

Engaging Communities

**Proposals for Urban Regeneration in
England**

Policy Paper 37



Contents

1	Introduction	5
	1.1 Our Urban Vision	5
	1.2 Point of Departure	5
	1.3 The Failures of the Past	6
	1.4 The Challenge Ahead	7
	1.5 The Liberal Democrat Approach	7
	1.6 Continuing Liberal Democrat Proposals	8
2	Spreading Opportunity through Funding Regeneration	10
	2.1 General Objectives of Public Funding	10
	2.2 Point of Departure	10
	2.3 Ensuring Regional Democratic Accountability	11
	2.4 Streamlining Regeneration Funding	11
	2.5 Private Sector Partnership	12
3	Engaging Communities in Delivering Services	13
	3.1 Combatting Poverty	13
	3.2 Promoting Participation	14
	3.3 Models of Service Delivery	15
4	Changing Patterns of Work and Play	17
	4.1 Changing Patterns of Working and Shopping	17
	4.2 The 24 Hour Economy	17
5	Improving the Urban Environment	19
	5.1 Brownfield Sites	19
	5.2 Compulsory Purchase Powers	20

5.3	Building Design	21
5.4	The Statutory Planning Process	21
5.5	Resource Use and Conservation	22
5.6	Open and Green Space	22
5.7	Integration of Land Use and Transport	22
6	Conclusions	24
5.1	Opportunity	24
5.2	Environmental Responsibility	24
5.3	Revitalised Communities	24

Introduction

1.1 Our Urban Vision

1.1.1 In urban centres throughout the UK, Liberal Democrats are in power. In Liverpool and Sheffield, Richmond and Sutton, Eastleigh, Islington, Stockport and elsewhere, Liberal Democrats are the government. And, as a party of government, it is vital that we have a clear vision of what it is we seek to achieve with and for the people of our towns and cities. Our urban vision is one of strong communities, culturally vibrant, economically robust and socially harmonious. We want to see our great cities and towns become flourishing centres of community life, providing individuals with access to cultural, environmental, social and economic opportunities.

1.1.2 We want to see cities and towns that are homes to motivated and confident individuals living in strong communities: cultural and social, as well as regional.

1.1.3 We want to see cities and towns that are pleasant places in which to live, work and play: cities where 'urban' implies green not grey, attractive quality housing, high technology factories and offices, a wide range of good retail and leisure amenities, reliable and efficient public transport, responsive public services, clean air, open space, parks and trees.

1.1.4 We want to see cities and towns where wealth, resources and opportunities are fairly distributed without the ghettos and extremes of poverty and despair which are all too common features.

1.1.5 We want to see cities and towns that recognise a common interest and a shared purpose with rural neighbours, working in partnership not in opposition to build a single country which fulfils the needs of all.

1.1.6 To fulfil this vision will require concerted action to:

- Address poverty, through the dispersal of power, wealth and opportunity.
- Transform the image of urban life, through regeneration and rebranding.
- Enhance the quality of the urban environment through improved public transport, more greenspaces and higher architectural quality.
- Provide more focused funding mechanisms, through the streamlining of regeneration and other budgets.
- Release the full potential of all Britain's people, individually and collectively, through revitalised communities and educational opportunities. It is by valuing diversity and promoting pluralism that our cities and towns will truly thrive.

1.2 Point of Departure

1.2.1 Why would anyone choose to live in a town or city? In England, there is an idealised view of rural living, reinforced by the Archers, summer holidays in the West Country, and a series of Merchant Ivory films. The BBC's 'The Lakes' provided a counterweight, although the perceived poverty, violence and decay of our inner cities - as portrayed in numerous dramas, soaps and documentaries - is firmly embedded in the public mind.

1.2.2 In reality, of course, the pictures of urban and rural life painted by the media are caricatures. It is true that some have little or no choice where they live, but many others positively choose an urban life for a number of reasons: ease of access to work, friends and leisure; ethnic and cultural diversity; more

facilities, less travelling. And rural areas experience many of the problems associated in public perceptions with the cities - for example rising crime. Further, society as a whole benefits from the consequences of urban life, such as reduced traffic emissions and conservation of greenfield sites.

1.2.3 Unfortunately, all too often these advantages are offset by the problems associated with, but not inevitable in, urban areas: pollution, noise, crime, inequality, poor housing and public services, and isolation. Furthermore, for many, unemployment, poverty, racism and bigotry, fear of crime, and ghettoisation prevent urban dwellers from fully taking advantage of the benefits of the place in which they live.

1.3 The Failures of the Past

1.3.1 Urban regeneration has had to be pursued in an overall context of weak local government, without the resources or powers to tackle problems effectively. Furthermore, this has been exacerbated by incompetent and/or corrupt local government by both Labour and Conservative politicians (often exploiting condition of one party rule), which brought many great towns and cities to their knees in the 70s and 80s. The Tories have paid the price by being virtually wiped out in urban authorities, but Labour sleaze and incompetence remains an all too frequent occurrence, as in Doncaster for example.

1.3.2 The response by central government has been wholly inadequate. One photocall does not make a policy. Despite Margaret Thatcher's wander around Cleveland during which she pledged to reclaim the cities after the 1987 election, Conservative policy in the eighties and nineties achieved disappointing results. Their approach was handicapped by an absence of overall strategy, a rejection of the role of society, and a lack of a concept of 'the public good'.

1.3.3 The advent of a Labour Government might have been expected to herald radical

effective action to regenerate urban Britain. Yet, in government, the Labour Party again appears to be wanting:

- Labour's response to the abuse of power by its own councillors has been centralisation rather than reform.
- It has failed to act to make local government take more responsibility for its own actions or to make it more answerable to local people.
- Despite a plethora of new funding mechanisms - action zones, the New Deal for Communities - there is little new money and even less evidence of the much vaunted 'joined up thinking'. If anything, the all too frequent complaints about 'too many cooks' are being compounded rather than addressed.
- Labour has failed to curb out of town developments and has yet to match targets for brownland regeneration with action to bring it about.
- Environmental change appears low on Labour's agenda, and progress towards an integrated transport policy seems to have stalled.

