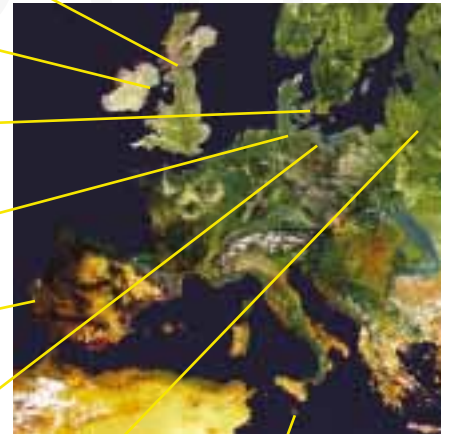


# Regenerating neighbourhoods in partnership

– learning from emergent practices



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## 1. Introduction

*This report addresses new ways of regenerating deprived urban neighbourhoods in European cities. How can we make these better places to live and work in? We present here – in summary form – practical solutions developed by over 50 practitioners, policy makers and researchers in the ENTRUST network of eight European cities to the challenges faced by people working at the front line of urban regeneration.*

This report presents emerging experience and lessons that are deeply rooted in a variety of different national and local traditions of urban regeneration. At the same time it demonstrates the ways in which the participating cities have come to draw on each other's experiences in devising urban strategies. In doing so, they also attempt to develop new approaches which are more comprehensive, integrated and agency-oriented. These new patterns of regeneration are therefore increasingly informed by cross-national transfers of knowledge and mutual learning. This exchange was enabled and furthered by the ENTRUST network.

ENTRUST (Empowering Neighbourhoods through Recourse and Synergies with Trade) is a European network of over 50 practitioners, policy-makers and researchers in eight European cities – Berlin, Copenhagen, Dublin, Glasgow, Hamburg, Lisbon, Valetta and Vilnius. It is supported by the European Commission under the Fifth Framework RTD Programme/Key Action 4 'City of Tomorrow and Cultural Heritage'. The network of city teams was generated by *Byfornyelse Danmark* on request of the City of Copenhagen and Integrated Area Planning in Dublin. ENTRUST followed up and extended previous steps of cooperation in INTERREG IIC (*Integrated Urban Planning and Management, 1998-2001*).

ENTRUST was launched in 2002. A major focus of the network was to involve partnerships in, and for the betterment of deprived neighbourhoods whilst producing and making use of the transnational knowledge base. Its main aims are raising awareness of, and facilitating new approaches to urban regeneration.

In this report we begin by briefly outlining the context of the Entrust project (Section 2). This is followed by the identification of the key objectives of the thematic network (Section 3) and an explanation of the methodological principles and practices that guided our work (section 4). Next we present case summaries from the eight participating cities (Section 5). These are intended to give the reader a sense of the scope and breadth of the regeneration work that is going on across Europe. The learning from cross-city visits was distilled further into four key thematic areas, which are briefly described in Section 6. In Section 7 we present a set of guidelines for practitioners seeking to develop partnerships with the private sector in the context of urban regeneration. Section 8 contains a set of key recommendations that are directed at policy-makers, from local to EU-level, and is followed by a brief conclusion. Section 9 contains information on the project participants and their institutions. Detailed docu-



mentation on the methodology, processes and results which are presented here in summary form can be accessed through our website at: [www.ensure.org/entrust](http://www.ensure.org/entrust).

Urban regeneration policies are diverse and embrace a variety of concerns. That is why the report is directed towards a number of target groups. We want to address professionals and policy-makers, who may be aware of the problem but not necessarily the solutions available:

- on the European level, Regional Policy DG (with a view to the monitoring of cohesion and to mainstreaming regional/urban funding) but also Research DG and other relevant DGs;
- national ministries for urban affairs and for social and economic affairs, with a view to the development of respective national policies;
- policy makers and local administrations for urban development, but also for economic and social development with a view to practical implementation;
- third sector or community action groups in the neighbourhoods with a view to their central role for urban regeneration
- private enterprises in the neighbourhoods with a view to their potential role for urban regeneration.

The report sums up the results of two and a half years' intensive exchange and writing up. During this time, all participants shared valuable insights. They documented case studies, distilled thematic evidence and drew lessons from their respective cases. In doing so, ENTRUST members moved towards generating more general lessons for policy makers and practitioners.



## 2. Context: The European urban regeneration experience – challenges past and present

*Urban regeneration is neither new nor unknown to European cities. It has been part of them over the centuries. Hence the themes and task of ENTRUST must be seen in the context of urban regeneration since the late 19th century, thus putting current trends towards partnership led regeneration in a historical perspective.*

European urbanisation as we know it today was triggered off by market force led industrialisation. The emerging labour and housing markets in the 19th century changed and shaped urban development in Europe. Where unfettered market forces failed, uneven development became particularly marked and gave rise to urban planning. Early examples of urban renewal and regeneration responded to such market failures.

During the second half of the 20th century, and particularly after the Second World War, Europe, urban planning for transportation, housing, and social services became identified with the institutional 'cores' of regeneration policy. Redistributive social state traditions mellowed uneven development within the cities. However, redistributive state policies created different types of problems and inequalities in the urban realm: bad provision of services and mismanagement became apparent. The price of compensating for the shortcomings of the markets appeared to become the deficiencies in the state provision and management of services – in short, state failure.

Currently, we witness the development of 'twin track' cities, where some urban neighbourhoods either develop at a much slower pace than others or not at all, taking a different path of development altogether. Some neighbourhoods are particularly threatened as they begin to lose touch with the city as a whole. Here, the threats of economic and social exclusion loom large. The massive effects of globalisation, deindustrialisation and increasing cultural diversity in the city as well as downgrading public spending and restructuring of the welfare state are particularly felt; they contribute to the 'downward spirals' of these neighbourhoods. This applies in particular to formerly mixed use inner-city neighbourhoods, but also to large housing estates.

In these deprived neighbourhoods, urban regeneration becomes fundamentally a response to the problems of poverty and social exclusion. New neighbourhood based policies emerged to tackle their problems. They are geared to compensate for both market and state failure, making the best use of civil society/private actors as well as public organisations and instruments of urban regeneration. The term local partnerships becomes the epitome of such a new approach – which is what ENTRUST is about.



In the future, such new approaches to regeneration will become ever more important. They are beginning to bring down some of the previous barriers between different sectors of policy, state and the economy, as well as the barriers between different actors in regeneration. New policies are emerging specific for neighbourhoods, for their cities and in response to how respective countries will deal with uneven development. However, social and economic exclusion becomes a multilevel issue: not just on the local level, but also for a more partnership-led regeneration process at regional, national and international levels, including the European Union. That is why transnational learning is important.

Consequently, those undertaking regeneration today set themselves a difficult, double task: to change both neighbourhoods and policies. This requires new forms of governance – partnership led regeneration that manages to avoid the shortcomings, traps and deficiencies involved in onesided market or state approaches.



### 3. Objectives: What ENTRUST wanted to achieve

*The ENTRUST network looked at two fields of inquiry: firstly, preconditions required for building local partnerships; secondly, good practice in promoting and sustaining them.*

In ENTRUST, our main objectives were twofold:

- to assemble knowledge about the state of art in urban regeneration in Europe,
- to identify successful principles and approaches in promoting and sustaining local partnerships which could form the base and sustain guidelines for practitioners as well as policy recommendations.

Our research focussed on local partnerships between state, business and residents under two aspects: (a) preconditions and (b) good practice.

#### **Preconditions for local partnerships:**

In terms of the preconditions required for local partnership building we looked at the social, economic and institutional fabric of the study neighbourhoods. Across the case studies, the profiles of local problems and the policy solutions varied tremendously. This meant that a simple transfer of knowledge and good practice from one case to another was not feasible. For example, the long-standing tradition of cooperative housing and collaborative approaches to housing improvements in northern cities and welfare states are at variance with the more individualistic approaches in the southern member states. In the very specific situation of a transforming city like Vilnius such models should and could not be employed easily.

Observations like these led us to a deeper analysis of the local circumstances, traditions and policies. Throughout the cases, we could show that in all the cities partnership based models exist in one way or another, but the meaning of partnership varies. It depends on local interpretation and administrative culture – it can refer to a rather formal arrangement to coordinate various agencies (as in the case of the Glasgow Alliance) or a more spontaneous experimental one-off activity (as in the case of the neighbourhood fund in Berlin).

#### **Good practice in urban regeneration:**

On the basis of a deeper understanding of the environment in which local partnerships work, we looked at successful urban development projects in the cities and identified innovative and successful urban regeneration tools. Our main focus was on the mechanisms of involving and coordinating public, private and civic engagement in the neighbourhoods.

When looking out for public private partnerships in particular, it became apparent that in all cities the public sector is still playing a dominant role not only in setting the



agenda but also in implementing the projects and is thus securing important preconditions for partnership building. However, it has to be understood that the public sector is not a homogeneous body but a largely fragmented system; often it is only in the new integrated approaches of regeneration that public sector departments appear to develop joint area-based cooperation.

## 4. Methodology and work process: how ENTRUST worked



*The methodology of a thematic network has to take into account expectations both of the participants and of external European audiences. Employing appropriate investigation principles necessarily involves a complex work process, which can nonetheless result in a structured system of products.*

### **Transnational learning in EU networks**

A tension exists within any team composed of practitioners and researchers working on the analysis of urban human services: between the interest of the involved actors in the improvement of their own practice interventions (an 'insider' interest), and in the transfer of innovation in policy and practice (an 'outsider' interest). This corresponds to a similar tension in differences in knowledge interest: solving problems in individual cases ('particularisation') or providing broadly applicable lessons ('generalisation'). These two expectations become compounded in their complexity when situated in the trans-national context of an EU thematic network. European networking programs have proved valuable for the participants and organisations involved, but the pay-off for broader learning communities has often been modest. In order to increase the effectiveness of trans-national programs in human services and urban policies, networks need to go beyond recognising 'insider' interests (in promoting transnational learning within a team of actors from different member states) and to place a stronger emphasis on the 'outsider' interests (generating transferable knowledge and products that can be disseminated out of such learning).

This involves targeting messages at a number of levels: at the level of urban governance (legislation/policies); at the organisational – including city administrations and their departments, as well as enterprises (cultures/values); and at the level of the professional culture of the relevant practitioners (practices / skills).

### **Four elements of investigative methodology**

In ENTRUST, as a network of teamed up practitioners and researchers, we wanted to fully exploit the potential of presence and reciprocity in cross-cultural communication. Our methodology had to enable us to do this in our investigations. Hence ENTRUST employed qualitative, communicative, participatory and iterative practices. We employed these elements of methodology in an emergent rather than predetermined manner, seeking to compose the appropriate investigation design through exploration instead of programming. The following elaborates these four investigative practices:

*Qualitative:* A qualitative investigation methodology was appropriate in the circumstances of the ENTRUST cities, taking into account the nature of the empirical data, most of which is:



- subjective and cannot be understood independently of the perspective and interest of the actor or interest group from whose position they are perceived,
- contextual and cannot be abstracted from locational relevance, and
- narratives (stories of processes) which cannot be reduced to taxonomies.

This does not belittle the role of quantitative data in supporting qualitative information, and of course the case studies draw on a variety of quantitative data in communicating their messages. There was, though, no attempt to collect comparative statistical data across the city cases.

*Communicative:* The investigation approach recognised that a central technique of data collection is a process of communication and dialogue, in which the boundaries between 'raw data' and 'interpretation' are blurred. Key tools employed in the network were meetings and site visits which maximised individual and group interaction. A dialogical approach negated traditional role division of researcher and research object, instead stressing reciprocal learning. This involved not merely the management and facilitation of group interaction settings, it also required appropriate forms of recording and processing the discussions, even if the resulting products remained 'intermediate' results not appropriate for external dissemination.

*Iterative:* The methodology acknowledged the importance of iterative processes. The route from particular, contextual learning to the transferable message has not been a straight line. The requirement of a communicative approach involves messages going 'back and forth'. Knowledge generation has not been a single, unidirectional step, but rather a process which involves an interplay between the unique and the general. Case study data generated initial thematic categories, which were then referred back to the empirical evidence and refined in a recurrent procedure employing a variety of different techniques.

*Participatory:* The methodology recognised that the 'network' organisational form had to secure acceptance and motivation among members of the partnership. This was achieved by employing an approach in which key themes and investigation issues were developed jointly and 'owned' by the participants instead of being predetermined by a project coordinator shaping both research questions and investigation method in advance and independently of the network partners. Fundamentally, the principle of participation negates the possibility of a research 'design' and requires an open-ended process.

It is precisely this approach based on the simultaneous interaction of the four practices as described above that has enabled the network to work in mixed teams of practitioners and researchers. These practices allowed at the same time to retain 'particular' relevance for the practitioners and to reach 'general' lessons for researchers. Whereas such a method requires the partners of the network to accept living with indeterminacy and learn to tackle it, it is the common objectives, mutual

confidence and shared values that drive the process further instead of precise pre-determined plans.

### **The methodology in practice: the ENTRUST work process**

The ENTRUST process provides an illustration of these principles. The work process involved the following steps, which were not pre-programmed but emerged through the process itself.



**Field visits and reports.** The work of the network began with an intensive series of cross-visits, with members of each of the participating cities meeting in all eight cities for a case study visit in the period to November 2002. Without defining the research questions in advance, each city team documented their perceptions of and insights into the case study neighbourhoods. These cross-visit reports generated some 50 brief texts.

