# PUBLIC-PRIVATE PARTNERSHIP AND THE POLITICS OF ECONOMIC REGENERATION POLICY IN SHEFFIELD c.1985 - 1991

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SUMMARY


PUBLIC-PRIVATE PARTNERSHIP AND THE POLITICS OF ECONOMIC

REGENERATION POLICY IN SHEFFIELD c.1985 - 1991

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The thesis examines the emergence and operation of public-private
partnership for economic regeneration in Sheffield since c1985. The
argument advanced is that changes in approach to economic policy
over this period were part of a process of economic and political
restructuring and fragmentation in the local state. The original
contribution of this research is that it offers a detailed insight
into one aspect of this process - the development of local economic
policy that drew on a range of institutional and individual actors,
producing both formal and informal mechanisms for articulating this
approach. The co-operative framework that emerged was one which
allowed the local authority a key position in the mediation of local
interests, but that also magnified business input into local
economic policy. This framework produced a politics that was about
how the partners established co-operation, sought to resolve
conflicts, and develop a consensus package for the city's
regeneration.


Acknowledging the emergence of a system of fragmented government
suggests the need to tie together some general theoretical insights
about the process of restructuring with the experience of change in
particular places. Several perspectives are considered, but the

thesis focuses on local corporatism, growth coalition and regime theory. The thesis suggests that despite some limitations, coalition and regime theory are useful for developing our understanding of partnership in Sheffield.

The thesis is divided into two main sections. Firstly, it discusses some theoretical and interpretive issues within the literature on local government restructuring. Secondly, the thesis analyses the empirical investigation into the development and operation of the partnership in what was its formative stage. It considers why co-operation developed around the issue of economic regeneration, how such co-operation worked in practice, and the degree to which it represented a realignment in the structures and mechanisms for coping with urban economic change.

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## ACKNOWLEDGEMENTS

# LIST OF ABBREVIATIONS

The following abbreviations are used throughout the thesis:

ABCC - Association of British Chambers of Commerce

AVEC - Audio Visual Enterprise Centre

BiC - Business in the Cities

BLT - Business Leadership Team

CBI - Confederation of British Industry

CoC - Chamber of Commerce

CoT - Chamber of Trade

DEED - Department of Employment and Economic Development

DoE - Department of the Environment

DTI - Department of Trade and Industry

EPC - Employment Programme Committee

FISU - Federation International du Sport Universitaire

GRE - Grant Related Expenditure

LDV - Lower Don Valley

MSF - Manufacturing, Science and Finance Union

PC - Policy Committee

PEDPC - Planning and Economic Development Programme Committee

PTPC - Planning and Transportation Programme Committee

RSG - Rate Support Grant

SADACCA - Sheffield and District Afro-Carribean Community
         Association

SCC - Sheffield City Council

SCRE - Sheffield Council for Racial Equality

SDO - Sheffield Development Office

SDC - Sheffield Development Corporation

SENTA - Sheffield Enterprise Agency

SERC - Sheffield Economic Regeneration Committee

SERS - Sheffield Economic Regeneration Strategy

SIBTEC - Sheffield Industry Business Technology Centre Ltd.

SPL - Sheffield Partnerships Limited

SLRT - Sheffield Leisure and Recreation Trust

SRG - Social Regeneration Group

ST - The Sheffield Telegraph

STC - Sheffield Trades Council

TEC - Training and Enterprise Council

TUC - Trades Union Congress

UDC - Urban Development Corporation

UDV - Upper Don Valley

URP - Urban Regeneration Project

VSCF - Voluntary Sector Consultative Forum

WSG - World Student Games

# INTRODUCTION

## AIMS AND OBJECTIVES

Partnerships for economic regeneration occupy a central place in the political economy of the regeneration of Britain's inner city and urban areas. Collaborative working between public and private sector agencies is integral to many programmes and initiatives designed to reconstruct local economies. Such co-operation is a key feature within any analysis that seeks to explain how the political and economic profiles of cities were shaped over the 1980s, and how they are being shaped in the 1990s. The aim of the thesis is to explore this emerging characteristic in local politics within a single city - Sheffield between c1985 and 1991 - a city which claimed to have 'invented the modern partnership principle' (ST. 2.8.91). It examines the emergence and operation of a series of increasingly institutionalised measures for public-private co-operation in the field of local economic policy.

The research operates on two levels: on one it involves a discussion of the relationship between the state and the local economy; on the other, it involves a detailed analysis of the interaction between local authority, centrally accountable institutions and the private sector in restructuring the urban form. The thesis analyses these collaborative relations by focussing on the co-operative participation of political and organisational interests within the city, and their policy objectives and strategies for economic regeneration.

