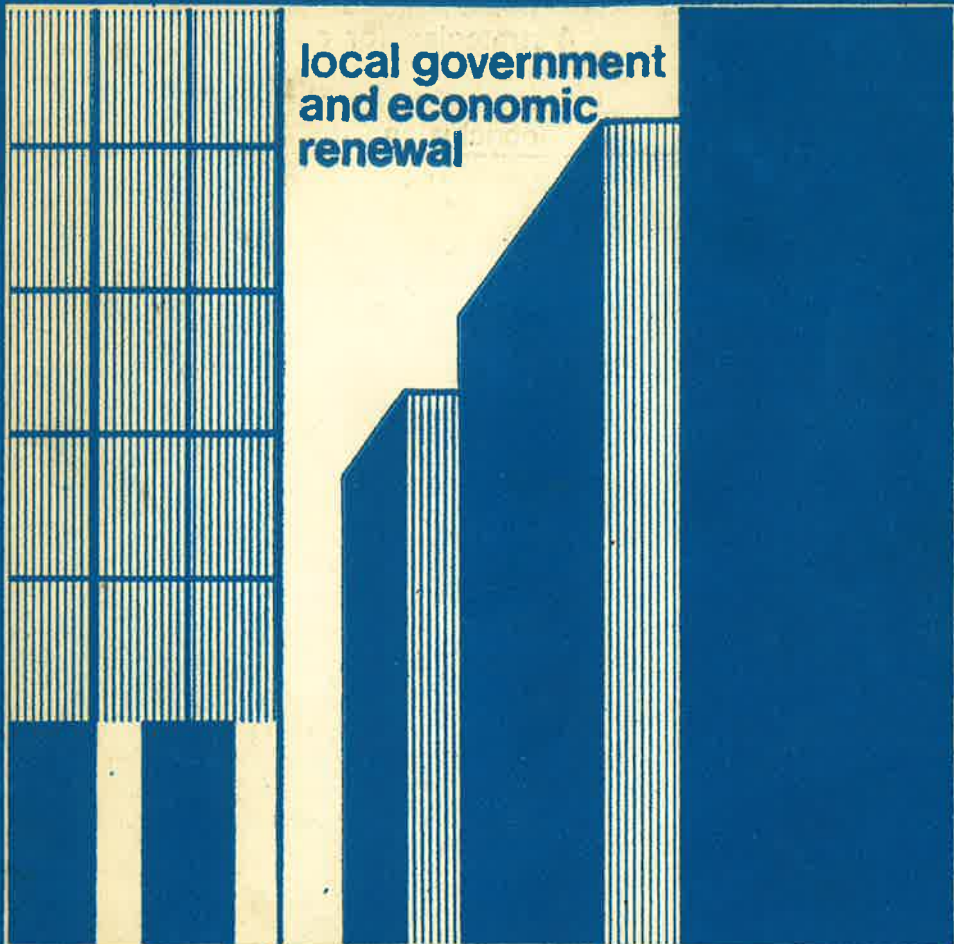


inner city

Nicholas Falk, Haris Martinos
fabian research series 320 45p



local government
and economic
renewal

initiatives in local
government

2

fabian research series 320

inner city

Colin Crouch	initiatives in local	
(series editor)	government	1
chapter	1 introduction	2
	2 why is the inner	
	city a problem ?	3
	3 the effects of	
	public policies	9
	4 strategies for arresting	
	economic decline	15
	5 organising for change	20
	6 conclusion	27

this pamphlet, like all publications of the Fabian Society, represents not the collective view of the Society but only the views of the individuals who prepared it. The responsibility of the Society is limited to approving publications it issues as worthy of consideration within the Labour movement. Fabian Society, 11 Dartmouth Street, London SW1H 9BN. May 1975

ISBN 7163 1320 0

initiatives in local government

Colin Crouch

series editor

Local authorities in Britain have traditionally had only a minor role in economic planning, but there is recent evidence that this situation is changing, and that an active policy of industrial location may provide new scope for local government initiatives. The conditions which have led to this are, as the authors of this pamphlet describe, depressing and negative. They consider the decline of inner city areas, often closely linked with declining employment opportunities, which has become a feature of so many of our large industrial towns. In places this process may only have been the unintended consequence of local authority policies. However, as the authors describe, from the predicament can emerge positive and constructive initiatives.

As with other Fabian pamphlets there is no doubt room for disagreement with parts of the analysis and proposals. Some may say local authorities have been criticised too severely. Others may doubt the wisdom of local government adding further to the complicated web of public assistance to private industry. Others again may baulk at proposals for designating a further if different kind of "priority area" for local authorities' special attention. But the authors work will have been well worthwhile if it directs the attention of some councils to their potential role in this hitherto neglected field; if it leads some authorities to consider the undesired, unnoticed effects on employment in their town of some of their actions; and if these proposals stimulate a practical response.

An important purpose of this series of pamphlets is to give wider currency to policies which are being successfully pursued by some local authorities and from which others might learn. The present pamphlet falls into a slightly different category: the authors are drawing attention to ideas which have developed mainly outside local government itself. Does this mean that no authorities have yet begun to take seriously this potential aspect of their work? If Fabian councillors or other Fabians have been involved in practical examples of the kind of development discussed here, they might consider writing up their experiences for a future pamphlet in this series.

The series will only be worthwhile if it can be of practical use to those involved in local government, and if it accurately reflects the range of activities of Labour councils throughout the country. Its chances of meeting these objectives will be greatly helped if councillors and others contribute to the series, suggesting issues for future pamphlets, or better still offering drafts of pamphlets or parts of pamphlets. Those interested should write to Colin Crouch at the Fabian Society.

1. introduction

There are many problems in the inner areas of our cities and all of them suffer from a general downward trend. The symptoms are plain to see and many are the same in cities experiencing change through most of the world, though the scale and concentration varies from place to place. The attacks made on official approaches to urban renewal in America are now being repeated in inner areas in Britain. The attack is levelled against developments and developers, whether private or public, which are viewed as irrelevant or even opposed to the needs of the existing community and the most disadvantaged groups.

However, while the criticisms are becoming more strident, there is nothing new about most of the problems themselves. Cities have always attracted the poor; high density living has created stress and conflict. What is new is the way in which the economic base of our cities is being eroded. There is a growing crisis in the capacity of cities to sustain their basic services and to meet the demands of the most disadvantaged groups. For despite the replacement of much of the physical fabric, the attempts at urban renewal have failed to create a more balanced and self-sustaining community. Despite the significant improvements in public health and in housing conditions in this century, the contrasts between rich and poor remain as glaring as ever and the chances of moving from one group to the other seem just as low.

Yet attempts to tackle one facet of the problem or another have at least revealed their deep rooted nature. Conclusions from the results of the Home Office's Community Development Projects make depressing reading. They show that simply improving information and co-ordination barely scraped the surface. Nothing less than a comprehensive attack on the forces that shape development in inner city areas will produce significant improvements in the lives of the most disadvantaged groups. The problems, for example, of bad housing, poor educational and recreational facilities, low income and different forms of social mal-

aise, are top priority in any party's manifesto. But taken together they produce something different, a web of inter-related problems from which it is now virtually impossible to escape.

The effects and causes of this concentration of problems are the subject of the following chapters. The central argument is that new initiatives and new approaches to the management of local government are required to deal with the central problem highlighted here—that of economic renewal. The gaps between recognised needs and available resources are becoming intolerable. Yet demands for more public money to be spent in the cities are unlikely to meet with much response. In times of economic stagnation resources seem squeezed to the limit; the failure of previous initiatives and conflicting ideas about what to do make it hard to secure support for a fresh attempt. Consequently attention must focus on making cities financially more self-sufficient and on widening the opportunities open for the most disadvantaged groups to take care of themselves. The attack must be directed at the heart of the problem.

This pamphlet falls into five main parts. It begins by putting the arguments for getting control of the basic processes of economic decline and physical deterioration in inner city areas. It then shows how market forces and government policies and practices interact to make development work against the interests of the most disadvantaged groups, and thus how the problems of the inner city are as much the product of official policies or the economic system as they are of the faults of the inhabitants. Some strategies for arresting economic decline are then outlined to show how local initiative is both possible and necessary. But such initiatives require changes in the way that inner city areas of local authorities are managed and financed; these form the main ingredients of a new urban programme. Finally the pamphlet considers and rejects some of the arguments against government taking the action needed to translate such a programme into reality.

2. why is the inner city a problem?

This part considers why inner city areas need special measures and analyses the processes that shape the direction in which cities develop, and the allocation of opportunities and constraints. There is nothing new about the concept of the inner city. Some 50 years ago Burgess defined the social-spatial structure of the city in terms of concentric circles, describing the zone of deterioration encircling the so-called "slums" and "badlands" with their "... submerged regions of poverty, degradation and disease, and their underworlds of crime and vice" (reprinted in Murray Stewart (editor), *The City*).

Public appreciation of the causes of this concentration of social problems has however changed over the years. In the 19th century the greatest advances were in public health; it was assumed that poor housing bred degradation and associated ills. Much of the blame was also levelled at personal failings and particularly the demon drink. Then as now, apparent improvements were made by redeveloping the poorest areas. Engels remarked on Haussmanism, the tendency of governments to drive new roads through the areas where the poor lived, as they had done in Paris, forcing them to move elsewhere. Dickens observed the same phenomenon in building the railways through Camden. Physical and social improvement were believed to be synonymous.