**Defining and agreeing on research issues.** During the final city cross-visit (Valletta, November 2002); the network members worked in cross-city groups to derive common research issues from the cross-visits, and to decide on priorities among the research issues.

**Identifying interests for bilateral learning.** At the subsequent meeting (Lisbon, January 2003) we returned to the subjective interests of the city teams, supplementing decontextualised issues with situated knowledge interests. This was intended as a way of operationalising what network members had earlier proposed as a 'twinning' work process, in which bilateral exchanges were to be strengthened.

**Writing one's own case study.** From the beginning, there had been a consensus that a major element of the empirical evidence for the ENTRUST project would be the case studies of neighbourhood renewal in each of the participating cities. These texts had been begun at different times in different cities, but we had not decided on form the text should take until the meeting in January 2003. It was agreed that the case study was to be written as a narrative, without a prescribed format.

**Reviewing others' case studies.** At the next meeting in Dublin (May 2003) the case studies were presented not by the authors of the texts but by reviewers from other ENTRUST cities. This review process reinforced a bilateral dialogue and stressed to participants the creative potential of subjective interpretation.

**Agreeing on thematic focuses.** At the same meeting, the group discussed, developed and agreed four cross cutting themes:

- aims of regeneration
- involving the private sector
- community participation
- mainstreaming and anchoring

Four editorial teams (two people in each, with all cities represented), backed up by cross-city teams, were set up to draft a paper on each of the themes. Writing thematic analyses. This process had two stages. First of all, the editors of the thematic papers collated data and analytical interpretations from the experience of each city. From the material collected the editors derived the key messages, supported by empirical evidence. The first drafts of these thematic papers were presented and discussed in Brussels in July 2003, and presented in final form in Berlin in September 2003.

Assembling recommendations and guidelines. In Glasgow in December 2003, the members of the cross-city teams met to sort through the recommendations contained in the thematic papers, to select those concerned with policy and those concerned with practice, and to determine priorities in the messages chosen. The results of the process were reworked by editors into final texts.

Communicating final products. The summary report, policy recommendations and practitioner guidelines were drafted by the responsible editors; presented in draft form at the final network meeting in Vilnius in April 2004; and, following incorporation of feedback, completed for publication and presentation at the final public conference in Hamburg in June 2004.

#### **Key documentary products: what we recorded**

During ENTRUST's two and a half years, the process was un-programmed, meandering, even 'messy'. This was a consequence of the methodological approach: qualitative investigation instruments have to mould themselves to their objects; communicative methods may only be semi-structured if they are to promote creative interaction; iterative principles involve – by definition – returning to the same object or issue again, but with wiser eyes; and finally, taking participatory values seriously means decisions will be reconsidered and changes made to a project 'design' in mid-course.

Nonetheless, the principal documentary products generated by the ENTRUST work process exhibit a linearity which give the appearance of clear and direct route:

*Stage one:* 56 cross-visit reports. We made on-site analyses of the practices in the neighbourhoods of the partners

*Stage two:* 8 case studies. We looked at the empirical evidence of the partners' cases in each of the eight participating cities

*Stage three:* 4 thematic analyses. We identified and explored key themes as thematic evidence on a comparative basis;

*Stage four:* 2 recommendations/guidelines. We developed policy recommendations and guidelines for practitioners in urban regeneration.

The stages are a development of each other, but follow a different logic. The first stage stresses the subjectivity of experience, collecting perceptions of cases 'from the outside'. The second stage has a vertical or 'longitudinal' logic; what mattered here were the individual cases and their history and context 'from the inside'. Not only documents, but also observation and communicative instruments are the elements of the evidence base. The third stage supported a horizontal or 'latitudinal' approach across the individual cases and their uniqueness by identifying common themes of more general interest. The fourth stage brought together key messages from the thematic analyses.

B



## The case studies

In this section the eight ENTRUST partners present their cases.

Each participating city first describes the general aspects of the city and its regeneration policies followed by an account of the case study area.

At the end of each section there are pointers towards good practice.

The full case-studies are available on the ENTRUST-website

[www.ensure.org/entrust](http://www.ensure.org/entrust)



## Wrangelkiez, Boxhagener Platz, Ostkreuz

### KEY FACTS

#### Berlin

Population: 3.4 million

Unemployment: 17%

#### Wrangelkiez

Population: 12,331

Unemployment: 30%

Character: Multicultural flair, large Turkish community, alternative lifestyles

Challenges: Poverty and high unemployment, integration of immigrants

#### Boxhagener Platz

Population: 19,359

Unemployment: 22%

Character: Mix of housing and commerce, 'studentification', cultural activities

Challenges: High rate of shop vacancies, resident turnover, neglected public space

#### Ostkreuz

Population: 30,036

Unemployment: 16%

Character: Physically fragmented by railways and main roads, very heterogeneous building stock, seclusiveness

Challenges: High vacancies of shops and flats, economic stagnation

### General factors and dynamics of change

Since re-unification Berlin has experienced dramatic changes in its social and economic fabric. Deindustrialisation, suburbanisation of residents and retail, socio-economic polarisation and a major financial crisis of the public sector indicate the main recent challenges.

### Policy responses

In this situation, the city's urban regeneration policy has various targets. Physical improvement is needed in the inner city and in large-scale housing estates in the peripheral areas, but economic and social development has to be supported as well. Consequently, Berlin's approach to urban regeneration is based on a mix of instruments and aims at linking public and private actors. In the case study, we looked at the programme 'Socially Integrative City', a local programme backed by national and EU-co-funding. It is implemented in 17 neighbourhoods 'with special development need' (7% of Berlin's inhabitants; in addition, there is an URBAN II area following a similar approach). In these neighbourhoods, so-called 'Neighbourhood Managers' try to assist development based on three principles: mobilising inhabitants and businesses to take a stake in the area's development, coordinating various activities, and assisting/initiating respective projects.

The programme started in 1999 for an initial period of three years and has been extended until December 2006. In the period 1999-2003, public funds of approximately € 75 m have been spent on this programme up to now (excluding Urban II).

### The study neighbourhood: Wrangelkiez, Boxhagener Platz, Ostkreuz

The Berlin study area is the south-eastern part of Berlin's inner city and combines three sub-areas. It includes two neighbourhood management neighbourhoods and a neighbourhood funded by the EU Community Initiative Urban II. Because of its proximity to the Berlin Wall, large parts of the area provide a very unique and contrasting experience. The lively Wrangelkiez neighbourhood in Kreuzberg (former western part) is known for its multicultural life and a mix of (Turkish) migrants and alternative lifestyles, whereas the neighbourhood around Boxhagener Platz (former east) suffered particularly from vacancies and it was only recently, after successful renewal of the building stock, that people (in particular young adults and students) started moving here. The URBAN II area (Ostkreuz) is characterised by fragmentation and a differentiated physical and social structure.

### Key problems/challenges

Major problem in the research area are dereliction and vacant properties. Within the regeneration schemes, strategies against dereliction, based on temporary cultural and economic use, are playing an important role. With artists and cultural economies in formerly vacant premises, life is brought back to the side-streets, a positive image can be developed and local entrepreneurs can be supported.



A second major issue is the lack of a sense of community due to factors like high resident turnover, language problems, poverty and low self-esteem. One instrument of the programme targeted especially at community capacity building is the 'neighbourhood fund'. It provides a neighbourhood jury (51% randomly picked out of the residents' register) with a fixed budget (€ 500,000) and the responsibility for allocating the budget. The barrier for residents to apply for funds here is very low and the experiment turned out to be a success.

### **Progress**

Whilst these two examples illustrate the success of the Berlin approach, their limits reach have to be acknowledged. Although some self-sustaining processes have been started, many activities are still dependent on public funding. Even more, all attempts to stimulate a positive atmosphere are counteracted by the major cutbacks in the German welfare system, the consequences of which are experienced by a high number of residents in the respective neighbourhoods.

### **Future plans**

School and education will have high priority within the next phase of the neighbourhood work. In cooperation with the private economy, models will be tested to prepare school leavers for the demands of working life.

Based on the experience with the Neighbourhood Fund, and aiming at decentralised and citizen-oriented procedures, the Senate Department is developing a 'Framework Model' for an allocation committee, which is supposed to decide about the distribution of parts of the funding for a neighbourhood.

#### **Pointers towards good practice from Berlin**

- Neighbourhood fund (procedures for the implementation of an allocation committee)
- Cultural activities as incubator for economic development (Boxion: arts and culture enterprises in vacant shops in the area),
- Monitoring system (observation and evaluation system based on definite fields of action and strategic aims).



## Kongens Enghave

### KEY FACTS

#### Copenhagen

Population: 500,000

#### Kongens Enghave

Population: 15,000

Unemployment: 5.8 of population between 16-66 at the start of the programme.

People outside the job-market 27.7 % of population between 16-66.

43% of single person-households characterised as low income households.

*Character:* Early 20th Century residential neighbourhood encircled by main traffic arteries into Copenhagen, bordering harbour with former industrial area now converted into business district.

*Challenges:* Isolated from rest of city due to heavy traffic.

Monocultural housing stock with just one type/size of flats.

### General factors and change

Over the past ten years Copenhagen has moved from a declining to a growing city. Adding to other growth factors, building the bridge to Sweden has widened the Greater Copenhagen Area leading to increased investment and economic growth. However, a number of local neighbourhoods are still highly segregated and suffer multiple problems of both a physical and socio-economic nature.

### Policy responses

The city has over the past 20 years been developing regeneration methods - from traditional slum-clearance to a more integrated approach based on a time-limited multiple-stakeholder approach in a partnership with the municipality as the main stakeholder. The model is called Neighbourhood Regeneration or Kvarterløft. The aim is to improve the local neighbourhoods and to boost their development. The focus is not only on physical aspects but covers an integrated approach with social, economic and cultural mixing with physical interventions.

Another very strong aim is to involve local residents in the process thereby encouraging the local residents to take control and to continue the positive development of the neighbourhood. The local projects have a high degree of autonomy with local steering groups. Even though the process is initiated top-down, the approach is very much a bottom-up process where local working groups formulate the nature of the interventions. The work of these working groups then constitutes the 'kvarterplan' the local action plan.

Financially, the programme is based on a government grant which is cofinanced by the local municipality. The main part of the money is still tied to physical changes especially for housing. This is mainly because of the tradition in Denmark for a heavily subsidised housing renewal scheme.

### The study neighbourhood – Kongens Enghave

Kongens Enghave is located south west of the city centre. This neighbourhood had undergone social changes in the 70s and 80s. Because of de-industrialisation and suburbanisation from being attractive especially for families working in local industries, the neighbourhood with many small flats became less attractive and the neighbourhood experienced a social decline.

### Issues / Challenges

There are three major regeneration issues, which are also reflected in the visions for the neighbourhood.

- Traffic – the area suffers from heavy traffic which both reduces the quality of life in the neighbourhood and acts as a barrier against contact with the rest of the city. But it has also become synonymous with the bad image of the neighbourhood, something local residents wanted to change.



- Housing – a housing stock of many small apartments and 50% social housing has led to a population of mainly single person households with social problems.  
The neighbourhood has a high degree of social tolerance and is working actively to prevent gentrification.
- Employment – the neighbourhood has a low level of education compared with the rest of the city, and a large part of the population is without any connection to the labour market.

### Progress

Work started in 1997 and very soon became focussed on the three major issues. Initiatives include housing projects (larger flats and changes in allocation policies), traffic projects to make roads safer but also to create a political awareness of the problems that were caused by the main traffic arteries going into the city centre through the neighbourhood.

One of the major challenges is the local development on the harbour front with a number of new international companies and the plans for the development of a new housing neighbourhood with up to 5,000 new houses. The new companies require skilled staff such as engineers, salespeople etc. Therefore, there is a clear qualification gap between local unemployed residents with low skills and the demands of the new companies. Through the regeneration project has been to involve the new companies in the local development. This started off with a wish to create local jobs through the Green Jobhouse, but has also led to cooperation on traffic issues and on housing.

The kvarterløft project in Kongens Enghave ended in December 2003. Preliminary evaluations show a lot of positive changes in the neighbourhood – both physically and quality of life. But only future monitoring will show whether the programme has acted as the catalyst for the future development in the neighbourhood.

### Pointers towards good practice from Copenhagen

- Visions as the basis for partnership setting (vision conference in Kongens Enghave)
- Networks as a way of involving private business stakeholders (business networks in Nordvest, Holmbladsgade and Kongens Enghave)
- Programme design with clear time frame and bottom up approach (general programme design of kvarterløft)



## Dublin's inner city

### General factors and dynamics of change

Dublin – as the capital of a rapidly growing economy – belongs to the few cities we looked at which are currently experiencing economic growth. However there are areas characterised by deprivation and social exclusion in the inner city that have been targeted for regeneration through Integrated Area Plans.

### Policy responses

By the early 1980s, it was recognised that the city centre's neighbourhoods were in need of regeneration. The Urban Renewal Act of 1986 made available a package of tax-based incentives to developers, investors and homeowners and was designed to promote private investment in designated inner city areas through refurbishment or new developments. This scheme led to 10,000 new private apartments in the inner city precincts – primarily occupied by young professional people.

