

# 1. Introduction

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Traditionally much emphasis has been placed upon the spatial form of the city as it undergoes restructuring and renaissance. However, increasingly there is a realisation amongst many that it is the processes (as opposed to product) that bring about such change that are important and that unpacking these intricate webs of politics and power can illuminate the complex nature of city building. As such in recent years planning theorists have become increasingly interested in how the restructuring process is organised and in particular the relative roles of different stakeholders and the way in which power within this process is differentiated between different institutions. With many cities embracing entrepreneurial and promotional strategies, and developing associated landscapes, there is a need to assess the changing roles of institutions within the urban system. The study of institutions, when set within the wider social political and economic forces that help shape them, can help illuminate the networking and partnership structures that are developed and how these produce the power that controls and shapes the city often in relation to dominant agendas. Today, this is commonly referred to as the 'institutional approach' and rests on the assumption that political, economic and social life are embedded in social relations and are therefore heavily dependent upon a mix of economic, socio-cultural and political institutions.

This re-design of institutional analysis is clearly linked to wider governance changes from welfare delivery systems to more inclusive and multifaceted partnership approaches signifying the shift from government to governance which operate at many different spatial scales. This places the emphasis very much on partnership and networking between powerful urban stakeholders and highlights how recent institutional realities are setting new agendas and frameworks for the 'place making'. In particular, institutions are now seen by many as the vital link between the two-way interaction of global economic forces and the local urban response. However, institutional arrangements are necessarily contingent upon the particular history and geography of individual places. As a result, planning policies often reflect local power relations as well as carrying power themselves.

The capacity of institutions to react and adapt to change is built up in a set of particular circumstances, often related to 'threats' or 'prizes' and characterised by a strong local political leadership. Indeed, a key characteristic of economically successful regions is the ability to change their institutional structures to cope with the changes of a dynamic economy. This is commonly referred to as institutional capacity or institutional thickness. This emerging framework argues that the ability of a place to achieve economic success is not simply down to a narrow set of economic criteria but that 'the capacity to 'pin down' or territorially 'embed' global processes in localities is becoming increasingly dependent on a whole series of social, cultural and institutional forms and supports'<sup>1</sup>.

The institutional capacity/thickness perspective tries to show how the development of new institutional structures helps to counter collective concerns and reduce the vulnerability (and hence increase the competitiveness) of local territories. However, what most research in this field fails to note is the danger that certain institutions are over-represented or 'over-powerful' in the webs of institutional arrangements. Shared discourses that develop between different groups of stakeholders are more often than not shaped by the actions of powerful actors within the network, who seek to determine and control the direction and emphasis of policy.

Taking the institutional approach a step further others have argued that local governing authorities should prioritise notions of social integration and not, as commonly happens, economic growth agendas. For example, Mouleart (2001) in *Globalization and Integrated Area Development in European Cities* proposes that 'other strategic opportunities other than coping with global trends are available to urban development agents pursuing local development' (p.8) other than cities being 'free riders on the waves of globalization' (p.120). In particular, he highlights the merits of community empowerment over market forces in securing the sustainable future of disadvantaged neighbourhoods. The central argument is that the dominant globalization discourse (economic) is often perceived as all enveloping and restricts the choices of urban restructuring at a local level and, 'emasculates the autonomy of public and private actors who are captive to its logic' (p.15).

It is argued, that contrary to this situation, urban society is a 'powerful creative force' that can significantly influence locally specific urban renaissance. Mouleart suggests that there is a need for alternative logics of development is conceptualised under the central idea that first and foremost institutional actors should prioritise improving the quality of life of its most excluded citizens in terms of housing, education, medical care and other core services instead of attempting to capture a piece of the global market. Fundamental to this approach is that structural change should be encouraged and that 'the mobilization of local and extra local resources supported by a community-rooted decision making model, is a key factor of local development based on social innovation' (p.70).

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<sup>1</sup> Macleod, G. and Goodwin, M (1999) 'Space, scale and state strategy: rethinking urban and regional governance' Progress in Human Geography, 23 (4), p.512

## 2. Organisation as an Element of Restructuring

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The organisation of a restructuring programme is of critical importance for the governing authority. As noted above it covers a huge range of factors from inviting or arranging the people or agencies that will be involved, finding funding resources and setting out a framework or timetable for preparatory work and the lead up to implementation of particular initiatives and projects. The broad range of size, objective, physical and social aspects make the organisation and set up of European restructuring schemes highly varied and complex. Although the common link between all schemes is the involvement of the Local Authority, their influence, role and commitment are unique to the particular project. This section will look briefly at how modern restructuring programmes are being organised to respond to the complexity, size and aims of rapidly changing urban agendas.

### Examples

Projects with a small number of stakeholders will often be dominated by one body, that control the basic elements of the scheme. This may help in minimising the constraints, creating an efficient and relatively fast decision making process and controlling the financial and planning networks. However, it may have negative effects in the long term where lack of experience or local knowledge can be detrimental to successful regeneration.

For example, in the Parc de la Villette (Paris), the national government is the main stakeholder. However, the National Government have had to try to change or influence the Paris land-use plan to permit the building of the new university facilities. A new municipal council has just been elected, but their impact has yet to be seen. New mayors for Paris and for the local district (19<sup>th</sup> *arrondissement*) will be elected soon, which could lead to further changes or delays in the developments.

A further example can be drawn from the Urban Fringe development on the northern boundary of Newcastle which was initiated and planned by officers of the City Council. A huge amount of research, site identification, planning and design went into the proposals before they were made public. The Council held three rounds of statutory consultation with the general public, plus a further Public Inquiry at the request of the National Government, who had initial concerns about the project. The City Council was the major driving force behind this process, throughout the 15 years of preparatory work and development of plans. Once the design and planning was finalised the Council sought a Public/Private Partnership with two developers who had ownership and interests in the land to create more detailed plans, and guarantee sustainable and securely funded development.

There are several obvious benefits of this limited stakeholder group. It was a clear simplification of the development process, with fewer partners involved, the decision making, design and negotiation processes were more efficient and easier to arrange. This was especially significant when dealing with such a sensitive issue as greenfield development. The small numbers of organisers are able to show a united and reliable consensus, vital when there are controversial planning proposals such as those in Newcastle, where there was much public criticism.