Since the Second World War, urban local authorities have taken over the responsibility of rebuilding vast parts of the inner city at lower densities and with better roads. However with many redevelopment schemes complete, poverty was again documented by Titmuss *et al.* Though poverty, ill health and a range of other "social" problems were found to be highest in the areas with the worst housing, the new planned council estates with their greatly improved amenities often seemed to give rise to as much distress as before (Francis Amos' pioneering study on social malaise highlighted this. See M. Flynn *et al.*, *Social Malaise Research: a study in Liverpool*). Poor housing instead of being the cause of the problems was now seen as an effect of

more fundamental problems, and new estates were no longer seen as the solution they once were (for example, note the Department of the Environment's repeated stress on rehabilitation and now on more gradual renewal, including the preservation of traditional street patterns).

It is, however, only very recently that there has been any public appreciation of the increasing economic imbalance of our cities and of the fundamental role played by economic forces (see, for example, Oliver Marriott, *The Property Boom*; and Llewellyn Davies' reports for the Department of the Environment on the Small Heath area in Birmingham). The spectre of vast empty office blocks and huge profits from property speculation together with rising numbers of homeless persons has made increasing public intervention in the property market possible. Now the collapse in business confidence also has made public intervention even more essential. Yet despite the exploding numbers of reports on the problems of inner city areas, there has been a general failure among local and central government alike, let alone the general public, to appreciate the significance of the economic changes that are taking place in our cities. Attention has concentrated on "bogymen" rather than the forces at work in our cities. The very number, complexity and intensity of the problems is leading to paralysis rather than effective action. It is therefore important to analyse briefly some of the main economic and physical trends at work and to show how they lead to increasing social injustice.

economic decline

The basic problem facing our cities and the people in them is that needs are expanding faster than resources, and that their capacity to make use of available resources is falling. The number and range of jobs open to those with limited skills is declining. While those who can move out to the suburbs and to the new or expanded towns, the most disadvantaged groups are left behind. Several sources of change need to be distinguished. First there is the inevitable

shift in the comparative importance of the manufacturing and service sectors (for a discussion on the changing economic base, see Graham Lomas, *The Inner City*, London Council of Social Services, 1974). Rising levels of mechanisation do away with the need for unskilled labour, except where (as in the rag trade) it is possible to draw on sources of cheap non-unionised labour. Second there is the decline of the small firm and with it opportunities for apprenticeship and entrepreneurship. While in part this is a phenomenon common to industrial countries, it has proceeded fastest and furthest in this country. Public toleration, even encouragement, of growing scale and hence concentration has made survival more difficult. Small firms in Britain have nothing like the services or protection that they would get in the USA or in many continental countries. Even more important, they have been particularly hard hit by redevelopment. Urban renewal schemes have eliminated small workshops without replacing them. About half the firms dispossessed in this way go out of business, for there is little incentive to set up somewhere else. The disruption of redevelopment is too much for them. Small businesses form an inter-connected line of specialist production units. Thus the effects of sudden shifts in demand or supplies affects the viability of large numbers of firms and with it whole areas.

Other areas are suffering from the closure of large firms, as firms move away from cramped inner areas. For these firms, this is an inherently sensible course of action. Companies with growing markets move to sites where there is room for expansion, where a more skilled and amenable labour force is available, and where communications are generally easier. It is almost impossible to say which factor is most important. It probably varies by area and time, though Department of Trade and Industry research indicates that labour supplies are particularly important. (See also W. F. Luttrell, *Factory Location and Industrial Movement*.) Firms in static markets rationalise their production facilities. In the process, they take advantage of generous government grants if they move to one of the assisted regions, and realise the profits when their sites are redeveloped for different purposes. Former Victorian belts of industry, such as London's East End and the land flanking the river and docks, are thus becoming impoverished as they lose traditional sources of jobs and also their rates which help pay for local government services (see, for example, GLC's, *The Future and You*, on population and employment).

To the attractions of moving away from the city must be added the pressures caused by rising prices. The general

REDUNDANCIES IN LONDON 1966-1972

industrial sector	Greater London		Inner London	
	"major" redundancies number	%	estimated total redundancies number	estimated total redundancies number
primary	85	—		
secondary				
metal and electrical manufacture	81,099	37.3		
clothing manufacture	14,544	6.8		
other manufacturing industries	71,538	32.9		
sub-total (secondary)	167,181	77.0	270,000	140,000
tertiary				
construction	7,617	3.0		
city-serving services	37,633	17.8		
city-forming services	4,885	2.2		
sub-total (tertiary)	50,135	23.0	105,000	60,000
total	217,401	100.0	375,000	200,000

source: Graham Lomas, *The Inner City*, London Council of Social Service.

UNEMPLOYMENT RATES AMONGST ECONOMICALLY ACTIVE MALES 1971

	population '000s	unemployed %
<i>best development areas</i>		
Furness	108	3.5
Central Wales	84	3.7
Borders (Scotland)	102	3.7
<i>mid-range development areas</i>		
South West Scotland	150	5.7
Falkirk/Stirling	251	6.1
<i>worst development areas</i>		
Tyneside conurbation	805	9.5
Central Clydeside conurbation	1,727	11.0
<i>selected Inner London Boroughs</i>		
Islington	202	7.1
Lambeth	308	6.6
Southwark	262	8.2
Tower Hamlets	166	9.7

source: London: *The Future and You—Population and Employment*, GLC.

scarcity of land near the centre puts a premium on central locations to which must be added the growing demands for sites for offices. Attempts to control office building through bans have significantly raised office rents and with them the profitability of redevelopment. There has thus been an increase in the amount of speculative activity, as existing buildings are pulled down and pressure is put on local authorities to allow redevelopment for other uses. The developer knows that if redevelopment takes place on a sufficient scale then entirely new sets of users can be attracted in, raising the rental income and thus the value of the land (David Lipsey, *Labour and Land*, Fabian Society, 1973). It is this prospect of wholesale change that explains both the appeal of comprehensive development schemes and the influence of local authority redevelopment plans. What appears at first as a trend to be countered is converted into something irresistible.

The effects of these economic changes are considerable. First unemployment rises, not just in the industrial areas but in predominantly working class residential areas. The effects are felt most severely by the marginal employees—such as unqualified black school leavers or alcoholics—who get squeezed off the bottom rung of the ladder. Spending power is hit

as those who are reemployed first face a spell of unemployment and then take on a less attractive job. For no unskilled service job, such as a porter or messenger, is ever likely to pay as well as a job in a factory. To this must be added reduced income and leisure time as a result of travelling to work. The decline in spending power is then felt by those who are dependent on the wage earners, including shops. Small shops go out of business and shopping areas stagnate. Large multiple groups avoid such areas, providing instead facilities in the growing suburbs.

The overall figures and image of the city disguise the concentrations of poverty that result. For while the comparatively wealthy can get anywhere the poor are stuck in the inner areas. Car ownership is low and public transport has deteriorated. Routes and services are more attuned to the needs of the commuters into the centre than to people trying to get to industrial jobs (see Mayer Hillman and Irwin Henderson's work in various PEP studies). Retraining facilities are limited and are incapable of dealing with a general reduction in the number of suitable jobs. So while the more ambitious or capable may well be able to adapt or leave, the bulk of the most disadvantaged groups face a narrowing range of opportunities. Indeed within the boundaries of

a single city or nation there are concentrations of people with various characteristics of underdeveloped countries.

physical deterioration

The economic decline of the inner areas is bound up with the way in which they developed in the 19th century. Untrammelled development led to every spare bit of land being used. Housing and industry were intermingled with inevitable conflicts. The arrival of the railways allowed the middle classes to move to the suburbs but further blighted large areas near the centre in much the same way as urban motorways do today. Poorer tenants moved into what was previously middle class housing or into accommodation specially built for them, and little effort or resources went into the maintenance of property. As a consequence large areas were created that fall below modern living standards and in many cases are beyond redemption.

Since the Second World War local authorities have tried to transform the physical structure of these areas. Their prime concern has been with improving housing through slum clearance and redevelopment at lower densities. Unfortunately shortage of land and delays in land assembly coupled with increased household formation and lower occupancy rates have meant that the rebuilding programme has scarcely kept pace with the process of demolition. To this has been added further deterioration of property, as controlled rents and sheer inefficiency and neglect has led to the run down of privately rented accommodation. As a consequence, 25 years of government effort to eliminate slum conditions is not solving the housing problems. Furthermore the way in which the process of change has been managed has created a whole new set of problems. Large scale redevelopment has been known to force people on to the streets; it has reduced the choices open to the poorest sections and made them more vulnerable than before. It has broken up traditional family and neighbourhood networks and

with it the capacity of people to look after each other and share life's burdens (and joys). Remaining residents have had to look at corrugated iron and broken glass and see empty buildings or vacant sites lie unused for years while lack of open space and play facilities continue to be problems. They have seen increasing numbers of cars and lorries passing through their streets, while the quality of public transport deteriorates.

Unfortunately the poor quality of much of the new building has done little to offset the sense of loss. Ugly office buildings and vandalised high rise estates combine to make inner city residents fear what is new and look back with nostalgia to the "good old days" of crowded and friendly streets.

Economic decline and physical deterioration are closely related. Low levels of income have limited what has been available for improvements and maintenance. Limitations on council spending have led to proposed communal facilities for new estates (needed to replace what has been lost in redevelopment) being dropped. It has encouraged the adoption of inflexible and unappealing high rise blocks and industrialised building methods (*The Estate outside the Dwelling*, Department of Environment). Redevelopment at lower densities and rehousing practices of councils have broken up families and as in the well documented and pioneering studies of working class life by Willmott and Young (*Family and Kinship in East London*) led to the young moving out while parents are left behind. Housing allocation systems concentrating on priority cases have failed to provide housing for young single and married persons. The consequence has been that in London in particular only the comparatively poor and the comparatively well off end up living near the centre.

