Closely following this (largely) English initiative, a “new” urban policy for Scotland was announced in March 1988, with programme details lavishly presented in the brochure *New Life for Scotland.* Publication of this report presents an opportunity to examine critically recent government statements on and affecting urban policy in Scotland and perhaps isolate commonality of policy redirection. This paper examines the relevant policy statements from “New Life”, and reviews the urban policy implications of: the 1987 consultative document “Scottish Homes”(4) and the subsequent White Paper(5) on changes to Scottish housing legislation; the “Enterprise” White Paper from the Department of Trade and Industry (DTI)(6) the National Audit Office’s review of the Scottish Development Agency(7) and their own 1988 Annual Report.(7) Comment will also be made as to the relevance for urban policy of the so-called Hughes initiative to create Enterprise Scotland.

A theme common to these and other urban policy statements, and one very much in line with the overall direction of Conservative policy, is that of disengaging the State from certain urban problems and placing responsibility for improving urban Scotland on to a combination of the private sector, acceptable community groups, the family and ultimately the individual. Hence, the focus of this review is to assess the likely impact of the “new” urban policy, and to gauge the response such initiatives will have on the wider policy community throughout Scotland.

**Policy Comparison**

First, a few introductory comments that will serve to place developments in Scottish policy into a GB context. It is important to draw certain distinctions between Scotland and England in terms of the objectives, the delivery and the implementation of urban policy. In 1987 and certainly in the first half of 1988, English urban policy was directed from the DTI, with Lord Young and Kenneth Clarke (both originally working together in the Department of Employment) extending the ideology and urban policy:

“There is, of course, nothing new in urban change. Throughout our history towns and cities have risen and fallen only to rise again. Some have responded to new markets and technologies. Others have clung to old ways and allowed opportunities to pass them by. A number have suffered from civic hostility to enterprise. All too many have had their problems intensified by misguided post-war planning and development which had the best of intentions but the direst results for the people living there”.

“Every area covered by the term (inner city) shares one common need: new hope for the future. The Government is resolved, in partnership with the people, to generate that hope and help create a new, lively environment in which to live, work and prosper.”(1)
suggests that a similar ratio of expenditure will be a key objective in the direction of activity and people to live and work in the area. These funds were to be used for projects falling between or outside the guidelines issued by the four main Departments. This level of funding was repeated in 1988, suggesting that the CA T’s have the capacity and intention.

Indeed, this is a feature common to both Scotland and England. Looking at the latter, where the data are more readily available, it is clear from Government reports that urban policy is concerned, first and foremost, with support for the private sector and that spending through the Urban Programme is now part of a wider policy of supporting profitable urban enterprise, with government funds increasingly used to “lever” private investment. In 1979/80, the so-called “Urban Block” (including spending on the UDC’s) was made up of £207m for “spending to assist private investment” and £109m allocated for “spending on social and community projects”. Expenditure in the financial year 1988/89 is expected to reach £593m in support of the private sector, with £118m for social and community activities, in effect, a considerable cut for the latter activity over the past nine years. (10) Comparable data for Scotland are not available but the refocussing of policy – and the new lead being taken by the Scottish Office – suggests that a similar ratio of expenditure will be a key objective in the coming years.

A central feature of English urban policy, especially those parts driven from the DoE, has been a sustained assault on the powers and responsibilities of local government. Central government certainly no longer believes, as it once did in the 1977 White Paper on the Inner Cities, that “local authorities are the natural agencies to tackle inner area problems”. Instead, the DTI/DoE have evolved an approach to urban policy based on the centralisation of certain functions (an example being the way in which local government has effectively been excluded from the operation of the new City Grant) and a proliferation of agencies, public and private, that fragments the implementation of policy, “further diluting the role of local government.” (11) Moreover, the new housing legislation in England and Wales, introducing the Housing Action Trust to the lexicon of urban policy, serves to residualise accountable local government, turning housing responsibilities over to community organisations, or householders or indeed, private companies.

New Life for Scottish Urban Policy?