1.3.4 One hopeful sign is the production of the report '*Towards an Urban Renaissance*' by the Urban Taskforce under the Chairmanship of Lord Rogers of Riverside. Many of the key themes in that report are broadly consistent with our proposals - for example the emphasis on 'greening' public transport, streamlining planning arrangements, and raising the quality of urban architecture. However, frustration is growing with the Government's failure to follow up its recommendations. We hope that these Liberal Democrat proposals will increase the pressure for positive action to regenerate our towns and cities.

1.4 The Challenges Ahead

1.4.1 As we enter the new millennium the nature and role of urban areas will change significantly:

- **Engaging Communities:** Engaging communities means involving local people in running their own lives, taking decisions about their environment, helping them to help themselves.
- **Changing Work Patterns:** The need for people to live close to mines and factories - which drove the expansion of many towns - has gone, and the nature of work itself is changing with more home working, more career breaks and smaller work units. The challenge is to work with these developments in ways that help cities become greener, safer, and pleasanter, not new ghettos for the financially and technologically excluded.
- **Changing Shopping Patterns:** The traditional high street is being replaced by both out of town retail development and increased home based shopping. This affects both the prosperity of traditional high street businesses, and the access of many urban communities to shops.
- **Competing on an international stage:** The work that Britons need to do to compete in the next millennium is also changing. High skills and exploitation of our built and natural heritage will be ever more important, and towns and cities must be ready to compete in this changed world market.
- **The Need for Sustainability:** We need to protect green areas and open space in cities, improve and maintain the existing urban fabric, and we must prevent and reverse, pollution and global warming, and minimise resource depletion.
- **The Need for New Housing:** Britain's housing needs will change dramatically for

demographic reasons, setting new policy challenges for planning and development.

1.4.2 So the challenge ahead is to make Britain's towns and cities places where people will make a positive choice to live, to work and visit, by our tackling environmental degradation, reclaiming derelict land, and investing in communities.

1.5 The Liberal Democrat Approach

1.5.1 So what are the principles by which Liberal Democrats seek to govern and transform our cities?

- **Opportunity:** Individual choice and freedom are at the centre of the Liberal Democrat approach. We believe in an active, but not a nanny, state, which connects with all its citizens. The role of Government is not to do things for people, but to find ways to enable people to do things for themselves, through the sharing - on an equitable basis - of responsibilities, wealth, and opportunities.
- **Environmental Responsibility:** One generation must not live at the expense of the next. Liberal Democrats have always placed a high priority on protecting and enhancing resources, and the natural and built environment. Good environmental practice must be built into economic and social systems, not left to chance.
- **Revitalised Communities:** Central government cannot stop mindless and random acts of racism and vandalism, but local communities can. Central government cannot make people feel proud of their neighbourhoods, but local communities can. The key, therefore, to the revival of urban areas is the rejuvenation of communities and investment in civic pride. That means creating an environment within which individuals feel able to change the circumstances in which they live. Individuals need to control for themselves the condition

of their homes and streets; the state of local parks, and the quality of education; the air that they breathe and the environment in which they live.

1.5.2 These central themes of opportunity, environmental responsibility and revitalised, empowered communities are reflected throughout this paper.

1.6 Continuing Liberal Democrat Proposals

1.6.1 Many aspects of existing Liberal Democrat policy are highly relevant to the aims of this paper. For reasons of space, it is not possible to repeat them all in detail in the body of the paper, which inevitably concentrates on new policy. Our policies for improving vital public services such as health, education and the Police, and making them work together holistically, are set out in *Moving Ahead* (1998). However, two of the most important sets of proposals need to be briefly re-stated.

1.6.2 Making local government more representative, more financially independent and better able to respond to people's needs is crucial to bringing about urban regeneration. Policies set out in the recent Policy Paper *Re-inventing Local Government* (March 1999) and elsewhere set out the ways this will be achieved. Key commitments include:

- Giving councils a constitutional power of general competence, to allow them to innovate and experiment in the range of services they deliver.
- The adoption of proportional representation (STV) for local government.
- The opening up of decision-making processes in local government to give people ownership of local decisions, including the use of local referenda.

- Allowing councils to vary democratic structures to suit local needs and to encourage innovative ways of working.
- The creation of Local Citizens' Tax Contracts circulated to all residents showing how much tax is being raised locally and setting output targets.
- The introduction of a locally determined income tax and Site Value Rating on business property as the basis for gathering local tax revenue.
- The establishment of a comprehensive network of community councils, based on natural communities.
- The completion of a network of Youth Councils.

1.6.3 The most important of these proposals is the power of general competence, which will liberate the energy and creativity of local people to pursue their own local solutions.

1.6.4 Making the incentives of the fiscal system work to encourage development of vacant or derelict land within towns and cities, and penalise landowners who leave land in a derelict condition, is also a vital element of our regeneration strategy. This is why Liberal Democrats have a long standing commitment to replace the existing business rate with Site Value Rating, a form of land value taxation. By taxing the value of land itself in its best permitted use ('the unimproved site value'), rather than on the value of any buildings on the land, SVR provides the right incentives to promote regeneration. By increasing the tax base, it would also allow a reduction in the current tax bill for existing business rate payers. It also ensures that the wider benefits of regeneration projects, which often lift land values for many neighbouring land owners as a pure windfall gain, to some extent accrue to the general community. Similar systems have been used successfully overseas, for example in Denmark, Australia, New Zealand and some States in the USA. We propose that Site Value

Rating should replace the existing business rate on commercial land; we would not extend it to principal residences or agricultural land. Our commitment to SVR was re-affirmed in *Re-inventing Local Government*; more detail on the advantages of SVR can be found in the Consultation Paper *Financing Federalism* (1992) and Federal Green Paper 32 *Taxing Pollution Not People* (1993).