Those able to move find that conditions are generally better in the suburbs. In time the contrast becomes greater as for example the quality of inner city schools deteriorates. To this flow to the suburbs can be added those emigrating to new and expanded towns which make housing available to those able to get jobs there.

invariably the more skilled. Hence inner city areas end up with an excessive concentration of the unskilled, the elderly, the handicapped and other disadvantaged groups. Thus we have the cycle of economic decline leading to physical deterioration and social problems, and a growing imbalance between the needs and resources of inner city areas.

While we have spent increasing amounts on social workers and residential homes to cater for the rising numbers of delinquents and people unable to look after themselves, it should be clear that such efforts are bound to fail to contain the growing stress of inner areas (see Noel Timms, *The Client Speaks*). Nor will community workers and community halls by themselves replace the sense of "community spirit" that has been lost. Instead what is required are policies and forms of intervention that are geared to the inter-related nature of the problems.

structure and diversity

The renewed emphasis on the claims of the "community" suggest that the people living and working in inner areas share a common set of concerns. But this is far from the case. The very scale of the pro-

blems means that people are inevitably concerned most about their own particular situation and in competition or in conflict with their neighbours over many issues. The first great difference is between predominantly industrial areas and residential areas. The loss of industry may be of comparatively little concern to people living nearby. They may well welcome the improvement in their environment that will result. But the effects may be felt far afield. Hence it is not sufficient to simply consider the needs and demands of people living in the areas concerned in determining what ought to be done. The second distinction is between the needs of different groups. The young and the old for example will have different interests and improving the balance of an area may involve providing facilities for the young that older people do not appreciate or even resent. Finally there are differences that depend on the type of buildings involved. The type of buildings standing in an area will influence over time the sort of people who live there, grading and sorting them out. Hence the number of people and area affected can differ greatly from a street to an estate to much of a borough or town. Clearly different policies will be needed in a traditional working class or immigrant area than in a former middle class area which

ECONOMICALLY ACTIVE MALES BY SOCIO-ECONOMIC GROUP, 1971

	employers mana- gers %	profes- sional workers %	other non- manual workers %	skilled workers %	semi- skilled workers %	unskilled work- ers %	others %
<i>selected Inner London boroughs</i>							
Islington	8	4	21	34	18	11	4
Lambeth	10	4	25	31	15	10	5
Southwark	8	2	19	38	16	13	3
Tower Hamlets	5	1	13	39	20	18	4
<i>Liverpool Inner Zone</i>	4	2	14	37	21	18	4
<i>selected Outer London boroughs</i>							
Bromley	21	10	28	26	8	4	2
Harrow	20	9	26	29	9	3	3
Redbridge	18	6	27	32	11	5	2
Richmond	20	11	27	27	9	4	2
<i>Liverpool Outer Zone</i>	12	5	21	35	15	8	4

Source: 1971 Census.

has seen "better days." The availability of "mod cons" may stop an area appearing on a table of "deprived areas" prepared from census data, though it may still face considerable stress. Indeed some of the inter-war suburbs and estates could well be the twilight areas of tomorrow.

But though the diversity in structure means that problems vary, which rules out a universal panacea, there are certain points on which general agreement should be possible. While we cannot expect to solve all our social problems by concentrating on the inner city, there is enough evidence available to justify the inner areas receiving special treatment. Not only are the contrasts between the conditions of the inner and outer suburbs becoming glaring, but an excessively imbalanced social structure is being created (as analyses of the 1971 census data are confirming). While the extremes of deprivation may be worst in the regions, the numbers of people who suffer in areas outside those receiving special help can be just as great. For instance, the Department of the Environment/Home Office report *Census Indicators of Urban Deprivation* (1975) reveals that there are three times as many people living in severely overcrowded conditions in inner London as in Clydeside even though Clydeside is undoubtedly the worst area in Great Britain in terms of the aspects of deprivation recorded by the census. And though many forms of deprivation are spread over wide areas, the 15 per cent worst enumeration districts in terms of overcrowding accounted for 61 per cent of the worst off households. It is now time to examine how far public policies are coming to grips with the problems of stress and change that characterised the inner areas.

3. the effects of public policies

It has been suggested that the failure of policies aimed at the problems of the inner city has been due to the concentration on the symptoms rather than the underlying economic and other factors that shape the direction of development in inner city areas. However the problems have also been exacerbated by the way in which government has intervened. Measures taken for a worthwhile purpose have ended up hurting the inner areas. While it is impossible to isolate or disentangle the different influences it is possible to distinguish a number of aspects of present policies that make conditions worse for inner city areas. This chapter begins by considering the role of private developers and then examines the influence of local government, regional policies and central government.

private developers

At the moment the private developer, motivated by considerations of profit and constrained by local and national regulations, is the main instrument of change as far as commercial and industrial facilities are concerned. He is also responsible for a small number of new housing units provided in inner areas. The main role of the developer is to change the use of a site to one with a higher monetary value. The opportunities arise for a number of reasons. Buildings may be obsolete or run down, in which case new building can provide something of a higher commercial value. Of more political significance is where new types of user with higher spending power may be attracted to take over sites where the existing value is low. A good instance of this is the docklands and other 19th century industrial areas where redevelopment value exceeds the existing use value (that is the residual after deducting the cost of providing whatever accommodation is allowed on the site from the rent received.

It would be very difficult to blame the developer for the process of development itself. Buildings do wear out and needs and resources change. However what is of particular concern here is the values that enter into the calculations. In a society

where there is unequal access to resources and power there is no reason to suppose that the values of the market place will correspond to social values about the sort of world we want to live in. Nor can we assume that the profit made by one man will in any way compensate for the losses made by another, or the community as a whole (see Lipsey and Lancaster, *Theory of the Second Best*, and Kenneth Arrow, *Social Change and Individual Values*). The developer does not create the values or even the conditions that lead to change. These are created by the whole economic system including government intervention in the form of regulations and incentives. He does however provide the impetus that leads to the transition being made.

There are five main steps in the development process—assembling the site, securing planning permission, raising finance, organising the building work and letting the completed accommodation. Each of these stages creates special problems which the developer overcomes by drawing on help from professionals like estate agents, architects, surveyors and so forth. There is nothing here that a local authority could not do. What the developer has provided that local authorities tend to lack is the driving force. In a situation where there are a number of stages, each with conflicting interests to be reconciled and road blocks to be circumvented, it is not surprising that the single mindedness of the developer and his power to command resources creates change. This is the reason why, given the reluctance of so many people to take responsibility, the developer makes high returns. We should cease blaming the developer and instead decide whether the obstacle race we have set up, with all its subtle incentives and controls, is likely to create the sort of society we really want. We must ensure that the community is in a position to take over if our cities are to flourish and adapt to changing conditions.

local authorities

The local authority is a key party in any development, especially in the case of non-commercial activities. In inner city areas the private sector has little interest

in getting involved in the very complex process of land assembly and rehousing of existing tenants and owner occupiers, which then falls entirely to the local authority. Inner city local authorities are responsible for major housing schemes, road building and the provision of a wide range of community facilities.

In the case of industrial and commercial developments the local authority plays a rather restricted though important role. They create the conditions that make change possible and profitable, provide most of the infrastructure and control the overall design and details of buildings to be erected. However the initiative is in the hands of the private developer (with some notable exceptions such as Manchester and Norwich; see Nicholas Falk, "The Community as Developer," *Built Environment*, April 1974). Some of the major failings that are commonly attributed to local authorities are considered below.

1. *Planning blight* Uncertainty about the intentions of the local authority in implementing plans (such as building a new road) leads to property owners and tenants deferring maintenance. As a result areas begin to decay. Planning blight can also occur when planning permission has been granted, but where the future is still too uncertain to attract the resources required. A further kind of uncertainty may be labelled "non-planning blight" and it is often the case in very important development projects. The failure of different authorities to agree on what ought to be done and the lack of basic infrastructure can condemn inner city areas to remain derelict for years. Areas by London docks or in Liverpool are obvious cases in point.

2. *Lack of effective plans* Although physical planning has come in for widespread criticism, little has changed in practical terms. Planners and councillors continue to work on and debate documents which exert little or no influence over the commitment of resources and the development that takes place. For planning of this sort depends on there being strong pressures for developments of all sorts

which the planner then allocates to the appropriate place. It is powerless to stop decline and deterioration; it cannot create economic activity, only channel it. There are still no approved structure plans and the delays involved are likely to make those that are approved irrelevant even if periodically updated. As a consequence local authorities may well lose interest in even the new type of development plans. Plans that have been produced have tended to suffer from three types of fault. First much of the analytic effort has been irrelevant. Under the 1968 Planning Act, County Councils have been required to produce statutory plans setting out their "broad basic pattern of development and their transport system." But much of the work has involved complex projections of quantifiable factors which the local authority is unable to control (see the *Layfield Report* on the *Greater London Development Plan*).

There has been little appreciation of the need to convert projections of the future into action programmes that might produce the changes desired. Second, planning has failed to deal adequately with social objectives or with the welfare and distributional effects of policies. Traffic engineering considerations seem to have carried most weight, while plans are developed to produce some ideal physical state rather than to remedy social and environmental injustice. The needs of disadvantaged groups, such as the elderly, are scarcely considered (Brian McLoughlin, *Control and Urban Planning*, Stephen Elkin, *Planning and Land Use Planning: the London Experience*, David Eversley, *The Planner in Society* and H. J. Gans, *People and Planning*). Third, planning has failed to win the support of the public at large. Planning efforts are increasingly seen to be irrelevant, neither dealing with the crucial issues nor capable of securing action. The failure of the plans is tied up with faults in the planning process itself. Plans have failed to engage the public or elected representatives. Questions of political values have been lost among technical issues. The means of judging public opinion have been crude and ineffectual. There has been little or no issue or real policy analysis examining alternatives.