Schemes that involve multiple parties commonly have an organisation phase that is longer and more complicated, as the relevant stakeholders arrange the framework, the contractual agreements and the nature of the managing and implementing of the programme.

In Gateshead, North East England, the Local Authority, Regional Development Agency, Private Partners and National Agencies all contributed to the plan, while the National Government provided the regeneration funds. Representatives of the local residents played an important role in the partnership, giving feedback and suggestions on the scheme.

The Kop Zuid regeneration project in Rotterdam was part of an area specific strategic framework, focusing on restructuring the declining dock areas of the city and integrating it to the existing city centre through both physical and financial linkages. The way it was organised was to have several project teams working on individual projects within the overall scheme, but all working under the Senior Councillor for Spatial Planning. Each of these particular projects would form its own Public Private Partnership between the national and local government and one or more appropriate private sector company who would implement the physical development. The overall plan containing the development principles and layout was created by the Municipality, and then the actual detailed design work and implementation saw greater influence from the various private sector partners.

The size of the development in Lelystad (Netherlands) requires a large stakeholder group. Over the next ten to fifteen years, Lelystad wants to develop into a town with 80,000 inhabitants and over 30,000 jobs, with a new town centre, the development of a coastal strip and creation and support of new communities. Twenty-five people are involved in

the organisation of the scheme, from the Board of Directors to a project team and working groups at a local level. The Local Authority has several departments involved and a district Housing Corporation is a private partner. The National Government will provide grants for funding, but is not directly involved in the organisation or implementation of the process.

The Expo 2000 scheme at Sachsen-Anhalt, outside Hanover in Germany, had involvement from all levels of Government, and every sector in both private and public domains. The organisers encouraged design competitions, public participation and access to information. This allowed all stakeholders to have a say about ideas, vision, planning and implementation of the scheme. However there was a legislative need for acceptance from all stakeholders as there is Government interest in the land allocated for the project. Over 4,000 people will be involved in the process, mainly from the local communities.

In the German region of Saarland, the population demographics are changing, with the working class town experiencing a significant growth in upper middle and upper working class inhabitants. This has formed pockets of rich and poor in the region, creating declining ghettos of socially excluded residents. The Local Government acknowledged that physical regeneration alone would not solve the problems of these declining and excluded areas, social development and support was required to improve both the buildings and the opportunities of the disadvantaged residents. New plans were created to solve the problem in a “joined up” approach. Initially, this proved to be a problem, as the different Government levels in a variety of fields and, officers, did not work efficiently together. Departments, such as Housing, Education, Health or Planning, that had nothing in common or had forged no links in the past, were unable to integrate themselves to allow for successful restructuring in the region. However, with time and practice, the different Departments were able to join up and provide a comprehensive strategy for holistic renewal. Funding was provided by the three Government Levels – National, Regional and Local – each paying 33% of the costs. The scheme has been successful in that differing levels of Government across different fields have come together to help fund and implement this holistic improvement to Brebach.

The examples briefly mentioned above highlight that the number of contributors to the plans, in both a formal and informal way, can have both positive and negative effects. Many stakeholders will add to the knowledge, expertise and experience of the group responsible for organisation. They will be able to draw on lessons learned from previous schemes, find out community opinions, focus on areas of specific need, and create a robust and transparent organisation and decision making framework. A large, cross sector and community leading body will allow socially acceptable and sustainable actions and development to take place, with the secure knowledge that the majority of interests are being represented

However the negative impacts of multi-party organisation will be the reduction in efficiency and decision making abilities, due to the larger numbers of people involved at this stage. A balance will have to be found between involving as many partners as possible, and creating a decision making group that has a limited number of members.

### 3. Comparison of Organisational Policy and Programmes

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The following section will briefly link to European governance policy and then highlight the organisation of the restructuring process in both the Netherlands and the UK linking to notions of strategy development and partnership.

#### **The EU**

In July 2001, the EU published its white paper on European Governance<sup>2</sup> that proposes opening up the policy-making process to get more people and organisations involved in shaping and delivering EU policy. It seeks to promote greater openness, accountability and responsibility for all those involved. This should help people to see how Member States, by acting together within the Union, are able to tackle their concerns more effectively. In the White Paper, the Commission sets aims to adopt minimum standards for consultation before the end of 2001 and publish them in a code of conduct.

Furthermore it recommends that Member States should examine ways to improve their consultative processes in light of EU policy. The Council and European Parliament should review their relationship with civil society and, building on the minimum standards for consultations, contribute to a general reference framework for consultation by 2004.

#### **The Netherlands**

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<sup>2</sup> “European Governance: a White Paper,” Commission of the European Communities, 2001, Brussels

The Dutch have a long experience of planning organisation and land management from the earliest polders in the 13th and 14th centuries through to the strict development control policies of the present day. The municipal government in Amsterdam began to supply land for urban expansion in 1585 but only started playing a leading role in city planning in the middle of the last century. Policies for urban development in this century date from 1901 when the first planning legislation aimed to improve the conditions for working class housing, especially in Amsterdam. In 1931 another groundbreaking law suggested that groups of Local Authorities should draw up management plans for land use, but this did not have any significant effect until 1937 when it started to influence urban development and village expansion. A national planning service was proposed during World War II but did not materialise until 1950. The unique feature of the resulting legislation was the encouragement for Local Authorities to buy up land to be sold on to developers. This process is discussed later in the report.

It was not until legislation in 1962 that planning systems began to involve all levels of government. For the first time the central government, along with the provincial and municipal governments had to draw up land use plans. Another turning point occurred in the early 1970's when a new National Government came to power promising to answer environmental concerns voiced by the population. This led to conservation policies that effected land use planning.

There are two major features and areas of concern within the Dutch Planning System: the wish for pleasant physical surroundings and the preference for compromise and accommodation over conflict and strife<sup>3</sup>. The desire for a pleasant environment is linked to a well planned, orderly and sensible land use system. Public bodies, on behalf of the population, take a leading role in creating this well planned, environmentally sensitive development system and get into contact with developers (mainly private companies) to start the building work. However, any construction that takes place must meet all criteria set out in the plan. The natural environment is obviously a major part of the physical surroundings and therefore legislation for air quality, noise, natural resources and vegetation were introduced in the 1980's. In recent years these have been combined with planning policies to create a balance between conservation and development.