Spreading Opportunity Through Funding Regeneration

2.1 General Objectives of Public Funding

2.1.1 The continuous process of physical, environmental, economic and social change within towns and cities is a consequence of technological advancement, shifts in attitude and taste and, as much as anything else, the passage of time and its effect on people and property. Whilst some markets can respond naturally to these stimuli, in other cases specific funds are required to supplement mainstream programmes and address market failure by providing financial assistance to suppliers of goods and services to compensate them for exceptional costs or risks, including depressed demand, that they will incur and which would not otherwise be recovered through normal commercial pricing.

2.1.2 Given the nature and scale of urban problems attributable to market failure - impoverishing individuals and devastating communities - there is a temptation to assume that the more public money available for regeneration the better. This is a dangerous assumption. As outlined in section 1.5, Liberal Democrats believe in decentralising decisions on both the raising and spending of funds to the level of the community they serve. This is because regeneration projects only really work when they are, at least to some extent, owned and controlled by those people most affected. This cannot be achieved where regeneration decisions are concentrated in the hands of central government agencies. Our policy on funding is, therefore, founded on three principles:

- Regeneration funding should be sufficient to alleviate the worst problems of poverty and deprivation, by providing backing for projects that have a tangible impact on quality of life and that could not proceed without it.
- Funds should be directed where they are most likely to act as catalysts for generating self financing and sustainable investment in renewal projects by the private and voluntary sectors.
- Regeneration activities from local level upwards should be positively encouraged by financial incentives and support, not imposed through imperatives from government agencies, distorted by the dictates of a particular regime or a bidding process nor represent a forced response to financial penalties for inactivity.

2.1.3 In addition, and consistent with these principles, Liberal Democrats must ensure that mainstream funding programmes (e.g. health, education, social security) recognise urban problems and have a greater impact on regeneration in the way they are applied.

2.2 Point of Departure

2.2.1 Although all based on different strategies, the regeneration funding regimes of the past decade have faced similar constraints on their overall effectiveness. Urban Development Corporations (UDCs), English Partnerships (EP), City Challenge and the Single Regeneration Budget (SRB) partnership schemes have all, to a greater or lesser extent, been:

- Undemocratic with lines of accountability in so far as they exist up to central government, rather than down to local communities.
- More reactive than proactive, responding to applications for grant aid rather than promoting a comprehensive and integrated vision.
- Overlapping and, on occasion, contradicting each other in their qualification criteria, adding unnecessary levels of bureaucracy and confusion.
- Based on using competitive bidding to prioritise low risk, short term, highly visible projects rather than to address longer term problems in areas of greatest need.

2.3 Ensuring Regional Democratic Accountability

2.3.1 Establishing democratic control over the regeneration funding regime is the first step towards correcting the problems identified in the last section. Regional Development Agencies (RDAs) commenced operations on 1st April 1999 (except in London). Their role is to determine and monitor regional economic strategies and to encourage public, private and voluntary sector organisations, programmes and projects that realise those strategies. Accordingly, because RDAs offer a dispersal of decision-making and a more localised approach to regeneration, Liberal Democrats are broadly in support of their establishment.

2.3.2 At this stage, however, RDAs remain very large and undemocratic quangos. For the reasons outlined in 1.5, Liberal Democrats believe that local democratic accountability is essential to the successful implementation of regeneration. Liberal Democrats would therefore reform the accountability of RDAs in the context of a move towards elected regional government in England. We would:

- Allow English regions to proceed towards fully democratic regional government.
- Enable regional governments to raise revenue for regeneration, and use income from congestion tax/road pricing schemes to fund public transport projects.
- Increase the power of regional governments to draw funds into their regions by extending their powers to raise funds from commercial sources and ensuring that investment returns and loan repayments from projects and capital receipts are recycled within the region.
- Give regional governments the power to issue regeneration investment bonds qualifying for tax relief.

2.4 Streamlining Regeneration Funding

2.4.1 To address the other points raised in 2.2, Liberal Democrats believe that it is essential that regeneration funding regimes demonstrate clear criteria for awards, and fairness in their decisions. Existing competitive bidding processes have often been wasteful of effort, and raised suspicions as to the fair application of the stated criteria. Accordingly, Liberal Democrats would transform the funding of regeneration through the:

- Limiting of competitive bidding processes to major regeneration projects only, with decisions determined on simpler, needs-based, long term criteria, coupled to greater transparency.
- Commitment of central government regeneration funds for a rolling term of up to 10 years, with regular reviews.
- Creation of a single regeneration grant (SRG) regime that would bring together all funds regardless of the sources from which they derived, incorporating SRB funding; the Department of Trade and Industry's

Regional Selective Assistance scheme; National Lottery funding for urban schemes; the New Deal for Communities and English Partnerships. Close links with bidding for European Structural Funds, such as the European Regional Development Fund (ERDF), will also allow for match-funding at 'operational programme' level, rather than at the level of individual projects.

- Establishment of an 'option to override' where bids are poorly presented but need is great. The SRG regime would be encouraged to work proactively with local authorities to improve bids in areas of great need.
- Giving of control over the administration of the SRG to democratic regional governments.