3. Cumbersome development control Development control is one of the most important functions in the existing town planning system. It is also the function that brings the developer face to face with the bureaucratic machinery of a planning authority and gives rise to friction and frustration. This situation is primarily the result of considerable delays in making decisions about application coupled with even longer delays in dealing with appeals for which the government is responsible. The Dobry Report has criticised this situation and has suggested a number of measures which could speed up the whole process of control. However, development control suffers from operating within outdated or irrelevant statutory plans and confused non-statutory policy guidelines on which important development control decisions are based. For to deal with the huge number of planning applications in inner areas, local authorities have often to rely on crude land use maps, that set out some supposed ideal end state, but which may be a poor guide to individual decisions.

4. Misguided land acquisition policies Local authorities have exercised their greatest influence through the land they have acquired for their own uses. Two criticisms can be made. First local authorities in their desire to build more houses have often behaved with little regard for the side effects. They have destroyed ongoing activities or pulled down buildings that still had life in them. They have paid what often seem excessively high prices for sites, and instead of trying to see how to use a limited amount of resources for the greatest effect, have concentrated on the means at the expense of the ends. Second, they have acted on an excessive scale. As is now realised, they have acquired more property than they were able to rehabilitate or redevelop.

5. Passive response to change Underlying all these problems is the tendency of local authorities, faced with growing unrest and uncertainty, to confuse plans with reality, or to react in an arbitrary manner to private proposals. Instead of consciously identifying the main problems, setting objectives, and pulling together the re-

sources necessary to achieve those objectives, they end up accepting whatever seems feasible at the time, whether it is put up by a private developer or their own departments. More will be said about this organisational question later.

However it is worth noting that in many respects local authorities are simply doing their duty. Successive governments have laid down laws and regulations stressing the importance of good design, of ensuring buildings fit in with their surroundings and that non-conforming uses are squeezed out. They have neither given local authorities the powers or the responsibility for dealing with the wider questions concerning the economic and social problems of their areas. Local authorities should not therefore be blamed when they stick to what they have been told to do.

central government

It is extremely difficult to separate the influence of the local authorities from that of government. In theory their responsibilities are distinct, yet in practice their powers are so intertwined that perhaps the best thing one can do is to point to aspects of central government policies and behaviour that have adverse effects on local authorities.

1. Unpredictable budgets In principle local authorities are accountable to their rate payers and electors. However with between one and two thirds of revenue expenditure met from the government's rate support grant and with 90 per cent of capital expenditure coming within the key sector which requires specific government loan sanction, their local autonomy is very much in question. This would not matter so much if local authorities had a better idea of what resources would be available for a number of years ahead. Instead, like the rest of the public sector they are not only vulnerable to shifts in the government in power but also to the attempts of the Treasury to regulate the economy through sudden changes in public spending. This makes it impossible to manage services efficiently or fairly. For

example after increasing their ownership of private houses and building up their rehabilitation capabilities, local authorities have had their rehabilitation programmes slashed, making a nonsense of the government's concurrent policy favouring rehabilitation over redevelopment. In the social services sector, local authorities who planned to expand their residential homes to cater for the mentally sick who were to be eased out of hospitals and into the community, found their plans suddenly cut back without warning. The losers are of course those who are most disadvantaged. They end up swelling the ranks of the homeless while buildings and building resources stand unemployed.

2. Tight controls As well as trying to control priorities through budgets, new laws, circulars and increasingly through the approval of plans, the government also regulates local authority activities through detailed controls and subsidies. For example houses built by councils or housing associations must conform to cost yardsticks as well as meeting a mass of building regulations and design standards. It has been argued that these controls encourage distorted designs that are poor value for money. The much criticised system built tower and slab blocks are monuments to misguided incentives. Then certain types of building are actively discouraged. Offices in London require Office Development Permits. Any industrial development over 10,000 square feet (quite a small factory) needs an Industrial Development Certificate. Securing these for speculative developments in inner areas by both private and public sectors is almost impossible. And even if they can be obtained through sufficient effort, the effects are to increase uncertainty in return for dubious benefits. For example, a by-product of the office ban has been to greatly increase office rents and hence the profits arising from successful developments. It has consequently added to the pressure to redevelop vast areas of industry with offices. Sites may then lie derelict for lack of a development permit and offices may sit empty waiting for rents to rise. Thus controls of this sort may enable the government to induce de-

velopment elsewhere, but their effects and cost must be set against any benefits that they create.

3. Divided powers Not only has central government failed to grant local authorities sufficient powers and resources to cope with the scale and deep rooted nature of the problems of the inner city, but it has aggravated the problem by the fragmented way in which authority has been divided up. Thus at local level, to take an example, there is the social services department under the local authority, the health district, which is part of the National Health Service, and the training centres which now come under a semi-autonomous public body. Rehabilitating people discharged from hospitals will thus inevitably create problems because of the number of organisational boundaries to be crossed. Responsibility for planning and land acquisition has been split between the metropolitan counties and districts, with the predictable results of confusion and delay. To take another example, a proposal to do something about employment in the inner city could well involve the Department of the Environment (which administers local government planning and finance through the Rate Support Grant), the Department of Employment, the Department of Industry as well as the Home Office (race relations and urban deprivation). Thus while race riots or oil on the beaches can produce an immediate response, the needs of the inner city go unanswered; they lack sufficient political appeal to surmount the formidable institutional and professional barriers that have been created.

regional policies

Those living in inner city areas have also been hurt by central government policies and practices aimed at reducing regional inequalities and relieving pressures on the more developed areas. Of course some inner city areas form part of the regions that have received most assistance, and their fortunes are inescapably bound up with the prosperity of the surrounding area. But regional and other policies have

also tended to benefit the outer suburbs and to encourage the running down of the inner areas. Regional policies are based on a fiction that people live in or relate to regions. Yet as the research evidence for the Crowther Commission on regional government showed, there is comparatively little sense of regionalism, with obvious exceptions. It may be as difficult to move to another part of a region as to move to the South. Large amounts of resources and policies are administered by different regional agencies and departments of central government which lie outside direct democratic control, and which may be relatively uncoordinated. The most important policies affecting the viability of inner city areas are new towns, inter city transport and industrial incentives.

New Towns New towns are built with the nominal purpose of taking the over spill of existing cities. Not only are they supposed to relieve the pressures on our older cities but to create planned communities that are free from the disadvantages of the older areas. There is no denying that they have been successful in many respects, especially as they have attracted firms to relocate away from cramped and expensive urban sites to purpose built factories in industrial parks. They have also attracted a high proportion of skilled and young people. But new towns must also be judged in terms of their side effects. In a country with one of the lowest rates of manufacturing investment of any industrial nation, few new jobs are created. Hence the manufacturing jobs that are set up in new towns are very often at the expense of ones in the cities. Worse, while the skilled tend to move with their firm (and are encouraged to do so with relocation allowances) the unskilled and the old get left behind (as David Eversley, Ray Thomas and other authors have documented). As the availability of housing in new towns is linked to having a job, the most disadvantaged groups are unlikely to benefit. The Industrial Selection Scheme has had a trivial impact. In 1966, for example, a survey showed that only 6.7 per cent of those moving from Greater London to council housing in expanding towns were un-

skilled. In 1972 over 20,000 people were on the GLC register of people waiting to move, but only 591 actually moved. New towns have not only been able to cream off resources from the inner city, they have been endowed with much greater powers and freedom of action. They have been able to attract firms and organisations (like the Open University) which help to foster further growth. But there is a cost to the rapid rate at which they expand. Because they have to build up population as fast as possible to support the investment in infrastructure, many suffer from social problems and lack of cohesiveness. However New Town Development Corporations have shown that public sector organisations can achieve impressive results in terms of both the speed and comprehensive nature of their development, provided they are given the powers and resources to do the job. Furthermore not all the New Towns are operating in green field sites, and some, such as Warrington, have shown it is possible to knit together the old and the new very successfully.

Improved transport links The building of the new inter-city motorways and the improvement of long distance passenger services on the railways have undoubtedly opened up previously inaccessible areas and created mass markets. But the new transport system has had adverse effects on the inner city. It has encouraged the move to the suburbs. New facilities from factory complexes to hypermarkets have been located on the edge of cities by major road intersections. The increased road traffic has ended up funnelling through the same old narrow roads, increasing noise and dirt and making it harder to cross the streets. In other places it has led to building inner ring roads through working class neighbourhoods, with predictable criticisms. This is not to say that the inter-city improvements should not have taken place. It does mean that compensating action is needed to help inner city areas who have had to bear the social costs.

