



**Economic and Social  
Council**

Distr.  
GENERAL

HBP/2000/3  
7 March 2000

ORIGINAL : ENGLISH

---

ECONOMIC COMMISSION FOR EUROPE

COMMITTEE ON HUMAN SETTLEMENTS

WORKSHOP AND STUDY TOUR ON PUBLIC-PRIVATE PARTNERSHIPS

Report prepared by Mr. Shostak, member of the ECE Housing and Urban Management Advisory Network, with the assistance of the secretariat

**Introduction**

1. The Workshop and study tour took place in Manchester (United Kingdom) on 5-6 November 1999. They were organized by the United Kingdom's Department of the Environment, Transport and the Regions and the Town and Country Planning Association in consultation with the ECE secretariat.
2. The Workshop formed part of the United Kingdom's contribution to World Town Planning Day. 30 participants from ten ECE countries attended: Armenia, Canada, Estonia, Georgia, Ireland, Kyrgyzstan, Netherlands, Republic of Moldova, Ukraine and United Kingdom.
3. The Workshop focused on:
  - Key factors for successful public and private partnerships to regenerate urban areas; and
  - The respective roles of the local planning authority, social housing developers, landlords, private commercial developers and private institutional investors.
4. Within the ECE region, partnerships between the public and the private sectors have become both a commonplace and necessary prerequisite for achieving the physical, economic and social objectives of urban regeneration.

Partnerships for urban regeneration have provided new and innovative ways of tackling the complex problems of urban decay, combining public policy instruments with private sector enterprise for mutual benefit. But the nature and foundation of partnership arrangements vary enormously. The Workshop sought to focus attention on those key factors, including the respective roles of the different agencies, which are necessary to enable public-private partnerships to succeed.

### Conclusions

5. The Workshop provided a valuable platform for direct face-to-face dialogue. This was crucial for building a shared understanding of the common problems confronting urban regeneration professionals. Workshop consultation also helped to identify potential solutions in different contexts. Participants agreed that open discussion provided a more valuable source of learning than the exchange of written reports.

6. The Country Housing Profiles prepared by ECE were a unique, exceptionally valuable mechanism for building a common understanding of the challenges of meeting the housing needs of ECE countries. The Profiles completed to date provided a strong foundation for developing national housing strategies, policy and practice involving both public and private sector institutions.

7. Public-private partnerships in north-west England were addressing urban regeneration challenges experienced throughout the ECE region. These problems included, for example:

- The task of rebuilding confidence in large multi-family housing estates which had deteriorated as a result of under-investment in maintenance and repairs over many years; the wholesale privatization of large housing estates in countries in transition might in fact exacerbate this problem;
- The need to attract substantial investment into established city centres to sustain successful urban regions; and
- The need to dovetail housing investment programmes with social and economic development programmes to rebuild vibrant urban communities.

8. Renewal programmes to overcome these challenges must take account of the different powers of national and local government organizations, and the capacity of the private sector in each country to play its part. However, these programmes shared common characteristics, for example:

- The significant contributions which social landlords could make to rebuilding urban communities;
- The effective leadership which public-private partnerships could provide; the value of providing socially balanced communities by providing for a mix of housing for rent and housing for sale in different price ranges;
- The primary importance of securing the cooperation of all key property owners in regeneration areas and, as a fall-back, the

public sector must have the power to "assemble" sites where problems arose;

- The essential need to draw physical (including housing), social and economic development initiatives into comprehensive regeneration programmes.

9. The content of the presentations, workshop sessions and study tours fell into four broad categories:

- (a) Ministerial input;
- (b) Country Housing Profiles promoted within the ECE;
- (c) Public-private partnerships; and
- (d) Social and economic initiatives that form part of urban regeneration initiatives.

#### **I. MINISTERIAL WELCOME**

10. Ms. Beverly Hughes, Member of Parliament and Parliamentary Under-Secretary at the Department of Transport, Environment and the Regions, welcomed the participants to the Workshop. In her overview, she emphasized the Government's commitment to the imaginative use of public-private partnerships. The "third way" featured widespread collaboration between the public and private sectors on social, economic and physical development. Investments to strengthen community capacity and create employment went hand in hand with housing and environmental improvement projects.

11. The Minister highlighted how the rebuilding of Manchester city centre following a bomb blast was immediately recognized as a national priority (see below). This was an excellent example of the success of partnership. Throughout the United Kingdom, the lessons of good practice were that partnerships could:

- Assemble a wide range of skills;
- Link together public and private resources;
- Increase the "ownership" of plans and projects; and
- Lead to a more "joined-up" approach to implementation.

#### **II. ECE PROGRAMMES**

12. Ms. Christina von Schweinichen (ECE secretariat) described the aim and scope of ECE work in housing and urban renewal. Four Country Housing Profiles had been carried out so far: in Bulgaria, Poland, Slovakia and Lithuania. A fifth was planned in Romania. Each profile had been prepared by an international expert team and provided a comprehensive review of the housing sector. The objectives were to:

- Assist central and local authorities in developing national competence in analysing their housing sector and in setting policy priorities;
- Assist in monitoring the implementation of profile recommendations;
- Promote the housing market and help national and international financial institutions and private investors to make investment decisions with regard to the housing sector; and

- Promote an international comparison of housing sectors and critical bottlenecks, problems and solutions.