The second major characteristic of the Dutch planning system is the willingness to compromise rather than force conflict. This means that if there is a disagreement between national planning policy and municipal plans, the superior power of the state is not used to overrule the smaller body. Instead there is lengthy discussion and a general agreement is eventually reached. This process can take years to complete, but the advantage is that once agreed, the plan is accepted by all the major parties and thus is followed without further disagreements. The Development process should, theoretically, run smoothly and the plan can stay in place for a relatively long time without complicated modifications. Under this system the municipalities are generally free to pursue their own development strategies and spend great deals of time and money on reaching them. The Central government is also heavily involved in planning and development whereas the provincial level acts as an intermediary and boundary between these two more powerful levels of government.

### Policy Production

Central government is responsible for creating and adopting "*National Physical Planning Key Decisions.*" The provincial level covers regional plans (*streekplannen*), and the municipalities make and adopt structure and local plans (*bestemmingsplannen*). The central government must approve and support the regional plan, and in turn the provincial government must approve the structure and local plans. There is constant negotiation between the three levels, and in recent years the EU has had an increasing influence over their content.

The regional planning framework, or *streekplannen*, is prepared by the Provincial Government. The Provincial Planning Department (Executive) prepares a plan which is then submitted for consultation with the provincial spatial planning committee and the Municipalities within the region. This draft plan is also put on public display for eight weeks, and during this period written objections may be sent to the Provincial Council. To prevent the process from delay, there is a time limit on adoption of the plan – within four months of the end of the eight week public display. This gives the Provincial Executive enough time to consider the submitted comments and alter the plan accordingly.

At the local level the making and adopting of a structure plan follows a formal procedure. The Municipality is responsible for the background research and necessary studies, identifying both land and issues needing attention. The possibility of public participation must be included, and the municipality is obliged to consult where necessary with certain bodies of the public administration. The draft structure plan is put on display for four weeks, and during this period written objections are submitted to the Municipality. The people with comments on the plan must be given the opportunity to present their case in person. Then the Municipality considers the comments received and amends the plan where they deem necessary. After this the Municipal Council formally adopts the plan.

<sup>3</sup> Berry J, & McGreal, S. (1995) "*European Cities, Planning Systems and Property Markets,*" 1995, E & F Spon, London

## Development Control

The development control process in Holland is strict and follows rigid guidelines. All development requires a building permit, which gives planning permission. The developer applies to the municipality which compares the application against the plan policies. Criteria such as building regulations, exterior appearance, compliance with the relevant plans (e.g. a renewal plan) and the possibility of it involving a listed building are all checked. If the application meets all these criteria then permission must be given. However, if it fails on one or more then it must be refused. This is because the local plan is legally binding and no freedom to develop outside of plan policy is given. Only the local plan, however, is under legislation, all others allow some leeway as they are mainly guidelines or suggestions for development.

Many municipal governments in the country play a major role in physical development, much greater than Local Authorities in the UK. In fact such is their involvement in the development process, most development in the country now takes place on municipally supplied land. Firstly, they buy the land, either brownfield or greenfield, and then divide it into separate plots or uses. They then provide the necessary infrastructure such as communications and relevant piping, along with the building permit. The private developer then buys the land and can start building immediately. The private sector is happy with this arrangement as it does not need to worry about obtaining planning permission for building works.

The original costs and the returns are shared between the public body and the private developers. The cost of obtaining the land and providing the infrastructure is very high and the municipality risks a great deal if there is no demand for the land. However, the fact that there is no speculative property market in the private sector almost guarantees the municipality a sale and in most cases, a profit. The disadvantage of this system is that the public body has the only say in land use policy, the private sector does not have any influence and buys the land under the strict building conditions. This does not allow for any inventiveness or individuality within the planning field.

It is clear that the Dutch planning system is very different from other EU countries. This is due to the large degree of influence that public bodies have over development in the country and the desire for rigid planning controls that are legally binding yet agreeable to all the relevant parties.

## The United Kingdom

National Government guidance<sup>4</sup> on the formal organisation of the planning and development systems states that:

*'Planning decisions on proposals to build on land, or change its use, should not be arbitrary. They must be considered against clearly set out criteria. The statutory development plan provides the primary basis for this consideration, but decisions must also take account of other material considerations, including the Government's national and regional planning guidance and material representations from interested parties. The development plan, therefore, provides an essential framework for planning decisions'.*

The development plan is related to the location of the authority. Outside metropolitan areas, and certain non-metropolitan unitary local authority areas, the development plan will comprise:

- Structure Plans: produced by county councils, some unitary authorities and National Park authorities (in many cases on a joint basis) which set out key, strategic policies and provide a framework for local plans
- Local Plans: produced by district councils, some unitary and National Park authorities in which more detailed policies are set out to guide development in a particular local authority area. The plans cover the whole of a local authority area and may include detailed proposals for specific sites.
- Minerals and Waste Local Plans: produced by county councils, some unitary authorities, and National Park authorities (who are usually the development control authorities for these issues).

However, within metropolitan areas, and in some non-metropolitan unitary authorities, the land use plan comprises a single Unitary Development Plan (UDP). This contains all the planning policies relevant to those areas. Part I of a UDP consists of a written statement of the local authority's strategic policies for the development and use of land in their area. This then forms the framework for the detailed proposals for the use and development of land in Part II of the UDP.

## Policy on Restructuring

<sup>4</sup> Department for the Environment, Transport and the Regions "Planning Policy Guidance Note 12: Development Plans" 1999

## **National Context**

In response to the growing public discontent, the government made a change in the statutory planning procedures. This 1968 Planning Act allowed consultation and participation to become an integral part of future development in the UK, but it was to remain a complicated and inadequate part of the development process until the 1980s. More recently planning frameworks at both regional and local levels have advanced notions of fuller consultation and community empowerment.

## **Regional Context**

Draft Regional Planning Guidance in many areas of the UK acknowledge that too many urban and rural areas are still suffering serious problems of social exclusion and access to facilities which must be tackled. It wants everyone to benefit from improvements to the economy and the environment, and everyone should have the same opportunities to learn and to succeed.