Regional investment incentives Higher rates of unemployment in the regions than in the South East have led successive

RATES LEVIED PER ECONOMICALLY ACTIVE PERSON

	rates levied 1973-74 '000£	economically active 1971 '000	rates per economically active person
<i>selected Inner London boroughs</i>			
Islington	19,800	108	183
Lambeth	20,849	161	130
Southwark	20,953	138	152
Tower Hamlets	17,337	87	199
<i>selected Outer London boroughs</i>			
Bromley	17,017	148	115
Harrow	11,768	100	118
Redbridge	14,314	121	118
Richmond	11,216	91	123

source: *Annual Abstract of Greater London Statistics*, GLC, 1972.

ties of the new and expanded towns. Nor should the regional incentives be dismantled. Instead local authorities need to make more use of the options open to them under their existing powers, in order to correct imbalances and help to create economically self-sustaining communities. A series of strategies to provide more jobs, increase spending power and make better use of existing resources are outlined below. While none of these are panacea, and all involve considerable effort for comparatively limited results, they show that it is possible to act on the basic economic forces that generate the problems described above.

provide wider range of jobs

Retain appropriate large firms As it is almost impossible to replace the very large firms that are moving out, top priority must be given to persuading the right sort of firms to stay. By right is meant labour intensive and environmentally conforming industries that would create high unemployment for unskilled and semi-skilled workers if they moved out of the inner city areas, and whose environmental side effects are either small or so well established that they are accepted by the surrounding community. Firms of this sort might include, for example, breweries or raw material based industry, where there are economic pressures to rationalise production in larger and more capital intensive plants. In some

cases the local authority can do no more than apply delaying tactics, for example retaining the current zoning and even perhaps listing old buildings to freeze the redevelopment potential. But there are also more positive measures that local authorities can take to remove some of the pressures that lead firms to move. For example they can use their compulsory purchase powers to make land available for expansion or modernisation. They can be more sympathetic in granting planning permission, and speed up decisions. They can make housing available for key workers by giving them priority in council housing allocation or by building the sort of houses that workers in scarce supply are likely to want, perhaps in conjunction with a Housing Association set up for this purpose. They can also put pressure on other state organisations, for example to adapt training schemes so that they eliminate bottlenecks in the skills that are in short supply, or to improve public transport so that it is easier for people to get to work. Finally they can take positive steps to remove environmental disadvantages, perhaps by helping to organise or finance some landscaping scheme around a factory, or by giving rate relief to help pay for pollution control measures.

Encourage smaller firms Local authorities can help craftsmen and workshops in several ways. First they can reduce the pressures for redevelopment by, for example, refusing all applications to redevelop for alternative purposes or designating a historic area that includes

workshops as a conservation area. They can ensure that the vital networks of relationships that hold small firms together are not severed, as a result of forcing key firms out of business. But they can also go further and help to increase the stock of suitable low cost accommodation by helping to organise the conversion of suitable spaces into small workshops, such as through the provision of industrial mortgages. These may be old factories or even industrial buildings worth preserving on environmental grounds, or redundant spaces such as railway arches or areas under elevated motorways. They can also help to arrange supporting services, by providing some finance towards non profit making organisations set up to help small business.

Establish industrial parks There are firms that benefit from a central location and which may be induced to set up on purpose built industrial estates. These include specialist manufacturing organisations that need to be close to suppliers and customers, capital intensive firms that require three shift operations and firms that are at the forefront of technology and want to be close to universities. An industrial park is built to high environmental standards and can often make use of unattractive land such as in dockland areas or by the railways. Landscaping the area in advance of development not only makes the estate more attractive but also creates space for firms to expand—a flexible girdle. The local authority's role could include making the land available, providing the infrastructure, financing or building advance factories of all sizes. Such a development would include warehousing and car and lorry parking built around an organisation that could act as a catalyst—for example a scientifically orientated polytechnic or a major research establishment. The success of such a policy will however depend on the local authority being able to line up the necessary Industrial Development certificates.

help individuals take up job opportunities

Extend training facilities The local authority should be able to identify gaps

between the needs of firms and the skills and capabilities of its residents. Measures to close those gaps include working out what skills are needed to attract in suitable new firms, providing inducements for firms to train staff, setting up sheltered workshops and apprenticeship schemes for school leavers, and improving systems for notifying shortages. In all these areas this will mean working with established organisations, with the local authority providing some coordination or finance.

Improve accessibility Economic imbalances can also be corrected through action to cut the cost of living. Instead of transport planning concerning itself mainly with the needs of the private car, emphasis can be shifted to helping people to get to work or to shopping centres and allowing firms to carry out their activities with the minimum of disturbance for other people. Measures include bringing other forms of transport into operation such as waterways, which invariably cut through industrial areas. By creating more balanced distribution of job opportunities it should be easier to find work close at hand, so that facilities should be provided to allow people to cycle or walk to work without inconvenience. Existing forms of transport, particularly buses, can be adapted to help people to get to work, with special services to industrial estates in both inner and outer areas geared to three shift working. Losses on these services need to be set against the economic benefits they would create. Finally, in planning new transport links care must be taken to ensure that they do not simply speed up the flight to the suburbs or duplicate existing facilities, but that they open up the most inaccessible parts (which will generate their own traffic in time).

Improve shopping Local authorities can exert considerable influence over shopping provision. In the case of local shops which offer an important social service local authorities should ensure the adequate provision of essential facilities. Under existing powers the best approach is for local authorities to increase their ownership of shop units which they can then let at low rents by specifying the

type of shops needed. Reduced rates, contribution to shopfitting costs and long term agreements with retailing organisations such as the Co-operative Societies could turn the now declining local shopping facilities to a viable service for the local communities. Local authorities can also play an active role in revitalising the declining shopping centres of the inner city. First, they can assemble land and initiate redevelopment schemes to attract major retailers such as big supermarkets and discount stores who in turn will increase the overall attractiveness of the centres. Second, the local authorities can improve the accessibility of the centres by both public and private transport (which means provision of car parking) and can undertake environmental improvements such as pedestrianisation and landscaping which will also enhance the attractiveness of the centres and in this way increase their catchment populations. Local authorities can also increase purchasing power through extending consumer advice services of all kinds. Certainly there are still serious constraints in any attempt to reverse the existing decline of shopping in inner areas, which is caused by loss of population and low spending power as well as by the increased capacity and attractiveness of suburban and "out of town" shopping centres. However, unless local authorities introduce measures like the ones suggested here the imbalance between inner city and suburban shopping facilities will add a new dimension to inner city deprivation.

Increase incomes of welfare recipients

The local authority can increase the spending power of those drawing supplementary benefits in several ways. First it can disseminate information about the range of benefits available and through its social services department help people to claim their rights. It can also help people get jobs by removing obstacles. For example it can help in the provision of creches for young children near places of work so that young mothers can go out to work. It can help to provide more sheltered workshops for the elderly and the sick or to persuade firms to provide more flexible working conditions. In short the local authority can help people to be more

independent and break out of the poverty trap.

Financing the shift in priorities involved will be difficult when so many resources are already committed. In practice it is almost impossible to find services that can be cut back without great resistance. Therefore attention must focus on areas where expenditure has been increasing rapidly or where there are resources that are under utilised.

make better use of existing resources

Bring redundant land into use Every city has its areas of redundant land close to the centre. Sometimes these will be old railway freight yards or markets that have moved elsewhere. In every city there are areas of obsolete warehouses and empty factories, particularly near the docks. Interestingly, the largest areas are owned by the nationalised industries, such as the Gas or Steel Corporation or the Port of London Authority, where changes in technology have freed huge sites for redevelopment. Potentially these sites are valuable. The main problem is that these areas are so deficient in amenity and lacking in infrastructure that it is hard to get development moving. Conflicts over priorities, confusion between competing authorities and a general shortage of finance condemn these areas to stagnation.

Economic decline and social polarisation are closely bound up with deterioration in the quality of the physical environment. The days of large scale planned change are over for most areas. Not only are many of the large clearance schemes finished but official thinking has shifted towards smaller scale development. Public opinion is now easily aroused to defend old buildings from demolition. However it is not enough to stop the bulldozers going in. Action is needed to check physical deterioration, to meet community needs and to check the downward spiral. It is above all morally wrong to leave cleared sites undeveloped when space is desperately needed. A further obstacle to development has been that the owners of

the land have held on to it hoping to benefit from the increased values that will be created once development is underway. However the Community Land Act should at least remove this obstacle, leaving us with the problem of devising ways of getting agreement between the many parties to development.

A way out of the financing/organisational dilemma is to distinguish between two types of land. *Strategic Areas* would be ones which require substantial public investment before development is possible. In that way they are akin to the old Comprehensive Development Areas. They would also be areas whose size and location allowed them to make a contribution to the strategic problems of the city as a whole. Here the Metropolitan and District authorities together need to initiate comprehensive development packages in which the profitable elements are used to offset the cost of the infrastructure and facilities to meet the needs of the present community. Extra financial resources should be made available to finance the acquisition of the land and provision of basic services. New transport routes can be built so that they open these areas up. This requires transport planners to evaluate a number of technical alternatives against a range of economic, social and physical objectives, looking at both short and long term effects. For example the right question to ask in evaluating a new underground line is not whether the social costs of a particular route outweigh the costs not covered by commercial returns, but how should a limited transport budget be allocated so that it makes the most impact on key problems such as unemployment and so that it brings under utilised resources into use.

Other redundant areas that could be developed at once and which are readily available would be labelled *Immediate Action Areas*. Local authorities should make use of this land within the provision of the Local Economic Development Programmes (considered in chapter five). In some cases land could also be parcelled out in small blocks to various groups and control exercised through the provision of "seed" capital.

This list of possible strategies is by no means complete, but it should indicate that there is a range of positive steps that local authorities can take to tackle the causes of economic decline that lie within their powers (see also Chris Cossey, *Building Better Communities*, Fabian Society, 1974). A feature of all these strategies is that they depend on close collaboration between a range of bodies and an entrepreneurial approach. We therefore have to consider who should be responsible for implementing them, and if it is to be the local authority, what changes in organisation or management processes or financing are necessary.

