

# **What's in it for Nokia?**

***ENTRUST***

Thematic report - private sector in urban regeneration

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Group – coordinators Raymond Young, Hanka Wolter

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## Table of contents:

<b>1. Introduction</b>	2
<b>2. Findings</b>	2
<b>2.1. Definitional difficulties</b>	2
2.1.1. <i>What is the private sector?</i>	2
2.1.2. <i>The commercial sector</i>	2
2.1.3. <i>The role of not-for-profit or “third sector”</i>	3
2.1.4. <i>Residents and consumer</i>	4
<b>2.2. Motivation</b>	5
2.2.1. <i>Motivation of public sector</i>	5
2.2.2. <i>Motivation of the private sector</i>	5
<b>2.3. Types of businesses and leverage of private sector involvement</b>	8
<b>2.4. Types of involvement</b>	11
2.4.1. <i>Public/private partnerships</i>	11
2.4.2. <i>Network structures</i>	12
2.4.3. <i>Private lending</i>	12
2.4.4. <i>Direct investment</i>	12
2.4.5. <i>Participation in decision making structures</i>	12
2.4.6. <i>Intermediaries</i>	13
2.4.7. <i>Corporate Responsibility</i>	14
<b>2.5. Task sharing with and functions of private sector in urban regeneration</b>	15
2.5.1 <i>Providing employment</i>	15
2.5.2 <i>Sustaining business, economic development</i>	15
2.5.3 <i>Physical regeneration</i>	15
2.5.4 <i>Service delivering, neighbourhood culture etc.</i>	15
<b>2.6. Measuring private involvement</b>	17
<b>3. Conclusions</b>	18
<b>Appendix 1 - Questionnaire</b>	19
<b>Appendix 2 – Preliminary analysis</b>	21
<b>Appendix 3 – The UK Social Economy Sector</b>	24
<b>Appendix 4 – EXAMPLES</b>	26
<b>Appendix 5 – Key messages</b>	45
<b>Appendix 6 – Working group members</b>	46

## 1. Introduction

From the start of Entrust, the role of the private sector has been considered important. The name reflects this importance: **Empowering Neighbourhood Through Recourse of Urban Synergies with Trades**. This paper examines the role of the private sector and the contribution it can make to regeneration through analysing the responses from the eight cities that are part of the Entrust project.

The process by which this paper has been prepared has involved representatives of each city completing a questionnaire on the role of the private sector in their particular city (*see appendix 1*). An initial synthesis was undertaken (*see appendix 2*) and further comments invited to enable this paper to be completed.

Quotations, unless otherwise referenced, are taken from the city responses to the questionnaire

## 2. Findings

Urban regeneration in the 21<sup>st</sup> century is normally a mixture of public and private investment. All of the cities display this mixture and they are increasingly looking to the private sector to take a major contribution. A city is a complex organism made up by physical, functional and spiritual and social components, which work within a complex interweaving. Complex linked structures demand to involve all possible partners on local and city level, to resolve occurring problems. As a result there are new power, responsibility and task sharing constellations, shaping the scenery of urban regeneration.

### 2.1. Definition difficulties

#### 2.1.1 What is the private sector?

This question – more than any other – caused a debate between the cities. And the debate was not simply about definition, but whether a definition was necessary – one commentator replied ‘paying too much attention on a formal legal/economic definition is distracting from the substantial issues. It is not so much to do with the structures of institutions but of their functions. When we, in a vague and imprecise way, talk of involving the private sector then we have fairly specific activities or functions in mind: business start-ups in the neighbourhood (generating employment and local purchasing power), retailing (stopping the closure of shops and out-migration of retail facilities), private sector services (massage parlours as opposed to swimming pools), investment (speculative house building ...)<sup>1</sup>.

#### 2.1.2 The commercial sector

The commercial sector is recognized by all the cities, and relates to private investment - e.g. ‘We define the private sector as a company where more than 50% of the capital comes from private investors and the company’s board must also consist of a majority of private investors’ (Copenhagen) and ‘The general understanding of the private sector in the context of

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<sup>1</sup> Philip Potter email 31 July 2003

neighbourhood management and the programme “socially integrative city” includes the following persons and entities.

- Ë Local businessman
- Ë Non-personal companies (GmbH, AG)
- Ë House owners
- Ë Real estate developers and investors.’ (Berlin)

For Hamburg: ‘The following protagonists belong to the private sector and important for the area. All actors have profitably aims and have with government / municipal involvement. The order reflects the ranking.

- Ë Owners of apartment and commercial real estate.
- Ë Small investors – individuals.
- Ë Local small and mid-size enterprises.
- Ë National companies

(Housing co-operatives also belong to the private sector; however, they do not have profit motives)’.

### *2.1.3 The role of the not-for-profit or “ third sector”*

The definitional debate centres round the role of the ‘not-for-profit’ sector, and the way in which services, which until now might be delivered by the public sector are to be delivered in the future. There is no clear agreement between the eight cities about what should be considered ‘private sector’.

Some would regard the not-for-profit sector, which is independent of government – even if partially funded by it – as part of the private sector, while others have commented that these businesses are simply undertaking the work that the public sector normally carries out. Is it part of the private sector or not? Berlin put it ‘the public sector is composed by core institutions and a dependent network of NGOs, Quangos or private companies, who are working predominantly for the public sector.’

For Vilnius the non-profit sector is ‘different from public sector in sense of being structurally separate from the instrumentalities of government and in not exercising government authority. Non-for-profit organisation by its nature is ‘non governmental’. However, when we are talking about just two sectors - private and public sectors, non profit organisation can be ascribed both to private and public sector depending on what kind of organisation (private or public) controls its activity.’

This debate may be important as it highlights a fault line within European thinking – particularly between the UK and mainland Europe. The UK historically has had an active ‘not for profit’ or ‘social economy’ sector, which, according to Treasury definitions relating to borrowing rules that define what is private and what is public, falls within the private sector. The number of people employed in this sector is greater than those in manufacturing. The privatisation reforms of the 1980s and 1990s have given this sector predominance in

regeneration that does not exist – so far – in other European countries. This includes economic development, rented housing and social welfare that in most European countries is carried out by the public sector.

Therefore Glasgow considers the not-for-profit sector as positive factor and as a link to the public sector in terms of service delivering and a link to the private sector in terms of methodology being at the same time closer to the community. It is deemed to be an innovation within urban regeneration and society.<sup>2</sup>

Further comment on the UK approach to this sector is in *appendix 3*.

Hamburg suggests that ‘the “not for profit sector” actually is neither public nor private. With respect to this in Germany a so-called “third sector” has been established where all NGOs etc. can be found. .... According to this the 3<sup>rd</sup> sector describes a social sector, which distinguishes itself from the sectors state, market and community, respectively family. We therefore recommend to assign “not for profit organisations” to this sector.’<sup>3</sup>

They go on to explain the status of their own company – STEG. ‘Formally STEG is a private company (100 % private) and is subject to all economic risks of the market and competes with other intermediate authorities or services. Taking a closer look STEG carries out tasks on behalf of the city (trustee of real estate funds and district manager). Therefore, a client-contractor-relationship exists between STEG and the city: in 95 % of all activities STEG acts by order of the public sector. STEG, however, can be an investor itself in developing projects at own risk. In this case STEG can be assigned to the private sector. In total – the way we see it – STEG is clearly a private company and is to be assigned respectively’.

#### *2.1.4 Residents and consumer*

There is also no clear agreement about how far individual residents should be included in the private sector – not only do they invest as owner-occupiers, but as consumers they have an important part to play in ensuring the success of the private sector. They do not only influence the flourishing of local commercial premises, they also use services as there is health-care, education etc. Residents and consumers set up different kinds of base condition for private sector involvement as clients in different specific fields (e.g. Boxion - Berlin, Music Center-Hamburg). They could be an incentive to lever private investment as they query about market failures.

But, as most of the cities suggest, enough of this definitional issue. For the purposes of the rest of this report we concentrate on the commercial sector, and its contribution to neighbourhood regeneration.

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<sup>2</sup> Kevin Kane comments Berlin meeting

<sup>3</sup> Kurt Reinken email 13 August 2003

## 2.2. Motivation

Understanding motivation is an essential early step in developing a partnership, in particular a public/private partnership. Conveniences, common interests and tangible results have to be clarified. Why should the private sector be involved in regeneration? What is in it for them? (The title of this paper comes from Kongens Enghave in Copenhagen – one of the Entrust case study areas. Nokia had opened its Scandinavian headquarters adjacent to the regeneration area - was this an opportunity to get the private sector involved? But *what's in it for Nokia?*).

### 2.2.1 Motivation of public sector

We start with the motivation of the public sector – where most of the Entrust partners come from (if not all – it depends on your definition!). The reasons for involving the private sector range from ‘Because the government tells us to involve them’ (Glasgow), through ‘The loss of public money for investment in the infrastructure of Berlin after 1990 can only be balanced by an increase of private sector investment’ (Berlin) to the more positive ‘Government owns assets primarily in the form of land, but lacks the capital for developing the same sites. Private sector involvement is thus envisaged as a way of capitalising on property assets whereby the government grants the land the private sector forks the financial investment’ (Malta). and ‘to make decisions and plans on regeneration and development more effective’ (Vilnius)

While at first glance the reason to involve the private sector appears to be about replacing public sector investment with private, there are deeper reasons that come out from further discussion:

- ☞ ‘There is a recognition that the private sector plays an ‘important part in the area - can be the actors that have resources; gives the area 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).
- ☞ ‘Private protagonists in redevelopment areas have a more intensive insight of the planning processes, procedure schedule, consideration necessities and political structures.’ (Hamburg)
- ☞ ‘To share expenses of regeneration of the private property/ to give an incentive and impetus to qualitative renovation of local commerce and urban atmosphere, in order 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 needs of private companies, to share responsibility with the private sector on area’s development, to receive private sector support’ (Vilnius)

### 2.2.1. Motivation of the private sector

And what is in it for the private sector? What do they get from involvement? There appears to be four main areas why the private sector is willing to get involved:

- ☞ To improve their business competitiveness or return on investment

- ☒ To improve their business environment
- ☒ To gain information
- ☒ To gain contracts from the public sector

There is no evidence from this survey that the private sector is primarily motivated by ‘civic duty’ or by any desire to improve the well being of the local inhabitants. Most businesses are located in inner city areas because it either suits them (they could move elsewhere if they wanted to or felt that opportunities were better elsewhere) or for historical reasons (they have been there for along time). The connection between business and place may be tangential – particularly if they are large scale or international companies.