In 1998 a new urban renewal scheme which tried to target some of the issues that the 1986 Act had failed to tackle. These included social, cultural and economic issues which affected the local communities such as unemployment, education etc. The Integrated Area Plans (IAP) was developed for parts of urban areas in most need of physical and socioeconomic rejuvenation. The IAPs are envisioned as dynamic and fluid, revolving around partnership agreements focused on specific themes. A project manager, supported by a multidisciplinary project team, runs each IAP. For each IAP, there is a local Monitoring Committee with representatives from local community, business community, public representatives etc. The IAPs were formulated on a statutory basis incorporating finance and support at both National and Municipal level. Each IAP operates within the framework of the City Development Plan.

Publicly funded projects mostly come from National Government, City Council and some low level EU funding. Additional funding comes from the Community Gain clause, which requires developers to pay a levy for every private residential units and commercial space as designated sites. A key element of Dublin's urban regeneration was the tax incentives scheme, which made provision for developers gain in return for developing derelict or underutilised sites. These tax incentives will end in July 2006.

### The study neighbourhood: Dublin's inner city

The Inner City of Dublin was subdivided into targeted IAP neighbourhoods where social and economic deprivation was dominant. These neighbourhoods are South Inner city (Liberties Coombe IAP/Kilmainham Inchicore IAP) and North Inner City (NEIC IAP and HARP IAP).

These neighbourhoods have been characterised by large concentrations of social housing with high incidence of unemployment, early school leaving and lack of community facilities, large-scale derelict or disused sites, absence of private investment and poor public domain environment.

To this end, the plans set out key policies and projects to be pursued on a partnership basis and these include economic renewal, education, housing, community development and the physical environment. The IAPs adopted a formal and statutory policy of public consultation and involvement of the community, who were responsible for signing off on the plans.

### Progress

The Inner City population in these 4 neighbourhoods has increased by 20% since 1996 (to 2002).

*Liberties Coombe:* Over €500m of private and €100m of public investment has been injected into the physical and social infrastructure of the neighbourhood. The main achievements are St. Catherine's Sports and Community Centre, which is an integrated

#### KEY FACTS

##### Dublin City

Population: 495,781

Unemployment: 6%

##### Kilmainham/Inchicore

Population: 9,000

Unemployment: 5.6%

Character: Rich military and industrial heritage/post industrialisation decline of rail works/manufacturing.

Challenge: Economic and social regeneration of neighbourhood in decline

##### Liberties Coombe

Population: 19,135

Unemployment: 25%

Character: Historic neighbourhood lapsed into dereliction

Challenge: Housing, Employment, Education

##### HARP

Population: 8,000

Unemployment: 14.9%

Character: Historic architecture

Challenge: Historic Renewal, Employment

##### NEIC

Population: 5,000

Unemployment: 15%

Character: Dense social housing

Challenge: Education, Employment, Private Sector

housing and training facility (Foyer Project), demolition and proposed rebuilding of Fatima Mansions housing project, clustering of digital investment through the Digital Hub area, and delivery of childcare and play facilities.

*HARP:* Over €1 billion of private investment, €45m of public funding and €8m of EU funding (Urban & Village) has been invested in programmes in this area since 1998. The main achievements were the public domain Smithfield and Integrated Inter-Agency employment and training programme, which resulted in significant local employment in the various community projects.

*NEIC:* Over €250m private and €130 m public funding has been invested in the physical, social and economic regeneration in Social Housing Flats demolished and own-door units rebuilt, Liberty Corner Arts and Enterprise Centre, childcare and play facilities delivered.

*Kilmainham/Inchicore:* IAP tax designated development for residential/retail uses now progressing to planning and construction stage from which community gain will accrue. New Private development activity has intensified and the neighbourhood is experiencing change. First phase of St. Michael's regeneration completed with €25m investment in new social housing and community facilities with demolition of vacant flat blocks imminent. A further €20m has been spent on renewal of public housing projects in the neighbourhood, Village improvement scheme, paving/lighting/ parking completed cost €1.5m. Luas light rail system operational through neighbourhood in mid 2004.

### **Future plans**

Recently, the government has established, in Dublin City, the City Development Board (CDB), which has produced a 10-year city community plan, called 'City of Possibilities' which emphasises on the 'value based' regeneration of neighbourhoods. The CDB comprises a partnership model of city wide level incorporating community, business, political and multi-agency representatives engaged in a collaborative approach to the problems and solutions of the city. The CDB is co-ordinating and monitoring mechanism for Social Inclusion measures with a neighbourhood based approach through the Social Inclusion Task Force.

#### *IAP Plans for the future:*

Implementing the units at the Fatima Mansions Project, an initiative called the 'Markets Framework Plan' incorporating redevelopment of the Historic Markets Area, which is now in the consultation process. The NEIC area is developing a Multi-Agency Civic Centre.

#### *Kilmainham Inchicore:*

A framework plan is being finalized for the next phase of redevelopment of St. Michaels under a public/private partnership initiative with expected investment value of €180m which will bring about new mixed housing, civic/commercial/ social community uses and significant environmental amenity. A new urban district will emerge at Heuston under a €600m public-private partnership development for high density mixed housing/commercial/cultural/education uses including children's science museum.



### **Pointers towards good practice from Dublin**

- Attracting the private sector through the provision of tax incentives(e.g. Smithfield Neighbourhood Development Plan.
- The inclusion of a community gain clause in developer contracts ensures that communities benefit when private developers engage in urban regeneration
- Embedding the integrated, partnership approach at neighbourhood level with in a wider city vision.



## Gorbals

### KEY FACTS

#### Glasgow

Population: 577,900

Unemployment: 10%

#### Gorbals

Population: 8,300

Unemployment: 19%

Character: Inner city, 3rd generation integrated regeneration; mixed function, strong community identity, growing local business base.

Challenge: increase employment rate among residents, housing development, training and skills development for residents

### General factors and dynamics of change

Since 1945, Glasgow experienced very significant economic restructuring and (planned) population deconcentration. From being one of the world's leading industrial centres, specialising in heavy engineering (shipbuilding, locomotives) and related supply industries, Glasgow saw decline in its population – from 1.2 million in 1953 to fewer than 600,000 in 2001 – and in its manufacturing base. The post war period saw modernist-inspired housing developments both within the city's 19th century tenemental industrial districts [eg Gorbals via the Comprehensive Development Areas (CDA) programme] and the development of high rise and medium density housing areas at the edges of the city. The city's economy saw particular decline over the 1980s as the manufacturing base collapsed. However, since the mid-1990s, Glasgow has grown faster than the Scottish economy with very rapid service sector growth; in 2003 25% of the working age population work in finance and business services.

Glasgow is a European example par excellence of regeneration against a backdrop of severe structural economic and demographic change. The legacy of this is evident across the city with 40% of the city population resident in neighbourhoods of multiple deprivation.

### Policy responses

Gorbals is an example of an inner neighbourhood, originally developed as a high density tenemental, heavy industrial community in the 19th century, that has been subject to (unsuccessful) comprehensive development-type, housing-led renewal in the 1970s and 1980s. More recently (1990s onwards) a broadly, integrated approach to regeneration has been developed that focuses on housing renewal, including private investment for housing and SME industrial space, development of the neighbourhood's social capital and assistance to residents to access education, training and jobs – both within Gorbals and, increasingly, in Glasgow's thriving and adjacent city centre.

Regeneration has developed in Glasgow over the past 50 years from public health-inspired slum-clearance to a more integrated approach based on both local and city-wide partnerships that focus on the economic development of the neighbourhoods. Some neighbourhoods, like Gorbals, are now in their 3rd generation of regeneration.

Regeneration in Glasgow is now based on partnership models at both the city-wide and neighbourhood levels that draw together major stakeholders involved in economic and social development, housing and community capacity building.

### The study neighbourhood: Gorbals

The first regeneration of the Gorbals took place in the 1950s with slum-clearances and the second was the 'comprehensive development' in the 1960s and the building of new housing blocks which were to prove unfit for the wet Scottish climate. Following



a prolonged campaign by the local community against the unacceptable housing conditions, the last of the damp housing blocks was demolished in 1993. As a result of these unsuccessful interventions, by 1991, the Gorbals was one of the most deprived neighbourhoods in Glasgow with only 9,700 residents, of which 80% fell into Scotland's most deprived 10%.

### **Progress**

In the 1990s, Glasgow District Council and Glasgow Development Agency (GDA - now SE Glasgow), with the support of Scottish Homes (the national housing agency), created a vision for the neighbourhood's redevelopment. This was based on mixed tenure (i.e. privately owned and social rented housing); high quality housing served by a range of local shops, public services and leisure facilities. A masterplan for the Gorbals was developed as a part of the Crown Street Regeneration Project. Gorbals Initiative was established, to allow the local authority and the GDA to devolve economic development services to a local level and allow innovative responses to local issues.

The regeneration of the Gorbals is led by four key local organisations:

- Gorbals Initiative, leading on social and economic regeneration
- New Gorbals Housing Association, leading on social housing
- The Crown Street Regeneration Project, leading on the overall physical regeneration and interactions with private house builders
- (since 1999) Gorbals Social Inclusion Partnership (SIP) leading on community capacity building.

All of the above work closely with the local community, have resident representatives on their boards, and most have cross representation on their respective Boards of Management.

The regeneration of the Gorbals, although not fully completed yet, has been a success. The OECD has commented:

*Glasgow has been remarkably successful at urban renewal and revitalisation, particularly at a neighbourhood level. The changes which have taken place in the Govan and Gorbals neighbourhoods for example, neighbourhoods which in the past were extreme examples of social and economic deprivation and physical degradation but which offer some of the most positive and optimistic best practice examples of urban regeneration today.*

#### **Pointers towards good practice from Glasgow**

- The partnership model for regeneration tying the city level to the local level (e.g. LDCs & SIPs)
- Attracting significant private sector investment into mixed tenure, quality housing (e.g. Crown Street Regeneration Project)
- Devolution of flexible & integrated economic development delivery to the local level, close to the point of demand (e.g. Gorbals Initiative)



## Karolinenviertel/St. Pauli

### KEY FACTS

#### Hamburg

Population: 1,712,413

Unemployment: 7.3%

#### St. Pauli

Population: 26,776

Unemployment: 11.5%

#### Karolinenviertel

Population: c. 6.000

### General factors and dynamics of change

The world-wide socio-economic structural change did not pass by the City of Hamburg which is Germany's second largest city with over 1.7 m inhabitants and has a metropolitan region of more than three million. The manufacturing basis of the city (e.g. shipbuilding) had to be transformed to a service-orientated economy. The side effects of this development cumulated eg in the district of St. Pauli where many inhabitants don't fulfil the requirements of the changing labour-market.

In addition to these general processes of change, the suburbanisation of middle-class households and the migration of companies to competing neighbouring Bundesländer and low-wage or low-tax countries have put the public budget under severe pressure.

### Policy responses

As a reaction to these processes of change the City of Hamburg decided to grow and to strengthen its role as a metropolis in Northern-Europe. The future prospects of the city refer mainly to economic aspects but also to education, environmental and social affairs as well. Housing is important, with the aspects of saving resources, creating attractive accommodation for families returning to the city as well as for students and young seniors. Unexploited derelict areas in the harbour and former military areas are currently converted into potential areas for future economic and socio-demographic development. The most prominent example for this strategy is the development of the so-called 'Harbour City' as an enlargement of the inner city.

Urban development and regeneration has a tradition in post-war Germany. Since 1971 the renewal of housing stock and infrastructure has been promoted by the 'Urban Redevelopment Promotion Law.' Regeneration areas are chosen and designated by the city councils. In 1999 this law was supplemented by the integrated federal programme 'Socially Integrative City'. Every Bundesland, like Hamburg, receives an allotment from the federal government and has to add 2/3 from its own budget to develop economically sustainable and socially just neighbourhoods.

Additionally to these federal programmes Hamburg created its own more preventive regeneration programme for areas which are not that run-down, the 'social neighbourhood development programme'. At the beginning of ENTRUST in 2002 redevelopment in 15 areas has been run by statute and in 21 areas without. The annual amount of money spent on urban regeneration in Hamburg is round about €30 m. Since 2003 there is a clear widening of regeneration focus towards economic development. Three declining local shopping centres are currently under survey to develop regeneration strategies. Hamburg is aiming at a strong involvement of the private sector in the redevelopment of these centres and the adjacent neighbourhoods. Also the creation of so called Business Improvement Districts is envisaged for certain shopping areas.

### **The study neighbourhood: the Karolinenviertel / St.Pauli**

The Karolinenviertel in St. Pauli is a mixed functional neighbourhood from the late 19th century with approximately 6.000 inhabitants and mainly five to six storey buildings in high density. The proportion of business spaces within the neighbourhood is fairly high. Major challenges for regeneration are the modernisation of housing stock and infrastructure, the revitalisation of economic life and the improvement of the social mix.



The Karolinenviertel is mainly characterised by a late 19th century building stock, high density and a mix of residential and commercial uses. It is surrounded by major traffic routes and city-wide infrastructure facilities, like the exhibition and congress centre and the meat market. In the 1960s it was planned to clear the neighbourhood by extensive demolition, but local resistance prevented this. However, the demolition plans had caused disinvestment. Consequently, the buildings and the infrastructure were in terrible condition and only attractive for people who could not afford more. The neighbourhood came to be known for a mix of high unemployment, crime and drug-abuse, other social conflicts and garbage problems

### **Progress**

Urban regeneration in the Karolinenviertel was started in the early 1980s under the federal urban redevelopment promotion law with preparatory surveys and a 'council for social questions', which was later replaced by a redevelopment advisory board once the neighbourhood was formally designated as a regeneration neighbourhood.