5. organising for change

The previous chapters have shown that there are a number of ways in which local authorities can get some control of the forces that shape the future of inner city areas. It is now appropriate to enquire why they have not. Of course many of the strategies outlined earlier have been applied by one authority or another, but it is hard to find one who has mounted a comprehensive attack on the scale needed. In fact local authorities have come under fire for not being up to the job. There seem to be three main grounds for criticism. First that they lack the will; local authorities often fail to appreciate the needs of the inner areas or of the most disadvantaged groups, and even if they understand them they may not want to do much about them because people in the inner areas lack political power. Second, they lack the capacity to act effectively. What is required is a coordinated set of plans and action matched to the needs and circumstances of particular areas. In contrast local authorities are organised along departmental lines and view problems in terms of their statutory responsibilities. They find it difficult to adjust their policies to local priorities and to secure the commitment required. Finally, they lack the resources. Their budgets are strained to the limit and there are no uncommitted funds, while their officers and councillors seem overloaded and preoccupied with administering existing services rather than taking new initiatives. In consequence they feel powerless.

A series of reports have taken up these "charges" and come up with recommendations for corporate management and community planning, but these recommendations, even if adopted, are unlikely to overcome the basic faults. For the problems are embedded in the traditional structure of local authorities and the attitude of elected members and the officers who have chosen to work for them. First, there are so many different departments and authorities involved in almost any decision that there is inevitable delay in reaching agreement. Because departments are organised on hierarchical lines and geographical boundaries are rarely coterminous, there is no one below the level of Chief Executive or

Leader of the Council who can resolve conflicts and "knock people's heads together." Second, the lack of any overriding set of priorities or principles makes delegation virtually impossible while the maze of rules introduced to safeguard public money and the behaviour of committees ends up forcing authority upwards. Most officers grow up in an atmosphere where there are never enough resources to do what is really needed and where therefore they tend to concentrate on carrying out what is required by statute or Committee dictate and avoiding anything else.

This then places the responsibility for taking the initiative and securing compromises either on the chief officers, who are overloaded with departmental responsibilities, or on councillors, who cannot spare the time. Yet the problems of inner areas are too detailed and complex to be tackled at chief officer level. Professionalism, designed to encourage higher standards, ends up creating confusion and rivalry, with no one taking responsibility for making things happen. Rules designed to introduce order and fairness and avoid waste make the organisation muscle bound and hard to change. The occasional initiatives or new management approaches are wrecked by the established way of doing things.

Such an organisation is ill equipped to deal with the complex problems of inner areas. It is incapable of undertaking the demanding task of planning and managing the development the Community Land Act will necessitate. For development, as we have shown, depends on creating an agreement or "deal" between a number of different elements. It requires the capacity to act quickly and to commit resources without referral when needed. But regrettably the obvious alternatives have other failings which make them even less acceptable. The private developer cannot be given responsibilities for deciding priorities about who should occupy sites or what facilities should be provided. These are essentially political decisions and should depend on the values or objectives decided through the political process. Equally inappropriate is the New

Town Development Corporation. These have succeeded because they have been operating in virtually green field sites, and because they have been able to borrow large sums of finance at comparatively low rates of interest with long repayment periods. They have managed to display considerable initiatives because they have not been going long enough to suffer from the constraint of bureaucratic rules and departmental interests. Furthermore they have operated with the additional freedom of not being accountable to political parties and electors. But the inner areas of our cities are not virgin sites; on the contrary they are densely developed and populated areas. Local authorities are already providing services and have plans for the area. To add a new planning and development authority will simply increase the confusion and is a clumsy way of generating the changes required.

Instead, a series of organisational and financial measures are needed which, taken together, could enable and encourage local authorities to do what is required. These essentially consist of designating Social Priority Areas, preparing economic plans, setting up economic departments and providing new sources of finance.

The local authorities cannot be expected to be the only arm of government which must change its approach to take a more active role in the economic renewal of inner city areas. Central government will have to play a major part in reconsidering regional and national industrial policies and in creating the right conditions for the local authorities to introduce the new measures suggested.

planning at the grass roots

It has been suggested that statutory obligations and the need to resolve larger strategic issues have prevented local authorities from taking action to meet local grievances. This is at the heart of the growing gulf between planners and local authorities and the communities they are supposed to be helping. In order

to make planning more relevant and responsive to the needs of disadvantaged groups, to assist community development and to speed up local authority action, local authorities should be given the power to designate *Social Priority Areas* (SPA). It could be argued that with so many areas qualifying for positive discrimination already (such as Educational Priority Areas, General Improvement Areas and Housing Action Areas) the designation of a new area will add to confusion. But Social Priority Areas will be different—they will be areas of stress where the community (including both workers and residents) suffers from one or more types of deprivation. They will be areas where there are forces at work leading to the downward spiral of decay set out earlier. An area designated as an SPA should automatically be eligible for all the existing discriminatory programmes described here. In this way it will be possible to combine the effects of a number of different measures and to secure coordination between different departments and agencies of government. SPAs will also be eligible for supplementary finance which will be allocated direct to the area concerned. SPAs will be designated by local authorities as part of the Structure and Local Planning process; many will already have been singled out as Action Areas in the Structure Plans prepared by Metropolitan Counties, or will be areas which are already the subject of planning studies.

One of the first requirements for any local authority that sets up an SPA would be to prepare an Action Plan for the area. The plan would be produced by a multi-disciplinary team with an office in the area and with representatives from housing and social services as well as local planners. The team would be made up of members drawn from the different authorities concerned according to the main issues identified when the area was designated. It would report to an Area Committee made up of elected representatives from the Councils concerned, including local councillors, representatives of the main committees whose responsibilities affect the area (such as Planning and Housing) and with power to coopt

representatives of local groups. In addition, another body would be set up—perhaps under the name Neighbourhood Forum rather than Neighbourhood Council—which would draw together representatives of all the interests concerned to provide advice and feedback on priorities. The concept of the Area Committee was advocated in the Bains Report. The Community Forum was recommended in the Skeffington Report on Participation in Planning. They are still however rarities because there has been no incentive to break with established practice.

The SPA Action Plan would not be a statutory land use plan. Instead it would set out the major problems requiring action and the programmes required or changes in policy needed to remedy the major problems. Once approved by all the authorities concerned it would provide the guidelines that departments need to adjust their plans to the needs of the area in question. The plan would be comprehensive in the sense that it would cover anything identified as a major problem, even where the "solution" involved a wider area. But it would necessarily be selective, focusing on the major grievances or underlying problems such as more frequent bus services or the use of derelict sites for community purposes. As such it would have to be updated, perhaps at two yearly intervals.

The plan would form the introduction to a supplementary area budget under the control of the Area Committee, who would then be able to "buy" additional services from say the Housing or Borough Engineers Departments. In addition, finance would be made available to allow the Neighbourhood Forum to employ its own Secretary and to back small scale "self-help" schemes such as running a newsletter or setting up a community hall. The local office would also act as a referral point for people seeking help and it would be appropriate to base a community worker and perhaps welfare rights officer there. Furthermore, coordination will be helped if the unit has its own development control and housing management staff. It could be the first stage in setting up say a multi-service centre.

Before leaving the concept of the Social Priority Area, there are three difficulties which need consideration: defining the areas, setting up channels of accountability, and coordinating departments. To be effective the area must be comparatively small and distinct. While the precise size cannot be specified in advance, it is likely to have a population of more than 10,000 and less than 50,000. It is sensible to draw the boundaries around some recognisable community, following some major physical obstacle, and then altering other administrative boundaries where necessary. While accountability will always present a problem, experience suggests that it is often possible to forge compromises between different groups by ensuring that action is taken about some major local grievances before any benefits from local authority action go to outside groups, however pressing their case may be.

Finally there is the problem of coordinating the activities of a number of different departments who all report to different masters. The problem is complicated by the two tier structure of city government, with divided and conflicting responsibilities on important matters like planning, housing and roads. The costs of organisation are so great that it would be foolish to suggest a fundamental restructuring so soon after the reorganisation of local government. Instead we must find ways of making the system work. Three practical devices are possible. First, to agree on action programmes for each SPA specifying and dividing up responsibility, with deadlines. Second, decentralising more staff to area offices in areas designated as SPAs. The third is to appoint Area Coordinators directly responsible to the Chief Executive of the District Authority for ensuring that conflicts are resolved—a sort of progress chaser.

planning economic renewal

It is clear that the economic problems of the inner city require local authorities to take new initiatives in what is an unfamiliar field for them. It is also evident that they are not equipped to handle this

role at the present. How can they be helped to act effectively and wisely? The short answer is to ensure that their actions form part of an approved plan based on a correct appreciation of the forces at work and backed up by appropriate measures. These plans would be of two sorts, Metropolitan and Local.

Metropolitan economic plans would cover the areas of the Metropolitan Counties and would be natural adjuncts to the existing Structure Plans, though with important differences. At present most Structure Plans include analyses of the employment situation. Where they fall down is in failing to go beyond the confines of land use plans. Yet as it is up to private initiative to decide whether to take action it is difficult to translate the mauve parts of land use maps into viable three dimensional industry. Furthermore current zoning categories are unable to distinguish between different types of industry in terms of their contributions, both positive and negative, to economic, social and physical problems.

The Economic Plan prepared at metropolitan level would include an analysis of the existing situation and prospects. This would provide a basis for identifying a series of key issues where changes in policy or new forms of intervention might be required. The plan would set out objectives indicating the directions in which the metropolitan economy should develop and gaps or imbalances that threatened economic stability, including gaps between planned expenditure and resources. The plan would be an important input to decisions about rezoning former industrial areas or planning transport improvements. It would provide guidance for changes in policy or spending on both a city and a more local level. For instance it might require the Estates and Valuation Department to buy up land in industrial areas or to make buildings available for industrial uses. The plan could also call for changes in the policies of Districts, for example recommending changes in housing allocation or building policies to attract particular groups of workers. Metropolitan Economic Plans would be drawn up within a special section of the

Corporate Planning units of Metropolitan Counties. Because of their specialised nature there would be a need to recruit more planners and economists who understood how industrial location decisions are made and how they interacted with other systems. The Economic Plan would be approved in much the same way as the Structure Plan with two important differences.