It is important that communities, as well as individuals benefit from the new initiatives. The North East draft guidance (1999) promotes social cohesion and encourages the development of sustainable communities with a strong sense of community identity. Liveable and vibrant urban areas need to be created set in attractive new landscapes which make a major contribution to the health, well being and quality of life of local communities. An urban renaissance will assist in reducing pressure for development in the countryside. However, it will also need to integrate with rural regeneration, where the priority will be to ensure a living and working countryside. The wider community needs to participate in the preparation of this Guidance and have ownership of the emerging strategy.

It is hoped that the development of sustainable communities will meet the needs of local residents for affordable, good quality housing, employment and training opportunities, a wide range of shopping facilities and for easy access to sport, recreation and cultural activities. By integrating planning, transport, housing and regeneration policies on a local basis, the need to travel can be reduced and emphasis can be given to improving clean, safe, energy efficient forms of transport such as walking, cycling, bus and train. These policies will need to be supported by co-ordinated action to tackle social problems, for example in securing greater community safety. More recently many Regions have been undertaking studies of Social Inclusion which links to national strategies of neighbourhood renewal.

## **Local Context**

The localised Urban Development Plan's that Local Authority's are obliged to write contain details of the location of various types of development, and the likely or desired future requirement for building sites within their jurisdiction. There is a statutory process for public consultation, although this is more in the form of publicity than actual interaction between Officers and the public. This is organised as a formal public inquiry in which supporters and objectors of the plan can argue their case. So the process was very much a reactive one, rather than proactive by consulting and receiving feedback before any plans are even made.

Since the 'New Labour' Government administration swept to power in 1997 a detailed analysis of previous area-based regeneration has been undertaken in an attempt to draw out the positive experiences and perhaps more importantly the mistakes of the past. This led to new approaches facilitated by the creation of a dedicated Social Exclusion Unit and 18 specific Policy Action Teams and by a number of strategic short-term programmes aimed at 'joining-up' service delivery. Importantly the new approach also sought to increasingly concentrate resources in the most deprived areas and an insistence upon significant partnership between local authorities and the community with the aim of building community capacity.

The New Labour Government seemed to promise a new positive role for local government, a more integrated and responsive approach to service delivery, and a socio-cultural agenda aimed to reverse the 'exclusion' of so many poorer people from the opportunities available to the wider society. Subsequently city councils have been urged to take a strategic approach to their activities, to focus on the 'well-being' of their citizens, to integrate their various activities in ways which are responsive to how their citizens configure issues, not politicians and professionals, and to introduce community planning and area management. At the same time, the so-called 'entrepreneurialist' agenda lives on in the national encouragement to build linkages to business, and to private investors who are to provide the capital for major changes. Today these take the form of stakeholder groups and local strategic partnerships which are cropping up across the landscape of British cities.

However, a review of four studies on regeneration and communities illustrates the continuing frustrations of failing to integrate the communities (Joseph Rowntree Foundation, 1999<sup>5</sup>). The research cites how residents in Liverpool (North West England) felt that they were not really trusted by the authorities to manage finances or to spend money wisely. In several cases the residents felt that their suggestions were not acted upon and that there was no follow up to what was said. Nor could they identify outcomes, which had occurred as a result of their involvement.

In September 1998, as part of the Government's response to a report on Social Exclusion entitled '*Bringing Britain Together – a national strategy for neighbourhood renewal*', the New Deal for Communities programme was launched and was seen as the Government's flagship area-based regeneration initiative. New Deal for Communities aimed to bridge the gap between some of the poorest members of our society and the rest of Britain. By focusing resources on small deprived areas, and working with the grain of other initiatives operating in the area, it sought to achieve maximum impact. Although problems vary from area to area, there are four themes - common to most deprived neighbourhoods - which the programme sought to address: combating; unemployment; improving health and social care; crime prevention; and raising educational standards and qualifications.

New Deal for Community partnerships work with national, regional or local services and with other organisations and bodies that are already delivering services and running programmes and aimed to provide joined up solutions to joined up problems. The programme is delivered through partnerships formed between local people, community and voluntary organisations, public agencies, local authorities and businesses. These partnerships must be robust and inclusive, each prepared to take responsibility for tackling the problems of social exclusion in order to make a lasting improvement to their neighbourhood. It also means harnessing the active involvement of the local community - not only during the life of the programme, but afterwards as well.

Organisationally, one of the key problems that remains for the restructuring of localities is the lack of connection between national Government policy and local priorities. In particular disorganisation and disjointed national frameworks is mirrored by lack of coherent and sustainable links between centre, region and locality. As such in 2001 a series of Regional Co-ordination Units were set up to help facilitate links between national and local concern. One key way in which integrated and co-ordinated restructuring is planned is through the development of local strategic partnership and citywide regeneration approaches. These will be highlighted later in this report.

## **4. Instruments for Improving Organisation**

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### **The Public Private Partnership**

Public Private Partnership have been a well used urban restructuring mechanism for many years across the countries of the NWMA, with emphasis often on property-led regeneration where initial development which attempted to stimulate further investment in formally declining areas.

Public Private Partnerships were first formed as a response to building projects becoming more complex and costly. Within urban areas, this was commonly when inner city redevelopment schemes started to create mixed use projects, such as offices combined with apartments. Furthermore, the private partners would assist in the implementation phase of the urban regeneration, where "*they delivered the creativity and the commercial impulse the neighbourhoods needed*"<sup>6</sup>. The third reason for the creation of public and private co-operation is in the situation where the private developer has to enter into agreement with the city or face the consequence of losing the contract. Therefore, in order to be considered for lucrative and long term development contracts the private company had to agree to work in partnership, and not on their own.

In this way, a wide variety of forms of public private partnership have been put into practice, with each involving a sustained collaborative effort between the public and private sectors, in which each contributes to the planning and resources needed to accomplish a mutually shared objective. One of the main criticisms of early attempts at such partnerships were the over-emphasis on economic goals to the detriment of schemes and initiatives to help improve the social fabric of the affected area. The Urban Development Corporation experiences in the UK are a good example of where this situation existed. A review of Development Corporations in 1998 by the UK's Department for the Environment, Transport and the Regions (DETR)<sup>7</sup> found that their focus on property-led regeneration was too single-minded. The social dimension of regeneration was largely ignored. All future regeneration agencies need to recognise that the incidence of social benefit is a key component of successful regeneration. An implication for future regeneration agencies is that their boundaries might be drawn to incorporate resident communities. Research on

<sup>5</sup> Joseph Rowntree Foundation (1999) "*Neighbourhood Images in Liverpool: It's all down to the people*"

<sup>6</sup> *Public-Private Partnership in Urban Redevelopment, Quo Vadis?*, Erik Jan Kleingeld, presented to FIG Working Week, 21-26 May 2000, Prague

behalf of the Joseph Rountree Foundation found that Tyne and Wear Development Corporation set up a community development strategy that was unique in establishing monitoring panels as a mechanism for involving the local community<sup>8</sup>.