Regeneration offers an opportunity for the sector to ‘to gain information, to gain contracts from the public sector, to improve the business environment, concerning security and tidiness, [and] to form networks with other businesses of the area’ (Berlin); ‘...gain influence; knowledge of the area; can get access to services and benefits in the area and from the public sector’ (Copenhagen); ‘... development opportunity and return on investment and tax benefits where applicable.’ (Dublin); ‘...gain more influence... to make better transportation infrastructure (including parking), to reduce the number of crimes, to improve the accessibility of services to business’. (Vilnius)

There may be differences between different parts of the private sector – particularly for owner-occupiers and SMEs. ‘Private owners primarily want to secure their real estate in the long run and improve the value of their estate. Owners, which take advantage of public means, do not depend on fast profit realisation. Small businesses have more an interest in improving the surroundings / location in order to improve their competitiveness.’ (Hamburg)

One of the attractions of inner city areas is that there is often an emphasis by the public sector on job training/assistance. Therefore incentives provided by the public sector may also be a motivating factor. ‘Some of the commercial sector are involved because of the attraction of public grants (e.g. ... grants for house builders). Some are involved (develop their business or move into the area) because of the local support... takes the pain out of recruiting and training’ (Glasgow). ‘To benefit from financial funds and loans with special conditions that make it easy to pay them back within 10 years, without the responsibility of re-housing tenants during the construction works, and without planning, study and administration costs’ (Lisbon)

Different private sector commitment is linked to different base conditions, which function as motivation and attraction factors. In connection with the relationship between private sector and neighbourhood features we can differentiate between locally based and dependent on local factors and clients and those having a having a network structure and therefore some kind of flexibility or finally working completely independent from an urban area on city or regional, national or international level. We can find different kinds of commitment and sense of accountability, which may range from very intensive daily linkage, integration and participation via a relative civic responsibility up to solely corporate responsibility.<sup>4</sup>

Depending on scale, capacity and economic force private sector may look for different resources as there are:

#### Physical settings

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<sup>4</sup> Kevin Kane comments Berlin meeting

- Ë Land and infrastructure
- Ë Heritage or old building (cheap)
- Ë Site conditions in relation to other urban areas and possible spill over effects

#### Human recourses/ social situation

- Ë Labour
- Ë Skill
- Ë Motivation
- Ë Wages

#### Entrepreneurial opportunity and talent

- Ë Growing locally
- Ë Market and potential future market

#### Public relations

- Ë Reputation or publicity from being related to the area?

#### Stable operation conditions

- Ë Social environment, crime, low risk environment <sup>5</sup>

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<sup>5</sup> Ivan Turok comments Berlin meeting

### ***2.3. Types of businesses and leverage of private sector involvement***

Analysis of the responses to the question ‘*What kinds of businesses are involved in the case study area?*’ would indicate that 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. The public sector business involvement is through State property agency OPW (Office of Public Works manages state property portfolio) and city council’ (Dublin). ‘Private Owners; retailers mainly participate in the business sector. One main emphasis lays in the revaluation of shopping streets, for example Marktstraße; also in the service sector networks are being built to promote competitiveness. One further main emphasis lays in the promotion of start-ups.’ (Hamburg)

Few businesses appear to be national or international companies. In looking at businesses, it is also worth noting that there are businesses that expect to have a long term relationship with the area, and businesses that have a short term interest in the neighbourhood – e.g. developers and contractors.

The publicly owned or third sector businesses are very important for jobs in the local area. ‘Housing, Economic development, Community development, Education & training, Cultural. These are also major employers in the area – e.g. the Nautical College employs 400 people, many of whom live locally. Social economy organisations often give priority to local employment’ (Glasgow) (*see appendix 4*).

The approach that is being taken by the public sector to long term commercial businesses in many areas is three-fold:

- Ë 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.
- Ë Provide ‘start up’ facilities for new businesses often in workspaces either purpose built or converted buildings (One of the current ways 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))
- Ë Attract established businesses to the neighbourhood (e.g. Nokia and other international companies (Copenhagen); Hotel chain (Glasgow)). These might require some financial inducement – e.g. direct subsidy or brownfield land prepared for development and the costs absorbed.

The short-term commercial business is also important for job creation and training for local people, provided that some arrangement is made in contracts. ‘They provide owner-occupied housing – attracting new people into the area as well as enabling local people to stay in the area as owner-occupiers; as contractors, they provide local employment’ (Glasgow)

We do not have detailed business analysis for the case study areas – we did not seek this information – and it may not be readily available. Therefore we do not have a complete picture about what leverage tools are exactly to be used and at what scale.

A traditional way of attracting the private sector into run down neighbourhoods is to provide some financial incentives. A number of the Entrust cities have used financial incentives, with good success.

Ë “...grant used to attract house builders to build for owner-occupation in areas that the house builders thought too risky. As time has gone on, the amount of grant has been reduced – now no grant required – houses selling off drawings! (Grant used to reduce the normal sale price to attract buyers) ... ERDF funds to attract investment by Railtrack to refurbish railway arches as workshop units.” (Glasgow)

Ë “There are two different target groups. On the one hand real estate investors, who get financial support for infrastructure related investments. On the other hand – the different business communities (creativity industries; retail and services), who are supported to form networks to sustain the projects initiated with ERDF money”. (Berlin)

Ë “Public sponsorship programmes are being used differently by the private sector:

- Regarding the apartment modernisation and apartment new building sponsorship means can be granted as favourable building credit. The sponsorship means lay between 30 and 50 %.
- The use of ERDF money as well is being placed at disposal for the private sector. Here, small businesses up to 30 % can be promoted. The money is being granted as investment subsidy and is stated for commercial and constructional investments. (EU limit 100.000 €).
- The modernisation programme is determined for existing enterprises. Small businesses can receive an investment subsidy of 20 % in disadvantaged neighbourhoods.

There is also the possibility of a special sponsorship for key projects with city wide effects. For example an investment subsidy of 40 % has been granted to one private investor with the start-up centre Sprungschanze. (*see appendix 4*.)” (Hamburg)

In Lisbon, “Several financing programs were available for different purposes:

- PROCOM (community fund for revitalising commerce in urban areas), bearing costs of the improvement and renovation work on commercial premises, the equipment and vocational training of the agents involved.
- FUNDO DE TURISMO (community fund granted by the Ministry of Culture) bearing costs of exterior refurbishment of façades and roofs of all buildings.
- RECRIA/REHABITA (joint funding systems awarded by the National Institute of Management of State-owned Dwelling Resources, (IGAPHE) and the Lisbon City Hall) financing up to 65% of the total cost of works carried out on privately owned or municipal residential buildings (in the case of rental contracts pre-dating 1980) including reduction

of Value Added Tax at 5% of the total cost of works on recuperated buildings with State support.

- LEI DO MECENATO, allowing sponsorship by private companies.” (Lisbon)

## 2.4. Types of involvement

We tried to identify how the commercial sector was involved in the regeneration process. What did public/private partnerships mean and how were they operated? What becomes clear from the responses is that there is a variety of ways in which the sector is involved, there is little pattern, and that there are no simple ‘cookbook’ type solutions e.g. getting the private sector involved is through “network building, representatives and partnerships” (Copenhagen)

### 2.4.1. Public/private partnerships

Public/private partnerships are at the core of most regeneration programmes. “It describes the cooperation of the public sector with private developers for large urban building or infrastructure projects” (Berlin). They are “networks between public and private partners working with urban regeneration. Public/private partnerships are the most common and important partnerships in Kvarterløft areas” (Copenhagen)

If partnership is about working together to achieve a common goal, then there can be different ways of achieving this. It can be “a formal relationship in which there is a sharing of risk between the public sector and a private organisation. This relationship may take the form of a jointly owned company, or more usually, a formal written agreement. For example, public transport where the rail companies are privately owned by for profit companies, but receive grants from the state to provide loss making services”.(Glasgow) Or partnership can be simply a “short-hand way of describing the working together in an informal way of public and private organisations.” (Glasgow).

At the heart of a public/private partnership is the question of shared risk. “Private-public partnership includes initiatives whereby risks are shared between the private and public sectors.” (Malta) “...when a public authority delegates to a private organisation the responsibility for financing, executing and maintaining a project in return for the right to operate the facility for an extended period. This enables its investment to be amortised, that is, the private sector takes the financial risk.”

Whether the partnership is formal or informal, the co-operation has the following characteristics:

- ☞ Community of execution and responsibility, including distribution of risk and gain. The co-operations are based on agreements regarding the development and realisation of products or programmes. In this regard it does not matter whether this is regulated formally or informally – important is the substance and quality.
- ☞ It is a convenient alliance: Each side hopes for advantages out of the co-operation (win-win-situation)
- ☞ Equality: the co-operation is totally balanced
- ☞ Work sharing: The co-operation unfolds respective powers and potentials
- ☞ Time frame: The partnerships are of a limited duration.<sup>9</sup>

There are various ways in which the private sector participates in a public/private partnership.