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The research studies a city which has sought to tackle its economic problems in seemingly divergent ways. From an apparently radical and alternative economic policy in the early 1980s to a putative entrepreneurialism in the latter part of the decade, Sheffield provides a good location to consider this change in relation to a restructuring of local government. The argument advanced here is that the movement in economic policy in Sheffield over the 1980s and into the 1990s was part of a wider process of political and economic restructuring within the local state: that is, the transformation of the system of local government to a system of local governance involving a range of government and non-government actors working together in mobilising resources for effective government. The original contribution of this research is that it offers a detailed insight into one aspect of this process - the development of a local economic policy which drew on a range of institutional and individual actors, producing both formal and informal mechanisms for expressing this approach.

Acknowledging the emergence of a system of local governance suggests the need to attempt to tie together some general theoretical insights about this process of restructuring with the experience of local politics in specific places. In seeking to analyse the politics of local economic policy-making in Sheffield within a wider theoretical and conceptual framework the research advances on the work of the few previously short (Seyd, 1990), or descriptive (Field, 1990; Lawless, 1990; Lawless and Ramsden, 1990b) accounts of partnership in the city.

The purpose of this research is not to produce an evaluation of the success of partnership in Sheffield. Such a study would encompass significant methodological problems in measuring any degree of success. This is partly because of the fact that within the partnership there has been little systematic identification of its objectives (apart from vague statements of intent), and also because evaluating the extent of success is inevitably a subjective and partial exercise – success for whom and for what? This aside, there is also the problem of whether one evaluates the partnership as a whole or the impact of various projects and initiatives within the overall remit of the partnership? For example, some initiatives may be successful in their own right, but may add little to the general air of collaborative working in the city. There is also the problem of additionality: what has partnership brought that would not have happened if there had been no partnership? These issues are not judged in terms of whether or not the partnership produced a successful end-product which needs to be assessed. But they are considered more generally within the analysis of the operation of the partnership through establishing the implied evaluative standpoints of partnership's participants.

Predominantly, the thesis is an analysis of the development and operation of the partnership in what was its formative stage. It considers why co-operation developed around the issue of economic regeneration, how such co-operation worked in practice in the city, and to what extent there was a political realignment within the structures and mechanisms for coping with urban change. In essence,

this issue can be contextualised within the general question of the degree to which structural change within the urban economy and the impact of four consecutive Conservative governments have worked to bring about a change in the nature of local state input in the field of urban regeneration policy. Thus, the research is located within the continuing debate on the nature of the local government system, and the role the public and private sectors have played and might play in coping with systemic change. It is hoped that this thesis contributes to the debate on the nature of urban policy processes in a changing and fragmented system of local government.

THE RESEARCH CONTEXT

Britain's cities are in the process of substantial economic and social restructuring. The decline of older and larger urban centres stands in marked contrast to the growth of smaller towns and rural areas. That the main dynamic of this process is a change in economic activity and capital interests is difficult to deny. The manufacturing base of many cities has collapsed, their populations have declined and concentrations of unskilled and socially disadvantaged labour forces have been the result. Equally, British cities are subject to changing global economic patterns, particularly the internationalisation of capital and the growth of the world economy. As production is becoming more 'efficient' and 'profitable' in newly industrialising countries, the relative advantage of the more advanced industrial powers, and their cities, erodes.

However, it is recognised that the development of urban regeneration policy is influenced by forces other than economic. Problems of public order and a weakening of the state's legitimacy to rule informed policy developments over the 1980s. As such the state has had to respond to political alienation and social unrest in order to maintain its legitimacy and power. Although it is accepted that both economic and other factors influence urban policy, the assertion here is that economic forces are more powerful over the long term and that other forces are more apparent in the short term. In contemporary Britain, concerns with legitimation and self-maintenance appear to have been '...subordinated to the larger objective of facilitating economic growth on the basis of private capital investment' (King, 1987).

The role of the state in responding to structural economic change underwent a radical reassessment during the 1980s. The proliferation of 'semi-autonomous' and/or centrally accountable state institutions, and the introduction of new resource allocation schemes within the sphere of urban policy formulation, heralded the development of policy aligned with a market based approach to the solution of urban problems. The regeneration of cities has come to be conceived in terms of economic development programmes, or to be more specific, centrally controlled local economic development. However, despite this centralising tendency central government has created new agencies for tackling urban regeneration - for example Urban Development Corporations and inner city Task Forces. These new forms of policy have by-passed the 'traditional' channels and

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methods of local authorities with respect to the process of regeneration, and have made inroads into local controls and functions. In contrast, concern about local economic development has also manifested itself within particular localities. In the early 1980s, this was most clearly expressed through the programmes of a number of radical Labour local authorities, whilst the latter part of the decade witnessed the rise of local public-private partnerships drawing on a range of actors to regenerate local economies.