Recently the importance of community development and investment has given a new direction to public private partnerships. In this case, the private company attempts to foster a reputation among the residents and look for a way to invest in socially declining or troublesome neighbourhoods. It is difficult for large, “outside” firms to successfully integrate and work with the communities, so co-operation with the public sector is often unavoidable.

### Problems with Public Private Partnerships

Initially praised for their innovative and forward looking intentions, the public private partnership is now beginning to be criticised after research into the effects of early schemes. This can be alternatively described as the effort of both the public sector and the private sector to pursue their own objectives (Kleingeld, 2000). The partners return to their original role where the public sector makes the plans and sets the regulations, the private parties either wait for the opportunity to play their role as a developer, or play their role as owner or user. In this way there is little partnership and integration, instead the partners are returning to their old positions of enablers and developers.

This will not mean that parties do not co-operate, it is just that co-operation and partnership are different concepts. It is vital that this return to old ways is not allowed to continue, and the future Public/Private Partnerships are committed to full partnership, sharing ideas, roles and, as a result, the positive outcomes and benefits.

### Organisation of recent Public Private Partnerships

An important factor in the partnership is the *mutually shared objective*. Successful schemes and approaches have shown that the more the objective is aimed at the long-term, the more integrated, and therefore secure, the partnership becomes. It is possible and relatively easy for parties to co-operate on a specific project and even enter into partnership, but the continued existence of this partnership is not guaranteed. Therefore, with objectives set for the long term, the partners must, and are forced to, work alongside each other to secure the returns on the initial investment. The management-oriented organisation, or process-organisation, is more complex, often integrating the participating parties, and has more decisive power itself, compared to the project-organisation. The first form is clearly more a partnership, a contract between parties with mutual risks, and mutual benefits. The latter one is more a temporary relationship, working together for now, but the split up is often already planned at the beginning.

With regard to community investment initiatives, it is also important that both parties make the decision either to focus on some specific projects, or to strive after a co-operation for the long term. Cities, eager to attract private investments, often have more long term expectations than the commercial enterprises would be willing to undertake. But these private parties have to realise that neighbourhood investments are, by definition, long term objectives, not short term money making initiatives. Otherwise their effort is not much more than another welfare action.

### Examples

The following examples show how Public Private Partnerships can be arranged. There is no set pattern or model for their organisation, and it is entirely dependent on the circumstances of the scheme. The Dutch examples specifically show how private sector funding and public sector organisation can contribute to a large scale project that would not have been possible if either party had worked alone.

At the edge of the Dutch town of Maastricht, a brownfield site formerly home to the *Ceramique* company is situated between the historic quarter of Wyck and the new Randwyck commercial zone. Since the mid 18<sup>th</sup> century, this 23 ha site had been the centre of the ceramics industry in The Netherlands. Until 1990 it was used by the NV Koninklijke Sphinx company, when the last remaining divisions of this company relocated to other sites in the city. In 1987, Sphinx gave the municipality of Maastricht the opportunity to purchase the entire site<sup>9</sup>. The Local Authority however could only buy the land with help from the ABP pension fund. Therefore the formula chosen for the development and realisation of the project was one of public-private partnership between ABP and the municipality of Maastricht.

<sup>7</sup> DETR, “Regeneration Research Summary No. 18, 1998: The Impact Of Urban Development Corporations In Leeds, Bristol And Central Manchester” 1998, DETR

<sup>8</sup> Russell, H (1998), “A place for the community? Tyne and Wear Development Corporations approach to regeneration”, Joseph Roundtree Foundation

<sup>9</sup> Source: Ministerie van Volkshuisvesting, Ruimtelijke Ordening en Milieubeheer, 1998

The Dutch Ministry of Housing, Spatial Planning and the Environment designated the scheme a “model project” with the aim of fostering learning and the development other public-private partnerships for urban regeneration projects. The PPP model projects were subsequently incorporated into the so-called 'key project approach', introduced to allow central government to develop its policy in a project context.

In total, the project is estimated to cost NLG 900 million. Initially, the land was acquired by ABP, which will be responsible for financing the cleansing and preparation of the building site. The National government has promised to invest NLG 20 million, the province will contribute NLG 15 million, and the Ministry of the Interior NLG 11 million. The municipality of Maastricht has initially supplied NLG 19 million and a further NLG 50 million will be set aside for the construction of the library/municipal buildings. The objectives for the project were a soil clean-up programme, the development of 1600 homes, 70,000 m<sup>2</sup> of office space, 20,000 m<sup>2</sup> of hotel accommodation and 20,000 m<sup>2</sup> for cultural and other non-commercial purposes. The scheme is currently in the implementation stage, with the soil decontamination already completed and the construction work started.

Another Dutch example is Wolfsdonken, in 's-Hertogenbosch. The Wolfsdonken is a vacant industrial estate which lies to the west of the centre of 's-Hertogenbosch. The estate occupies an area of some 20 hectares, and is very mixed in character, containing modern and outdated businesses, both small and large. An academy of art is also located on the site. The site suffers from contaminated soil and groundwater, noise nuisance, odours and dangerous and unsafe buildings. It adjoins a railway track and the Central Station, and is within walking distance of the city centre. It forms part of the 'Railway District' in 's-Hertogenbosch, which is being completely redeveloped (and is partially completed). The Railway District is being transformed from an industrial estate into an area of mixed functions, including 2500 to 3000 homes, 200,000 to 250,000 m<sup>2</sup> of office and similar space, 65,000 m<sup>2</sup> for educational establishments, a district hospital with 800 beds and a new station.