2.5 Private Sector Partnership

2.5.1 The Liberal Democrats' aim is to encourage opportunity, environmental responsibility and revitalised communities (see section 1.5). This means that we must be concerned with achieving value for public money in spending on regeneration and public services. We are not therefore obsessed with old Conservative/Socialist debates about ownership or sources of funding as ends in themselves; rather, we judge financing methods on what they can deliver. We believe that public/private partnership offers considerable potential for regeneration. The private developer is not subject to the same constraints on borrowing or acceptance of risk as a public sector body and, providing service objectives

are being met, may extend the scope and method of operations to satisfy wider demand.

2.5.2 However, the Private Finance Initiative (PFI) has been essentially a substitute for public spending and probably too ambitious in its expectations of risk transfer from public to private sector to achieve the value for public money Liberal Democrats demand. Few projects have gone ahead whilst deferment from mainstream programmes compounds the problems that the projects should have been addressing. There have been serious concerns about the tying down of public resources and the consequent implications for democratic accountability, and excessive returns to the private sector partner.

2.5.3 Private sector partnership in public sector projects need not seek to force private funds into all government programmes, and should attempt to determine the appropriate balance of risk as between the sectors. We therefore support the principle of private sector participation to progress selected regeneration schemes provided that the quality of and access to the proposed service are not compromised and that there is clear evidence of added value to the public as a result of the procurement and financial arrangements. We would also consider profit-sharing arrangements where returns to the private investor are exceptional or excessive compared to those forecast in the initial project bid. Our proposals for the establishment of a public interest company to control and procure private operators and funding for London Underground is an example of the type of mechanism we wish to encourage.

Engaging Communities In Delivering Services

3.0.1 For some the experience of urban living is that of poverty, urban decay and a sense of dislocation from the area in which they live. Turning this around involves not just better targeted funding and extra resources but also engaging the people who make up our urban environment. Engaging communities means involving local people in running their own lives, taking decisions about their environment, helping them to help themselves. Addressing the poverty, ghettoisation and exclusion that is prevalent in urban society is a top priority for Liberal Democrats. Certainly this will require new governmental structures, but it will also need a change in attitudes.

3.0.2 For example, we need to learn to celebrate Britain's multi-ethnic and multi-cultural society. Britain's ethnic communities are vital to the nation's prosperity, public services and culture. Yet still community tensions remain high and different ethnic groups continue to treat each other with suspicion. Racism and bigotry remain all too common. Disenchantment with the capacity of weakened local government institutions to respond effectively to need gives opportunities to racist agitators. Good levels of public services and functioning local government and community institutions are essential to reducing racial tensions. Only when every British citizen feels able to play a full and equal part in the communities within which they live will Britain truly develop the civic pride necessary to rejuvenate urban living.

3.0.3 Previous efforts at the renewal of Britain's poorest communities have often failed because of a tendency among professionals to parachute in solutions from outside, rather than

to engage local communities in the regeneration process. Whole neighbourhoods have become urban ghettos as people who could afford to have moved to live in suburbia, thus weakening their commitment to the provision of quality public services in the inner-city environment.

3.0.4 Sustainable regeneration is dependent on our encouraging people of all backgrounds and sections of the community to exercise the choice to live in towns and cities, and fully appreciate the benefits. The diversity of people in urban areas is a source of creativity and dynamism. Cost-effective and high quality public services, particularly in the fields of education and health, are the keys to enabling individuals and families to make that choice. Action to create a cleaner and safer environment will also help by engendering greater civic pride and community loyalty.

3.1 Combatting Poverty

3.1.1 Residents on the poorest estates of our towns and cities can suffer disproportionately high levels of disadvantage. Their needs and problems are complex and often fall outside the scope and responsibility of any one authority or service. We endorse the recent analysis of the Social Exclusion Unit which recognises the failings of past government programmes and proposes a national strategy for reducing the gap between the poorest neighbourhoods and the rest of the country. This will require:

- Investing in people, not just buildings.
- Involving communities, not parachuting in solutions.
- Developing integrated approaches with clear leadership.

- Ensuring mainstream policies really work for the poorest neighbourhoods.
- Making a long-term commitment with a sustained political priority.

3.1.2 The most effective anti-poverty measures are often pioneered by local residents themselves, rather than introduced by government, or area-based regeneration agencies. Liberal Democrats would encourage the setting up of local service partnerships that involve residents in the identification, management and delivery of services which simultaneously meet local needs and generate employment opportunities. These could be in such areas as community health; care and family-support services; neighbourhood safety and local environmental enhancement.

3.1.3 Some of the most deprived urban communities have become ‘no go areas for some and no exit zones for others.’ This is certainly true for the private sector which, bending to market forces, has all but abandoned the provision of services, such as shops and banks, on low-income estates. Liberal Democrats will enable their return, by giving incentives to the private sector, and by supporting community-based alternatives such as food co-operatives, credit unions and community banks which are, in turn, linked into the wider economy.

3.1.4 It is no coincidence that some of the most neglected and ignored urban areas are also those in which recent turnouts at local elections have fallen below 20% in certain wards. Liberal Democrats' commitment to the delivery of services, which both respond and are accountable to the people who use them, is the essence of our belief in social citizenship and the route to a more participative and vibrant democracy.

3.1.5 Those living in the so-called ‘worst estates’ do not relish the associated high unemployment, high crime rate, poor schools and poor environment. Indeed, many have ideas on how to improve the area but feel unable to

act. They are disenfranchised from local democracy and disconnected from local services. Liberal Democrats believe that building sustainable and thriving urban areas relies on the people that live, work and visit our towns and cities. For poverty and powerlessness to be tackled then the excluded and the marginalised must be able to take part in decision making. We intend to provide a framework within which local people are able to connect with the services that effect their lives and take effective decisions. This means reforming local government along the lines described in *Re-inventing Local Government* (see also section 1.6). Reforming democratic structures in this way is fundamental to empowering individuals and communities. Examples of Liberal Democrat authorities putting these principles into practice include the London Borough of Sutton, which has introduced a two-yearly borough-wide survey seeking residents’ views on service delivery.