Originally trailed as a White Paper, New Life for Urban Scotland was issued in March 1988 as a hybrid “Blue Paper”: a combination of colourful brochure and detailed issues analysis, objective formulation and “proposals for action”. In comparison with the English Action for Cities, however, ‘New Life’ is indeed a robust document. Its strengths are that it draws together the different, often confusing, strands of urban policy; gives credit for specific urban achievements; “results are there for all to see and the economic potential of areas (in GEAR) once neglected is now being
realised; clearly identifies the key problems – unemployment, lack of investment, run-down housing; and, in marked contrast to what can be found in the English report, states that urban policy must address the problems of:

“people suffering from multiple deprivation; a combination of the problems of poor environment, high dependence on state benefit and poor housing. Related problems are a lack of social and recreational facilities. These problems co-exist with high crime rates (including vandalism), poor health and low educational achievement” (para.12)

Similarly, the objectives laid out in the report focus on the priorities identified from the earlier analysis of urban problems. Social objectives are clearly ranked in first place, with the subsequent economic goals linked to “improving the abilities of residents in deprived areas to initiate small businesses and to compete for jobs” (para. 13 vii). Moreover, there is recognition that different towns and communities require different prescriptions; there are no cure-alls. But in looking to the “Way Ahead”, New Life shows the influence of the dominant thrust of central policy with the principle of making the residents responsible for their communities. In Malcolm Rifkind’s Foreword to the document he states that:

“Future action should be based firmly on the principles of helping residents take more responsibility in various ways for their communities, of full involvement of the private sector, and of partnership between different public bodies and the private sector.”

“It is especially important that we renew the self-confidence and initiative of local people and help them to assume increased responsibility for their communities. That is why, for example, our housing policies aim to increase people’s control over the houses they live in, and our education policies offer parents increased responsibility for their local schools. We must make it easier for people to exercise greater influence over their own lives and make it easier for them to use their fair share of the opportunities provided through economic recovery and growth.”

And in line with that other component of government policy, ‘New Life’ sees a central role for the private sector:

“The Government are committed to increasing further the involvement of the private sector in urban renewal, both their wider economic policies which increase business confidence, and through encouraging investment in deprived areas” (par.17);

“The Government look to the private sector to continue to regenerate urban areas by pursuing opportunities for profitable investment, and hope (emphasis added) it will examine carefully the scope for investment in areas currently neglected. For example, the peripheral estates enjoy very little private investment in any form. Where necessary the private sector must work in close partnership with the public sector. We want (emphasis added) to see the private sector involved from the outset in new urban regeneration initiatives” (para.19);

No evidence is presented to justify the “hope” that private investment will flow into the most problematic areas. Indeed, the Blue Paper conspicuously ignores academic and government studies that show how very difficult it is to attract large scale private investment into marginal locations. There is a real danger that the success of “leveraging” private capital into the city centre can be simply transferred to the peripheral estates. Indeed, ‘New Life’ does just that, where photographs of warehouse renovation in Glasgow’s Merchant City are juxtaposed with public sector housing improvements in Barlanark. Ironically, the successes then cited in the report are almost exclusively determined, funded and implemented by the state: by Government itself, by its agencies such as the SDA and the Housing Corporation in Scotland (HCIS), and by other organisations in receipt of state subsidy, including the “remarkable” network of local enterprise trusts.

The report is at its weakest when prescribing on Scotland’s urban problems. While “attaching great importance” to four initiatives in selected peripheral estates: Castlemilk (Glasgow), Ferguslie Park (Paisley), Wester Hailes (Edinburgh) and Whitfield (Dundee), it says almost nothing about what will be done, nor does it give any indication of additional funding. While briefly mentioning existing work in areas such as Barlanark (Glasgow) and Forgewood (Motherwell) it clearly fails to identify the lessons learned by the SDA and local authorities in a variety of very difficult urban locations – in Barrowfield, in Wester Hailes and in Drumchapel. Moreover, the authors of the Blue Paper have short memories. In selecting Ferguslie Park, they make no reference to the failure of the Community Development Project (1970-1973) centred on the same locality nor do they comment on the experience of the Comprehensive Community Programme introduced to Craigneuk (Motherwell) in 1976. Both initiatives were funded by central government and directly involved Scottish Office civil servants.