The co-operation with the private sector proved to be very important. It was established through two: a Public-Private Co-operation (PPC), in which the private sector takes the risks and pays for the construction works, and a Public-Private Partnership, where the private sector and the municipality bear the risks and erect the buildings together. In both cases the municipality sells the land, if it owns it, and takes care of the planning procedures. Both these forms of co-operation were formalised in declarations of intent, co-operation and development agreements. Arising from the desire of the municipality to extend the city centre onto the other side of the tracks, the Wolfsdonken industrial estate will also undergo a radical restructuring process to change the reputation and use of the land. The area has a capacity of some 200,000 m<sup>2</sup>. The redevelopment of De Wolfsdonken will start in 1998 and will last six to ten years.

One of the aims in developing De Wolfsdonken is to increase the concentration of employment, thus boosting the local economy. One of the key concepts in developing the area is to increase the urban density, partly by intermixing functions. Various different functions will be combined in the area, including industry, housing, offices, social amenities, urban facilities, etc. The total investment in the area will be NLG 1.5 billion for new buildings and NLG 350 million for road and rail infrastructure and public or open spaces. The redevelopment process was only made possible by the fact that an integrated plan was drawn up for the area. The development of 'costly' plots could be offset by the development of 'cheap' plots.

In the UK, Central Southport Partnership is an organisation established to bid for, and manage, the investment of £8.2 million of grant from the Government's Single Regeneration Budget, over a five-year programme from 1997-2002. As a partnership body, it has the legal status of an unincorporated association and will, therefore, be awarding grants via the Sefton Metropolitan Borough Council. It is anticipated that the SRB funds already secured will stimulate a further £28 million of investment from other sources, including the private sector, the European Commission, the National Lottery and other funding agencies. This is clearly the most significant investment programme ever to affect the town and the Partnership Board is determined that the maximum benefits shall be secured. The partnership is made up of fifteen Board Members, representing all sectors of the community, 5 private sector members, 5 from community/voluntary organisations, 3 Borough Councillors and 1 each from the Health and Education sectors. There is a small core team of staff who manage and monitor a series of projects, each of which is delivered under contract by an agreed agency or organisation. These can be either existing independent bodies, or departments of the local authority, or other organisations specifically set up for the purposes of the projects themselves.

The boundaries of the plan are drawn around the central area, covering specifically those parts of the town most in need of regeneration but also including the shopping area, promenade, seafront and Marine Lake. There are approximately 10,000 residents in this area and almost 1300 businesses. Around 5 million visitors come to Southport every year and tourism is a major factor in the economy of the town. There are, however, many other businesses, not directly related to tourism, including both traditional and newer, IT-based companies. At present there are twenty-three projects grouped into four measures aiming at four key objectives aimed at building community capacity and facilities, and the improvement of living conditions, access to employment, economic performance, especially

tourism, and the generation of new development. Each Measure has its own Sub-Group comprising Board Members, staff and partners from other organisations, working together to ensure that the objectives are met and that the best possible results are achieved. It is likely, that further projects will be added as the initiative develops particularly where increased outputs can be demonstrated and further funding secured.

### **Citywide Strategic Partnerships**

Linked to public private partnerships is another method that is now often being used by local authorities to organise their restructuring effort - the development of a city wide regeneration strategy. Work done by the Central Research Unit of the Scottish Executive<sup>10</sup> argued that successful city wide regeneration strategy, although requiring intelligent analysis of a city's prospects and resources, is first and foremost dependent on a high quality strategic partnership. The strategy derives from mutual learning among equal partners, in analysing problems and devising solutions giving rise to commitment to the strategy. The evaluation of the English and European case studies identified a number of key lessons which may inform practice. These include:

- Vision and policy which reinforce the vital role of cities in national economic development underpin regeneration in successful cities;
- Urban development and regeneration benefit from a high degree of integration between national settlement strategy, encompassing land use, transport and economic development and similar plans at regional, sub-regional and city levels;
- While local promotion of economic development is fundamental to regeneration, no city studies have resolved the difficulty of ensuring the benefits reach the most disadvantaged households;
- Genuine partnership between stakeholders and learning-by-doing are fundamental to strategic regeneration and local governance;
- A successful city wide regeneration strategy, although requiring intelligent analysis of a city's prospects and resources, is first and foremost dependent on a high quality strategic partnership. The strategy derives from mutual learning among equal partners, in analysing problems and devising solutions giving rise to commitment to the strategy;
- Because successful city-wide initiatives are about the future of the city, they are dependent on commitment and involvement at Leader and Chief Executive level in local government, which encourages involvement of partners from equal stature;
- The development of a vision of the future of the city is increasingly an important first step in developing a common agenda for a city-wide regeneration strategy;
- At the city-wide level, strategic regeneration is indistinguishable from good urban governance. At municipal level, what might be called an urban development or corporate plan might be necessary to integrate various policy streams;
- Successful regeneration is characterised by regular assessment of regeneration strategy with management and representative arrangement evolving in light of changing circumstances.

One of the case studies used in this research was Lille in France. In Lille, the *Comite' Grande Lille* is a public private partnership that includes 200 local representatives drawn from Government, culture, industry and education. However this organisation does not contribute to group decision making, it simply increases the networking capabilities and benefits of joint working. Emphasis is on economic development and several landmark, large scale projects rather than social improvement. Public opinion on this scheme was negative due to the focusing on physical improvement, and the costs to taxpayers from funding the ambitious developments in the city. However the scheme as a whole can be considered a success as it has met the majority of its objectives for physical and particularly city centre, regeneration. There has been immediate improvement in the local economy and interest from international investors, although there is no evidence that this prosperity will be sustainable or long term

The City of Newcastle has also developed its own Strategic Partnership after committing itself to long term citywide restructuring objectives under the Going for Growth scheme. Their partnership is described as the City Council, all

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<sup>10</sup> See Scottish Executive's Development Department Research Programme Research Findings No 66 - *City-wide Urban Regeneration: Lessons from Good Practice: 1999* by Professor Michael Carley and Karryn Kirk (School of Planning and Housing, Edinburgh College of Art/Heriot-Watt University)

service providers (such as schools, the police and health and social services), local businesses, a range of community groups and the voluntary sector. It will develop a Community Strategy to cover the local authority area looking at aspects that contribute to quality of life and set out a long-term vision for action and improvements to the City as a whole and to local neighbourhoods, (Newcastle City Council, 2001<sup>11</sup>).