That partnerships have become de rigeur as an approach to the regeneration of Britain's cities owes much to the continuing metamorphosis of the system of local government into a system of local governance. During the 1980s the role, function and organisation of local government became an area of political and ideological debate as a range of measures concerned with its restructuring were advanced under successive Conservative governments. Tense relations between central and local government, an often volatile local political climate, and the emergence of new economic and social agendas for local authorities that went beyond their traditional functions, contributed to the production of a programme (admittedly ad hoc) to restructure local government. This programme focuses on issues of public service delivery; the demand for greater flexibility and responsiveness to meet local needs; the structure of local authorities; and the development of the concept of the 'enabling' authority.[1]

Clearly, the components of this programme may be visible, but the nature and the direction of change that they will bring for local government is less easy to decipher.[2] Whilst there is a growing body of literature seeking to analyse this transformation, much of it is general in nature and there are comparatively few empirical studies which examine aspects of this process in detail. In terms of theoretical perspectives it is possible to identify a range of interpretive positions within which much of the literature is located. Broadly, these are public choice, neo-pluralist and neo-marxist approaches, and within each lie a number of critical paradigms that offer specific insights into the process of local government change. What follows is a brief outline of the main analytic approaches applied to the study of the changing pattern of local government. A more detailed and critical commentary on aspects of these approaches appears in the first two chapters of this thesis.

Within public choice theory the centralised and bureaucratic elements of local government were criticised within a framework built on the assumptions of liberal economics and New Right ideology. However, the synonymity of public choice theory with right-wing political values has been challenged by those seeking to redefine the rational actor model at the core of the public choice perspective, re-evaluating the public choice approach in relation to its analysis of local government (see Jacobs, 1992;22-28).

Similarly, within the neo-pluralist perspective a range of literature has developed to explain the challenges facing local government. Neo-corporatist works have sought to articulate the movement toward the blurring of the boundaries between the public and private sectors (Cawson, 1985; King, 1985). The policy network literature has also offered insights into intergovernmental relations as well as styles of policy-making between government and non-government organisations and interests (Leach 1985; Parkinson and Wilks, 1986; Rhodes, 1986; 1988). The reformulation of the community power debate in the USA also presents opportunities for analysing changing public-private relations at the local level. Urban regime theory offers relevance here in its attempt to provide an explanation for co-operation between government and non-government actors and institutions within a fragmented system of local government (Elkin, 1987; Stone and Sanders, 1987; Stone, 1989).

Within neo-marxist literature, the 'social relations' and 'localities' approach has similar concerns with much of the recent American literature on regime building and growth coalitions (Jonas, 1992). Locality studies have played an important part in developing our understanding of the interaction between the broader processes of social and economic restructuring and the operation of political, economic, and social practices in particular places (Cooke, 1989; Harloe et al, 1990). This 'local' approach is complemented at a macro-level by regulation theory which focuses on broad economic and social changes in the organisation of capitalism. The assertion is

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that we are in the process of transition from one set of production and consumption norms to another - that is from Fordism to post-Fordism (Aglietta, 1979). The utilisation of a transition framework in the analysis of local level change has been principally found in the work of Hoggett (1987), Geddes (1988), and Stoker (1989b; 1990). The analyses of Hoggett and Geddes are directed towards studies of local authority service delivery and their relationship with the local economy. Stoker (1990), moving away from analyses of production and labour processes and discussions of technological change, considers the role of local government within the context of a new mode of regulation and the break-up of social democracy and the welfare state (see chapter one).