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<sup>9</sup> Kurt Reinken, op cit

#### 2.4.2. Network structures

One example is helping businesses development through employment partnerships. That is only one way of sustaining businesses. Business Clubs and network development – bringing businesses together to help strengthen the business base of a community is another technique. A detailed account of one Danish business network is in *appendix 4*.

Berlin involves the private sector in street management (examples in Frankfurter Allee and Wrangelstrasse) and in area marketing. Berlin also involves private sector in a business network of creative industries and start-ups to reuse vacant premises and to attract people to as well to improve the image of the area (Boxion).(*see appendix 4*)

#### 2.4.3. Private lending

The first way that the sector participates is as financier – providing short term lending – in a traditional banking role. Long term investment is less likely until there is some sign that the neighbourhood is ‘on the up’. Longer term lending then becomes more realistic – to an owner-occupier, or as backer for a commercial business or a social economy business.

#### 2.4.4. Direct investment

An obvious role for the sector is where it can invest in property development. This requires the sector to have confidence in the future of the neighbourhood. A precondition for this would be that the public sector has a strategic plan to deal with the issues which would be seen as negative – e.g. crime, cleanliness, transport access. “Private sector can deliver on urban regeneration through direct investment in property development or in partnership with local authority”. (Dublin). “co-financers in the reconstruction of buildings” (Vilnius). “Creates businesses (e.g. Hotel, retail, start up manufacturing) (Glasgow)

#### 2.4.5. Participation in decision making structures

Where there are formal ‘partnership’ structures the private sector is often be represented e.g. “the neighbourhood fund jury” (Berlin); “representatives in the Kvarterløft board” (Copenhagen), “... in form of public (social) committees under the Vilnius Municipality. Members of public committees are representatives of leading organisations and companies (both state and private). (Vilnius);” Owners and the local economy are being represented in the advisory board.”(Hamburg) “Local businesses on the board of GI. Particularly important when GI had a grants and loans scheme for helping business as part of their business development programme” (Glasgow) “the chamber of commerce and the chamber of trade are represented, which represent the interests of the local economy” (Hamburg).

These are all examples of where the private sector *benefits directly from its involvement* in decision making structures. The sector is less interested in decision making structures where it does not see a direct benefit. “The SIP [Social Inclusion Partnership] is required to involve someone from the commercial sector on their board. Their role has never been clear, and they are a ‘sleeping partner’” (Glasgow). “The main focus of local businessmen are the instant improvements in the business environment. There is a restraint to waste valuable time in endless discussions about the vague strategy for an area” (Berlin) “Commercial sector often regards strategic planning as a talking shop. What’s in it for them? They do not necessarily

have a long term commitment to people or place. Experience with local business people on GI board shows that they are interested if strategic planning is about business development – removing the obstacles, help with recruitment, skill training (Glasgow)

This reinforces evidence from other research carried out into partnerships which indicates that “Business partners have little patience with ‘talking shops’, and can find the processes of consultation and decision making tedious and non-productive. Many are not interested in discussing the operational or detailed expenditure aspects of regeneration programmes, preferring to give their time to strategic development issues”<sup>10</sup>

Not everyone thinks that the private sector should be closely involved in strategic decisions. “...there is a conflict of interests. On the one hand the neighbourhood development should be decided by democratic and participatory procedures without the dominance of profit interests, on the other hand you need to involve the private sector to kick-off and sustain the regeneration of an area” (Berlin)

There are mixed messages about how far the private sector wishes to get involved in the overall strategy as compared to the individual projects. In some cities the private sector is involved “...in the preparation of strategic plans of city’s development; ...in the decision making.” (Vilnius). In others “... the private sector protagonists that had some influence on decision-making were the owners, shop owners, other private investors and the residents. Their sphere of influence stopped on individual level and remained on individual projects. The latter were discussed with them, and their opinions were taken into consideration, specially the residents’ wishes. The owners didn’t have many options if they wanted to participate in the project. The municipality assumed global responsibility and conducted the whole process.” (Lisbon)

In a less structured way the private sector is part of the participation process, although it is likely to be “underrepresented.”<sup>11</sup> This partially depends on how far the strategy deals with the development of the commercial sector “In the renewal concept all targets for example commercial promotion are being defined. The draft is being presented and discussed publicly. The businesses can exert direct influence on the concept.” (Hamburg) “The private sector is mainly involved in strategic planning through Public Consultation exercises” (Malta)

“The residents, as the main beneficiaries had more influence than the owners of houses on the refurbishment projects. Nevertheless the owners were consulted. Shop owners had ample influence on the fittings and interior design of their shop while bearing the costs. Nevertheless, regarding the kind of activity and business, owners were ask to comply with the general strategy of economic renewal through tourism. Nobody of those actors had significant influence in general planning and creating future visions of the neighbourhood.” (Lisbon)

#### 2.4.6. Intermediaries

One of the interesting features of the Entrust regeneration programmes is the development of intermediaries. They may be public sector organisations (like Kvarterløft secretariats), not-for-profits (like Gorbals Initiative, OTRA, Malta Regeneration Agency), or for-profits (like

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<sup>10</sup> Carley et al (2001) *Regeneration in the 21<sup>st</sup> century*, the Policy Press.

<sup>11</sup> Kurt Reinken, op cit

STEG). Their structure – which reflects the approach of their country - is less important than the role they play. They act in an independent way which may not be possible for the traditional public sector organisation bound by committee structures and legislation. They can move at a different speed, are more closely linked to the neighbourhood, the residents and to the businesses. They are developing an understanding of the private sector – in the variety of its role, motivation, capacity and opportunities. And they can capture the confidence of the sector and build upon it.

#### 2.4.7. Corporate Social Responsibility

Recently, the private sector has been encouraged to become more involved in social, cultural and environmental issues outwith its immediate concern. Sponsorship, grant making trusts, fund raising for ‘worthwhile causes’ have become a way in which business can show a ‘human face’. There are some examples of Corporate Social responsibility from the Entrust case study areas:

- Ë “...national companies, have sponsored the operation by supplying construction materials and sponsoring the preparation of the architectural projects”(Lisbon)
- Ë “In several previous years, corporate social activity has developed in Vilnius. These are cases of e.g. assistance to cultural activities, help for disabled, homeless people, donations to development of city’s green areas, etc...20% are involved into regeneration of Uzupis/Paupys (e.g. have supported initiatives, organisation of area’s events, social activities of area’s inhabitants, and other). However, the situation seems to become more favourable as additional 28% of surveyed businesses intend to support the area’s development in the nearest future (Vilnius)
- Ë “The involvement of individuals from the commercial sector on social economy boards, e.g. the Managing Director of a local building company sits on the board of the GI trading arm – he gets no personal benefit. GI has an annual Open Golf event, attracting businesses to participate. This raises £7000 per annum that is given as grants to community groups.” (Glasgow)
- Ë “Part of the objectives for the business network in Nord-Vest and Kgs. Enghave” (Copenhagen)

Not all countries appear to have developed the approach. “...the CSR strategies are anchored only to a low extend. We only know individual enterprises which send their managers to social facilities for a few days. In disadvantaged areas no considerable experiences have been gathered” (Hamburg)

(see appendix 4)

## ***2.5 Task sharing with and functions of private sector in urban regeneration***

Private sector involvement in deprived neighbourhoods has been induced by public sector or simply happens by private sector initiative within different fields of intervention carrying out several functions based on different commitment.

### *2.5.1. Providing employment*

A key role for the private sector is the creation of jobs, particularly for local people. “Many of the projects constitute a force of attraction for smaller developers and above all help in the creation of new jobs. The private sector is a main economy generator at both local and national level.” (Malta) “Creates jobs – new businesses; relocates because the area is seen as “on the up” (Glasgow) “...The building contractor made a special agreement with the municipality giving the possibility for several local inhabitants to be temporary employed...A private company carrying out a hotel in the area, and guarantee some jobs for local inhabitants..” (Lisbon)

*(see appendix 4, Cities’ case studies)*

While the private sector is the employer, the public sector’s role in the employment partnerships is often about job search, training and skill development.

### *2.5.2. Sustaining businesses, economic development*

One of the fundamental tasks of private sector within urban life and therefore within urban regeneration is the creation of economic diversity and desirable economic stability. There are many examples that demonstrate private sector engagement within economic development of urban areas besides the above-mentioned networks and providing directly employment:

- Berlin reports about the “Gründerbox” project, which provided within a public private partnership 34 start-ups with affordable rent level.
- Similarly Hamburg has the “Sprungschanze”-project, a public private partnership that made 30 office spaces available;
- Dublin where the re-use of vacant industrial buildings comes together with the creation of affordable office spaces for start up business particularly IT related.

*(see appendix 4, Cities’ case studies)*

### *2.5.3. Physical regeneration*

Considering the physical environment the private sector intervention is not only limited to the realm of revalorisation of own property assets. Several examples show that private sector intervention has taken part in urban regeneration within infrastructure renewal (Valetta), new development of affordable housing (Dublin), landscaping and embellishment of public space (Valetta) and provision of buildings to host cultural facilities (Dublin) - in order to named some examples.

*(see appendix 4, Cities’ case studies)*

### *2.5.4. Service delivering, neighbourhood culture etc.*

Not-for-profit organisations are involved within the field of service delivering, skill training and cultural revitalisation as shown by Berlin where the Workers Welfare Friedrichsheim is in

charge of job training for young people with disadvantages on the labour market; or by Glasgow where Education and training is organised through the Glasgow Nautical College. Cultural and cultural life is enriched by Citizens' Theatre and the Scottish Opera.