In the UK the encouragement to build a city-wide regeneration strategy is inherently linked to further policy on developing a so-called local strategic partnership (LSP). The Government's vision for Local Strategic Partnership's (LSP) is that they should be a single coalition of public, private, voluntary and community sector organisations. They must include representatives from each of these sectors, and an appropriate balance between public service and community, voluntary and private sectors. It is crucial that the partnership is one of equal players. The Government would expect the membership of LSP's to include some or all of the following groups from the public sector<sup>12</sup>:

- The Employment Service, and New Deal partnerships;
- The Benefits Agency;
- The Small Business Service;
- The Regional Development Agency;
- The Community Legal Service partnerships;
- Drug Action Teams; and
- A representative from the Government Office for the Region.

Individual service providers will remain responsible and accountable for decisions on their own services and the use of their own resources. LSP's will operate by consensus, in order to reflect and retain the buy-in of partners. Research by the Department for the Environment, Transport and the Regions published in 2000 found that there is *"increasing evidence that there are real benefits from bringing such ad-hoc co-operation together under a single co-ordinating partnership for an area"*<sup>13</sup>. The UK Government believes that these strategic partnerships will be the relevant strategic mechanism linking the neighbourhood to the region, co-ordinating across and between partnership activity for urban restructuring in the 21<sup>st</sup> Century.

However, it is the link between city-wide regeneration, or restructuring, efforts and LSPs that is paramount. In many cases in the UK the LSP has been formed which then, given its accountability, begins, with adequate consultation, to develop a vision of city-wide regeneration. An anomaly to this has been the approach adopted by Newcastle where the vision was developed by the City Council in advance of the formation of an LSP. This state of affairs has caused problems (see Newcastle Going for Growth Strategy in the Mixed Area project report) and lead to the significant redrafting of regeneration plans.

### **3. Organisation within the ReUrBA Case Studies**

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This section will look at the strategic "position" of restructuring schemes within wider regeneration initiatives. This can mean being part of an International commitment to regenerate large transnational areas suffering decline. Alternatively it can mean nationally significant or funded programmes that are supported by the central government; but can also be smaller regional or localised plans incorporating city level schemes that are only important or vital to the municipality itself. However, it does not matter at what level the scheme is set, only that it is with well-defined boundaries or partnerships, which it can rely or work with to organise, and then implement, the plans.

#### **International Context**

There are several examples of cross border schemes within the NWMA, such as those located on the French-German border. In fact, both the Saarterrassen project and the Eurozone project in Saarland combines communal, regional (the German "Bundesland") and international programmes. The EU is the major stakeholder in this case but involvement from the two local municipalities (Saarbrücken in Germany and Forbach in France) is encouraged, and they have significant input in terms of resources and staff. The success of these programmes shows that international corporation is possible in a sustainable and complementary way, although the influence of the EU as the major stakeholder will probably have a positive effect as it ensure both financial and social security over the long term.

#### **National Context**

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<sup>11</sup> See Glossary in *Going for Growth Regeneration Plans*, 2001, Newcastle City Council

<sup>12</sup> The Social Exclusion Unit, *"The New Commitment to Neighbourhood Renewal - National Strategy Action Plan"* 2001, The Cabinet Office

<sup>13</sup> DETR *"Local Strategic Partnerships Consultation Document"* October 2000, DETR

Programmes of national significance or those funded from central government have an advantage over other schemes as their resources are almost guaranteed from the potentially huge reserve of national governments.

The development of the university buildings around the *Parc de la Villette* is part of a national programme called “*Universities for the 3<sup>rd</sup> Millennium*”. It was launched by the education minister, and is being managed by the State regional education authority. The La Villette area is entirely owned by the State, originally developed by the Ministry of Agriculture. The Local Authorities were consulted and the education minister later publicly announced the location of the new facilities. Further planning studies will be commissioned after the agreement between the state and the regional council within the 12<sup>th</sup> national development plan (2000-06).

The basic strategy employed in the Sachsen-Anhalt case study was to make the land attractive for suitable investors. The approach is both an element of a more comprehensive strategy, at a regional level, and at a local level as the complementary development to the Expo 2000 event. It was supported by the national government as a flagship development in East Germany as well as a Project within EXPO. The policy was to find a new use for previously developed sites and give them a new image, one that would attract financial investment. The aim was for “*revitalisation, reurbanism and reconstruction*”.

Although no specific legislative framework exists for the development of Newcastle’s inner areas, certain parts of the process will be tied into national joint working systems such as Local Public Service Agreements. Going for Growth will operate in conjunction with existing national funding mechanisms such as Single Regeneration Budget and New Deal for Communities to gain the greatest benefit for the city. This system will aim for strategic citywide success by gathering funding from all possible sources, rather than localised and limited improvements that would result from relying solely on developer or Council funds.

### **Regional Context**

In contrast to the national, top down projects, there are several schemes currently running that have a regional theme, where neighbouring municipalities are working in partnership towards a common goal. The Euralille project was part of a plan for the whole area covered by the *communauté urbaine de Lille*, containing 87 municipalities with several kinds of strategic economic poles. The major stakeholders are the municipality of Lille and the Communauté Urbaine de Lille.

Gouda is one of the most densely populated settlements in the Netherlands, with all available space used for housing, business, retail and industrial purposes right up to the urban boundary. If further growth were to occur, land would have to be found on the urban fringe, which puts pressure on the “Green Heart” of the Randstad, a valuable green space within the heavily urbanised area. Therefore sustainable planning of this fringe is vitally important. However, the essence of the restructuring problem is insufficient co-ordination and preparation of the planning process between the parties involved and at the various planning and government levels in the fringe areas surrounding Gouda. The 5 neighbouring municipal councils obviously each have their own ideas concerning the future development of the area of fringe within their jurisdiction. And unfortunately these areas overlap giving the problem of several differing and competing plans for one plot of land

During the discussions, it became clear that most of the neighbouring municipalities and provinces involved agree on the general spatial/land use policy and ideas (targets, concerns etc.). However, when it comes to the point of implementation and settling on a strategy for each policy, most of the parties are trying to put their own ideas into practice. This is the main problem of the planning process, not only in Gouda, but in the whole of the Netherlands as well.