3.2 Promoting Participation

3.2.1 Community consultation through user surveys and discussion groups are important tools to engage the community and to connect the views of urban communities with local government. However, alongside involving people in democratic decision making and beyond the focus group, is the complementary process of active participation.

3.2.2 This involves enabling people to participate directly in improving their urban environment and generating a ‘Can Do’ culture in which individuals are supported in making positive things happen. Our cities and towns are littered with examples of enterprising individuals and voluntary organisations who have battled to improve their area. These are the people who have set up childcare networks, or converted derelict land into play areas, or reduced crime by providing young people with appropriate facilities, or set up Local Exchange Trading Systems to provide local services, or Credit Unions to provide local capital, savings

and credit facilities. This list is endless and the methods varied.

3.2.4 Liberal Democrat-controlled local authorities have also shown practical ways forward in these fields. Examples include Eastleigh Borough Council's promotion of Credit Unions and Liverpool City Council's support for LETS schemes. The externalisation of local authority services to establish employee-owned social enterprises has been successful in many areas. In general, these local ideas succeed precisely because they are locally inspired, locally designed and locally run. For that reason, central government is not the right body to mandate such schemes, but equally it is wrong for central government to hamper such efforts with overcomplex regulations. Financial Services Authority rules need to be changed, for example, to enable Moslem banks to be set up to lend money at zero rates of interest within the Moslem community. This is exactly the sort of initiative we envisage in section 1.5.1.

3.2.5 For Liberal Democrats the emphasis in building strong urban communities is on the communities themselves and on facilitating the talents and resources which exist in those communities. Urban deprivation will be not tackled by a series of top down initiatives, but by enabling those on the ground who are best placed to understand the challenges and needs of the community to act in regenerating the area. The way of achieving this is through 'capacity building', that is providing the support, training and guidance for local people with appropriate and locally supported ideas to act upon them. Accordingly all regeneration spend should have an element of funding ring-fenced for capacity building. In this way we will encourage sustainable local initiatives.

3.2.6 Fundamental to local empowerment is the need to ensure healthy local economic systems. Healthy urban areas are those where money is 'recycled' in the area itself, where those earning money locally are able and want to spend it locally. In this way the area becomes sustainable, where local amenities such as shops and services are thriving. Making sure that this

is possible involves planning balanced residential and commercial areas.

3.3 Models of Service Delivery

3.3.1 The Government is fond of talking about 'joining up' government both in terms of policy-making at the centre and delivering services to local communities. Joined-up government is essential in urban areas where a multitude of agencies and funding streams converge, but do not work together as effectively as they should. In the past their answering to different departments in Whitehall, combined with the increasing role in urban affairs of unaccountable quangos, have undermined the capacity of towns and cities to co-ordinate and improve local service delivery.

3.3.2 Liberal Democrats have already demonstrated how, in the shape of one-stop shops, joining-up different public services can make them more customer focused. We also supported the Local Government Association's New Commitment to Regeneration which has since been embraced by the Department for Environment Transport and the Regions (DETR). This commits local authorities to review how they can increase the impact which mainstream funding (social security, education, training, health, transport) can have on the economic development of their areas, over and above the comparatively small amount of funds which are earmarked specifically for regeneration schemes.

3.3.3 We would seek the following changes to the administration of government funding which would further join up and improve local services in towns and cities:

- Relaxation in annuality requirements for regeneration expenditure - greater allowance of flexibility at financial year end, leading to more efficient use of management resources and more effective project planning and programming.

- Relaxation of rules to enable the budgets of different sectors to work more closely together (e.g. allowing health authorities to invest jointly in other policy areas such as housing or road safety where a direct link to ill health is established), and changing performance indicators to give incentives to act in this way.
- Forward funding for voluntary and community organisations (i.e. not quarterly in arrears) in order to sustain the non-

statutory base of providers which can deliver local services.

- Emphasis on strategies which target outcomes for local people rather than goals for specific agencies or authorities, such as Health Improvement Programmes which commit a wide range of participants to working together to raise health levels.

Changing Patterns Of Work And Play

4.1 Changing Patterns of Working and Shopping

4.1.1 The need for people to live close to places of work which drove the expansion of many towns and cities in the 19th century has gone. First, faster public transport and the growth of car ownership enabled the middle classes to move out to the suburbs and even to the country. Now, the nature of work is changing with more home working, more career breaks and smaller work units. Over the next few years - with the further adoption of new technology, the information superhighway, video-phones and teleconferencing - the need to travel to work will be dramatically reduced. One of the major reasons for people choosing to live in urban areas - convenience and access to work - will diminish.

4.1.2 As work moves out of urban areas, so the money needed for regeneration follows. Where once a person's wages would be reused three, four or even five times within the local community at local shops and leisure facilities, now more often than not, it is spent in out of town shopping centres and multiplexes. The advent of various home based methods of shopping (mail order, computer and television) will further embed these changing habits. The result is that the affluent and mobile are being drawn away from traditional town centre shopping streets, leaving 'retail deserts' in many inner city neighbourhoods, where the poor are dependent on poor quality, overpriced goods from small shops.

4.1.3 The threat from such changes is that society will divide again, this time into the technologically rich and the technologically poor. The challenge is to apply new technology

in ways that help cities become greener, safer, pleasanter, not new ghettos for the financially and technologically excluded.

4.1.4 Policy responses to these developments will need to be carefully tailored to local conditions, but some ways forward include:

- Urban Congestion Charging to discourage commuting, and extension of car parking taxes to out of town supermarkets where appropriate.
- Fiscal incentives to support traditional town centres and discourage out-of-town development, including the Greenfield Development Tax.
- Promotion of towns and cities as centres for social leisure activities, including performing arts, museums and live spectator sports
- Use of powers under Section 42 of the Local Government Finance Act to give rates relief to businesses, such as small shops and sub-post offices, which benefit local communities.
- Initiatives such as farmers' markets, local shopper cards.