Predictably, political comment on the Blue Paper was divided, Scottish Labour MPs were less than impressed: “Too little, too late,” (David Marshall, Glasgow Shettleston); “He’s given us the HP sauce but where’s the bloody meat” (Norman Buchan, Paisley South); “The statement does not face the problems of the mining communities which are suffering severe dereliction” (Dick Douglas, Dunfermline West); “a sad anti-climactic, gathering up of bric-a-brac from the past, packaged in a way
that borders upon dishonesty" (Donald Dewar, Glasgow Garscadden). On the other hand, the Secretary of State called the programme “the most significant initiative ever taken to change the face of Scotland’s giant estates” and commenting on the reaction of the Labour MP’s, Nicholas Fairbairn (Perth and Kinross) speculated that “if Mr Rifkind were to announce Christmas the Opposition would treat it like the Crucifixion.”

What Role for Scottish Homes?

The Government places considerable emphasis on the new housing agency, Scottish Homes, for the delivery of their urban initiatives. First announced in May 1987 in the Consultative Paper, the proposal to create a merger of the Housing Corporation in Scotland with the Scottish Special Housing Association was developed in the 1987 White Paper, Housing: The Government’s Proposals for Scotland, then taken through Parliament as the Housing (Scotland) Bill for enactment in the summer of 1988.

Much has already been written about changes to Scottish housing legislation but for the purposes of this paper, three points are worthy of additional comment. First, the rhetoric of new housing policy is the same as in the Blue Paper. The White paper states that:

“The Government will continue to support the growth of home ownership to which it is clear the vast majority of people aspire. Home ownership gives people independence and control over their housing; it gives them a sense of greater personal responsibility (emphasis added); and it helps to spread the nation’s wealth more widely” (para.1.7)

“The dominance of the public rented sector has become a negative factor in some parts of Scotland, effectively constraining choice and detracting from the achievements of the public sector.” (para.1.11)

Yet, as in New Life for Urban Scotland, the details of achieving such a strategy are not discussed. The implications of shifting responsibility for housing are not assessed, and while rental deregulation and support for assured tenancies are promised, there is no indication, other than allowing market forces to operate, how the new legislation will assist those families currently living in the poorest living conditions, on both sides of the tenure divide.

Second, the White Paper indicates that Scottish Homes will “promote a co-ordinated approach to the complex problems of large peripheral housing estates” (para.2.5). Moreover, Scottish Homes will have certain powers to assist with the environmental aspects of urban renewal and will be able to provide “financial assistance to employment-related aspects of projects primarily related to housing” (para.2.11). A concern widely expressed, however, is that these and other powers will be used to lever private sector investment that may, once more, have little bearing on those families already living on the poverty line. A recent study of the possible impact of Scottish Homes in the Pollok Scheme in Glasgow suggests that less than 10% of existing households maintain an income capable of sustaining investment in even the most heavily subsidised owner-occupied property.”

Third, from comments made by Scottish Office Ministers, Scottish Homes may take a very active role in subsidising private sector housing, perhaps even taking some of these responsibilities away from the SDA. LEGUP (support for private housing development being a case in point. Again the evidence suggests that such subsidies are useful and can induce house builders into the peripheral estates, but often only for a short period. Instead, a classic cycle may be introduced: policy is developed on the basis of objective urban analysis that identifies the most distressed localities; programmes are then devised and implemented to induce private investment into the most marginal areas: evaluation criteria are developed in order to determine policy impact including measuring leverage ratios; policy analysis reveals the “best” leverage ratios are found in communities favoured by the private sector, and not surprisingly these may not be in the worst localities; and policy is then changed to support developments with the highest ratios of private to public investment. Consequently the areas in most need look the least attractive. Moreover, staff taken from the private sector to run Scottish Homes may indeed feel that such policy redirection is indeed correct.

Will There be an Entrée for the SDA?

The evolving functions of Scottish Homes in the field of urban regeneration need, however, to be viewed in a wider policy context. The different “enterprise” initiatives: the White Paper, DTI – the department for enterprise, its Scottish Counterpart, the Hughes plan for Scotland, the organisational re-organisation of the SDA and the role envisaged for Enterprise Trusts in the Blue Paper, all suggest that central responsibility for urban policy is shifting, that the nature of programme implementation will be very different and that the distribution of urban resources will no longer follow familiar routes.