Firstly, it should be drawn up under the direction of a steering group that would include representatives of the Regional Economic Development Council and other important interest groups.

Second, it should be approved by the Department of Industry and as such form an input to decisions on the allocation of finance to industry and to planning agreements with major firms.

Local Economic Development Programmes would cover specific employment areas. They would in no way try to cover the whole of a London Borough or a Metropolitan District. The areas might range from Victorian industrial centres, such as Small Heath in Birmingham, to parts of areas such as the docklands where substantial redevelopment is expected to take place. Local Economic Development Plans would be prepared by District authorities to translate the broad objectives of Metropolitan or strategic plans into actual projects, implementing the sort of strategies outlined earlier. Because District authorities would have to take a more entrepreneurial role than they have to date, it is important that they set up departments capable of carrying out the job of preparing and implementing Local Economic Development Programmes. As a start it is suggested that they set up Economic Departments responsible for such existing functions as the section of the Valuers or Estates Department dealing with industrial property (including industrial mortgages) and Consumer Advice and Weights and Measures. Beyond that it is desirable to assign to Economic Departments some responsibility for functions that currently come under national agencies, including certain of the training and employment

services. This should in no way prevent continued coordination between services crossing district boundaries.

managing complex development schemes

The decline in private confidence and the introduction of the Community Land Act will require local authorities to exercise considerably more initiative than they have had to up till now. The days of planning gains are over. Furthermore it has been suggested that development schemes need to cover a wider range of purposes and to be implemented in a more sensitive and selective manner than previously. Working within the context of Economic Plans and in conjunction with locally based teams there is a need also for a new kind of implementation section within the Economic Department to bring agreed plans to fruition. The section will be responsible for developing and implementing complex schemes that involve more than one department and which may also require some kind of partnership between the local authority and private enterprise. For example the section will have to identify the sorts of accommodation that are in short supply and can be let at a profit to help pay for social ingredients specified in the plan for an SPA. The section will then have to negotiate with sources of finance, let building contracts and eventually ensure that tenants take over the accommodation created.

If the department is to operate successfully it is vital that it attracts the right staff. Some of the expertise required already exists within planning or valuation departments. The problem is making use of it, for example ensuring that studies are done in advance of major decisions having to be taken. But much expertise will have to come from outside. However the collapse of private property development has freed the professional skills required. Many talented young people would enjoy a period of time working for local authorities provided they were able to work within a clearly defined brief. Furthermore community control of development does not mean that the local authority has to do everything itself. In

some cases it will be better to go into partnership with an established development organisation, as some local authorities have already done.

The key to the success of economic renewal is the coordinated and well timed introduction of change. In other words it is not enough to simply put up new buildings or construct a new road. A whole series of changes must be made if any are to produce the intended results. For that reason it will be vital to appoint project coordinators charged with checking that all the organisations involved start and finish the work required on time. This in turn depends on working out all the costs and setting aside the finance required in advance.

providing new source of finance

New initiatives in inner city areas will be impossible without the finance to commit the resources required. Plans without budgets are simply pieces of paper. Yet local authorities at present have no discretionary resources on which they can draw, and little or no chance of being able to divert existing resources into SPAs or economic development projects on the scale needed. At the same time the decline in private development has left institutional investors such as Pension Funds and Insurance Companies without the safe outlets for their accumulated savings that they require, and has encouraged them to invest abroad. A new financing institution is needed to act in an intermediary role, performing some of the roles of the Development Corporations that are being set up for Wales and Scotland. It is therefore proposed that government should establish Regional and Urban Development Corporations for each economic planning region with the financial powers of a New Town but without their executive or planning responsibilities. Some of the features of this approach are set out below.

Development Corporations would act rather like the Housing Corporation or the World Bank. They would channel additional funds to projects that met

specified types of social objective and that would cover the financing charges. The membership of the Board could be made up mainly of persons appointed by those putting up the bulk of the finance—the Treasury, the Department of the Environment and the Metropolitan County concerned, or it could come under the Regional Economic Councils. In addition the Corporation would draw on finance for particular projects from financial institutions such as Insurance Companies or Banks, providing the guarantee of repayment that would allow it to borrow at comparatively low interest rates.

The Development Corporation would lend money for particular plans or projects submitted to it. It might also assume default powers in coming up with comprehensive development packages for under-developed sites or ones with regional implications. An additional body need not necessarily be set up but the framework provided for a number of existing governmental bodies to come together, perhaps reducing the number of such bodies, and to extend their activities to deal with economically depressed inner city areas. For example, the Development Corporations could become the agencies for the National Enterprise Board and for Finance for Industry. It could similarly be the means for providing finance under the Community Land Act for acquiring development land as well as finance for building or converting facilities on it. Further, it could take over, or work closely with, the Industrial Development Executive in the assisted regions. The Development Corporation would recover its investment in three main ways—from a share in the rentals or equity of mixed development schemes, from the ground rent on land leased out to developers and from the interest on loans granted to other forms of organisation such as cooperatives. It could work in very much the same way as the Housing Corporation lending both through local authorities and direct to approved types of organisation.

Examples of the sorts of project Regional and Urban Development Cor-

porations might back include assistance to firms moving into depressed areas, mixed development schemes such as ones that include shopping, offices and community facilities, central and inner area redevelopment, and projects put forward in Economic Development Programmes. They could ensure that commercial banks were supporting Metropolitan Economic Plans through their lending policies and correct the situation where needed. They could also provide loans to local authorities to enable them to safeguard important sources of employment. They would inevitably take an interest in proposals that affected the infrastructure—the siting of new motorways, for example. In short they would be empowered to do all that was necessary to help the economic renewal of depressed areas in ways that were over the long term self-financing.

However not all the finance needed can be expected to pay for itself. Local authorities in inner areas will continue to have to meet the cost of providing more expensive social services from declining populations and sources of rate income. None of the measures usually put forward for broadening their sources of income is without severe disadvantages (A. H. Marshall, *New Revenues for Local Government*, Fabian Society, 1971). Yet the current rating system is woefully inadequate. The ceiling has probably been reached on the local authority's ability to raise rates without driving rate payers away. The Rate Support Grant fails to allocate supplementary finance where it is most needed. It is allocated on the basis of a formula and therefore does not reflect either a thorough analysis of needs or of the capacity of the local authority to utilise the money effectively. It is also unpredictable and this fault it shares with the other major source of local authority finance, the Housing Account.

The other source of finance that needs to be mentioned here is the Urban Aid Programme. Undoubtedly this budget, which is administered by the Home Office, allows a number of worthwhile locally initiated schemes to go ahead that would otherwise never stand a chance. But the Programme has rightly been described as

Urban First Aid, for the expenditure—running at some £15 million a year—is only a minute fraction of government spending in urban areas, and can never tackle the basic problems. Instead the projects that Urban Aid support should be financed direct by Area Committees or central or local government departments.

To overcome these financing problems, to encourage initiatives that could attack the roots of the problem and not just the symptoms and to assist coordination between services, it is therefore proposed that expenditure on the inner areas is increased and that the extra expenditure is allocated on the basis of budget requests attached to SPA Action Plans.

This would be a new form of block grant, and would have much in common with the system already introduced for financing transport investment, and mooted for the personal social services. It would replace Urban Aid and would pull together sections of Departments' budgets allocated to inner city areas. The approval of budgets would form an intrinsic part of the process of reviewing and approving plans. It should be possible in this way to progressively relax the detailed controls exercised over the way finance is spent, freeing staff and making it easier to coordinate plans at local level. This would be at the discretion of the departments concerned who would give more latitude to local authorities who had shown that they were "on top of the job." Local authorities whose plans were unrealistic or inadequate would of course end up with less money and tighter controls. This could provide great incentive for change. In this way the conflicting demands of local autonomy and central government accountability for expenditure can be reconciled. Public accountability would be assured by relying on well motivated and competently staffed local authorities working within plans agreed by all concerned and subject to the usual auditing procedures.

In order to simplify the process of approval and tie in with the other recommendations, it is suggested that detailed

review and control would be exercised at regional level. Regional offices exist of most government dependents, the work of which is coordinated locally under the auspices of the Economic Planning Boards, chaired by the Department of the Environment. What is proposed here would simply extend what is already approved government policy and meet demands that control is devolved from Whitehall. Democratic national control would still be exercised by the formulation of policies and budgets for particular objectives within which regional budgets would be constructed.

6. conclusion

The central proposition of this pamphlet is that the problems of the inner areas of our cities need special consideration and new forms of initiative if inequalities are to lessen and if better use is to be made of our resources. It has been argued that cities end up with an excessive concentration of problems and that the role of the local authority becomes that of restoring balance. But the concepts of balance and self-sustaining communities depend on local authorities acting quickly, sensitively and in an entrepreneurial way which most councils are at present ill equipped to do. They are unable to manage uncertainty and deliver services fairly and efficiently because the power to commit resources is too divided. They are unable to build a consensus through planning because planning processes are not in touch with reality. Finally they have not been given the authority or the resources to tackle the basic forces at work and have in fact been forced to cope with the side effects of other government policies.