4.2 The 24 Hour Economy

4.2.1 Related to the transformation of traditional forms of employment and shopping described in the previous sections is the development of a 24 hour economy, now to be seen within many urban areas across the UK. Areas such as Leeds and Bolton have taken constructive steps to manage, develop and promote the 24 hour city into a diverse and mature economy. Other urban areas show 24

hour businesses emerging with customer demand. This is an inevitable development within a consumer-driven society, and for many people a very welcome one. It adds to the vibrancy of urban living, and is an important attraction of urban areas which the suburbs and countryside cannot match.

4.2.2 Liberal Democrats believe that the 24 hour economy is more than later opening hours in pubs and clubs, but rather embraces all areas of economic activity, from petrol stations, shops and banking to gyms, restaurants and libraries.

4.2.3 Liberal Democrats are also aware that 24 hour businesses can have an effect on neighbouring residents and employees. It is important that employment legislation provides for adequate safeguards to prevent employees being forced to work excessive anti-social hours, and protects religious beliefs. Licensing issues need to be handled sensitively to prevent nuisance in residential areas. This is clearly a subject where different solutions will be appropriate depending on local conditions. It is important that local authorities shape the development of the 24 hour economy so that it serves the interests of the community at large,

and not simply commercial interests. We would therefore encourage local authorities in urban areas to take a strategic approach to their 24 hour economy by:

- Planning areas of 24 hour activity in Development Plans.
- Greater flexibility over licensing restrictions.
- Integrating environmental improvements, e.g. pedestrianisation.
- Promoting mixed use developments with an emphasis on providing accommodation for young people in 24 hour areas.
- Using 24 hour areas as catalysts for improving public transport.
- Building partnerships between local residents, businesses and local government through town centre managers.

4.2.4 Properly managed in this way, the 24 hour economy concept can be a valuable part of an integrated strategy for regeneration.

Improving The Urban Environment

5.0.1 Improving the urban environment is about a lot more than the use of derelict, brownfield land. It is also about making towns and cities good places in which to live and work, and to visit, and setting up the institutional mechanisms to enable improvement.

5.0.2 To succeed, such a strategy must be sustainable. We must prevent, and reverse, pollution and global warming, and minimise resource depletion. These are the major challenges of the next fifty years through, for example, a reduction in traffic and improvements in air quality. But reimagining also requires investment in local projects aimed at keeping streets clean, tackling vandalism, and caring for roadside verges.

5.0.3 In this new millennium people will live longer. The proportion of single person households is also rising; as a consequence, Britain's housing needs will change dramatically. Even now, there is an urgent need for new homes, possibly up to 3.8 million by 2021. The Government has set a target for 60% of all new build to be on redeveloped sites. All too often, Labour politicians appear to believe that by setting the target they have achieved the goal. In fact many experts question whether sufficient 'brownfield' land can be made available where it is most required and at a cost, to both public and private sectors, that makes it economically viable to develop. It will, therefore, take a dramatic shift in planning and fiscal arrangements to ensure that new homes are built in places that will revitalise our towns and cities, rather than further eat away at our countryside.

5.0.4 In terms of sustainable development objectives, re-use and improvement of urban environments means more efficient use of infrastructure and resources. Improving peoples' surroundings can reduce feelings of alienation and lift their spirits. Making the urban environment more attractive will tend to reduce the number of people wishing to move out into the countryside, reducing the pressures on greenfield sites and rural communities.

5.0.5 Policy in many areas affects the urban environment, including housing, social security, transport, health and education. Urban policy must co-ordinate many of these factors and provide a framework for tackling the causes of urban poverty, deterioration and hopelessness.

5.0.6 Liberal Democrat policy in this area should concentrate on a comprehensive approach which takes account of the factors producing poor urban environments. It must propose a broad range of measures which may be implemented by public, private and voluntary organisations. A number of topics need specific attention.

5.1 Brownfield Sites

5.1.1 There are an estimated 45,000 hectares of previously developed land lying derelict or vacant in England (source: *Towards an Urban Renaissance*). Given the demand for new homes and the pressure for new retail, leisure and employment space it is essential that this valuable and limited natural resources are brought back into beneficial community use. Brownfield reclamation offers an alternative to greenfield development and a catalyst for urban regeneration, both economic and social.

5.1.2 Reclamation of brownfield does not always have to mean building on it. Cities and towns are much more attractive places to live in when they contain ‘green lungs’ – which can be parks and gardens, wild life reserves, allotments or city farms. These facilities enable town dwellers to enjoy a range of activities such as walking, growing their own food and nature watching.

5.1.3 Three main sets of issues prevent the re-use of previously developed land:

Location - brownfield sites are often in areas where there is no demand for development and little effective infrastructure such as public transport links and so on.

Cost - decontamination is often very expensive. No clear way of dividing up responsibility for cleaning up contaminated land has yet emerged, largely because of the implications of the best known methods for particular interest groups.

Aspirations - many people have aspirations to live in rural or semi-rural areas, not urban. This can mean little attraction for housing developers to build on brownfield sites because, as well as higher costs, guaranteed sales are less likely.

5.1.4 However, with the increasing realisation that land is a finite resource, and wide public support for restricted urban development in open countryside, measures are needed to encourage brownfield development. We would promote the following:

- Legislation for a liability regime for contaminated land that will help to bring sites up to the standards required for housing development without imposing impossible burdens on local authorities or past owners. For future cases of contamination, there should be a liability regime based firmly on cost-benefit principles, incorporating joint and several liability, but with polluter contributions to clean up costs based on

degrees of responsibility for the contamination. We believe, however, that the retrospective approach of the US Superfund might inhibit the re-use of contaminated sites and for clean-up of past contamination we will apply the principle of imposing responsibility on the interested party who can clean up the site at least overall cost, with the possibility of allowing that party to recover some of the clean-up costs from other parties if they can show that the other parties should have taken steps at the time to prevent the contamination.