In 1990 STEG (Stadterneuerungs- und Stadtentwicklungsgesellschaft Hamburg) was founded by the Senate of Hamburg as a regeneration and redevelopment agency with responsibilities for regeneration, including in the Karolinenviertel. From the beginning STEG was playing a double role in which it administered the public housing stock in regeneration neighbourhoods on behalf of the City of Hamburg and was responsible as the neighbourhood manager for all regeneration works at the same time. The influence of STEG on the regeneration of the neighbourhood was very large because the agency was able to actively realise a lot of projects that convinced private owners and investors of the process of change and levered private investments in the neighbourhood.



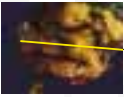
An advisory board has been in place since the start of the regeneration process. Beside the residents and social institutions house owners, business-people and the chambers of commerce and craft have a seat in this council. In 1999 a so-called 'neighbourhood disposal funds' was introduced to the Karolinenviertel with a limited budget for smaller projects in the responsibility of the advisory council.

The main pillars of urban regeneration in the area are housing, local economic development with an emphasis on start-ups and coaching migrant entrepreneurs, building conversion, development of the infrastructure and traffic planning. The whole development and the participation process is coordinated by STEG as the local neighbourhood manager and are based on an integrated regeneration concept. The dynamics of development can be seen in a shift of focus from mainly housing improvement in the early 1990s to more importance of the local economic and social development over the last years. Future changes can be expected because Hamburg is governed by a conservative Senate since the end of 2001 and the formerly public company STEG was privatised at the start of 2003.

Today, after 20 years of regeneration and a total spent of €63,5 m, the situation has improved a lot and the Karolinenviertel can be described as an unconventional urban economic development engine. It belongs to the few multi-functional neighbourhoods in Hamburg which above all create an atmosphere of real metropolitan life.

#### **Pointers towards good practice from Hamburg**

- Supporting business and entrepreneurship in the neighbourhood (e.g. start-up centre with managed workspace ETAGE 21) ([www.gruender-info.de](http://www.gruender-info.de))
- Mainstreaming neighbourhood-focused street cleaning and waste management (e.g. Schanzenkieker)
- Very influential and strong development agency with several capacities and competencies regarding the regeneration process (e.g. STEG Hamburg)



## Castelo de São Jorge

### KEY FACTS

#### Lisbon

Population: 564,657

Unemployment: 4.3%

#### Castelo de São Jorge

Population: 587

Unemployment: 6.22%

Character: Historic inner city, mainly residential neighbourhood, cultural and architectural heritage site, dramatic decline in population

Challenge: Urban regeneration and socio-economic revitalisation

### General factors and dynamic change

Lisbon is a city with a service sector – based economy, spatially characterised by its historic inner city neighbourhoods and large-scale housing estate in the outer areas. In the 20th century there has been a continuous growth in terms of areas and population, especially between 1970-1980 when large migrations to the capital took place in the times of de-colonisation. At the same time, the density of the inner city neighbourhoods increased drastically.

The city reacted to this immigration, either from the ex-colonies or from the countryside, by encouraging new suburban areas to emerge as well as the metropolitan area to spread. As a consequence, from 1980s the inner city neighbourhoods suffered a continuous decrease of population and at the same time an increase in percentage of older and financially weak people, unable to leave these neighbourhoods. In addition these neighbourhoods were characterized by a less attractive housing stock.

This fact is reflected in national rent policies. Rents were frozen, therefore making it impossible to undertake any kind of building conservation in the inner city neighbourhoods.

### Policy responses

National policy started to react in 1976. New Portuguese legislation was launched permitting the definition of 'Critical Areas of Recovery and Urban Conversion'. From 1985 Local Technical Offices emerged in the four historical neighbourhoods of Lisbon along with an office dedicated to the peripheral cores. Urban regeneration was considered a priority, having in mind at the same time the promotion of the city as a tourist attraction and guaranteeing for the native population the preservation of their natural habitat in order to fight social exclusion.

In 1994, the Lisbon Town Authorities created the 'Department of the Integrated Projects' and in 1995 the Lisbon Municipal Agency of State-owned Dwelling Resources and Public Facilities (EBAHL now EGEAC) is founded, in charge of management within the city and within the Integrated Projects. Those kind of organisational measures go along with new national financial programmes.

### The study neighbourhood: Castelo de São Jorge

Castelo de São Jorge is situated very close to the today's centre of Lisbon. The neighbourhood is in a hilly part of the city as well as being enclosed by the first ring of city walls.

Besides the monuments (former castle buildings which are Portugal's most visited tourist attraction), the neighbourhood is mainly a residential area, characterised by low storey houses, built up after the earthquake in 1755 and mainly in private ownership.



### **Key problems/challenges**

The local poor population possesses neither the means nor the ability to benefit in a flexible way from the general economic development or to get some profit from the challenge emerging at close range – called tourism.

### **Progress**

In 1995, the City Hall set up a local team, the Castle Work Group as well as the 'Integrated Castle Project'. The local multi-disciplinary team was in charge of neighbourhood management, including planning, carrying out and monitoring of all necessary interventions, while the Municipality takes administrative possession of all buildings during the regeneration. Several public partnerships were set up, especially regarding infrastructures. Unfortunately the time frame for the Integrated Castle project was completely overrun and the process continues up to today, even when its conclusion was foreseen within 4 years.

Besides the complete restoration of the monumental castle buildings and respective equipment addressed to tourism, the main goals in the residential part of the parish were to provide basic but adequate housing and living conditions, avoiding profound changes within housing types, refurbishment of public space and underground infrastructures, revitalisation of local commerce, all having in mind the protection of architectural and cultural heritage.

This kind of integrated action has been undertaken through the support and collaboration of different national financing programmes as well as private sector sponsoring. In very recent times the new Lisbon Municipal Council decided to restructure the city council's departments. The 'Castelo Project Unit' was created and its aim is to complete the ongoing project.

### **Future plans**

The new Lisbon Town Authorities have imposed a strategic change to realise the rest of the project in order to make housing and the urban fabric more appropriate for the future. In other words the general modernisation of housing types is a new goal.

#### **Pointers towards good practice from Lisbon**

- Combination of national funds and private sponsoring
- Linking heritage protection and tourism with local economic development
- Protection of old and native residents' homes



## Il Biccerija

### General change and dynamic history

The case of Valletta differs slightly from the rest of the cases in ENTRUST because it has particular characteristics, namely its size and physical constraints, such as its topography and fortifications. Due to the size of Valletta, we looked at the entire city but specifically in a residential neighbourhood in the north-eastern part of Valletta – Il-Biccerija. This neighbourhood is mostly a residential area which and is amongst the worst maintained in Valletta. However the neighbourhood has potential due to its rich urban and historical fabric.

In contrast to most of the other cities, Valletta is just starting an integrated approach to urban regeneration and looking for appropriate strategies for implementation.

The city of Valletta was founded in 1566 by the order of St John as a fortified city based on geometrical and symmetrical patterns. It was planned with strict urban regulations and throughout the past four hundred years since its foundation, the city of Valletta has seen very few transformations in its urban pattern but it has been transformed to adapt to new uses, mostly from residential to commercial and administrative uses.

The number of people in Valletta has been declining since its peak at almost 25,000 in 1881. Today, the population is sinking down to 7,000 – of whom almost 30% are over 60 years of age. The decline in population has led to a situation with 833 vacant buildings (23% of all dwellings), 76% of which are in bad maintenance condition. Occupied dwellings are characterised by low rental levels which cannot be easily adjusted due to Malta's tight rental legislation. This situation is combined with a multitude of problems including problems of accessibility, management of vehicular traffic, over-commercialisation and increased property prices.

Tourism is very important for Valletta; however tourism is not solving Valletta's social, economic and physical problems. Tourism creates a lively city during the day, but a ghost city at night and also leads to a considerable decay in the environment. There has been recent economic investment in specific areas, namely the Mediterranean Conference Centre, St. James Cavalier, The Cruise Passenger Terminal and the Embassy Complex, which could have a multiplier effect on the surrounding areas to regenerate Valletta.

### Policy response

The rehabilitation of Valletta started in 1987 as emergency restoration with interventions on the public buildings, mainly churches and monuments and some public spaces. The Valletta Rehabilitation Committee produced guidelines for a Masterplan in 1989 and although this was never formally approved it still serves as the basis for discussions on developments in Valletta.

In 2002, the Malta Environment and Planning Authority approved the local plan for the Grand Harbour Area looking at the cities facing the harbour neighbourhoods including Valletta. The plan is directed towards securing the economic and social revitalisation and regeneration of the Grand Harbour Area with an emphasis on conservation. The plan both looks at general policies for the entire area covering several cities and on more neighbourhood specific topics.

#### KEY FACTS

##### Valletta

Population: 7,262

Character: Renaissance Grid Style Patter built by the Knights of St. John Commercial, Administrative and residential uses.'

The whole of Valetta is a Unesco World Heritage Site.

Challenge: Accessibility Over commercialisation Increased Property Prices

Management of vehicular traffic

Vacant Housing

##### Il-Biccerija

Challenge: Vacant Housing

Dilapidated Buildings

In Malta, discussions have been taking place trying to identify the best strategy for the implementation of the rehabilitation of Valletta.

The possibilities are:

- A state-funded approach
- A private development
- A partnership approach based on a partnership between the Valletta Rehabilitation project and the Valletta local council and possibly the private sector through the Heritage Trust. The way forward is to draw a rehabilitation plan based on a bottom up approach.



### **The study neighbourhood: Il Biccierija**

As a case study a neighbourhood at the lower part of Valletta has been selected - referred to as il-Biccierija (the abattoir). Although mainly residential, the neighbourhood is amongst the worst maintained neighbourhoods of Valletta, and in desperate need for rehabilitation. This is not the sole reason why this neighbourhood has been chosen as a case study; the buildings along the bastion walls enjoy pleasant sea views. The neighbourhood is rich in historical buildings, several of which are presently vacant. There is also a prevailing social stigma against the neighbourhood and the residents living there.



### **Key problems/challenges**

The findings of the case study indicate that a rehabilitation plan is needed for this neighbourhood. Surveys consisting of: a historical survey; an architectural survey; a structural survey; a land use survey; a land ownership survey; and a demographical and household analysis should be carried out. Other data which could be useful when one comes to draft the rehabilitation plan for the neighbourhood, can be obtained by interviewing people who know the area, such as Local Councillors, Parish Priests and the residents of the neighbourhood; and other organisations, agencies, departments and authorities which could have vested interests in the neighbourhood.

The key goals of the rehabilitation plan are:

- generating economic activity whilst protecting the existing commercial neighbourhood
- attracting new residents but at the same time protecting the present residents
- physical interventions which should respect the fact that Valletta is a World Heritage Site



The final and most important consideration is the recommendation of the way how this plan is to be implemented. The plan cannot be implemented totally by the public sector, because this is economically and technically impossible. The other option is that of delegating its implementation to the private sector by leasing publicly owned property to the private sector, and binding them to follow the established plan. However such property still remains owned by the government and public access through such property may be denied. The final and possibly the most effective implementation is that of forming a partnership between the public sector and the private sector. The private sector, owning property within the area of the plan will be guided to get their property in line with the plan, and possibly, when need arises, be financially assisted through grant schemes. There could be also the possibility of the private sector buying property in the neighbourhood and being encouraged to rehabilitate the property according to the plan.

### **Pointers towards good practice from Valletta**

- The Grand Harbour Plan (i.e. the connection of general city-wide policies with neighbourhood specific policies) [HYPERLINK](#)
- Timber balcony grant scheme [HYPERLINK](#)
- Linking art and culture promotion, economic development and heritage protection to regeneration Valletta. (e.g.: Mediterranean Conference Centre, St. James Cavalier, the Embassy Complex and the Cruise Passenger Terminal.)



## Užupis and Paupys

### General factors and change

Since Lithuania regained its independence in 1991, major redevelopment has taken place in the capital Vilnius. The regeneration has concentrated on the Old Town – the historic city centre. In early 90s the Old Town became attractive for investors and for economically well off people. A renovation of the Old Town financed from the national and municipal funds started in 1998. It immediately led to the attraction of private investments to service and leisure businesses. The rapid change of the economy and character of life in the neighbourhood made an impact on its functional use – the growth in the number of shops, restaurants, hotels etc forced the decline of residential flats. The number of permanent residents in the Old Town dropped from 30,000 in the early 90s to 19,000 in 2002.

The booming real estate market in the Old Town left the city's surrounding neighbourhoods with relatively minimal investors' attention. Having concentrated public investments to the historic core neither Vilnius Municipality nor private developers attempted adequately to underpin regeneration of the Old Town's closest environs. But in 2000-2003 the first feasibility studies and plans were prepared analysing regeneration and development opportunities in the Old Town's border neighbourhoods.