In Copenhagen / Kongens Enghave assistance regarding job creation/ finding has been generated by public sector in close cooperation with residents and local entrepreneurs.

On the other private sector initiative focusing on the improvement of urban ambience through revitalisation of cultural life, provision of leisure and educational training facilities is demonstrated in Valetta.

Berlin involves the private sector in street management (examples in Frankfurter Allee and Wrangelstrasse) in area marketing. Hamburg initiated marketing actions for cleanliness in the neighbourhood within voluntary participation of an advertisement agency.

( see appendix 3 and 4 , Cities' case studies)

## ***2.6. Measuring private involvement***

When it comes to measuring private involvement, most cities admit to not doing it very well. “Actually, the impact of the private sector involvement is not measured so far (at least in systematic way).” (Vilnius) “No indicators exist at local levels. On a national level, the Employment and Training Corporation monitors the number of jobs created in the private sector.”(Malta) “Private commitment cannot be recorded unless public sponsorship is involved” (Hamburg)

Most have no targets against which they measure success, although some measure the amount of private finance which they bring in (Berlin, Glasgow); some measure “the number of jobs that have been created with public sector support”(Glasgow); “statistical returns on sq. metre of residential and commercial development achieved” (Dublin).

Others will measure their success by “the involvement of private sector stakeholders in the affairs of neighbourhood development or the number of private sector organisations, which are engaged in neighbourhood management projects.” (Berlin) “The only type of evaluation and assessment done in the Lisbon case is a periodic one of the work and schedule fulfilment. No other type (social, economical, etc.) is done yet.” (Lisbon)

There were some thoughts about how a holistic impact assessment could be made. “Within a regeneration area the impact can be measured through the quantum of residential and commercial development achieved, the value of that investment, economic impact, the number of jobs created, the level of cultural, recreation and community investment and environmental impact.” (Dublin) “Maybe the change of lifestyle / residents notices the new quality?” (Hamburg)

### **3. Conclusions**

Each city was asked: *What would be the key message you want to give to the EU president about the involvement of the private sector in regeneration?* This was in effect a summing up of their views, and they are included in *appendix 5*.

There is general agreement that the private (commercial) sector has an important and growing role to play in neighbourhood regeneration. The role is complex – not simply the provision of financial resources to replace dwindling public sector resources, but as the basis of a sustainable community. This means taking the sector as a serious player in the neighbourhood, even if its commitment to place may be less than its commitment to its own objectives. But that is not dissimilar to other stakeholders – even residents who may have other options available to them.

Getting the sector involved in public/private partnerships means recognising what the sector both seeks from the partnership and can give to it. The partnership is usually established by the public sector, which is responsible for strategic planning and leadership. For the public sector this involves new ways of working, new ways of thinking and new relationships. There may need to be incentives, and compromises to maintain the private sector's involvement. The use of intermediaries as a link between the public and private sectors – now in operation in many of the cities in the Entrust programme – point a way forward.

## Appendix 1

### Questionnaire

#### *Group A strategy*

1. How does your city define the private sector? Is it:
  - Owner/occupiers
  - Not for profit organisations ( for example those that get more than 50% of their capital funding from private investment – including banks (e.g. housing associations)
  - investors (financing);
  - small investors – individuals
  - local commercial organisations for whom the profit motive is the prime motive
  - national and multi national companies
  - others
2. What is defined as the public sector?
3. What kind of involvement does the private sector have with regeneration (eg strategic planning)?
4. Motivation – why is the PS involved? –
  - To achieve the same outcomes as if public finance was available; or to create different type of area?
5. What kinds of businesses are involved in the case study areas?
6. What motivates them to be involved?
7. How is the impact of the private sector involvement measured?

#### *Group B techniques to get the PS involved*

What we need here are examples of techniques or instruments (not just from the case study areas, but from other parts of the city)

e.g.:

- Organisations that deliver regeneration and have become PS/ commercial (e.g. STEG – why was it privatised; is it an example to other cities. Privatising Municipality co-ordination, example Dublin, Gorbals Initiative )
- How to get PS involved in decision making
- Inducing/Levering/Anchoring private sector spend (e.g. improvement & GRO grants, ERDF money)
- Co-financing
- PPP – e.g. education
- Corporate Social Responsibility (charitable work)
- Planning/community gain (Dublin/Vilnius)
- How local business are helped to develop

For each of these ‘mini case studies’ we need to understand

- Why were they formed?
- What kind of organisation are they (e.g. Not-for-profit, commercial)?
- How do they work?
- How do they contribute to the regeneration of the area?
- How do you measure their success?

➤ What are the key lessons?

And finally:

Can we all answer the question: *What would be the key message you want to give to the EU president about the involvement of the private sector in regeneration?*

## Appendix 2

### Preliminary analysis

#### What is the private sector?

- ✦ Individuals through to businesses
  - Residents
  - Owners
  - Commercial businesses (profit distributing)
  - Private borrowing
  - [not for profits, non profit sharing]
  
- ✦ Big issues
  - Is private sector only the profit distributing organisations?
  - What about organisations set up to act as ‘intermediaries’?, e.g.:
    - ✦ STEG
    - ✦ Gorbals Initiative/housing associations
    - ✦ Malta Regeneration Agency
    - ✦ OTRA?

#### What is the public sector?

- ✦ Government – national, local
- ✦ Quangos
- ✦ More than 50% owned by government
- ✦ [not for profits]
- ✦ [private companies funded by government]

#### What do we mean by private/public partnerships?

- ✦ Formal
- ✦ Informal
- ✦ Who carries the risk? Sharing risk.
- ✦ Delegation of responsibility
- ✦ Networks
- ✦ Infrastructure development
  - [Confusion PPP & PFI?
  - Do we need to explore these further?]

#### Why is the private sector involved – from the private sector perspective?

- ✦ Attraction of public finance as support
  - Including skill development
- ✦ Improving business environment
  - Physical
  - Transport
  - Crime
- ✦ Publicity & marketing
- ✦ Access to public contracts
- ✦ Gain influence

#### Why is the private sector involved – from the public sector perspective?

- ✦ Not enough public money
  - Particularly for infrastructure
  - Capitalising on property assets
- ✦ ‘We are told to’
- ✦ Jobs
- ✦ Important players in the area
  - Holistic planning
- ✦ More efficient and dynamic than public sector – including the delivery of public services
- ✦ To induce a ‘chain reaction’

### **How is the private sector involved?**

#### 1. from the commercial perspective

- ✦ Sit on boards
  - decision making/juries/
  - general participation
  - [What kind of people/scale?]
  - [why strategy involvement – talking shops?]
- ✦ Investment
  - ‘Opportunity for development’
- ✦ Employment
  - Creation of new jobs
- ✦ Contractors
- ✦ Corporate Social responsibility
- ✦ Link with mainstreaming/aims of regeneration

#### 2. from the not-for-profit perspective

- ✦ Intermediaries
- ✦ Sponsors
- ✦ Services on behalf of public sector
- ✦ Supporting commercial sector
- ✦ Strategic planning
- ✦ Employers
- ✦ Link with mainstreaming/aims of regeneration

#### 3. from the residents

- ✦ Owners
  - maintenance
- ✦ Consumers in shops etc
- ✦ Link with community participation /mainstreaming/aims of regeneration

### **How measure involvement?**

- ✦ Very little measurement
- ✦ Jobs
- ✦ Amount of financial investment
  - Leverage on public money
- ✦ m2 private development
- ✦ [other measures & how to measure them: e.g.

- quality of life
- visibility
- House prices/gentrification]

### **Key messages**

- Success in regeneration requires the private sector to be involved:
  - ✦ Commercial
  - ✦ Not for profit – including ‘intermediaries’
  - ✦ Individuals
- The sector brings
  - ✦ Resources – people and money
  - ✦ Expertise
  - ✦ A different perspective to the public sector
- Different parts of the sector play different roles and require a different approach by the public sector
  - ✦ Cannot talk about the role of the private sector without talking about the role of the public sector
  - ✦ Leadership required by public sector - strategy and some funding
  - ✦ Don't expect the commercial sector to do charitable work or area strategic work – they are interested in business development
- Role of public sector
  - ✦ Planning & defining strategies
  - ✦ Start up funding
  - ✦ Long term people support (not necessarily service delivery but ensuring that the service is there)
- Sustainable development only possible with involvement of private sector

## Appendix 3

### The UK Social Economy Sector

The role of the social economy sector has become more important over the last few years in the UK as government (at both national and municipality level) has pulled out of delivering services directly. There is an historical tradition to this, social services such as health care, education and housing were provided by voluntary organisations and the church before being taken over by the state (especially for the poor). For example, the oldest housing association in the UK is a 12<sup>th</sup> century almshouse. The welfare state aimed to provide an equality of service for all – e.g. free education, free health, affordable housing - and thought that the best way to deliver this was through state owned enterprises e.g. the National Health Service, or municipality owned and run education, social work and housing. Since the mid 1970s in Scotland, there has been a growth of ‘third sector’ or ‘social economy’ organisations that have first shared the provision of social services with the state, and secondly have taken over the direct provision role with the state (through its agencies – like Communities Scotland and Scottish Enterprise - or municipalities) having a strategic and funding role, and a regulatory role. The role of government agencies is particularly important in the UK; they form a layer of administration between government and organisations.

Some ‘social economy’ organisations are totally dependent on public sector finance to operate – they may have a contract to deliver particular services. Others will operate in a mixed funding regime – they may have a contract to deliver services to certain people (normally people unable to afford to buy the services themselves), and will also market their services as any other private company. Others will get general subsidy support to help them provide services at an affordable cost (but the state may apply conditions as to its use). But the directors of the company will not get any financial reward – either in pay or in dividends. They are the ‘volunteers’ in what is still called in some areas the ‘voluntary sector’. And they carry the risk of failure as they are normally subject to the same regulatory rules as any commercial business, although the financial liability of individual directors may be limited.