This pamphlet has proposed a radical shift in the way problems are handled, switching attention from areas the size of regions to much smaller areas where the scale or concentration of problems justifies special action. It has also emphasised the need to look at problems from the grassroots, as well as from a wider perspective and to adopt an area-based as well as a programme-based approach to management. Such an approach could well encounter resistance from the established seats of power and so some of the arguments need to be reviewed here briefly.

The regions are where the needs are greatest As a generalisation this may still be true, but the gaps between the regions and the rest of the country are narrowing, while the gaps between conditions in the inner areas and the surrounding suburbs are widening. Unemployment levels in some London boroughs for example are as high as the assisted regions, and there are more people unemployed in London than in Wales. Among certain groups, such as coloured school leavers, unem-

ployment has reached intolerable proportions and created special problems of stress and conflict.

The cities will inevitably become service centres They will if present trends continue but they need not. A strong manufacturing base is needed for our national survival, and there will always be people who prefer to work making things than in service occupations. Many types of manufacturing still make sense within our older cities, yet all kinds of policies are discouraging its continuation. The crucial issue is whether the benefits of a more balanced employment structure outweigh any additional costs that may be incurred.

The real problem of the cities is housing, and particularly housing for the workers who service them Housing is a major political issue and our larger cities are facing serious difficulties in attracting people to work in the basic services, particularly transport and post. But the quality and availability of housing depends on the finances of both individuals and local authorities, which in turn depend on the capacity of the cities to utilise all the skills and resources available to the full. More than just rising unemployment is needed to deal with labour shortages. A city which turned from physical to economic renewal would create the resources needed to provide better housing as well as to attract people to work in the essential service industries.

The Community Land Act will solve the problem of development While land prices have received much of the blame in the past, the proposed Community Land Act should ensure that this obstacle at least is removed. What it will not ensure is that the large areas of redundant land close to the centre are developed quickly and sensitively. It will not prevent further closures of firms, both large and small, or of shops; the values that determine land use will still largely be economic. Nor does the Act by itself do anything to lessen the division between the inner and outer areas. The problem of managing conflict between the rich and the poor is as great as ever.

The area based approach does not work While isolated attempts at positive discrimination or improving the delivery of services have failed to show significant results, there has been no attempt to adopt a comprehensive approach, which would tie together different programmes. Furthermore the real aim of the Social Priority Area approach is to involve local people and in that way to ensure that local authority intervention is fairer and more effective in the eyes of the people most concerned. A corporate approach is undoubtedly desirable but planning and the coordination of services in the most disadvantaged area must begin at the grassroots.

Setting up more bodies will make the job harder What is proposed here is not just additional agencies to be grafted on to the present system, but rather a way of rationalising the various functions of government so that measures taken to help one area are not at the expense of an equally deserving area somewhere else. The proposed instrument of Regional and Urban Development Corporations will help ensure that resources are allocated where they are most needed. Economic Departments will make it easier for local authorities to take on the developmental role that circumstances now require, and to utilise resources allocated under the Community Land Act and Industry Act as efficiently as possible.

Local government cannot be expected to deal with economic problems which come under government regional and industrial policies As the factors shaping the development of our cities are affected by wider economic forces, it is of course true that local government cannot tackle the problems by itself. It must be recognised however, that the concentration on problems at the macro level, without much regard to their spatial implications, has failed to solve Britain's economic problems and more selective measures are now being introduced. Economic Plans will make it possible to take more account of local considerations in developing planning agreements or in providing government assistance to industry.

Central government is already taking action to tackle problems covered in this pamphlet There is certainly no shortage of reports ranging from studies by lone academics and experimental projects of all sorts through to lengthy studies by well known firms of consultants. Furthermore studies have been going on within and between the various departments, and specialised units have been set up. What seems to be lacking is the will to make the necessary changes in existing policies, processes and organisational structure and to make use of what has been learned. There are some major policy issues and departmental conflicts to be resolved, particularly regarding regional and industrial policies. In this short pamphlet it is impossible to spell out the details of what is required and undoubtedly some further studies will be needed in controversial areas for example to determine the feasibility of extending "assisted area" status to industrial areas in cities that are experiencing a major decline in jobs, or to adapting the Welsh and Scottish Development agency model to English regions.

Inner city residents and politicians are united in wanting decisive government action. So something more than another study, management guide or circular must be introduced right away. If the multi-facet and urgent nature of the problems get political recognition at national level there is a reasonable chance of working out the details of a radical programme for the economic renewal of our cities. To do no more than we are doing now, in a time of high expectations and falling economic activity, will be to condemn many of our cities to a downward and uncontrollable slide into the anger and stress, and the waste of skills and resources that are now so familiar in cities like Belfast and Glasgow and which haunt the American city.

fabian society the authors

The Fabian Society exists to further socialist education and research. It is affiliated to the Labour Party, both nationally and locally, and embraces all shades of Socialist opinion within its ranks—left, right and centre.

Since 1884 the Fabian Society has enrolled thoughtful socialists who are prepared to discuss the essential questions of democratic socialism and relate them to practical plans for building socialism in a changing world.

Beyond this the Society has no collective policy. It puts forward no resolutions of a political character, but it is *not* an organisation of armchair socialists. Its members are active in their Labour Parties, Trade Unions and Co-operatives. They are representative of the labour movement, practical people concerned to study and discuss problems that matter.

The Society is organised nationally and locally. The national Society, directed by an elected Executive Committee, publishes pamphlets, and holds schools and conferences of many kinds. Local Societies—there are one hundred of them—are self governing and are lively centres of discussion and also undertake research.

Enquiries about membership should be sent to the General Secretary, Fabian Society, 11 Dartmouth Street, London, SW1H 9BN; telephone 01-930 3077.

Nick Falk is currently completing research into the redevelopment of the London Dockland on an SSRC senior research fellowship at the LSE. He also runs several community projects in this area, including the setting up of workshops in disused warehouses. He was formerly a management consultant with McKinsey and Company and has an MBA from Stanford (USA) Business School. He is co-author of *Fabian Tract 430, Towards a Worker Managed Economy*.

Haris Martinos studied planning and architecture at the Technical University (Athens), Oxford Polytechnic and University College London and has worked as a planner with Hugh Wilson & Lewis Womersley. He is now Group Leader (Policy) with the London Borough of Southwark. He has served on several Fabian committees and groups and was the convenor of the Inner City Study Group.

The authors wish to acknowledge the major contribution of the work of the Inner City Study Group in the development of the ideas put forward in this pamphlet. They have in particular drawn on papers prepared by Alistair Blunt, Simon Booth, Bernard Evans, Irwin Henderson and Jane Turnstill.

The views expressed in this pamphlet are the authors' own and not necessarily those of the Inner Study Group or their employing or sponsoring organisations.

Cover design by Dick Leadbetter. Printed by Civic Press Limited (TV), Civic Street, Glasgow, G4 9RH.

ISBN 7163 1320 0

recent fabian pamphlets

research series

297	Della Adam Nevitt	Fair deal for householders	25p
300	Christopher Foster	Public enterprise	30p
305	O. Kahn-Freund, Bob Hepple	Laws against strikes	85p
308	Peter Coffey, John Presley	Europe: towards a monetary union	25p
312	Bruce Douglas-Mann	The end of the private landlord	20p
313	Elizabeth Young, Brian Johnson	The law of the sea	50p
314	H. Glennerster, S. Hatch	Positive discrimination and inequality	40p
316	John Ellis, R. W. Johnson	Members from the unions	30p
317	Lawrence Whitehead	The lesson of Chile	40p
318	David Bleakley	Crisis in Ireland	40p
319	Rupert Greer	Building societies ?	30p

tracts

399	R. H. S. Crossman	Paying for the social services	20p
410	Anthony Crosland	Towards a Labour housing policy	20p
411	Dennis Marsden	Politicians, equality and comprehensives	30p
422	David Lipsey	Labour and land	20p
425	Peter Shore	Europe: the way back	30p
426	John Garrett, Robert Sheldon	Administrative reform: the next step	20p
427	Julian Fulbrook and others	Tribunals: a social court ?	20p
428	E. A. Webb	Industrial injuries: a new approach	30p
429	Chris Cossey	Building better communities	30p
430	Jeremy Bray, Nicholas Falk	Towards a worker managed economy	30p
431	Giles Radice (ed)	Working power	25p
432	Stewart Lansley, Guy Fiegehen	One nation? housing & conservative policy	45p
433	Rodney Fielding	The making of Labour's foreign policy	30p
434	Colin Braham, Jim Burton	The referendum reconsidered	40p

young fabian pamphlets

17	Colin Crouch (ed)	Students today	30p
30	James Bellini	British entry: Labour's nemesis	25p
31	James Goudie	Councils and the Housing Finance Act	30p
33	Larry Hufford	Sweden: the myth of socialism	40p
34	Graham Child, John Evans	Britain, Europe and the law	60p
35	a study group	A policy for public ownership	30p
36	Stewart Lansley, Guy Fiegehen	Housing allowances and inequality	25p
37	David R. Allan	Socialising the company	50p
38	Young Fabian steel group	Crisis in steel	30p
40	Donald Roy	State holding companies	30p
41	A study group	Improving the dental health service	20p
42	Martin Smith	Gypsies : where now ?	40p

books

R. H. S. Crossman and others	New Fabian Essays	cased £1.75
Brian Abel-Smith and others	Socialism and affluence	paper £0.60
Peter Townsend and others	Social services for all ?	paper £1.00
Peter Townsend and others	The fifth social service	cased £1.50
George Cunningham (ed)	Britain and the world in the 1970s	cased £3.00
P. Townsend and N. Bosanquet (eds)	Labour and inequality	paper £2.20