### Policy responses

Vilnius Old Town was inscribed upon the UNESCO World Heritage List in 1994. Implementing the international obligation to maintain and preserve the World Heritage Site, the Revitalisation Strategy of the Old Town was prepared and officially approved in 1997. The municipality founded the Old Town Renewal Agency (OTRA) in 1998 as a special neighbourhood management unit. The main goals of OTRA's are facilitation of co-operation between public and private sectors, community consultation and engagement, development of international co-operation and sustaining equilibrium between urban conservation and development. OTRA prepares and coordinates with the municipal departments annual Old Town Renewal programmes which are co-financed by national, municipal and private funds.

The first stage of the Old Town Renewal Programme's implementation was focussed on the physical upgrading of public spaces and on the repair of building exteriors, but has over the following years this changed towards engaging local community, primarily residents, in historic properties' maintenance and the improvement of the living environment. OTRA commenced development of networks within local communities: residents, small businesses, and various groups of social, ethnic or other interests. Such networking is aimed on consolidating endeavours of all the parties towards economic growth and social cohesion.

### The study neighbourhoods: Užupis and Paupys

Užupis and Paupys are situated next to the medieval city centre of Vilnius. Užupis was founded in late 16th century as a residential suburb at one of the main trade roads leading to Russia. Paupys neighbourhood is located just alongside Užupis – behind the river, and has grown as a craftsmen suburb since the 18th century. Industrial plants were constructed in Paupys after the World War Two as a part of the Soviet Union-wide industry network. Paupys factories' workers lived in Užupis and nearby neighbourhoods. Production stopped in early 90s after the collapse of the USSR and its economic patterns. Since then Paupys industrial facilities remain mostly unused, neglected and awaiting for conversion.

### Key problems/challenges

Both neighbourhoods have experienced a decline in population over the last decade

#### KEY FACTS

##### Vilnius

Population: 542,287

Unemployment: 5.5%

##### Užupis and Paupys

Population: 5,133

Unemployment: 11%

##### Character:

Picturesque natural (with small river Vilnia) and urban environment (part of the neighbourhood belongs to the UNESCO World heritage site), residential neighbourhood and former Soviet industrial neighbourhood under conversion

##### Challenge:

Rundown housing stock, pure engineering network, socially disadvantaged position compared to the rest of the city, growing internal social differences



after the collapse of industries in Paupys. Dwindling industrial plants caused a radical decrease of jobs and a dynamic change of residents in Užupis and Paupys in the last 5 to 8 years.

The main urban difficulty of both neighbourhoods lies in a multitude and variety of economic and social problems. With investment in the Old Town, and a lack of infrastructure developments elsewhere, Užupis and Paupys were left without nearly any public investment in their very poor infrastructure as well as rundown housing stock until 2000. Apparent social and economic differences between the Old Town and these neighbourhoods impeded private investments and found the existing residential community in a socially disadvantaged position. This kept real estate prices lower than in the rest of the city centre and led to a change of local population and the arrival of a young middle-class generation.



Užupis has a newly emerged active artists' community is making the neighbourhood known and attractive for the citizens and external visitors. A number of galleries, art actions and festivities now make the neighbourhood one of the most dynamic and colourful in the entire city, but it does not recompense existing social and economic differences with the rest of the historic city nucleus.

### Progress

Užupis has the potential to become a housing neighbourhood with a mix of various service functions, revitalised by public and private partnership into a balanced sustainable development neighbourhood. According to the master plan of Vilnius the Paupys neighbourhood is looking forward to a conversion of the former industrial fabric to a mixed function: residential, businesses and services neighbourhood with a picturesque natural and urban environment.



Small flats dominate in the residential neighbourhood of Užupis. Most of them are privately owned. Regrettably, until now there has been no concerted joint effort to refurbish infrastructure and housing stock. There are separate cases the repair of streets and infrastructure as well as buildings exteriors' repair which slightly improve the image of the neighbourhood and stimulated an inflow of some new investors. But although this gradual physical renewal is growing it is accompanied by growing social disparities.

Since the year 2001 OTRA has carried out number of meetings and interviews with local stakeholders in order to raise public awareness and inspire private owners to establish their home owner associations. Following the Old Town's Community Capacity Building Programme OTRA co-financed several houses' exterior and inner yards' projects. The Municipal Department of Economy undertook renovation in part of the main street and infrastructure.

### Future plans

Currently plans for social facilities such as a community centre in the neighbourhood is being debated between OTRA and local NGO's. The creation of community centres is a strategic priority in the city, and it is expected such a centre will be founded before 2005.

#### Pointers towards good practice from Vilnius

- Community Capacity Building and financial support
- Development of local partnerships
- Planning foundation of Community Centre



## 5. Key themes and findings: Thematic evidence from partners' cities and neighbourhoods across the cases

*While reaching a mutual understanding of their respective neighbourhoods and problems, the city teams developed thematic foci on common themes. What were the common denominators behind the cases? What are the lessons to be learnt?*

Our work no longer had a neighbourhood focus to understand unique local and national features. Rather, insights from the cases were used as an evidence base and resource in order to exploit them for a more thematic focus. From now on we started concentrating on broader common denominators that were evident in more than one case. Our aim at this stage was to explore a number of themes that reflected more general trends and implications for policy making that were of significance to several, if not all participating cities, and to prepare the ground for policy recommendations that were informed by, and grounded in, our case evidence.

For this comparative exercise, four new cross-city research teams were formed each chaired by two cities. They started gathering the relevant information from each case study, adding further information where necessary. Out of this study – based on the actual problems and issues from the cities – the cross-city research teams synthesised and extracted an array of thematic observations that was then presented to plenary sessions for debate.

The four themes are:

- *aims of urban regeneration* – how regeneration has become a more complex task and has to adjust to moving targets
- *private sector involvement* – how local partnerships can include actors from the private sector
- *community participation* – how participation is changing towards stakeholder involvement
- *mainstreaming and anchoring* – how to stabilize innovations and change current practices

### **Aims of regeneration: more complex, multi-objective and moving targets**

Urban regeneration has become a multi-dimensional task. Whilst traditionally urban regeneration in Europe was mainly concerned with physical improvement, over time the aims and the means of regeneration have become multi-faceted and more complex to deal with. They integrate different sectors and actors on several levels and contexts, combining physical investment in 'hardware' with investment in the social 'software' of a neighbourhood. It is against this background that 'Partnership' led regeneration becomes pivotal.

All ENTRUST cities aspire to a broad, integrated approach to urban regeneration. However, a first set of aims can be discerned that are particularly important for changing the neighbourhoods in question:

- stimulating local economies
- achieving and maintaining social cohesion
- creating better living conditions and rehabilitation of the urban fabric.

None of these aims are new in themselves. The very novelty is to pursue them at the same time (multi-objective).

Additionally, and on an entirely different level than that of inducing neighbourhood change, there is a second set of aims. They relate to alter the very policies of neighbourhood-based approaches themselves (policy change).

The evidence of ENTRUST partners' cases and experience suggests strongly that a new set of regeneration aims is emerging that reflects the objectives to integrate 'people, business and place' and bring about appropriate policies to achieve this aim. They are embedded in wider city and national aims and strategies; they promote the objective of community capacity building and aim at delivering tangible changes and exploit the geographical competitiveness of the neighbourhood in the long run.

Across the ENTRUST cities, we observed that defining neighbourhood related aims is mainly a public sector task. Even though objectives have become more diverse and multi-faceted, decisions are still taken top-down. There is broader involvement of other stakeholders in the implementation phase, but yet again, bottom-up processes are prescribed and structured from the top and embedded in hierarchical systems of decision-making.

Inner city neighbourhoods are not isolated islands; they are embedded in a city-wide system of relations and functions and play a certain role there. So, successful urban regeneration approaches have to be integrated into regional strategies in order to make use of such connections. However, our research showed that there is still a lot of room for improvement in all cities and countries. We observe contradictory policies at the various levels. In particular, national housing policies that encourage moving away from city centres (hence with an 'anti-urban bias') seem to be at odds with efforts to improve inner-city neighbourhoods.

As urban regeneration is becoming a multi-dimensional task it not only integrates various dimensions of urban development. It also has to manage tensions and conflicts between them. In order to balance the occurring ambiguities, urban regeneration policies often work with a hierarchical system of primary and secondary aims – the more aims there are, the more important is the need to prioritise aims. In some cases, at the local level there are efforts to make this agenda setting more transparent and more based on democratic processes.



Traditional physical approaches to urban regeneration were mainly concerned with outputs. They were conceived in a static fashion as objectives to be achieved: to improve the physical environment. The new integrated approaches are much more concerned with processes of neighbourhood development themselves. They are flexible and see the regeneration process as a learning system.

**Private sector involvement: defining, motivating and including all types of actors**

The 'private sector' is far from being a homogenous entity. There are many dimensions to the private sector and there is a variety of reasons to bring private partners into urban regeneration – as much as there are many types of involvement.

The private sector includes commercial enterprises (local businessmen, non-personal companies, house owners and real estate developers), the 'third sector' (not-for-profit organisations) and also residents and consumers. We have particularly focused on commercial enterprises

The motivation to be involved by those in the commercial sector can be based on expected gains (e.g. information gain or a contract from the public sector) and on the expectation to improve one's competitiveness or one's living/business environment. We identified five types of resources which can be offered in an urban regeneration process: physical settings, human resources, entrepreneurial opportunities, public relations and stable operating conditions. The motivation of the public sector on the other hand ranges from bringing in additional resources to increasing the effectiveness of the scheme.

Instruments to involve the private sector include formal partnership arrangements, network structures, private lending, direct investment, participation in decision-making structures, and corporate social responsibility (sponsorship). It can also be the case that the job of running and organising the development process itself is delegated to a private company acting as an intermediary organisation. The functions fulfilled by private sector companies can be to provide employment, to sustain businesses, to carry out physical improvement works, and to deliver services.

In sum then, it became clear to us that local partnerships come in various forms. Public-private partnerships are but one, if extremely important, form of private sector involvement. Many private businesses lie at the heart of the development of a neighbourhood as they have an essential interest in the welfare of the neighbourhood and its residents, because they depend on localised factors such as customers, clients, workforce and service provision in the neighbourhood. We found that this self-interest is a huge potential. It can be capitalised on in multi-dimensional process-oriented regeneration schemes.

### **New roles of community participation: from the right to resist towards partnership building**

Like the private sector, communities are not homogenous entities. Consequently, there are multiple ways of involving people in a development process, which can be more or less appropriate to given situations.

Generally speaking, community involvement is about bringing in those who have a 'stake' in the neighbourhood – those who live there, those who work there and those who are the owners and customers of local businesses and services. Participation can mean taking part in the design of a development programme and/or taking part in its implementation. It can also mean taking over responsibility for parts of the regeneration process. In general, one aim of all participation efforts is to empower the community.

In the integrated neighbourhood-based approaches we looked at, community participation plays a crucial positive role. This is in marked contrast to earlier forms of participation. Participation used to mean the right of people to defend their space against change and (mainly public planning) intervention. Today, 'civil society' is seen as an increasingly important resource for a development process which can bring in additional knowledge and (both social and financial) capital.

The scale and intensity of community participation varies across the cities and their constituent neighbourhoods. We identified different kinds of participation, emerging at different scales, and at different levels of intensity. Representative involvement tends to occur at the macro-level (the level where decisions about the whole process are taken) – the presence of a relatively small number of local residents on advisory boards etc. Participatory involvement tends to occur at the meso level (of smaller groups of people, say 20-30) – in most cities, there are examples for 'one-off' participatory democratic exercises like a neighbourhood jury or planning for real activities. Client involvement tends to occur at the microlevel (of single persons) when individual actors come in, for instance home owners.

The spectrum of participation ranges from the active agency on the part of the community to a rather restricted consultative role depending on the form of interaction negotiated between the actors concerned. In this spectrum, we found that most cities range somewhere between these poles in their approach. This middle ground can be described as a hybrid model based on collaborative relations to key stakeholders, whilst there are single examples for activist and consultative models within each scheme as well.

Throughout the cases, we could see that successful efforts to involve the community are tailored to local circumstances and usually involve an empowering element. Successful involvement, then, seems to be based on sharing power and responsibility and on trust. Individuals and groups with clear interests and demands, but also with certain skills and capacity are increasingly being brought into urban regeneration schemes.





### **Mainstreaming: how to stabilize innovations and change current practices**

Urban regeneration is a very special case of public policy. It differs from other public sector tasks. Neighbourhood-based approaches are limited in terms of time, space and scope. One major finding is that they are still mostly experimental in character and have only been running for some years or are being under review. They are only employed for deprived neighbourhoods and do not represent a city-wide approach to urban governance, and they do not replace ongoing servicing of the neighbourhoods, which is still sectorally organised.

However, after years of such special intervention – some of the neighbourhoods have a forty years' history of regeneration schemes – it becomes evident that problems are surfacing again and again. Consequently, a core challenge of urban regeneration schemes is to create more sustainable solutions and through finding ways to integrate regeneration policies into the mainstream sectoral policies of the cities.

'Mainstreaming', or the infusion and alteration of mainstream policies, can take different forms. Public mainstream policies can be 'bent' towards poor communities by reallocating resources to reflect their greater need. Core programmes may be 'sensitised' to local circumstances, or it can be tried to 'cut across the silos' of traditional, sectoral service delivery. The cases looked at give examples for each, but a common finding is that successful mainstreaming is so far the exception.