Looking at the SDA in more detail, the appointment of Iain Robertson in 1987 as Scottish Chief Executive resulted in a significant reorganisation of the Agency structure. Central functions were simplified with urban policy and programme support mainly channelled through two central directorates: Property Services and Urban Renewal and Industry and Enterprise Development. Seven Regional Directorates were then created, each responsible for: property development and management, business development, land engineering, investment and area projects. On paper,
the new structure has considerable merit with a much closer and clearer link between specific companies/communities and the advisory/support/investment functions of the Agency. While it is much too early to pass judgement on the effectiveness of the new structure, sources within the SDA suggest that the detailed knowledge of urban policy, especially complex urban development skills, has been dispersed to the regions and that the new Property Services and Urban Renewal directorate may, despite the confident listing of their functions in the Annual Report, be unable to capitalise on the knowledge of urban development carefully built-up over the past decade. Only time will tell. Yet, it may be significant that New Life for Urban Scotland was not issued from the SDA but was clearly the product of the Industry Department in the Scottish Office (IDS).

What is significant, however, is that the Blue Paper effectively marks a sea-change in Scottish Urban policy. For the best part of twelve years, the SDA has been at the very centre of urban policy, in terms of analysis and innovation, programme development and project funding. Indeed, with the benefit of hindsight, the series of Area Projects that covered much or urban Scotland had three valuable assets that no longer appear as important in current thinking: (1) a clear urban focus, (2) a measure of community commitment, and (3) involvement by the local authorities at member and officer level. Instead, 'New Life' focusses more narrowly on specific problems (mainly in public sector housing schemes), finds little space for local government and places considerable emphasis on the future role of some 40 local enterprise trusts (agencies):

"The local enterprise agency movement in Scotland, led by the private sector through Scottish Business in the Community exemplifies the potential role of partnership in encouraging and assisting local communities to adopt an entrepreneurial approach to their problems. Such arrangements offer a cost-effective means to encourage local growth through self-employment, small business development and the creation of community enterprises. There is ample scope to develop such activities" (para.21)

And that is precisely what the Hughes initiative of combining the activities of the Training Commission in Scotland with that of the SDA, would seem to suggest. The SDA’s new regional structure is not sufficiently localised for what Mr Bill Hughes sees as the future enterprise structure in Scotland. Instead, and building on the lead given by the DTI White Paper and the accompanying document from the IDS, Hughes "wants the whole package of support for enterprise - factory space, financial support, market intelligence, and the supply of trained workers - to be delivered through a network of local, one-door user-friendly agencies, where existing business talent makes the lead contribution." (17)

The Hughes plan also gives Government another opportunity to trim the sails of the SDA. Earlier, following publication of the National Audit Office (NAO) report on Agency involvement with the private sector, the influential Public Accounts Committee had been less than impressed by the answers to their questions given by SDA’s senior management. At issue was the “but for” question: would a particular product or company or property development become commercially viable “but for” the investment, in grant, loan or equity, from the SDA? The funding arrangements and assistance to Laing Homes in connection with the Glasgow Garden Festival and SDA’s financial commitment to the Scottish Exhibition and Conference Centre attracted the Committee’s attention, generating an amount of critical press coverage. Notwithstanding the poor press, the NAO was generally satisfied that there had been no commercial impropriety, that the SDA operated basically sound appraisal procedures and that previous weaknesses in monitoring arrangements were being remedied.

But viewed from a different angle, the NAO report and the criticism from the Public Accounts Committee represent further pressure on the SDA to look to the private sector to take responsibility for a range of activities. Three points from the Report stand out. First, the NAO applaud the transfer of factory provision from the public to private sectors; second, following the 1986 Treasury/Industry Department for Scotland review of Agency activities, the Report repeats the conclusions that "the SDA could do more to encourage the private sector to provide (advisory) services" (par. 2.13); and third, "the Agency have stated however that they would not intervene in a way which would impair commercial decisions in order to secure wider development benefits" (par. 3.34). This suggests that private, commercial, interests come before the public good, representing a marked change from the original activities of the SDA, when it was expected to use its powers in such a way as to secure the maximum public benefit; and that market intervention should be part and parcel of its work.

Thus, what Hughes is suggesting and appears to be eagerly supported by Ministers, is a set of “enterprise” initiatives whose fall-out will affect urban policy. Control will be firmly held at the centre, the SDA’s role will change, funding will be based on leverage principles with the private sector expected to pay for much more, and programme implementation will become the responsibility of local agencies mainly staffed from the private sector.