For example, a *not for profit housing association* may get public sector grants from Communities Scotland (CS). These grants count against public sector borrowing by the Scottish Executive (of which Communities Scotland is an agency). But the housing association can also borrow funds from private institutions (e.g. banks, building societies). Responsibility for the association lies with its committee elected by its shareholders, not the government or CS – even though CS as a regulatory body has the power to remove committee members if found guilty after an inquiry. The association is therefore a *private sector organisation* – even although it is undertaking tasks which a few years ago would have been the responsibility of the public sector.

The kind of services that ‘not for profit’ or ‘social economy’ organisations deliver is very wide. These include:

- ◆ Affordable housing (e.g. New Gorbals Housing Association)
- ◆ Community development (e.g. Gorbals SIP)
- ◆ Economic development (e.g. Gorbals Initiative)
- ◆ Education and training (e.g. Glasgow Nautical College)
- ◆ Welfare rights and advocacy (e.g. charities such as Shelter)
- ◆ Cultural (e.g. Citizens’ Theatre, Scottish Opera (!))

Some of these have a 'for profit' trading arm that competes against private sector organisations. However, the profit is not distributed, but mandated back to the original organisation. This approach is necessary to ensure that the original body retains its charity status, which gives it certain tax benefits. UK charities have to have as part of their purpose something like 'the relief of poverty' and acting commercially is seen as contrary to that purpose. For example, Glasgow Nautical College runs a nursery charging commercial rates, and Gorbals Initiative has a small business park.

A large amount of the Scottish economy is made up of this sector (it has been estimated that it is larger than the manufacturing sector) It is particularly important in regeneration, where the aim is not simply to improve the physical character and to make the area attractive to inward private investors, but to ensure that the existing residents benefit from the process – improved opportunities, jobs, housing, transport and social services.

## **Appendix 4 - EXAMPLES**

### **Examples of private/public partnerships**

( 2.5.1). *Providing employment, (2.5.2.)Sustaining businesses, economic development*

#### **1. Copenhagen - Business network Nordvest**

##### **Background**

The neighbourhood of Nordvest has a rich and varied business life with some 17.000 jobs. The companies are mainly situated in three older business areas also containing some of the oldest buildings in the neighbourhood. The older business areas were built from 1900 onwards and are a mixture of different kinds of businesses and a mixture of business and residential buildings.

The mixture of business and residential areas used to be a problem because of noise and pollution, but apart from a few examples – such as car-painting companies – this is no longer a problem. The mixture gives the neighbourhood a more dynamic and mixed character and might have a possibility to develop into an attractive neighbourhood.

Apart from the many companies in the business area there is a number of public institutions in the neighbourhood – the biggest of which is Bispebjerg Hospital with a staff of over 3500.

It is difficult to characterise the companies in the neighbourhood in a few words. Many lines of business are represented. Previously it was production and industry, but today it is mainly service – that is offices.

Of the production companies in the neighbourhood only a few are companies which are noisy or demand a lot of space. Typically it is companies such as producers of elevators and escalators – and companies that has greater Copenhagen as their working area.

There is a considerable number of companies using the synergy of being close to each other as customers and suppliers and using the proximity of the central city and the expertise of newly education workforce in the city.

##### **The process**

The regeneration project of Femkanten was established in 1997. By 1998 it was decided to focus on business development and employment. It was important to find out what sort of companies were located in the neighbourhood and how they regarded the process of regeneration – and employment. We wanted to get in touch with the companies, get to know them and their need for staff.

We handpicked 31 companies. The criteria for choosing them was size: They had to be big enough to have the resources to co-operate with us, and they also had to represent various lines of business.

In the process of picking the companies we discovered that there was a significant majority of modern companies. Today the companies work with IT, graphic industry, advertising and movies – and not with traditional industry.

Already at this point we could see that there was an imbalance between supply and demand of staff. This is well known from other neighbourhoods in the municipality of Copenhagen. The available work force is often unskilled, while the companies demand a skilled staff.

Our plan was to interview the companies 30 to 60 minutes on how they saw themselves in the neighbourhood. We would tape the interview and produce a report. Much to our surprise everyone agreed to participate. The results were just as surprising. There was a myth that the companies of the neighbourhood were on their way down or stagnated.

Nothing could be more wrong. Among the companies we met the biggest sound-studio in Denmark, the biggest media company, the biggest service organisation (250,000 employees world-wide) and the winner of the Companies in Growth Award 2002. Most of the companies had deliberately picked the neighbourhood and liked the environment. The rents were fair and there were shops and a good infra-structure. One statement said “once we have had customers from abroad, they will never forget being here.”

When the report was finished we presented it to the companies. At the same meeting we suggested forming a business network as a separate organisation. The regeneration project would pay for the running costs the first year and they would also supply the necessary staff – that is the business consultant. The companies backed this suggestion and this was the start of the network

### ***Purpose***

The purpose of the organisation was:

- to improve the physical environment – including streets and squares
- to secure a continuous development
- to secure traffic and parking conditions to the benefit of residents and business
- to develop a local business policy to promote growth and employment
- to develop a local employment and labour market policy within the framework of a socially balanced labour market
- to arrange common activities for the organisation members and to assist them in promoting the commercial and business activities of the neighbourhood

### ***Content***

The network was formed in February 2001 and had 15 members. In February 2003 there are 41 members – probably it is the biggest local business network. The members are not only private companies, but also include public companies and schools.

The first task was to create a web-page with all the relevant information and activities ([www.bisperhverv.dk](http://www.bisperhverv.dk) - Danish text). After some discussions the network in 2001 made a catalogue of ideas for future action.

In 2003 the network is deeply involved in a project with the regeneration project and local residents. The project concerns the renovation a street – as a good example of the mixture of housing and business. In order to get public funding it is important that the network is an active participant. If this project is successful it will be one of the first times that a partnership

is established where the private companies will also be paying for part of the work – as they have to finance more than 50% of the costs.

In 2002 the network together with the regeneration project applied for an Agenda 21 centre. The application was successful – not least because the network was a part of the application. This was yet another example of the partnership with businesses as an important partner.

In 2003 we will focus on business development and employment. We will arrange an education event where companies and schools can meet. The companies here get a chance to tell the young students what kind of education is in demand.

In November 2001 the regeneration project helped to establish a network for the local shops – but they have not been very successful and now the two networks will fusion into one. This will increase the number of members to about 70.

### ***Economy***

As mentioned earlier the first year was financed by the regeneration project. But since 2002 the networks has been paying all their expenses such as administration and projects. Members pay a fee of €190 a year.

### ***Experience***

The most important result of the network is that the businesses of the neighbourhood have become much more visible and is actively participating in the democratic process of regeneration. In short the companies have learned to understand the wishes of the residents, and the residents have come to understand the businesses' need and demands. And there is actually not that much difference in the way they regard the development.

It is important during the whole process to focus on the anchoring of the network. They have to be self running by the time the regeneration project stops.

## ***2. Dublin – The Liberty Corner Project***

The Liberty Corner Project is a key element of the €762 million rejuvenation plan for Dublin's North East Inner City. The development is a private public partnership with McCabe Builders Ltd who are a commercial organisation. The partnership was formed to help create an arts industry quarter in this area. 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 encourage the location of new enterprise activity in the area.

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 will complement existing artistic activities in the area. The crèche should be capable of accommodating up to 60 children and will be designed to meet the standards stipulated for Full Day Care in the Childcare (Pre School) Regulations current at the time of development.

The project will cost €7.2million which is being financed partly by government funding and also by the lease of the site by Dublin City Council to McCabe Builders (who are the private sector in this case) who will then build the Arts Centre, Dance Centre, Crèche and Enterprise Centre for Dublin City Council. McCabes will also build 58 apartments on the site which,

they will own and sell for commercial gain. McCabes will receive substantial tax relief on construction costs which, is how Dublin City Council was able to attract private sector involvement.

Name of project	Liberty Corner Project – (7.2 million euro) North East Inner City I.A.P.
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	To establish arts industry quarter- Dance Centre, Municipal Arts Centre, Childcare, Enterprise Space, Office & Residential development on tax designated site.
Who are the partners?	Dublin City Council/McCabe Builders Ltd.
Motivation – public sector partner(s)	Secure mixed-use development as part of I.A.P. Plan/Maximise potential of site in city ownership.
Motivation – private sector partner(s)	Developer maximise commercial gain and tax benefit.
Outcome expected (e.g. what is the partnership trying to achieve?)	Fulfil regeneration objectives of I.A.P.
How does this partnership contribute to the regeneration of the neighbourhood?	Creates new vibrant mixed-use development in area previously run down /derelict.
How is the partnership involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions)	Joint Venture Project/City Council is responsible for Regeneration Process.
How successful has it been (e.g. actual outcome)	Project under construction.
What kind of organisation (e.g. commercial or not for profit)	None
Legal status (e.g. informal, company limited by guarantee)	None
How success is measured (e.g. process)	Completed development December 2004 (Expiry Tax Designation)
How does this partnership relate to others in the area (e.g. integrated)	Project is part of Integrated Area Plan under City Council.