- Lowering the costs of redeveloping brownfield sites by providing tax breaks and incentives to encourage the re-use of land, such as gradually withdrawn rates relief on brownfield sites. This may be done through Local Authorities or the Regional Government.
- Simplification and rationalisation of the presently overly-complex regulation of brownfield land between the Environment Agency, water companies, waste management companies, local authorities and other bodies, including Special Planning Zones for major remediation and reclamation projects.
- A re-balancing of the fiscal regime to favour reclamation of brownfield land by replacing the business rate with Site Value Rating.
- Introducing a new ‘Greenfield Development Tax’, from which at local discretion a proportion of the revenue could be used to fund the clean-up of brownfield sites and the remainder be spent for the general benefit of the local community.

5.2 Compulsory Purchase Powers

5.2.1 A vital tool for local authorities to assemble land for major projects is the use of compulsory purchase powers. The process must

be transparent, however, and the objectives clearly identified at the outset.

5.2.2 The public benefit of a compulsory purchase proposal must be spelt out. It may relate to comprehensive improvement in a town centre, the assembly of damaged land or the rationalisation of complex land ownerships.

5.2.3 Liberal Democrats should seek to promote compulsory purchase powers where the private market fails to respond to local needs. Compulsory Purchase Order schemes should be an intrinsic part of a partnership approach to urban regeneration. The mechanisms are largely in place through existing legislation; what is missing is the will to use such powers effectively and appropriately.

5.3 Building Design

5.3.1 Despite some well known and appreciated landmark developments, the standard of vernacular architecture remains generally low, with a high degree of standardised designs, particularly for housing and industrial developments. The development lobby will quote popular acceptance of their product as justification, but this may reflect the lack of alternatives as much as genuine enthusiasm for what is offered.

5.3.2 Liberal Democrats should seek to improve and promote architectural quality by requiring specifically designed solutions wherever possible. Design guides are being prepared by local authorities throughout the country and these should be encouraged, especially where they encourage diversity and quality. Therefore we would:

- Require local authorities to adopt design guides

5.3.3 Elsewhere in Europe as well as in other countries, architectural quality is sought and favoured. Architectural quality should be encouraged through the planning process and through the active commissioning of high quality designers where the opportunity arises.

5.3.4 Liberal Democrats recognise the importance of technology in the development of new businesses and the success of existing ones. It is therefore a vital tool for encouraging new businesses to locate to in certain areas.

5.3.5 We would promote ‘smart buildings’, buildings that include all telecommunications, IT and digital technology needed in a modern society, in both residential and commercial developments.

5.3.6 The Liberal Democrats would give local authorities the ability to co-ordinate streetworks, so that new cables as well as utilities can be laid with as little disruption to urban life as possible and streets are returned to a high standard.

5.4 The Statutory Planning Process

5.4.1 A main way of improving urban environmental quality is through the planning process, which despite its many shortcomings, maintains a broad level of public support. Inevitably, development control is a political process, in that it involves choices and judgements about development and activities.

5.4.2 The key requirement for Liberal Democrats is that the process enables the balancing of individual enterprise and choice with public benefit and the reduction of nuisance and anti-social development. The increasing significance of development plans (Structure and Local Plans) and the introduction of sustainable development objectives is welcomed, given the extensive public and organisational consultation which takes place in the plan-making process.

5.4.3 There is presently concern about the time taken by both central and local government in both development plan making and the development control system. This can stifle development opportunities and business development. Liberal Democrats should seek to make the planning process more efficient and

responsive to local and community concerns through the introduction and further promotion of measures such as:

- Greater and simplified accessibility to planning information and support.
- Pre-application discussions.
- ‘Planning for Real’.
- Greater rights of appeal for objectors to developments.

5.5 Resource Use and Conservation

5.5.1 Urban policy must take full account of the broad environmental objectives which are at the heart of Liberal Democrat values and principles. This includes a shift in taxation off people and onto pollution and resource depletion, through the phased introduction of a carbon tax.

5.5.2 Measures relevant to the improvement of urban environments include an Environmental Responsibility Act which should be introduced to encourage good environmental practice by government, business and individuals. Also, the introduction of a National Homes Insulation Programme financed by energy suppliers should insulate up to 500,000 homes per year, and would create thousands of jobs in depressed regions.

5.5.3 Building design should take account of the need to conserve resources with the harmonisation of VAT for repairs and renovation to encourage the re-use of resources and buildings. Best practice in these areas should be widely disseminated by public authorities. We will therefore modify the planning system to oblige planning authorities to draw up their own local design guides for sustainable housing and ensure that future local plans identify certain sites that would have to be developed to meet the design guide standards. For an initial period, sites identified for

sustainable design guide standards may, if the local authority so chooses, be confined to greenfield sites and would also be exempted from the Greenfield Development Tax in recognition of the learning curve that builders and buyers may have to go through before the benefits to everyone of sustainably-designed homes become apparent to all.

5.6 Open and Green Space

5.6.1 The provision of public parks and open spaces continues to be a primary determinant of urban environmental quality. The deterioration of publicly available and maintained open spaces in towns and cities is clearly apparent in the urban wastelands of many cities and towns and this trend must be reversed.

5.6.2 Liberal Democrats are firmly committed to the provision and maintenance of public open spaces of all kinds. ‘Town cramming’ can lead to congestion and a reduction in standards of building and design.