13. An important and related element of the ECE work programme focused on urban renewal and housing modernization. Under the auspices of ECE, a task force was established to report on the urban renewal and housing modernization implementation strategies through four separate case studies. These summarized the plans, means of implementation and progress in each of the four cities. More recently the four case studies had been assessed.

14. The basic principle of the Country Housing Profiles and Urban Renewal and Housing Modernization Case Studies was that a country or city under analysis should see the project as an important input to the political discussion on the pace and direction of the housing sector's transition. The studies intended to provide useful and relevant information to aid the process of setting priorities and making investment decisions.

15. Based on his experience of working in the team of international experts, Mr. Nigel Armstrong (United Kingdom Housing Corporation) expressed the view that the ECE Country Housing Profile programme was a unique and extremely valuable international initiative. The programme provided for effective informal learning among practitioners.

16. The "helicopter overview" offered by the expert team provided a perspective which was (naturally) much broader than that which individual officials might possess. The Country Profiles offered far better value for money than similar studies prepared by the large multinational professional consulting firms. Under the auspices of the United Nations, experts were drawn from several countries, the profile programme was not seen "bilateral" aid; instead it represented groups of professionals sharing experience and understanding of common problems, and devising appropriate solutions.

17. There were, however, aspects of the programme which could work better:
- The Country Housing Profiles would be more effective if one organization was identified as the "host" for the visiting team. The host could then take responsibility for preparations in advance of the meetings. Ideally, this would include briefing papers, assembling key data sets, and scheduling meetings and visits;
  - Firm timetables for the preparation and completion of each profile should be set and "wrap-up" meetings programmed when the Profile was completed. Ideally, the process of completing the final drafts of the Profile report should be accelerated and follow-up meetings with key participants programmed;
  - It was recognized that these changes would increase the cost of each Profile, however, these improvements to the process would further increase the value of the Country Housing Profile programme.

### III. PUBLIC-PRIVATE PARTNERSHIPS

18. Mr. Vince Nadin, Professor at the University of the West of England, presented a framework for understanding public-private partnerships in urban developments throughout ECE. He defined a partnership as the mobilization of a coalition of interests drawn from more than one sector in order to prepare and oversee an agreed strategy, and/or take action on development in a particular area.

19. The main benefit of partnership working was that it created mutual benefits from drawing together the objectives of individual partners. The public sector became more entrepreneurial and the private sector became more socially responsible. Partnership working used public sector monies to leverage in private sector investment. He described different types of partnership working:

- Joint comprehensive redevelopment schemes;
- Municipal landownership making use of the increase in land value;
- Joint-venture companies;
- Legal agreements;
- Using public funds to leverage private investment; and
- Promoting partnership through competitive bidding and grant regimes.

20. Mr. Lee Shostak, member of the ECE Housing and Urban Management Advisory Network and private consultant, analysed how public-private partnerships could best develop successful mixed-use projects. In this presentation, he drew from the findings of the best practice guide, Making Mixed Use Happen, prepared for English Partnerships, the Government's urban regeneration agency for England. In the United Kingdom, the value of promoting mixed-use developments had now been recognized for creating sustainable urban environments. These schemes integrated social and owner-occupied housing with a range of retail, leisure, commercial, and workshop premises, as well as community facilities.

21. This reduced the need to travel by private car by making it possible for many daily needs to be met in one location. Mixed-use projects were more likely to "create a sense of place" and generated a "feeling of community" than mono-use projects.

22. The promoter played a lead role in driving major comprehensive new development and regeneration schemes. Promoters were often government organizations or public-private partnerships. By contrast, private sector developers secured the capital to construct individual projects as part of a comprehensive scheme; they took most of the risk. There were five stages in the process of realizing a major mixed-use development project:

- Concept and definition;
- Scheme scope and site appraisal;
- Outline plan;
- Preliminary developer and finance commitments; and
- Scheme implementation.

#### **IV. STUDY TOURS**

23. The presentations outlined above were complemented by three study tours of major urban development projects which were successfully undertaken by public-private partnerships.

##### **A. Hulme Urban Village**

24. The study tour of Hulme Urban Village illustrated how public investment attracted private developers to undertake the key components of a programme to rebuild a community. The promoter of the project was Hulme Regeneration Ltd., a partnership between Manchester City Council, local groups and private sector organizations. The initial five-year action plan had set out the following strategic objectives:

- Strengthen the local economic base;
- Improve access for local people to jobs;
- Improve the condition of the housing stock and widen choices of housing tenure;
- Improve the quality of the physical environment; and
- Sustain and develop community organizations.

25. During the first five years, almost £200 million of investment from the public and private sectors had been attracted into Hulme. This had already led to the replacement of nearly 3,000 obsolete, deck access homes and the construction of over 2,200 modern, attractive homes for rent and sale. Over 1,000 residents had learned new skills and unemployment had reduced substantially. There were now 60 new community facilities, an innovative primary health care facility, and a new shopping centre.