### 3. *Dublin Guinness Enterprise Centre- Liberties Coombe IAP*

Name	Guinness Enterprise Centre Liberties Coombe IAP
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	Affordable office space for start up business particularly IT related.
Who are the partners?	Guinness Ireland/Dublin City Council/Enterprise Ireland/Dublin Business Innovation Centre

Motivation – public sector partner(s)	Economic Development/Enterprise support in Regeneration area.
Motivation – private sector partner(s)	Re-use of vacant industrial building/Strong company tradition in area/ Enterprise/Innovative development /Link to emerging Digital Hub initiative in the area.
Outcome expected (e.g. what is the partnership trying to achieve?)	Provide quality short-term affordable space for new enterprise to grow.
How does this partnership contribute to the regeneration of the neighbourhood?	New use for old building/Enterprise Development is new concept in area/ Adjacent to public sector housing/Opportunity for linkage to other programmes.
How is the partnership involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions;	Linkage/Representation on IAP Monitoring Committee/City Council Representation.
How successful has it been (e.g. actual outcome)	Of total 70 units, 60 taken up to date – project now in 3 <sup>rd</sup> year of operation. Units have 3-year tenure.
What kind of organisation (e.g. commercial or not for profit)	Commercial
Legal status (e.g. informal, company limited by guarantee)	Limited Company
How success is measured (e.g. process)	No. of new enterprises established.
How does this partnership relate to others in the area (e.g. integrated)	Integrated with wider partnership & agencies in area.

#### 4. Hamburg - Sprungschanze

The start-up project SPRUNGSCHANZE was realised in co-operation with the public sector and private sector. The private sector (small investor and owner) has constructed the building as a start-up centre subject to the ideas of the city. The city took investment subsidy and received the occupation rights for ten years in return. Between the city and one private investor a city development contract was signed. The redevelopment of rental apartments of private owners is one more example. The modernisation and redevelopment of the apartment is being carried out almost exclusively by public means. For each of these ‘mini case studies’ we need to understand:

Name	Sprungschanze
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	✦ Support of start-ups / promotion of small economic structures, 30 office space units
Who are the partners?	✦ City of Hamburg ✦ STEG Hamburg (district manager) ✦ Local investor ✦ Start-ups out of the neighbourhood

Motivation – public sector partner(s)	<ul style="list-style-type: none"> <li>✦ Promotion of small commercial units / improvement of the infrastructure</li> <li>✦ Contribution to cut back unemployment</li> </ul>
Motivation – private sector partner(s)	<ul style="list-style-type: none"> <li>✦ The entrepreneurial risk is being limited by promotion.</li> <li>✦ Taking promotion means</li> <li>✦ Start-ups receive subsidised commercial space</li> </ul>
Outcome expected (e.g. what is the partnership trying to achieve?)	<ul style="list-style-type: none"> <li>✦ Contribution to cut back unemployment</li> <li>✦ Promotion of the start-up spirit in disadvantaged neighbourhoods</li> <li>✦ Giving impulse for revaluation of the street</li> </ul>
How does this partnership contribute to the regeneration of the neighbourhood?	<ul style="list-style-type: none"> <li>✦ The partnership is not part of the renewal concept but has been developed during the working process</li> </ul>
How is the partnership involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions;	<ul style="list-style-type: none"> <li>✦ The project is part of an entire strategy</li> <li>✦ There has been intensive information about the project</li> </ul>
How successful has it been (e.g. actual outcome)	<ul style="list-style-type: none"> <li>✦ Since the start in the year 2000 the average occupancy is 97 %</li> <li>✦ 50 % of the tenants come from the neighbourhood</li> </ul>
What kind of organisation (e.g. commercial or not for profit)	-
Legal status (e.g. informal, company limited by guarantee)	<ul style="list-style-type: none"> <li>✦ There are agreements by contract: <ul style="list-style-type: none"> <li>○ The city makes promotion available for the investor → contract</li> <li>○ The investor engages STEG with the management → contract</li> </ul> </li> </ul>
How success is measured (e.g. process)	<ul style="list-style-type: none"> <li>✦ number of jobs</li> <li>✦ number of enterprises</li> <li>✦ length of stay of start-ups in the centre</li> <li>✦ number of employees from the neighbourhood</li> <li>✦ rent quota</li> </ul>
How does this partnership relate to others in the area (e.g. integrated)	<ul style="list-style-type: none"> <li>✦ The project is integrated into the <u>entire city</u> start-up strategy of the</li> </ul>

	<p>city</p> <ul style="list-style-type: none"> <li>✦ Conference room can be enlisted for the local economy free of cost</li> <li>✦ The redevelopment councils are being informed about the project on a regular basis</li> </ul>
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### 5. *Glasgow – Hill’s Trust Cisco Academy*

The Hills Trust Building has a long association with education and sharing the wealth of knowledge. The Hills Trust Primary School was an endowed school named after the founder, Abraham Hill. (for fuller details see Glasgow Case Study)

Govan Initiative took the building over from Glasgow City Council in 1999, just as the council were about to close it down due to neglect and lack of management. GI were given 12 months to come up finance to refurbish the building and find a use for it, otherwise they would have had to return it to the council.

Govan Initiative were able to raise over £1million pounds to implement a planned refurbishment that restored the building to it’s formal glory, creating a learning environment fit for the 21<sup>st</sup> Century. The Academy focuses on industry-led training and brings the latest developments in Information and Communications Technology to the Greater Govan Community. The project enables individuals to study at their own pace and in their own time for industry recognised qualifications that will increase their chances of securing higher skilled, higher wage employment in ICT and related sectors.

The project combines the very latest in e-learning delivery with group work and lab based practical exercises. Learners can choose from a wide variety of courses ranging from introductory courses like European Computers Driving Licence (ECDL) to CISCO Certified Networking Associates (CCNA).

Whilst the Hills Trust Learning Academy is already a success for Govan and indeed for Glasgow, there is a bigger success story to be told. The seed funding for the Academy, the first Cisco Community Networking Academy in Europe, came from Cisco Systems. At the launch event in March this year, Cisco announced that they will be making a similar investment in another three academies in the Glasgow area, and presented a cheque to the Local Development Network for a further \$1million. This is undoubtedly a terrific investment for Glasgow, which will ultimately provide access to these facilities over a wider geographical area.

### 6. *Glasgow – Crown Street*

The Crown Street Regeneration Project was established to masterplan and manage the physical redevelopment of the central part of the Gorbals. This was instigated by the local enterprise company (formally Glasgow Development Agency, now Scottish Enterprise Glasgow), working with the City Council and Scottish Homes (now Communities Scotland). GDA committed a significant resource to the masterplan approach to neighbourhood

development – a new one for Scotland. A major factor to the success of this approach was that the Project Director was based locally and the local community was involved.

Crown Street has a mixture of housing – both owner/occupation and social rent (through New Gorbals Housing Association). Crown Street represents the first newly built owner-occupation in Gorbals. (There were some Right to Buy sales) Private developers were encouraged to build in an area that they would never have considered partly because of the masterplan approach and partly because of the grants that were available through Scottish Homes. These grants have been withdrawn as private sector confidence increased – both buyers and sellers.

When the first new private housing went on the market in 1993, local residents were offered a 10% reduction on the purchase price of the new flats. The sales office opened on day one to find a queue of local residents outside the door!

Crown Street has also acted as a catalyst for other developments involving the private sector. An hotel (was the Days Inn – now the Tulip Inn) was attracted in. Gorbals Initiative partnered with Spacia (the property arm of Railtrack) to pull down EU funding to refurbish the arches as workspaces under a railway line. This was important as the arches are adjacent to the hotel. Railtrack would not have considered the refurbishment without the GI involvement and EU funds.

## 7. Berlin - Gründerbox

Name	Gründerbox
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	<ul style="list-style-type: none"> <li>- Business support and reuse of a vacant building</li> <li>- office space for up to 34 start-up firms with an affordable rent level, high speed internet access and micro-size office spaces (15 m<sup>2</sup> and bigger)</li> </ul>
Who are the partners?	<ul style="list-style-type: none"> <li>- Neighbourhood management Boxhagener Platz /public</li> <li>- Housing company Friedrichshain (WBF)/ public</li> <li>- Deutsche Telekom AG / private</li> <li>- Start-up firms from health care, multimedia, law, food services, social research etc/ private.</li> </ul>
Motivation – public sector partner(s)	<ul style="list-style-type: none"> <li>- Use of private resources (buildings, management capacity, investment money) for the neighbourhood development process</li> </ul>
Motivation – private sector partner(s)	<ul style="list-style-type: none"> <li>- Housing company Friedrichshain: reuse of a vacant office building by new start-up companies; spill-over effects to other locations (more than 100 vacant commercial premises of the WBF) in the district of Friedrichshain due to growing demand</li> <li>- Deutsche Telekom: up to 34 new customers concentrated at one location</li> <li>- Start-up firms: low rents, good IT</li> </ul>

	infrastructure, good connections to public transport, combination of working and living within walking distance; network of start-up firms
Outcome expected (e.g. what is the partnership trying to achieve?)	- Renting out the building of the Mainzer Straße 25 and adopting the pilot scheme to other locations in the neighbourhood management area
How does this partnership contribute to the regeneration of the neighbourhood?	- Affordable and attractive office space for start-up companies, founded by people living in the neighbourhood - Reuse of vacant building in the neighbourhood for business activities and job creation, often self-employment of local people
How is the partnership involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions;	- Involvement of the WBF in the process of high street management Frankfurter Allee and the Quartiersfonds process Boxhagener Platz - Formulation of the Gründerbox idea by the neighbourhood management; implementation and realisation by the WBF with support by the neighbourhood management
How successful has it been (e.g. actual outcome)	- 80 % of the spaces are rented out; the majority of the founders of the start-up companies are living in the neighbourhood or nearby
What kind of organisation (e.g. commercial or not for profit)	- all partners involved are commercial sector, but the WBF is owned by the City of Berlin, the neighbourhood management is paid by the City of Berlin and the necessary investment and low-rent levels in the starting phase of the project are partly funded (50 %) by the the programme Socially Integrative City
Legal status (e.g. informal, company limited by guarantee)	- the project itself does not have a legal status, we are talking about a contract-based agreement.
How success is measured (e.g. process)	- number of companies, diversity of companies, background of the founders, percentage of space rented
How does this partnership relate to others in the area (e.g. integrated)	- relation to projects and partnerships like traders association Frankfurter Allee; Jobbox (Existenzgründerfonds Boxhagener Platz); Gewerberaum Börse, Boxion, Schauraum