To 'cut across silos' of public departments and their sectoral responsibilities is one of the core aims of the integrated approaches we looked at. In steering boards, various departments of local administration and sometimes representatives of businesses and civil society come together and jointly decide on the direction of the programmes. These boards are crucial to facilitate a common understanding of the local problems. More often than not, they simply facilitate getting to know each other. However, so far different administrative cultures, in particular between departments that are used to budgeting and spending on 'hardware' (such as construction and building tasks) and others that come from a 'software' approach (such as social services, culture), could often not be overcome. It turned out to be even more problematic when such integrated boards applied only at local level and only for neighbourhoods 'in need' exclusively. 'Real integration', it appeared, would be much easier, if at higher levels such efforts would be backed by reforming the public sector more fundamentally. Mainstreaming is about informing and grounding such reforms.



## 6. Guidelines for public sector practitioners

*Including the private sector in regeneration is neither widespread nor easy. These guidelines – in the form of questions and answers – are designed for staff of public sector agencies (e.g. local authorities, quangos) who have the responsibility of leading regeneration programmes to improve cooperation with private sector actors.*

### Addressing practitioners

From the start of ENTRUST, the role of the private sector has been considered a formidable challenge. The name ENTRUST reflects this importance: *Empowering Neighbourhoods Through Recourse of Urban Synergies with Trades*. We have found that the private sector is not regarded as a natural partner in regeneration; for many in the private sector regeneration is seen as a public sector activity. History is on their side – the private sector has been ignored, sidelined and in some cases removed from neighbourhoods. Or it has only been seen as a provider of jobs, and not as a contributor to the general wellbeing of the neighbourhood, or as a stakeholder with its own needs and aspirations.

But the world is changing. We are beginning to recognise the important role of the private sector, and the questions that are being asked now relate to how to we get the sector involved. That is where this guide fits in. The guide answers 23 questions in four parts

- on definitions; strategic goals – a common understanding of what we mean when we talk about the involvement of the private sector in neighbourhood regeneration;
- on developing relationships and visions – as with any other stakeholder;
- on the changes the public sector needs to make – do we need to change out thinking and attitudes?
- on how to get the private sector involved – what are the instruments and activities that have been successfully used elsewhere?

### On definitions and strategic goals

#### 1. What do we mean by regeneration?

- A process for renewing geographical neighbourhoods in decline, leading to improved outcomes for both the local community and the city as a whole.

#### 2. What do we mean by 'the community'?

- Neighbourhoods are made up of complex networks, and involve many stakeholders. Regeneration agencies often have a narrow understanding of 'community' (often only residents), and in practice are unable to reach and involve wide sections of the resident population (especially minority groups). Only the 'usual suspects' appear in many local groups or nobody at all. In this paper, the private sector is considered as a major stakeholder with employers and employees of the neighbourhood being part of the complex networks.

### 3. What do we mean by 'private public partnership'?

- Ways in which the private sector can be involved in regeneration process:
  - Informal: by being part of the information/consultation arrangements as with other stakeholders
  - Formal: by being a part of the decision making arrangements (e.g. Steering Group/Board), or where there is a sharing of resources and risks

### 4. What do we mean by the private sector?

- We have defined the private sector in terms of what it does – in and for the neighbourhood. Our area of concern in ENTRUST is commercial organisations – SMEs and larger businesses; both local focused (e.g. small shopkeepers, real estate owners and developers) and beyond local (including city, regional and multinational companies). We have not considered individuals – as home owners and consumers; social economy organisations – normally not for profit organisations that mainly undertake activities that are normally regarded as part of the public sector

The box below sets out the type of businesses in some of the ENTRUST neighbourhoods. The majority are small scale commercial businesses – mainly retail and services rather than manufacturing or publicly owned or third sector:

- Local businessmen and their specific organisations; especially retail and services; house owners and privately organised public controlled housing companies; private housing companies; start-ups from the creativity industries; privately organised, but publicly financed labour market companies (Berlin).
- Public and private companies, developers and private investors, and local business organizations, traders etc. (Dublin).
- Private Owners; retailers mainly participate in the business sector. One main emphasis lies in the revaluation of shopping streets also in the service sector networks are being built to promote competitiveness. One further main emphasis lays in the promotion of start-ups. (Hamburg)

- While the private sector is a resource for the regeneration process, at the same time can benefit from it. Commercial organisations can be 'victims' in deprived neighbourhoods – for example, of high crime rates and of the difficulty of attracting staff who perceive the neighbourhoods as unsafe and prefer the more attractive images of other districts.

### 5. What do we mean by partnership?

- An approach and attitude of doing things together
- Working together in the broadest possible sense, either formally or informally
- Sum of parts greater than the individual contributions – including financially
- It can be a formal structure with a steering group/board which represents the different stakeholders in the neighbourhood and having a strategic role
- It can be working together on individual projects, within a predetermined strategy – e.g. joint funding

### 6. Why should public sector agencies want to get the private sector involved?

- There are four key reasons that have emerged from the ENTRUST study:
  - As key stakeholders in the neighbourhood, the private sector actors' contribution and are valuable. By involving them, we get a better understanding of what they see as problems and possible solutions. The regeneration process is therefore not just focused on the needs of the residents, but widened to include those who live, work and play there.
  - To ensure better long term sustainability by using all resources to the best of their potential and including them in any benefits from the regeneration.
  - To take advantage of their skills and expertise, including their predisposition to action.
  - To replace public sector funding or to obtain leverage from public funds.



The box below sets out the reasons given by some of the ENTRUST cities:

- *The dramatic change in the economic structure of Berlin after the German reunification with the loss of more than 200.000 industrial jobs within 5 years can not be resolved without private business activities... a severe cutback in / large amounts of federal public funding after reunification (Berlin)*
- *There is a recognition that the private sector plays an 'important part in the neighbourhood – can be the actors that have resources; gives the neighbourhood a voice; more holistic planning (Copenhagen).*
- *We have learnt from experience that the public sector cannot do it all itself. This is the third regeneration of the Gorbals in 50 years – previous attempts were public sector (Glasgow).*
- *To share expenses of regeneration of private property, to give an incentive and impetus to qualitative renovation of local commerce and urban atmosphere, to promote tourism (Lisbon)*
- *The private sector is an important source of job opportunities and the main contributor to the local and national economy's well-being (Malta)*
- *To know the needs of private companies, to share responsibility with the private sector on neighbourhood's development, to receive private sector support (Vilnius)*

- The approach taken by the ENTRUST cities to commercial businesses was four-fold:
  - *Encourage existing local companies to grow and develop* by providing employment assistance (including job selection and training). Examples of this were found in Berlin, Copenhagen, Dublin, Glasgow, and Hamburg.
  - *Provide 'start-up' facilities for new businesses* often in workspaces either purpose built or converted buildings. One way of re-using buildings that have lost their original purpose is to convert them to business centres or workspaces. This was demonstrated in almost every city – artists using surplus shops (Berlin); railway arches converted to workspaces (Glasgow); ex meat factory to start up offices (Hamburg); Digital Hub (Dublin); ex light factory to workspaces (Vilnius); church to stock exchange (Malta).
  - *Attract established businesses to the neighbourhood* for example, Nokia and other international companies in Copenhagen; Hotel chain in Glasgow. These might require some financial inducement – e.g. direct subsidy or brownfield land prepared for development and the costs absorbed by the public purse.
  - *Take advantage of construction being undertaken in the neighbourhood* as an opportunity for job creation and training for local people, provided that some arrangement is made in contracts (e.g. developers building housing in Glasgow).

7. *Is the private sector involvement also about local economic development?*

- Neighbourhoods requiring regeneration have multi-faceted challenges – social, economic and environmental. The residents of ENTRUST neighbourhoods have lower in-comes, lower educational levels, poorer health, fewer opportunities, and suffer higher levels of environmental pollution than residents in other cities. A renovated dwelling does not give you a job; a renewed shopping street does not automatically establish new shops and commercial life. A key objective of regeneration programmes is to improve the quality of life for the existing residents. Some of the important issues therefore are:
  - the creation of quality employment
  - improving skills and access to employment
  - increasing incomes
- We therefore need to integrate a broad spectrum of partners and to tackle all the different issues in a neighbourhood, and create a shift of perspective from solely physical renewal (housing etc.) to cross-sectoral strategies which also include socio-economic aims (employment, social inclusion etc.)

8. *Could the public sector leave the strategic driving to the private sector?*

- This is partly an issue of accountability. The public sector is democratically accountable – either through local elections or as agents of a level of government.
- The public sector has the overall responsibility to ensure that the interests of all the stakeholders are represented – this is difficult for the commercial sector since their motivation (unless acting as agents of the public sector) does not cover all the stakeholders.
- Therefore it is only possible for the private sector to take a strategic lead where there are few stakeholders and the involvement of pre-existing local communities is not necessary (e.g. in some case of regenerating brownfield land such as docklands).

9. *When do we get the private sector involved?*

- As with any stakeholder, the earlier their involvement the greater their level of involvement and the greater the benefits that can be obtained both for the neighbourhood and for the individual stakeholder.
- Only by getting private sector actors involved at an early stage can you get them to formulate their needs and wishes – and without knowing their needs and wishes you cannot deliver on them.

**On developing relationships and visions**

10. *How do we develop trust between the public and the private sectors?*

- Seek to establish ways in which understanding between sectors can lead to building trust and confidence.
- Make personal face to face contact
- Share the motivations of the different players – including your own for getting the private sector involved.

11. *What does the public sector need to understand about the private sector?*

- That the sector is not homogeneous – different roles, different interests, different subsectors, different skills to contribute to regeneration, e.g.



**Copenhagen:** In the business network it was realised that the development of trust between the partners had to be based on information, understanding and face to face meetings. Therefore the network meets at least twice each year and six times per year distributes a newsletter. The businesses in the network are now starting to use each other and contact one another for information instead of just seeing the others as competitors. At the same time the gap of understanding between the partners from the public sector and the private sector is getting smaller as they come to understand and accept the different standpoints.

**Vilnius:** The Community Capacity Building Programme in Vilnius Old Town and particularly in Uzupis and Paupys neighbourhoods involves regular meetings with groups of residents and representatives of Home Owners' Associations. These are organised in the Old Town Renewal Agency (OTRA). Interests and expectations of the parties on improvement of living environment are being discussed during the meetings in search of mutually satisfactory solutions. OTRA undertakes solutions of conflicts between neighbour residents and business investors in the neighbourhood. OTRA issued several publications which explain general principles of maintenance of historic properties as well as special conditions/ requirements for receipt of public financial support for these purposes: 'Guidelines for Investors in Historic City centre', 'Conservation Guidelines', 'How to Take part at the Community Capacity Building Programme'. OTRA also regularly prepares announcements in the main daily newspapers informing local communities about the Community Capacity Building Programme.

- Site development
- Labour skills
- Employment
- Retail development
- VVNew economy/re-imaging of neighbourhood
- Culture and the arts
- Service delivery (e.g. health care).

- That on the whole, the private sector has no necessary incentive to put itself forward to be part of a partnership.
- Their strengths, weaknesses and what they can and want to bring to the process.
- That regeneration can bring them benefits as well as for the neighbourhood.
- That many of them do not like public sector strategy processes – too much talk and not enough action!

*12. How do we build relationships so that we interact effectively?*

- Adopt a proactive approach to identifying potential private sector partners and build networks, even for the dissemination of information.
- Define expectations through clear terms of reference.
- Define the ground rules i.e. what is acceptable and what is not, and have in place a conflict resolution procedure.
- Introduce a clear organisational framework that sets out clear roles, decision making processes and responsibilities.

**In Dublin,** each neighbourhood has a Monitoring Committee whose role is to monitor progress in achieving the objectives of the neighbourhood plan, including:

- Establishing targets towards meeting objectives.
- Identifying problems or barriers to progress on implementation.
- Addressing change in circumstances since initial preparation of the plan.
- Responding to unforeseen opportunities which may arise.
- Receiving 6 monthly reports on progress.
- Publishing an annual report or other public information.

The Monitoring Committee normally meets quarterly, and its membership includes:

- Three local authority representatives.
- Three community group representatives.
- One business representative.
- One trade council representative.
- One representative of architectural, historical and conservational interests.



13. *What issues should lead partners consider before involving the private sector in steering groups/boards?*

- What is the role of the steering group/board, for example – is it primarily to give a sense of direction to the regeneration process or to be in charge of that process?
- How important is the board for the regeneration process?
- Will the steering group/board be sufficiently representative of the diverse communities that they serve? How is it to be constituted?
- Who becomes a member of the steering group/board and when?
- Has it the requisite knowledge of the private sector to create the necessary 'dialogue' for public-private partnership?
- What role is intended for the private sector representatives? Are they simply there as token representatives of one part of the community? How will they 'represent' the sector (particularly considering the diversity of the private sector)? Is there a particular task for them to do?

### **Changes that the public sector needs to make**

14. *What changes should the public sector make to improve our skills?*

- Start by improving our own understanding of the private sector. We are often very suspicious of the private sector. We have inadequate knowledge of the sector. Regeneration skills in some of the ENTRUST cities are dominated by architects and social workers. There is a need for economists and business administrators as well. Our professional cultures do not talk to each other enough. We need:
  - cross-disciplinary training
  - links between business administration and economic development, together with planning and social administration / social work
  - job descriptions/working contracts that include the objectives of involving the private sector
  - training in mediation skills
  - opportunities for sharing definitions and for joint action
- Look at our decision making processes. They may be too cumbersome and centralised. To achieve decentralisation we need to:
  - Train professionals with cross-disciplinary skills
  - Allocate power to neighbourhood managers.