5.6.3 On the other hand, careful assessment of urban capacity may provide additional opportunities for activities and uses in towns and cities which increase their viability and vitality. The situation will vary according to each place, and Liberal Democrats believe that these decisions should be devolved to local level.

5.7 Integration of Land Use and Transport

5.7.1 Liberal Democrats support the increasing integration of land use and transport issues in the consideration of planning matters, and this approach has been pioneered by Liberal Democrat councils in towns such as Marlow and Abingdon. This can make a significant difference to projects and programmes concerned with urban environmental improvement.

5.7.2 The planning process can make explicit the requirement to integrate major land uses

and activities with transport provision. Liberal Democrat councils are pioneering such work in many places throughout the country and this approach should be promoted actively wherever possible. Local Transport Plans must be adopted and implemented to overcome the 'fragmentation' of the public transport system.

5.7.3 A crucial aspect of integration is to encourage the use of public transport by increasing investment in bus services and transport interchanges, encouraging urban road pricing to pay for it, and graduating vehicle excise duty on the basis of fuel efficiency. Car pooling schemes are in operation in many major cities in the world and these should be extended in the UK.

5.7.4 A related issue is that of car-parking and its provision, both in urban areas and major developments outside urban centres. Car parking provision should be reduced accordingly and public transport improved, with a levy placed on new developments which is directed to public transport provision.

5.7.5 Liberal Democrats have taken the lead in promoting targets for traffic reduction, for example through the passage of the Road Traffic Reduction Act. To achieve these targets, 'Green Transport' plans should be encouraged to minimise the need for private car journeys. Liberal Democrats should press major developers to make full appropriate provision for alternatives to the private car, especially for

simple journeys to work. We would also encourage measures such as:

- 'Home Zones', where pedestrians are given absolute legal priority and cars are limited to very low speeds.
- Car and bicycle pools.
- Effective cycle lanes and enhanced secure cycle parking facilities, especially at bus and rail stations.
- Community taxis and mini-buses.
- Carnet ticketing systems, which give a discount for a number of journeys regardless of the period in which they are taken.
- Use of communications technology such as teleconferencing and e-mail to reduce the need to travel to work, and the associated organisational changes to make this possible.
- Direct subsidy of local buses by employers to take in work sites (as done by Boots in Nottingham).

5.7.6 Urban areas offer the most appropriate locations for priority bus lanes, safer cycle routes and opportunities for initiatives such as 'safe routes to school' which seek to re-establish human-scale patterns of movement. Mixed use areas and traffic calming will improve the quality of life by reducing the need for transport and reclaiming the streets for people.

Conclusions

6.0.1 The three overarching Liberal Democrat themes of this paper are opportunity, environmental responsibility and revitalised communities. Our existing policies on the Single Transferable Vote in local elections, a power of general competence for local authorities, and greater financial freedoms for local government are essential to putting them into practice. The further ideas in this paper help make a reality of these ideals in the following ways:

6.1 Opportunity

We will enhance individual and community opportunity by:

- Creating new employment opportunities through our Single Regeneration Grant funding mechanism.
- Improving the planning process so that it does not stifle sustainable development opportunities.
- Liberating individuals from dependence on the motor car through enhanced public and community transport and better land use.
- Improving the quality of public services, such as education and social services, delivered in urban areas.
- Fostering mixed, tolerant, and prosperous communities in which individuals are not oppressed by prejudice or the fear of crime.

6.2 Environmental Responsibility

We will promote both environmental sustainability and a more attractive physical environment for urban dwellers by:

- Integrating land use and transport to minimise the amount of travel needed for people to go about their daily business, whether for work, education or leisure.
- Encouraging community transport initiatives which reduce reliance on private motor transport.
- Making environmental impact a key criterion for the award of Single Regeneration Grant funding.
- Improving the aesthetic and environmental quality of building design through the use of design guides as an essential part of the planning process.

6.3 Revitalised Communities

We will revitalise communities by:

- Giving local people a real say over how their local authority services are delivered through reform of local government structures.
- Ensuring a legal and regulatory environment which facilitates community initiatives rather than hampers them.
- Encouraging enhanced community use of existing local facilities, such as school buildings.
- Using planning controls and regeneration funding to build balanced urban communities.

This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats and the Welsh Liberal Democrats determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. If approved by Conference, this paper will form the policy of the Federal Party, except in appropriate areas where any national party policy would take precedence.

Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the next general election.

An earlier version of this paper was submitted to the Harrogate Conference in September 1999, and referred back to the Federal Policy Committee. A small group consisting of those marked with an asterisk below has re-drafted it to accommodate as far as possible comments made in the Harrogate debate, and the revised version has been approved by the Federal Policy Committee.

Working Group on Urban Policy

Ben Rich (Chair)*
Richard Allan MP
Chris Berry
Ed Fordham*
Sian Gibson
John Griffiths
Cllr Richard Kemp
Dr Tim Leunig
Cllr Monroe Palmer
Adrian Sanders MP*
Dr Geoffrey Seeff

Cllr Sadie Smith
Jennifer Tankard
Andy White
Cllr Stephen Williams
Cllr Laura Willoughby

Staff:

Dr Richard Grayson*
Christian Moon*
Judith Baines*

Note: Membership of the Working Group should not be taken to indicate that every member necessarily agrees with every statement or every proposal in this Paper.

Comments on the paper are welcome and should be addressed to :
Policy Unit, Liberal Democrats, 4 Cowley Street, London SW1P 3NB

ISBN: 1 85187 364 3

© February 2000

Further copies of this paper may be obtained, price £4.00 from:
Liberal Democrat Publications, Liberal Democrats, 4 Cowley Street, London SW1P 3NB

Printed by Contract Printing, Units 9-10 Joseph House, Eismann Way, Phoenix Park Industrial Estate, Corby, NN17 5ZB.