26. The three key 'good practice' lessons that could be drawn from Hulme were:

- A comprehensive (physical, economic, social) investment programme was required to lay the foundations for sustainable regeneration;
- Local residents must be actively involved in the redevelopment programme to create a community where people wanted to live, work and invest; and
- Public-private partnerships were the most effective mechanism for implementing a comprehensive approach which actively involved local residents.

##### **B. Manchester City Centre**

27. The study tour of Manchester City Centre redevelopment showed how the City Council worked actively with the private business community and central Government to rebuild the commercial areas devastated by a terrorist bomb. The promoter of the entire programme was a public-private partnership, the Manchester Millennium Task Force; private companies had developed each of the individual projects. The redevelopment programme included:

- Redesigning and rebuilding the retail core;
- The meticulous repair and upgrading of historic buildings;

- A new leisure and entertainment centre; and
- The provision of a new, high-quality pedestrian-friendly environment throughout the city centre.

28. This successful, mixed-use, redevelopment project (with a value of over £500 million) demonstrated the results of the public-private task force established as a result of the visionary civic leadership by the elected city councillors and their executive team. The Mayor of Manchester brought the partnership to life for workshop participants by hosting a reception at the Town Hall.

### **C. Runcorn New Town**

29. Runcorn had been designated a New Town in 1964. Unlike most of the earlier New Towns, the designated area included an existing town. The creation of the new town centre - Shopping City (now renamed Halton Lea) - some distance from the original centre had caused some serious problems. These were now being addressed by the Council through the Single Regeneration Budget Programme and by the owners of Halton Lea, where there was a significant ongoing re-investment programme.

30. Transport in the New Town was based on a large 'figure of eight' expressway and on the Busway - 90% of the residents in the New Town area lived within a few minutes' walk of a bus stop. The Busway provided a unique opportunity for investment in public transport infrastructure and through the Local Transport Plan significant phased investment was being made to revitalize the system.

31. Of the total housing stock in the Borough, about 32% (16,000 homes) were located in the New Town. There was a range and mix of housing in the New Town with very significant public sector investment. In Castlefields Ward, for example, approximately 60% of the over 2,000 houses were owned by a registered social landlord.

32. The original plans for the New Town had envisaged an integrated town with a population of about 70,000 by 1981. In fact, the population of the whole of Runcorn had reached only about 65,000. One of the problems associated with the reduced population and with demographic change had been the effect on school places. In Halton, but particularly in Runcorn, there were a significant number of surplus places at both primary and secondary schools, which the Council was having to address. Subject to resources, the necessary reduction in capacity in the Borough's schools should be achieved by 2002. The targets should be met by a reduction in the capacity of individual schools, by the closure of some buildings, by the amalgamation of schools and by the closure of the Norton Priory High School. This process was the subject of extensive and continuing consultation.

33. The New Town of Runcorn provided a good example of the process of change which had taken place over the past 30 years, of positive regeneration and of the need to continue with a programme of action.

**V. SOCIAL AND ECONOMIC INITIATIVES AS PART OF URBAN REGENERATION**

34. Mr. Mike Shields, Chief Executive of the North West Regional Development Agency, provided an overview of the opportunities, problems and solutions facing the north-west. He described how partners in the private, public and voluntary sectors had worked together to formulate an integrated regional economic strategy for the north-west. The vision of all partners was to create a region which: attracted and retained the skilled and talented; brought everyone into the mainstream of community life; nurtured its environment, heritage and culture; kindled creativity, innovation and competitiveness; transformed its image; strengthened its infrastructure; and was naturally on the shortlist for new investment.

35. The strategy to achieve this vision was organized in four related themes: investing in business and ideas; investing in people and communities; investing in infrastructure; and investing in image and environment.

36. This provided the framework for an action plan which integrated physical, social and economic investment projects. The plans of the North West Regional Development Agency reflected best practice in the United Kingdom. They featured the need to link investment in job creation and training with investment in housing, infrastructure and the environment. The economic and social impact of such combined investment programmes was far greater than those of individual investment schemes.

37. Mr. David Miller (Consultant) illustrated the importance of local economic development initiatives by summarizing his experience with a Polish-British enterprise project. Over five years, the project had supported the development of small and medium-sized enterprises and the economic transformation of the Lubelskie and Podlaskie regions of eastern Poland. In addition to establishing two regional development agencies, the project had been responsible for the creation of two loan-guarantee funds which had provided funding to over 600 projects. Two equity investment funds had invested over \$3 million in 20 small businesses, 11 managed workspace projects had been undertaken and almost 20,000 people had been trained. This was an excellent example of how a Government-led initiative could harness very substantial private investment in local economic regeneration.

**CONCLUDING REMARKS**

38. Mr. John Zetter (Department of the Environment, Regions and Transport), Chairman, summarized the discussions, which provided a valuable insight into the practical ways that the public and private sectors had come together in north-west England. The most effective partnerships involved local communities in training, job creation, and housing and environmental improvements. He thanked delegates for attending the Workshop and the organizers for the excellent preparations. He also praised all those who had been actively involved in making the Workshop such a successful event.