15. *How do we develop joint monitoring and evaluation systems?*

- Both public and private sector organisations are suspicious about evaluation and do not see a pay off from ex-post evaluation. Evaluation disturbs relationships of power between actors. To resolve these dilemmas we need to:
  - Focus on process evaluations, timely and oriented towards the information needs of actors in the neighbourhood. But we must beware of overly procedures, that hinder spontaneous actions, and time-consuming data-collection.
  - Make regular analysis of programmes and business plans and activities.
  - View monitoring as a means to stimulate practical cooperation which can also guarantee transparency.

16. *Are there problems/dangers in working with the private sector?*

- The private sector may only be interested while there is a high subvention of public money. If this is not forthcoming, they shift their focus. This happens at a macro(national level) as well as at the micro level (neighbourhood).
- There can be uses and abuses in system – for example, the private sector begins projects with incentives but fails to finish or withdraws when money is gone and job remains undone. This increases distrust rather than creating trust.
- Gentrification – if you upgrade an neighbourhood, it may not help the existing community
- The private sector may take advantage of the situation, especially if the public sector is in a weak position.

**Instruments to get the private sector involved**

17. *What is the general approach?*

- Talk to the private sector actors and identify their needs and interests.
- Hold open days, public-private forums, press work, school visits. These allow a mutual understanding to develop – allowing the public sector to learn more about private enterprise – and private enterprises to learn more about the neighbourhood they are in.
- Create pilot projects – create closer relationships.
- Create intermediary organisations (neither public nor private) that can link and built bridges.
- Affirm the business community through social status awards e.g. local business person of the year.

**Copenhagen: Nordvest** – a survey undertaken by the regeneration project on the private sector in the neighbourhood changed the regeneration co-ordinators view on the neighbourhood. It was not as poor as they thought and there was a lot of business doing very well. It changed not only their view, but was used to change a wider public view on the neighbourhood and its image.

18. *How do we create visions?*

- Different stakeholders have different interests and visions, and the private sector may not yet have perceived its own interest in neighbourhood regeneration.
- Visioning exercises bring stakeholders together – a 'practice stage' for partnership.

19. *What kind of incentives can we use?*

- Incentives normally take the form of tax breaks, grants, or other financial inducements to attract private sector investment into neighbourhoods into which they would other-wise not go

20. *How do you manage conflicts?*

- There can be very deep divergences between different interest groups in regeneration. These are sometimes irreconcilable. If these divergences are not mediated at an early stage the success of joint working in partnership is in danger. While consensus may not be possible, try to avoid confrontation and sabotage. Conflicting aims have to be managed. Use trained professionals who are able to work both in project development (initiating new regeneration activities with local actors) and mediation (channelling the conflicts between the aims and activities of different actors into constructive channels).
- Coordinators, intermediaries or partnership-agents need sufficient competencies, tools and power to fulfil this task.

21. *What are intermediaries, and how do you use them?*

- Intermediaries bring private and public sectors together.
- They are institutions with organisational independence, enjoying acceptance and legitimacy both with private and public sector.



At an early stage of the regeneration project in **Kongens Enghave in Copenhagen** a process of creating a vision for the neighbourhood was undertaken. The vision was created during a conference in 1999, which took place in the offices of one of the telecommunications companies. At the conference a lot of community actors were represented together with businesses in the neighbouring business neighbourhood. All the actors had formulated their visions for the neighbourhood in advance. One of the statements formulated and agreed on at the conference was: 'The business neighbourhood and the housing neighbourhood have to be better integrated, physically and functionally. The balance between the workforce and the job available has to improve too'. This was the start of the collaboration with the large companies in the neighbouring neighbourhood of Kongens Enghave.

**The Liberty Corner Project**, a € 7.2m project in North East Inner City Dublin, is a private public partnership between City Council as landowner of designated tax site with McCabe Builders Ltd as private construction company. The partnership was formed to help create an arts industry quarter in this neighbourhood. The project is a building construction project comprising of an Enterprise Space, Dance Centre, Municipal Arts Centre, Childcare Facility, office and residential space. The Enterprise space is intended to accommodate local enterprise and also to encourage the location of new enterprise activity in the neighbourhood.

The Dance Centre will provide facilities for the promotion of dance both locally and citywide. The Municipal Arts Centre will on behalf of Dublin City Council, promote the Arts in the City and complement existing artistic activities in the neighbourhood. The crèche will accommodate up to 60 children. The private partner takes the residential content and tax gain from the development.

**GRO Grants** (grants for renting and ownership) were grants made available by Scottish Homes (the National Housing Agency) to encourage house developers to build in neighbourhoods where the developers did not have confidence that the properties would sell at a commercial price. They were used at the beginning of the Gorbals regeneration, but once the developers had realised that demand was there, the need for GRO grants disappeared and they were withdrawn.



22. *Are networks useful for getting the private sector involved?*

- Networks can help develop the private sector, but they do not necessarily get the sector involved in the strategic regeneration issues. Networks are a prerequisite for anyone engaged in entrepreneurial activity as they provide appropriate contacts.
- Establishing a business network (e.g. Copenhagen, Glasgow) can be an important way of helping business develop and act as a forum for the members to express their concerns and hopes for the regeneration of the neighbourhood.
- ENTRUST partners have identified three different types of networks that might be useful:
  - (1) Occupational networks
  - (2) Formal networks (for developing public/private linkages)
  - (3) Informal networks (for getting people in the private sector involved).

**In Berlin**, the economic success of the flea market Boxhagner Platz and the 'night out' neighbourhood Simon-Dach-Straße resulted in conflicts between economic activities and residential interests. At night time and on Sunday mornings there is a great influx of visitors that create noise, parking and littering problems. The local authority in cooperation with the neighbourhood management started a mediation scheme in order to manage this conflict. All involved actors have found an agreement to minimize the conflicts.

**In Lisbon**, the 'Junta da Freguesia' (the Local Administration Council) represents the local population in the General Municipal Assembly and is locally elected. In the Lisbon Castle regeneration process, it acts as both an interface of all participating parties and representative of the local population's interests. It influences in a determined way the decision making process in different levels and stages, while possessing advisory function at local level as well as in the Municipal Assembly. It acts especially as a mediator in conflicts on local level between the residents and homeowners as well as between both and the municipality.



**Gorbals Initiative** (GI) is one of eight local economic development companies operating in the city's disadvantaged neighbourhoods in Glasgow. They are structured as multi-sectoral partnerships and involve the City Council, Scottish Enterprise Glasgow (SEG), local community members and private sector interests on their Boards. They receive core funding from the city council and SEG, although the most substantial part of their income comes from other sources such as the private sector, Strathclyde European Partnership and charitable funds. They all aim to take the lead in economic development issues locally including helping with business start ups, developing the social economy and providing gateways to skills and training.

GI owns and/or manages properties that host 465 local jobs in the neighbourhood. It is in touch with 250 businesses – the majority of which are outside the neighbourhood reflecting labour markets – helping local people to access the markets and to obtain the necessary skills.

GI is working with Morgan Stanley, a major financial institution which is expanding within the city to find people from the Gorbals and other similar socially excluded neighbourhoods to find people and customise training for them. Morgan Stanley is conscious of and active in its role in assisting with regeneration efforts within the city through its core activity.

GI is regarded by the policy community as a source of advice and expertise. It is also involved in many other local organisations, helping to build community capacity. There is also cross board membership with other community organisations – e.g. further education college, Social Inclusion Partnership.

The Municipality of Vilnius founded the **Old Town Renewal Agency** (OTRA) in 1998 as a neighbourhood management unit dedicated especially for the integrated management of the World Heritage site. The main goals of OTRA are facilitation of cooperation between public and private sectors, community consultation and engagement, development of international cooperation and upholding equilibrium between urban conservation and development. OTRA prepares and coordinates with the municipal departments annual Old Town Renewal Programmes which are co-financed by national, municipal and private funds. Private investors and residents are consulted by OTRA about foreseen public and municipal investments also about proper ways and methods of historic properties' maintenance, its legal and long-term economic advantages. OTRA offers financial support to property owners in renewing their houses' exteriors and environment. OTRA acts as a meeting point of the residents' groups creating a platform for discussion of variety of neighbourhood issues and problems.



23. *How can pilot projects encourage private sector involvement?*

- Pilots can be a means of developing trust – to show the private sector that the public sector can deliver what is expected of them.
- They can create an example of how the private sector might co-operate on projects with the public sector in the future.
- They can create a 'snowball effect' bringing about further regeneration as more and more companies come on board.
- If there is a local development agency (e.g. intermediary as above), it can undertake 'lighthouse' projects which encourage private sector to invest in the neighbourhood.

In **Nordvest Copenhagen**, Bispebjerg Retailers and Business Network is an example of how the business sector can take part in and gain influence on neighbourhood based regeneration. Before the establishment of the network, the businesses of the neighbourhood were only sporadically involved in the development of the neighbourhood. Since the establishment of the network in 2001, the network has been an active part of the regeneration process together with the residents and other actors of the neighbourhood. There is a mutual understanding between them and an informal partnership has been created. When a proposal from the neighbourhood is presented to the politicians of the Municipality, it is not only coming from the residents of Nordvest, but is now supported by 50 companies representing many workplaces.

In **Berlin**, the Boxion Network has been established in the context of neighbourhood management by subsidising the rent of start-up businesses of the creative sector for vacant shops which have not been used for many years, and forming a self-supporting network. During the three year funding period a network of 27 enterprises has been established, which continues to operate after the funding period by extending the network to other neighbourhoods in Friedrichshain. The district administration of Friedrichshain-Kreuzberg is adopting the support strategy for businesses from the creative industries by the establishment of a Round Table for design.



**Care Malta** is a Private-Public Company set up between Central Government and a private company involved in the care for the elderly. The scope of this company is to decentralise the present institutional system and delegate responsibilities in an effort to provide a sustainable health care service for the elderly. Such a set up is intended to help control Government's expenditure in this sector, yet offer a better quality service for the elderly. On the other hand, the private company will make more profits from its current investment. From a planning point of view, this initiative is helping maintain the elderly population in the neighbourhood, reducing displacement and out-migration. Although still in its early stage, this initiative is gaining momentum, such that other companies and institutions are being attracted to team up with the Central Government and provide similar services.

**Environmental Landscapes Consortium** is a Private-Public Company set up in Malta in late 2002 between Central Government and a private consortium made up of a number of smaller companies involved in landscaping projects. The scope of this company is to enhance the quality of public open spaces whilst delegating the management of a section of the less-productive public sector to private investors. This company has the remit to enhance neighbourhoods and urban neighbourhoods making them more attractive both for locals and tourists. This initiative is also aimed to better Malta's image and thus help increase tourism, considered a major economy generator on the island. Although more time is required to assess the benefits of this initiative, initial accomplishments indicate a promising future for this venture.

**Business Improvement Districts (BID)** are to be tested in Hamburg to improve conditions and motivate local businesses and landlords to improve their operations and to invest in their businesses and the neighbourhood. A BID is a temporary organisation – normally working for 5 years. The establishment of the individual BID needs the support of 2/3 of local businesses and landlords. It is funded by a special tax based on the commercial space (local businesses) or the value of the properties (landlords) – which is why the Hamburg pilot will require special legislation. Otherwise a BID is a self governing institution. It organises physical and organisational improvements, e.g. management of the neighbourhood, waste management, parking, street lighting, coaching of shopkeepers, marketing campaigns and events.



## 7. Policy recommendations: public-private partnerships in urban regeneration

*There are attempts in several European member states to reformulate their regeneration policies. How can the challenges of regeneration be better met through public-private partnerships at the neighbourhood level? Against this background of emerging experience, ENTRUST exploited case and thematic evidence in order to address this question.*

### **Addressing policy makers**

The recommendations address how the challenge of urban regeneration in the European city may be met through public-private partnerships at neighbourhood level. The focus is on what can be achieved through urban regeneration initiatives that involve the private sector (commercial enterprises) engaging in collaborative relations with public sector institutions (government bodies) and social economy organisations and other third sector individual volunteers and their associations. Such arrangements are termed public-private partnerships. The key aims of public-private partnerships in urban regeneration are to support local socio-economic development, to improve the built environment, to promote inclusion in the wider economy and society, to encourage community capacity-building, and to enhance knowledge transfer.

In this report we stress three messages in particular:

- the need to embed the regeneration approach across all policy contexts
- the desirability of flexible developmental strategies
- the development of inter-cultural and cross-sectoral networking as a key urban resource

The recommendations are based on empirical observation and analysis of the urban regeneration process in eight European cities. Under the auspices of the ENTRUST thematic network the diversity of cases and thematic evidence provided a rich basis for an international comparative approach. ENTRUST concluded the work by offering a set of guidelines and recommendations on public-private partnership in urban regeneration.

There is a broad consensus in ENTRUST that urban regeneration has to fundamentally respond to the problems of poverty and social exclusion. In all of the participant cities we identified the co-existence of thriving central city zones and contiguous inner-city neighbourhoods housing people who for one reason or another are socially excluded. While in some instances, job creation is the priority because of serious local economic decline, in others pockets of deprivation may have resulted from wider social inequalities that are embedded in the housing system. In addition, problems associated with



physical decay, a low skill-base among the local population, fear of crime or limited access to wider opportunity structures – especially for migrants – are the critical challenges facing such communities.