Conclusion

Recent reports and statements concerning Scottish urban policy – from the Blue Paper through to the possible impact of the Hughes initiative – make light of the difficulties of urban economic adaptation. Change is painful and costly. Individuals, families and local communities are often the most vulnerable and least capable institutions for withstanding the
pressures of economic adaptation. Families in poverty and communities
tackled with deprivation of all forms are even more vulnerable to the impact
of change. Moreover, shifting responsibility for improving community on
to individuals and families can have unintended consequences, not least the
problem of neighbourhood protectionism. There is already sufficient
evidence from local education reform of the negative aspects of fierce
community protectionism. Taking another example, increasing personal
responsibility through home ownership may indeed improve parts of the
housing stocks but at the expense of other, less fortunate, areas. Is there not
some danger that terms such as “shifting responsibility” and “increasing
personal choice” is a code for diverting or indeed reducing public support
for problem areas?

Second, despite the rhetoric of the Blue Paper, there is little evidence
from recent Government pronouncements that the new shape of urban policy has any real conception for place. Some fifteen years of political
restructuring, supported by right-wing philosophical reasoning, has resulted in an effective assault on “place”. When Mrs Thatcher declares
there is no such thing as society, she offers even less prospect for urban society. Her vision for the future of the UK would, as in much of the US, be
simply an endless collection of comfortable suburbs where personal redress
to property law would replace any form of collective land use regulation. In
the city centre, the market will determine the shape and pace of development, perhaps with the help of simplified planning zones and the
like. It is no accident that the Adam Smith Institute, a major influence on
spatial legislation over the duration of the Conservative governments,
modelled its land use ideas on Houston, Texas. Unfortunately, the Adam
Smith Institute have not looked at Houston for a number of years as it is this
major US city that has suffered most from the decline of the petro-dollar.
Subsequently there has been a withdrawal of investment capital from a
number of downtown projects resulting in mobilisation to strengthen the
powers of the city council, not least in terms of land use planning.

Not only does Government listen to the views of the right wing on
urban policy, it is also attracted by the critique of urban administration, especially a set of arguments that conveniently undermine local politics. To
dismiss “place” – towns, cities, maybe even the Regional Councils in Scotland – as a unit of government is to dismiss the basis for accountable
governance at the local level. Not surprisingly, British local authorities, not
all political hue, offer a measure of opposition to centralised policy. Such
opposition, however, doesn’t figure in the plans of the present Administration.

Strong, place-related urban policy therefore is as much about
government as it is about improving economic, social and physical conditions. Mrs Thatcher knows that, and has set a course that will
effectively dismantle meaningful urban government in England. Mr

Rifkind has not, as yet, gone quite so far, but his policies will eventually
lead to the same result. And it comes as no surprise to learn that the Adam
Smith Institute is already pressing for a root and branch review of Scottish
local government. With the regions dismantled, with education fragmented
to the School Boards and with housing powers passing to “Scottish Homes”,
able accountable local government in Scotland’s towns and cities could become
little more than a feature of the past. And who then will be responsible for
urban Scotland?

Third, and at a more prosaic level, this interpretation of urban policy
ownership has potential implications for Scotland. In the policy gap before
Scottish Homes, in the midst of the SDA’s corporate reorganisation, and with
increasing central direction from New and Old St Andrew’s House, urban policy is drifting perilously close to the English border. With the
SDA under considerable pressure to disengage from active urban involvement, the IDS will assume control. But what experience do they
have of working closely with local government and local communities?
Experience from the recent past would suggest very little indeed. At best they exhibit a cool detachment, at worst down-right hostility, towards
Scottish local government. Furthermore, the Hughes model, enhancing the
role of Enterprise Trusts, therefore presents an ideal opportunity to
combine this central control with the parallel objective of extending the
role of replacing local public agencies with a private alternative.

This then appears to be the strategy. Both the enterprise culture and the
future shape of urban Scotland will be created by a shift towards more personal and family and business responsibility. And this neatly squares the
city cycle – less cost, weaker local government, more privatism – just like
the South East. The Conservative answer to the Labour’s domination of
urban Scotland?

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10. **Cabinet Office, 1988, op cit, pp 15.**


13. “Leverage” is the term applied to the ratio of public-private investment that occurs in particular areas or projects. Originally used in US urban policy, leverage ratios are now commonly applied to projects in the UK.


15. **LEGUP: Local Economic Grants for Urban Projects**, administered by the SDA.