(2.5.3.). *Physical regeneration***1. Dublin- Westgate – Heuston Area Regeneration**

Name of project	Westgate – Heuston Area Regeneration – Area 8 hectares, 500 million euro development
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	Private residence (with 20% affordable) Development – 650 Units Office Development including Corporate Headquarters Employment potential – 5,000 jobs Cultural/Environmental - 4,000 sq.m
Who are the partners?	OPW (State Property Agency)/Eircom – Telecommunication Company
Motivation – public sector partner(s)	Maximise value of underutilised state property asset/Comply with planning framework strategy for area as new growth area.
Motivation – private sector partner(s)	Maximise value of underutilised property/Create new Corporate Headquarters.
Outcome expected (e.g. what is the partnership trying to achieve?)	As Above
How does this partnership contribute to the regeneration of the neighbourhood?	Provides for 20% Affordable Housing/Employment/Cultural Tourism. Benefits to extend to wider I.A.P Area – Kilmainham/Inchicore.
How is the partnership involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions)	Joint Venture undertaking between State & Private Sector.
How successful has it been (e.g. actual outcome)	Development now at Planning Stage.
What kind of organisation (e.g. commercial or not for profit)	
Legal status (e.g. informal, company limited by guarantee)	
How success is measured (e.g. process)	
How does this partnership relate to others in the area (e.g. integrated)	Integrated Development proposal with both city wide and local impact for I.A.P. Area Kilmainham/Inchicore. Consistent with area framework strategy developed by City Council.

## **2. Dublin - Regeneration of Fatima Housing Complex within the Liberties/Coombe IAP**

Historically a problem social housing complex of 364 residential units now undergoing a public/private partnership process to bring about 520 new housing units including social, affordable and private housing together with social/community and 1000 sq. retail development. Private partner must build and finance 110 social housing units as first phase development. The private partner will then design, build and finance a further 400 units of which 110 will be delivered to the City Council for provision of additional social units and affordable housing. A sports/community facility must also be provided on terms to be agreed.

## **3. Dublin Regeneration of St. Michael's Estate within the Kilmainham/Inchicore IAP**

Housing area with 340 public housing units, history of social decline now with 65 units occupied. Part of the regeneration plan delivered to date including new housing - 100 units, all weather facility, integrated services building from public funding.

Next phase of redevelopment plan for the estate which sought to deliver 320 mixed residential units, social/community facilities requires commitment of over 50 million Euro from public capital expenditure.

A public/private partnership process is now being developed to allow private partners to bring forward proposals, which will maximize potential of site, which has an area of 11 acres and lies adjacent to new light rail transport corridor. Proposers will be expected to deliver appropriate density of social, affordable and private housing together with social/community facilities and such other uses as may be proposed. The intention is to find alternative mechanism for funding public projects, limit public capital exposure and obtain a potential capital gain.

## **4. Valetta – Environmental Landscape Consortium**

Name	Environmental Landscaping Consortium
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	Landscaping and Embellishment of public spaces. The scope of this partnership is to enhance the quality of public open spaces.
Who are the partners?	Central Government with three main private contractors.
Motivation – public sector partner(s)	Delegation of management of a section of the private sector and efforts to reduce the number of public sector employees.
Motivation – private sector partner(s)	Investment (financial etc.) profits and marketing of services offered by individual companies
Outcome expected (e.g. what is the partnership trying to achieve?)	Improve urban areas and make public areas more attractive both for locals and tourists considered a major economy generator on the island.
How does this partnership contribute to the regeneration of the neighbourhood?	Enhance neighbourhoods and make them more attractive to live in

How is the partnership involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions;	Not involved directly
How successful has it been (e.g. actual outcome)	The initiative is still in its initial stages. It was initiated in the late 2002 thus require more time for assessment. However, initial accomplishment are promising.
What kind of organisation (e.g. commercial or not for profit)	Commercial
Legal status (e.g. informal, company limited by guarantee)	Consortium
How success is measured (e.g. process)	Positive public opinion and cost effectiveness to be determined by auditing
How does this partnership relate to others in the area (e.g. integrated)	N/A.

(2.5.4.) *Service delivering, neighbourhood culture etc.*

**1. Hamburg – Draussen- bleibt-er drin, Machsweg - action**

Name	marketing actions for cleanness in the neighbourhood
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	<ul style="list-style-type: none"> <li>✦ contribution to the promotion of cleanness in the neighbourhood (<a href="http://www.draussen-bleibt-er-drin.de">www.draussen-bleibt-er-drin.de</a> or <a href="http://www.machsweg.de">www.machsweg.de</a>)</li> </ul>
Who are the partners?	<ul style="list-style-type: none"> <li>✦ city of Hamburg / public</li> <li>✦ STEG Hamburg (district manager)/ public + private !!!</li> <li>✦ advertisement agency JungvanMatt / private</li> <li>✦ internet agency / private</li> <li>✦ city environmental and operational services / public</li> </ul>
Motivation – public sector partner(s)	✦ improvement of cleanness in the neighbourhood
Motivation – private sector partner(s)	✦ reputation of the participating enterprises (image, increasing degree of fame, creativity award, self promotion)
Outcome expected (e.g. what is the partnership trying to achieve?)	✦ promotion to change conscience and behaviour of the inhabitants
How does this partnership contribute to the regeneration of the neighbourhood?	<ul style="list-style-type: none"> <li>✦ the advertisement agency has worked out the campaign free of cost.</li> <li>✦ the city has paid the additional costs (photos, printing).</li> </ul>

How is the partnership involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions;	<ul style="list-style-type: none"> <li>✦ the partnership is not part of the renewal concept but has been developed during the working process.</li> </ul>
How successful has it been (e.g. actual outcome)	<ul style="list-style-type: none"> <li>✦ since it is a campaign for sensitisation, it is difficult to measure success.</li> <li>✦ 50 % of the tenants come from the neighbourhood</li> </ul>
What kind of organisation (e.g. commercial or not for profit)	
Legal status (e.g. informal, company limited by guarantee)	<ul style="list-style-type: none"> <li>✦ There are agreements by contract: <ul style="list-style-type: none"> <li>○ The city makes promotion available for the investor → contract</li> <li>○ The investor engages STEG with the management → contract</li> </ul> </li> </ul>
How success is measured (e.g. process)	<ul style="list-style-type: none"> <li>✦ Feedback of the inhabitants</li> <li>✦ Evaluation and number of news reports / homepage</li> </ul>
How does this partnership relate to others in the area (e.g. integrated)	<ul style="list-style-type: none"> <li>✦ The project is integrated into the <u>entire city</u> start-up strategy of the city</li> <li>✦ Conference room can be enlisted for the local economy free of cost</li> <li>✦ The redevelopment councils are being informed about the project on a regular basis</li> </ul>

## 2. Valetta – Care Malta

Name	Care Malta
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	Health care and Elderly
Who are the partners?	Central Government and a private company involved in the care for the elderly.
Motivation – public sector partner(s)	Delegation of responsibilities and decentralisation
Motivation – private sector partner(s)	Profit and diversification of portfolio of investment
Outcome expected (e.g. what is the partnership trying to achieve?)	To offer a better quality service for elderly population in the area, reducing displacement and out migration.
How does this partnership contribute to the regeneration of	N/A.

the neighbourhood?	
How is the partnership involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions;	Not involved directly
How successful has it been (e.g. actual outcome)	The initiative has proved successful. Malta is experiencing an ageing population and partnership is seeking further investment
What kind of organisation (e.g. commercial or not for profit)	Commercial
Legal status (e.g. informal, company limited by guarantee)	Limited Liability Company
How success is measured (e.g. process)	New investment in the sector and better use o resources
How does this partnership relate to others in the area (e.g. integrated)	N/A.

## ***Examples of private sector involvement***

( 2.5.1). *Providing employment, (2.5.2.)Sustaining businesses, economic development*

### ***1. Berlin – Boxion***

Name of project	Boxion
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	<ul style="list-style-type: none"> <li>- local business development</li> <li>- network of creative industries start-ups in vacant commercial premises</li> </ul>
Motivation – public sector	<ul style="list-style-type: none"> <li>- reduction of the percentage of vacant commercial premises</li> <li>- enhancement of the public realm</li> </ul>
Motivation – private sector	<ul style="list-style-type: none"> <li>- BOXION projects: affordable retail and work space for start ups from the creative industries within a supporting network structure</li> <li>- House owners: finding long-term users for their commercial premises</li> </ul>
Outcome expected (e.g. what is it trying to achieve?)	<ul style="list-style-type: none"> <li>- Improvement and enhancement of the public realm</li> <li>- use of vacant commercial premises</li> <li>- local business network for creative industries</li> <li>- job creation and new employment opportunities</li> </ul>
How does this private sector initiative contribute to the regeneration of the neighbourhood?	<ul style="list-style-type: none"> <li>- reuse of vacant commercial premises</li> <li>- attracting people to the area and improving the image</li> <li>- forming a network of businesses from the creative industries</li> </ul>
How are the private sector people involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions)	<ul style="list-style-type: none"> <li>- participation in regular festivals mandatory for funding, which help bring cultural life into the area</li> </ul>
How successful has it been (e.g. actual outcome)	19 working Boxion projects (2001 – 5 projects, 2002 – 7 projects, 2003 – 7 projects)
What kind of organisation (e.g. individual, commercial or not for profit)	Spielfeld – private company
Legal status (e.g. informal, company limited by guarantee)	GbR company by civic law

How success is measured (e.g. process)	Boxion projects which continue after the support period
How does this project relate to others in the area (e.g. integrated)	- relation to projects and partnerships like Gewerberaumbörse, Jobbox, Mimosa Sonntag, spektrale – Friedrichshain cultural festival of etc.