Governments, municipalities and communities have been engaging in a range of regenerative efforts aimed at mitigating the social and environmental consequences of decline, reversing such decline, creating the conditions for improving quality of life and capacity-building among local actors. These interventions have proceeded through mainstream political and institutional frameworks and special funding programmes, governed and implemented either by designated departments within local government or by social economy institutions.

Deprived neighbourhoods are frequently abandoned by people with resources and by the private sector. The key question is whether this situation can be turned around. While it is accepted that the private sector is not an instigator of urban regeneration, the potential exists for private investors to play a significant strategic role once the regeneration process is underway. If the private sector were to assume a more proactive role in urban regeneration, it may bring additional resources to the neighbourhood, increasing sustainability and diminishing the need for public investment. Across the eight participating cities, however, we found little evidence of commercial enterprise taking part in regeneration programmes. Nevertheless, our case studies provide a rich store of information on how urban regeneration strategies have been developed, tested and reconfigured in the pursuit of public-private partnership.

The recommendations are intended for *decision-makers and their advisors* at all levels of government: local (neighbourhood and municipality), regional, national and the European Union. Given the heterogeneity of urban policies of member states, and following the principle of subsidiarity, these recommendations do not suggest the creation of an over-arching European policy. Rather, the overall thrust of the document is *the improvement of policy integration and cohesion* across all levels of policy-making. Furthermore, it is suggested that effective communication and co-ordination between levels must be a hallmark of policy development and delivery.

### **1. Harmonise the role of the public sector in urban regeneration by embedding the regeneration approach across all sectors of mainstream policy-making and public administration.**

#### ***Definition***

Urban regeneration historically developed both as a distinct sector of public governance and expenditure, and as a *philosophical approach to the optimal development of human settlements*. On the one hand as an institutionalised sector of public governance, urban regeneration has, as its objective, the amelioration of inequalities-of-outcome that arise from market-driven economic development. This objective is addressed through a range of programmes aimed at managing social, spatial and eco-



conomic regeneration. On the other hand as a values-based approach oriented toward the needs of deprived urban communities, urban regeneration seeks greater integration across the relevant sectors and the inculcation of the principle of sustainability in management practice. In both respects, the aim is to improve *quality of life* in deprived neighbourhoods by instigating and supporting the sustainable development of local communities.



There has been a generalised shift toward urban regeneration programmes that are funded on a project-based, problem neighbourhood-targeted and time-limited basis. Furthermore, the delivery of such programmes has been re-located away from established public and social economy (third) sector institutions to temporary project offices – often of an 'experimental' or 'pilot' nature.

### **Problem**

The participating ENTRUST cities vary in terms of the emphasis given to urban regeneration. In Copenhagen and Hamburg located in the North, for example, there has been a shift from the emphasis on urban regeneration institutions towards a more value-based approach. In the cities of the South, Valletta and Lisbon, the focus is on developing urban regeneration institutions and agencies. In both instances, policy emphasis is either in one or other direction that is toward either a values based or an institutional approach. Complementarity between the two is seldom sought. While neighbourhoods prioritised for urban regeneration may improve because of targeted initiatives, problems may be displaced to other neighbourhoods. Unless the successful projects and programmes are somehow anchored in mainstream administration, their usefulness and applicability beyond the 'pilot' neighbourhood will be lost.

The advantage of setting up special initiatives and agencies outside of mainstream administrations resides in the greater freedom of operation and stakeholder confidence. The disadvantage lies in the fact that the successes achieved through this methodology are frequently not fed back into the mainstream institutions and administration. The latter, therefore, continue to face problems in relation to performance, credibility and stakeholder participation.

In the ENTRUST case studies, the integrated approach to urban regeneration is relatively new to many local actors. We have found little evidence of innovation on the ground being integrated into mainstream policies. The policy setting is largely defined at the national and municipal level. The needs and interests of local stakeholders and (potential) private partners are reflected in policy only when they happen to coincide with the aims as defined by the higher administrative levels.

### **Recommendations**

- Acknowledge the dual nature of urban regeneration policy. Recognise that mainstream programmes and special initiatives are often required to meet local needs. The urban regeneration sector must be integrated with other cognisant sectors, and the urban regeneration values based approach must diffuse into sectoral policies such as housing, employment, education, business development, environment, culture and the arts. Most importantly, urban policies must allow for a dynamic interaction between urban regeneration as a sector of governance on the one hand, and as a cross-sectoral, integrated approach to sustainable development on the other.
- There is a need to balance the establishment of special neighbourhood initiatives, separate task forces, pilot projects and other high profile time-limited schemes generally with the need to provide comprehensive mainstream policies for urban regeneration and community development. It must be acknowledged that the public sector has limited means and that experimentation is only possible at the cost of the mainstream. Nevertheless, neighbourhood-based regeneration experiments are valuable because they offer the opportunity to try out innovative policies and strategies. Time-limited programmes with a multi-year budget allow for adequate planning, evaluation and the putting in place of an appropriate exit strategy. Special initiatives that are deemed successful only fulfil their purpose, however, if and when they are mainstreamed.
- While the spatial dimension of urban social exclusion is critical, it is necessary to view each targeted neighbourhood in its wider context. Neighbourhood development must be seen within the wider geographical, social and economic spheres. 'Integrated' urban development must be both multi-functional (between economic development, housing, community capacity-building, etc) and multi-scale (operational at different neighbourhood levels). Successful urban regeneration cannot be confined to isolated neighbourhood actions. Notwithstanding the principle of subsidiarity, urban regeneration requires national and EU level support beyond the existing support to social and economic cohesion to secure greater policy cohesion, legitimacy, authority and resources for meaningful action.



## **2. A flexible developmental strategy must be embedded in those institutions with overall responsibility for urban regeneration policy to take due cognisance of the increasingly fragmented, flexible and fluid nature of regeneration practices.**

### **Definition**

Cities are developing new types of multi-goal, 'integrated' policy in relation to urban regeneration and other related sectors. This is a new departure from more traditional, sectoral policies, and brings a new level of complexity to policy-making.

Collaborative relations between public, private and voluntary (third) sector bodies - designated as public-private partnerships - occur on three, inter-related levels:

- When goals are shared (strategic partnership)
- When resources are managed and decisions taken jointly (operational partnership)
- When attitudes are harmonised (spirit of partnership)

### **Problem**

It has been noted that 'public-private partnership arrangements come in many forms and are still an evolving concept which must be adapted to the individual needs and characteristics of each project and project partners.'

While the newer type of 'integrated' policies require more creative and flexible frameworks for implementation, the traditional institutional and administrative structures frequently remain inflexible. It may not be possible for new and experimental policy

initiatives to attune themselves strictly to the requirements of established evaluation frameworks. Evaluations of new programmes that are based only on measurable criteria may not capture the successes of projects in the sector, and may result in them being abandoned or down prioritised.

The involvement of the private sector in operational partnerships with the public sector is by definition somewhat limited, since the local and national state have no mandate to share decision-making with the private sector, or to share commercial risks. Consequently, there is very little evidence of the direct involvement of profit-oriented actors in urban regeneration partnerships, except in cases where special incentives have been put in place by the statutory authorities to encourage such involvement. More commonly, it is social economy enterprises that are funded at least in part by public funds that are designated as the ‘private partner’ in urban regeneration programmes.

### **Recommendations**

- State and municipal administrators of urban regeneration funding programmes must develop a more flexible monitoring framework, while adhering to the principles of transparency and accountability. Projects should have more freedom in terms of how funds are implemented, and should be allowed to adjust their actions in line with situational developments and the changing needs of stakeholders. Enhancing the autonomy of neighbourhood projects will give them greater legitimacy and allow them to respond more effectively to changing local dynamics. In a broader context, the governance structures of urban regeneration programmes must be driven by values and goals, and not just by sequential plans and measurable objectives. The harmonisation of values and goals in relation to urban regeneration can be achieved at local, national and European level through the development of a framework capacity-building. This would involve the acquisition of additional knowledge, skills and competencies on the part of those professionals and volunteers involved in urban regeneration work.
- A flexible administrative framework must enhance the potential for building cross-sectoral dynamic partnerships and collaborative relations between a variety of public and private sector actors. Potential partners and stakeholders must be able to adapt modes of collaboration that are appropriate for their different goals, and that are tailored to the particular stage of the process of partnership formation. A special effort needs to be made to have the key issues of the private sector’s role in urban regeneration properly understood.
- Furthermore, the usefulness of other forms of collaborative relations should not be discounted. Consultative councils and forums that are constituted to advise on strategy and policy are less likely to produce conflicts of interest than operational partnerships. They also provide a mechanism that can successfully bring together public, private and civic interests to promote dialogue and constructive action. Such consultative bodies can help to develop a long-term vision and strategic agenda for the city and its deprived neighbourhoods.

Public sector decision-makers must be realistic in what they expect from the private sector. The private sector can be engaged in the urban regeneration process, provided adequate collaborative measures are put in place, and are reviewed on an ongoing basis by the public sector. To engage the private sector effectively, the diversity of different actors must be recognised, and strategies must be tailored to their specific briefs. The private sector may include small local traders and craftsmen, major employers based in the neighbourhood, external investors and property developers. Private sector actors may also channel investment into the neighbourhood without necessarily entering into formalised arrangements with their public sector counterparts. The spirit of partnership can be built by developing relations of trust between the various partners, and developing a shared vision and common set of goals, even in the absence of joint decision-making or risk-taking across the sectors.



**3. In drawing up urban regeneration policy for public-private collaboration it is necessary to take into account cultural contexts that are both heterogeneous and diverse. Policy makers must commit to the maintenance of cohesion between, and the promotion of inter-cultural networking within, local, national and European levels of administration.**

***Definition***

Member-states and cities have deeply rooted traditions in relation to their political, institutional and governance structures. While there are commonalities across European cultures, the conceptualisation and implementation of urban regeneration varies according to the differing legal, institutional and cultural contexts. The concept of public-private partnership, for example, is interpreted differently by policy-makers and practitioners in different member-states. The nature and degree of public participation in governance and the role of citizen stakeholders in the regeneration process varies widely across the ENTRUST cities. The ethnic diversity which is a feature of all the ENTRUST cities, also poses a challenge to policy makers committed to social integration.

***Problem***

A key objective of public-private partnership in urban regeneration is to maximise the public good while minimising public expenditure. The expectations of private sector actors differ across different cultural contexts as do the readiness and capacity of the public sector to meet those expectations. Current European programmes that fund

***Recommendations***

- European policies and programmes dealing with urban regeneration need to respond to the variety of cultural traditions that exist in the newly expanded Europe - among member states, within member states, and within individual cities. Policy makers must allow for a variety of innovative and tailored solutions in line with the specific conditions that prevail at the level of policy implementation. The heterogeneity of countries and the communities that constitute them must be respected. This heterogeneity can be conceptualised as a resource to be drawn upon in devising innovative forms of public-private collaboration.
  
- Learning from one another requires a prior understanding of different cultural backgrounds. This can be achieved through the promotion of trans-national networking among key actors in the regeneration process. Frameworks of collaboration at EU, national and local level as well as between the public and private sectors can become important vehicles for inter-cultural exchanges.



urban regeneration and state programmes that are subject to European law, do not address these cultural differences. The emphasis placed on the transfer of 'best practice' from one cultural context to another glosses over the fact that such transfers are prone to failure if they do not take adequate account of the existing cultural position. Such attempted transfers can create false expectations and inadequate solutions. The enlargement of the European Union has heightened the level of cultural diversity. The failure to acknowledge and address cultural diversity and distinctiveness in evolving urban regeneration policy will attenuate rather than reduce social inequalities.



### **Looking to the future**

All cities face problems of poverty and social exclusion. The ENTRUST project demonstrates the significant commitment made to fighting social exclusion by a range of cities operating in diverse contexts. The urban regeneration policies pursued vary cross-culturally, but all seek to engage the widest constituency of actors to sustain the European city. Urban regeneration interventions generally start by trying to improve the basic needs of local residents – for example, making physical improvements to poor quality housing. Once basic needs are satisfied it becomes clear that the route out of poverty is through improving employability skills and helping people to find jobs. Later, the question of who controls the process of regeneration emerges. The issue of participation shifts the focus of regeneration into a more political phase. Finally, urban regeneration policy makers face the challenge of sustainable development, ensuring that quality of life is maintained for urban dwellers through the responsible management and use of economic, social physical and cultural resources.

The knowledge amassed in the course of the thematic network provides an important benchmark, against which ENTRUST cities and other European cities can evaluate their urban regeneration strategies. The involvement of the private sector in urban regeneration is not simply about extending the investment base, important as this is. It is also about creating a more sustainable form of development: increasing employment opportunities and local incomes, engaging in personal capacity-building, fostering knowledge transfers and higher levels of civic engagement.

In our policy recommendations we have stressed three messages in particular:

- the need to embed the regeneration approach across all policy contexts
- the desirability of flexible developmental strategies
- the development of inter-cultural and cross- sectoral networking as a key urban resource.

We believe that taken together, these policy recommendations will enhance the environment within which public-private partnerships can take root, expand and contribute to the resurgence of deprived neighbourhoods across European cities.

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