To tackle the problem the LA organised an important and valuable discussion between the government, the neighbouring municipalities and private partners. It talked about the common fundamental targets of regional development with the purpose of reducing the disparity between the land use plans and implementing a scheme that was coherent and acceptable to all.

The different viewpoints of the relevant parties are evident in the degree of intensity shown and the understanding of the problems. Because each municipality has its own responsibilities and concerns (within a fixed framework of planning, administrative, legal and financial obligations), the completion of a widely supported vision for regional development is a matter that will be both difficult and time consuming. These discussions have to meet set targets as well as fitting in with the personal requirements regarding their own spatial visions. The parties should therefore look for a useful and practical compromise within the opportunities given. This new set-up differs from previous plans

because in the earlier ones the relevant parties stuck too strongly to their own responsibilities and planning visions and did not have any flexibility or room for compromise.

The plans for transport improvements and increased access to services is part of the transport policy of the County of Northumberland (UK), which is in turn linked into the regional transport initiative to improve public transport links in the North East of England. This can also be seen as a national objective to promote and enlarge the number of users of public transport.

### **Local Context**

At all local level, city wide approaches are becoming increasingly popular. They offer a holistic approach, with a range of objectives or project taken under one “umbrella” initiative, so that one name is synonymous with a large scale commitment to improving the city or district. For example, the regeneration of the West End of Newcastle is not part of a specific national or regional framework, but is the focus of the Local Authority's *Going for Growth* strategy for population and economic growth. The Strategy aims to improve Newcastle over a 20-year period, based on sustainable principles, and allowing contributions from every sector for the overall socio-economic growth of the city.

No specific legislative framework exists for the development of the inner areas, but certain parts of the process will be tied into national joint working agreements such as Local Public Service Agreements. Going For Growth will operate in conjunction with existing national funding mechanisms such as Single Regeneration Budget and New Deal for Communities to gain the greatest benefit for the city, aiming at strategic city wide success, rather than localised and limited improvements.

Furthermore, The Newcastle Great Park project on the northern fringe of the City is now part of the citywide strategy. Originally it was seen as a stand alone scheme that would help the city attract executive inhabitants and important Communications and Information Technology industries to stimulate resurgence and growth in the local and regional economy. But since the launch of the citywide initiative, it has been seen as part of an overall long term, citywide goal for improvement, not a stand alone scheme cut off from other economic growth poles in the city and region.

Similarly, the project in Hilversum (Netherlands) is part of a more comprehensive strategy, citywide, looking at stopping the decline in a certain part of the municipality. The Local Government have created a Masterplan, in partnership with local private enterprises, that would lead the regeneration of the continually declining part of the city. There was no major involvement from Provincial or National Government in the drawing up or funding of the plans.

Among the grand plans for the expansion and regeneration of Lelystad, there are several smaller scale projects at work. For example, the New Town development between the town centre and the coast is just one part of the large citywide redevelopment strategy taking place over the next 15 years. There are also plans for development of a coastal settlement and creating new communities within the city, but supporting and improving the lives of citizens in the older, and declining neighbourhoods. The city strategy is based around socio-economic improvement for residents, and physical improvement and expansion of the city, helping it compete with surrounding cities.

### **Conclusion and Recommendations**

The organisation of stakeholders in any restructuring project is of paramount importance and will contribute to all stages of the process. From the initial ideas for attempting a scheme, identifying an area in need, developing a restructuring vision and seeking approval or funding, how the process is organised is vitally important. The number of issues, impacts and other applicable factors involved in any scheme, no matter the size or location, is huge. A number of general themes can however be drawn out from which to conclude:

- In many cases disorganisation and disjointed national frameworks are mirrored by lack of coherent and sustainable links between centre, region and locality. This often hinders the organisation of restructuring processes.
- In a European context a picture can be painted of the apparently disparate and fragmented systems of local service provision that often exist with different aims, strategies and timescales. As such the key to integrated area restructuring can simply be putting the needs of the formally excluded at the heart of local regeneration using the knowledge, experiences and memories of citizens as an active and influential resource. In short new styles of governance are required to deal with new political agendas and involving new partners.
- Attempts to cope with disjointed planning frameworks are increasingly being incorporated into urban policy at National, Regional and local levels across many parts of Europe. For example the UK Government's New

Deal for Communities scheme seeks to develop partnership structures between residents and officials whereas dedicated action-research in six localities undertaken for the Government on the co-ordination of area based initiatives has highlighted examples of schemes which are attempting to mesh together the hitherto disparate stands of Government regeneration policy through collaborative working in community planning, local strategic partnerships and neighbourhood management.

- The merging of economic and social objectives is paramount in restructuring projects. Too often the need to compete globally is prioritised and issues of social integration ignored. Programmes should be established that address issues of social exclusion and marginalisation as well as those which seek to attract further inward investment. As such the process of restructuring becomes just as important the product.
- A model of local governance partnership based on the UK's Local Strategic Partnerships idea (containing representatives from all public, private and voluntary sectors, and both communities of interest and identity) has the potential to harness the expertise and local knowledge from all the agencies or people who have an interest in the city.
- An inclusive city wide partnership should be able to develop a city-wide regeneration strategy. This is the best way of guaranteeing a far reaching, comprehensive and sustainable outcomes. However, local circumstances influence the pattern and effectiveness of local partnership working with power still effectively in the hands of the local governing authority.
- It is important that top-down and bottom-up approaches are coupled. The commitment to this synergy must come from the top and be integrated in all levels of policy making.
- The structuring of public private partnership should reflect the concerns of the governing authority but overall they should be fully accountable and transparent and actively involve as many stakeholder groups as possible. Clearly there are many benefits of public private partnerships. These include established a better system for procurement, where local authorities or partnership board can determine intended outcomes. Second, the long-term nature of most public private partnerships can be reinforced by establishing a commitment to the area and the residents. Third, the local authority can transfer the risk to those best able to handle it, the large private firms who are used to dealing with investment and venture. Finally, public private partnerships often introduce a payment against performance system, linking the investment and developer interest to the long term social, financial and environmental improvements in the area. This means that the private company cannot solely focus on the profit margin, but has to expand its horizons and oversee the restructuring to the end of implementation to guarantee the maximum returns.
- In whatever form organisation of the restructuring process occur there must be a long term commitment that can facilitate suitability through capacity building and committed action.