### (2.5.3.). *Physical regeneration*

#### **1. Hamburg - Development of housing and commercial buildings**

Name of project	Development of housing and commercial buildings
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	<ul style="list-style-type: none"> <li>✦ redevelopment / new building of commercial and housing units of private owners without public means</li> </ul>
Motivation – public sector	<ul style="list-style-type: none"> <li>✦ apartments for medium-income persons / increase of the owner quota in the neighbourhood</li> <li>✦ cutting down sponsorship means</li> <li>✦ revaluation of the neighbourhood</li> </ul>
Motivation – private sector	<ul style="list-style-type: none"> <li>✦ long term yield expectations</li> <li>✦ conservation of value</li> </ul>
Outcome expected (e.g. what is it trying to achieve?)	<ul style="list-style-type: none"> <li>✦ building of apartments fulfilling the demands. Owner-occupied apartments or rented flats without rent control</li> </ul>
How does this private sector initiative contribute to the regeneration of the neighbourhood?	<ul style="list-style-type: none"> <li>✦ migration of high-income persons is being prevented</li> <li>✦ buying power in the neighbourhood is being strengthened</li> <li>✦ binding of tenants / owners is being strengthened</li> </ul>
How are the private sector people involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions)	<ul style="list-style-type: none"> <li>✦ private owners are being informed about changes on a regular basis</li> <li>✦ permanent representation of owners in the redevelopment council with the right to vote</li> </ul>
How successful has it been (e.g. actual outcome)	<ul style="list-style-type: none"> <li>✦ approx. 50 owner-occupied flats have been developed</li> </ul>
What kind of organisation (e.g. individual, commercial or not for profit)	<ul style="list-style-type: none"> <li>✦ commercial / individual investors</li> </ul>
Legal status (e.g. informal, company limited by guarantee)	<ul style="list-style-type: none"> <li>✦ company limited</li> <li>✦ private investor/development single person</li> </ul>

How success is measured (e.g. process)	<ul style="list-style-type: none"> <li>✦ number of flats and commercial units</li> <li>✦ price of sale and rent</li> <li>✦ settlement of families</li> <li>✦ lastingness</li> </ul>
How does this project relate to others in the area (e.g. integrated)	<ul style="list-style-type: none"> <li>✦ buying power is being increased: retail is being promoted / empty state avoided</li> <li>✦ families move back to the neighbourhood / school locations are being secured</li> <li>✦ owners are involved as sponsors</li> </ul>

## 2. Valetta – VISET

Name of project	VISET
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	Providing an infrastructure for a Cruise passenger terminal and ( as a consequence of the project) housing
Motivation – public sector	To regenerate part of the Grand harbour area and provide suitable infrastructural facilities.
Motivation – private sector	Commercial.
Outcome expected (e.g. what is it trying to achieve?)	To consolidate the Cruise Passenger Market by providing high quality facilities.
How does this private sector initiative contribute to the regeneration of the neighbourhood?	To create a pole of attraction in a historic area which is mainly vacant and underutilised.
How are the private sector people involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions)	Funding the project and implementing it.
How successful has it been (e.g. actual outcome)	Premature to comment as the project is still underway
What kind of organisation (e.g. individual, commercial or not for profit)	Commercial
Legal status (e.g. informal, company limited by guarantee)	Consortium
How success is measured (e.g. process)	Premature at this stage, but definitely one indicator would be an increase in the number of passengers using this facility.
How does this project relate to others in the area (e.g. integrated)	Sea Passenger Terminal is connected to the Cottonera Harbour project with the possibility of linking with the Connections project.

*(2.5.4.) Service delivering, neighbourhood culture etc.***1. Berlin – Voluntary Social training year**

Name of project	Voluntary social training year (Freiwilliges Soziales Trainingsjahr)
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	<ul style="list-style-type: none"> <li>- job training for young people with disadvantages on the labour market</li> <li>- one-year job training for 15-20 young people of the neighbourhood management area in the fields of event organisation, wood or metal processing</li> </ul>
Motivation – public sector	- supporting equal opportunities for young people and preventing long-term unemployment in an early stage
Motivation – private sector	- finding qualified and motivated young staff
Outcome expected (e.g. what is it trying to achieve?)	- pacing of disadvantaged young people in the education and labour market
How does this private sector initiative contribute to the regeneration of the neighbourhood?	- integration of disadvantaged young people from the neighbourhood in the labour market
How are the private sector people involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions)	- involvement by the contact to young people from the neighbourhood
How successful has it been (e.g. actual outcome)	- 2003: 100% of the young people got a 2-3 year working contract in private companies after the training year
What kind of organisation (e.g. individual, commercial or not for profit)	Arbeiterwohlfahrt (AWO) – Workers Welfare Friedrichshain e.V. (not for profit)
Legal status (e.g. informal, company limited by guarantee)	Employment project within the framework of the Workers Welfare association
How success is measured (e.g. process)	- percentage of young people who get a working contract after the 1-year employment scheme
How does this project relate to others in the area (e.g. integrated)	- support of institutions and organisations in the neighbourhood (small repairs in kindergardens, mobile stage for neighbourhood parties)

## 2. Valetta – Embassy Complex

Name of project	Embassy Complex
Field of intervention (e.g. health care, education, housing, jobs) and short description (e.g. affordable office space for start ups)	Entertainment, Educational, Commercial and Recreational
Motivation – public sector	Aiding regeneration of Valetta, particularly by providing facilities after office hours
Motivation – private sector	Commercial
Outcome expected (e.g. what is it trying to achieve?)	To meliorate quality of nightlife in the area as well as generate profits
How does this private sector initiative contribute to the regeneration of the neighbourhood?	As above.
How are the private sector people involved in the regeneration process? (e.g. representatives sit on board; take part in strategic discussions)	Funding and implementation.
How successful has it been (e.g. actual outcome)	The success of the project is demonstrated by the number of people frequenting the complex, as well as by the annual (financial) turnouts registered.
What kind of organisation (e.g. individual, commercial or not for profit)	Commercial
Legal status (e.g. informal, company limited by guarantee)	Limited Liability Company
How success is measured (e.g. process)	Turnover and use of area, particularly success in attracting people into the city (Valetta) after office hours.
How does this project relate to others in the area (e.g. integrated)	N/A.

## **Appendix 5**

### **Key messages**

#### **Berlin**

It is necessary to develop local business development strategies, instruments and projects and give direct financial support to micro- and small enterprises, which contribute to a higher degree to the area development than medium and large enterprises. Normally the bureaucratic regulations to access resources for research. Marketing, new technologies and investment are too high to reach the overwhelming majority of businesses in disadvantaged areas.

#### **Glasgow**

The private sector is crucial to the success of regeneration. It can bring resources and expertise not always available through the public sector. It is important for jobs. But there are two kinds of private sector – the commercial and the social economy. Both are needed if regeneration is to benefit existing residents as well as attract incomers.

#### **Hamburg**

Without the disposal of public sponsorships from state programmes and the EU there would be hardly any private protagonists.

Most of the times the initiative for PPP-projects results from the public hand. For this, companies with intermediate functions are necessary

#### **Lisbon**

The public sector doesn't have anymore the financial, technical and administrative capacity to engage the global regeneration and renewal process that cities urgently need. Therefore it is important to find new ways of cooperation and to share responsibility on various levels. Private participation and different manners of private public partnerships could be a solution and may promote local diversity catalyzing global tendencies.

#### **Malta**

The input of the private sector is an important element in any regeneration process. However, the mechanisms which bring together private and public investments require further development

#### **Vilnius**

Uzupis/Paupys - former historic suburban area of Vilnius old town – needs regeneration and development in the sense of economy, environment and community. The signs of development of the area are evident. However, without additional fostering, these signs can hardly turn into sustainable growth. At present Vilnius municipality has not enough human and financial resources to concentrate on the intensive development of Uzupis/Paupys. That is why involvement and support of private sector is crucial.

## ***Appendix 6***

Working group members:

Vilija Motiekiene (Vilnius) – [vilija@erc.lt](mailto:vilija@erc.lt)  
Kurt Reinken (Hamburg) - [kurt.reinken@steg-hh.de](mailto:kurt.reinken@steg-hh.de)  
Gerry Folan (Dublin) - [gerry.folan@dublincity.ie](mailto:gerry.folan@dublincity.ie)  
Hugh McCann (Dublin) - [hugh.mccann@dublincity.ie](mailto:hugh.mccann@dublincity.ie)  
Thomas Helfen (Berlin) - [quartiersbox@t-online.de](mailto:quartiersbox@t-online.de)  
Jakob Klint (Copenhagen) - [jk@byforny.dk](mailto:jk@byforny.dk)  
Gerdt Larsen (Copenhagen) - [gerdt@privat.dk](mailto:gerdt@privat.dk)  
Raymond Young (Glasgow) - [rky@btinternet.com](mailto:rky@btinternet.com)  
Hanka Wolter (Lisbon)- [hwca@hwca-adm.com](mailto:hwca@hwca-adm.com)