identified above.

There are as many questions and answers about them. The questions are those a hard-bitten businessman or a friendly academic might ask if approached to Chair such an institution. What am I supposed to do? How much agreement is there between local partners about the task? What powers and resources will I have - in particular access to or influence over mainstream budgets? What controls will government want to exercise and more positively what support will it give? How will I know when I have succeeded? How long am I signing up for? Obviously these are not new questions – but they still need answers.

#### ***Increased clarity or confusion?***

LSPs will have to quickly work out a series of challenges. A crucial one is deciding whether they will bring clarity or confusion to an already crowded field. If they don't rationalise the scene the LSPs may do more harm than good. They will have to make deals with existing partnerships which are flourishing. They will need to work with RDAs who are shaping working relationships with sub-regional partners. They will also need to fit in

with other agencies that may have different boundaries and accommodate a plethora of existing community strategies.

### ***Engaging communities***

LSPs will need to achieve real community participation. It is difficult to get this in smaller area based partnerships. It will be even more so in wider strategic partnerships with more areas, more partners, more policy concerns.

### ***Democracy and accountability***

LSPs will need to find effective and legitimate ways of engaging with local democratic structures, which are currently being revised. The bigger the LSPs' responsibilities, the greater the challenge will be.

### ***How wide a remit?***

Finally what boundaries will they operate upon? Some presume the LSPs will focus upon areas of need and small neighbourhoods. But that would be a missed opportunity. If they are to add value, LSPs should really be taking the broader view of the urban area. It would not be

worth going through the challenge of getting these organisations going to simply focus on the worst bits of the cities. It is the linkages between areas of need and opportunity across our cities, which will determine whether and how successfully the urban renaissance will be achieved. LSPs must lead on this.

### ***Halfway to paradise ?***

These questions are not meant to challenge the essential principles of LSPs - rather to add a dash of realism to the excitement about the latest new initiative. LSPs have emerged centre stage very quickly with relatively little by way of a script so far. In the coming months they may need a firmer Directorial hand. And those entering them should do so, as one Director has said, with eyes wide open. As Peter Shore reminds us there is no greater challenge -or prize - than getting an urban renaissance right. This White Paper offers hope. It has made a good start. The principles are right. As they say - much done but much more to do. And anyway, half way to paradise beats the realistic alternatives.

## **References**

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- <sup>2</sup> [The Inner Cities, HMSO, 1976, Cmnd ?](#)
- <sup>3</sup> [The State of English Cities, Brian Robson, Michael Parkinson, Martin Boddy and Duncan MacLennan, DETR and Economic and Social Research Council, 2000](#)
- <sup>4</sup> [Modernising Local Government Finance: A Green Paper, DETR, 2000; Quality and Choice: A Decent Home for All, DETR, DSS, 2000.](#)
- <sup>5</sup> [A New Commitment to Neighbourhood Renewal, The Social Exclusion Unit, Cabinet Office, 2001](#)
- <sup>6</sup> [Towards an Urban Renaissance, Urban Task Force, E.F.N Spon, 1999.](#)
- <sup>7</sup> [The Neighbourhood Renewal Fund: Consultation paper, DETR, 2000.](#)
- <sup>8</sup> [Our Countryside: the Future - A Fair Deal for Rural England, DETR 2000](#)
- <sup>9</sup> [Op. cit.](#)

- <sup>10</sup> [Urban Regeneration Companies; A Process Evaluation, Michael Parkinson and Brian Robson, DETR, 2000.](#)
- <sup>11</sup> [Report on the Proposed Urban White Paper, House of Commons, Select Committee on the Environment, Transport and Regional Affairs, HC 185 of first session 1999-2000, 2000](#)
- <sup>12</sup> [Reaching Out, The Performance and Innovation Unit, Cabinet Office, 2000.](#)
- <sup>13</sup> [New Commitment to Regeneration: Progress and Policy Lessons, Hilary Russell, LGA Research Report 15.](#)
- <sup>14</sup> [Local Strategic Partnerships: Consultation Document, DETR, 2000](#)