Given these broad theoretical perspectives for analysing the process of local government change, how does this thesis relate to these approaches? The thesis draws on neo-pluralist theories, particularly those which seek to explain the organisation and strategies of urban regimes and coalitions. This does not mean that the insights of other approaches are to be ignored. For example, despite the deterministic accounts of a transition from Fordism to post-Fordism offered by some regulationist work, the Fordist/post-Fordist paradigm usefully depicts general characteristics of economic change in the late twentieth century (Stoker, 1990;249). However, it says little about how specific policies designed to cope with economic and social restructuring develop in particular places. The relevance of the research lies in its contribution to the development of an informed understanding of how such place-specifc

restructuring strategies emerge. Specifically, it constructs a detailed picture of the role of the actors and institutions involved in the process of formulating economic regeneration initiatives in Sheffield since the mid-1980s. It also illuminates the mechanisms and systems of local policy-making and the links between government and non-government actors and institutions working in co-operation. Urban regime and coalition theory, with its focus on how government and non-government actors mobilise to produce an effective system of co-operation in the wake of fragmented government, is thus particularly appropriate for informing our understanding of how local political processes interact with changing conditions in the wider political economy (Harding, 1990;124).[3] As one commentator on the urban policy process suggests:

> Governments at the national and local levels play
> a role in effecting changes in policies that impact
> upon communities and economic growth...Governmental
> systems and political regimes are important. Different
> political dispositions create different environments
> for capital to relate to. Differences in organisation
> and style can have profound affects upon ways in which
> policies work. (sic) (Jacobs, 1992;49).

## METHODOLOGICAL APPROACH

A qualitative methodology was employed throughout the course of the research. In-depth interviews, of a mainly semi-structured form, was one qualitative technique. The interview process was designed to develop an understanding of the attitudes and beliefs of those who have informed and influenced economic policy within Sheffield. Interviews were also used to construct a substantive body of information about the climate and development of local economic

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policy in the city. The network of respondents included past and present city councillors; past and present council officers, particularly those from the Department of Employment and Economic Development and the Department of Land and Planning; leading representatives of the Sheffield Chamber of Commerce; board members and directors of the Sheffield Development Corporation; representatives from local trades unions; representatives from the voluntary sector in the city; Sheffield Members of Parliament; and civil servants within the Department of Environment.

In total, interviews were held with thirty respondents during the course of the research, with a number being interviewed twice. The group of potential respondents was constructed through an examination of relevant documentary sources. This indicated those who participated in the emergence of partnership in the city, or those who had recorded views (either positive or negative) on local public-private relations in the field of economic regeneration policy. Supplementing this network with additional respondents was achieved by further consideration of documentary materials and through the initial series of interviews. The majority of those approached responded favourably, agreeing to interview, and of those contacted only two declined the request for a meeting.[4] All the interviews were conducted with an agreement to confidentiality. Consequently, within the text, where information or quotes have originated from interview the source has been given anonymity. Interviews are referred to by number and by a general indication of

the source; for example, city councillor, local authority officer, or business person.

Complementary to the data generated by interview was that generated by the use and analysis of documentary sources. These sources included minutes, reports and papers of various committees and sub-committees of Sheffield City Council; documentation from the Sheffield Chamber of Commerce; minutes, reports and publications of the Sheffield Development Corporation; local and national newspapers; papers, reports and publications from central government departments; and other relevant secondary material such as books, journals and articles. These documentary sources were used to construct a body of factual information about economic policy in the city, and to allow for the development of a chronology of partnership events. This latter aspect provided a local historical dimension within which to contextualise the research, and to indicate when, where and by whom policy was made. On occasions, documentary sources were cross referenced with interviews to verify respondents' accounts of the timing of particular events. In this way, the analysis of documentary evidence and in depth interviews was mutually reinforcing.

The rationale for adopting these qualitative methods was twofold. Firstly, the search for the implied meanings of action and structure within the sphere of local policy development is as important as the search for causal links in the chain of policy development. The methods chosen were considered appropriate to elicit the implied

meanings and perceptions of the various actors involved in the regeneration of Sheffield's economy. By adopting a qualitative stance we gain insights into the assumptive worlds of local policy makers and their social constructions of reality (Young & Mills, 1981; Edwards, 1981). Thus, the qualitative approach provides a technique for the study of social processes, actions and structures in context, and reflects the subjective reality of those actors charged with policy-making at the local level. Indeed, interview recollections and documentary materials are inevitably subjective sources of information eliciting the meaning of actions and causal links in particular processes. The emergence of public-private co-operation in Sheffield considered in this thesis is not excluded from this subjectivity, and it is acknowledged that by interpreting this phenomenon in this way, the thesis also creates a subjective form of recollection.

Secondly, the methodology employed lent itself to the case study approach. The justification for carrying out a case study of local economic policy in Sheffield can be based on both pragmatic and methodological grounds. It is possible to argue that a case study format is required because the changes that have occurred in the city over the last decade have not been studied in detail. Indeed, while there have been a number of studies of the city under the new urban left in the early 1980s, relatively little has been written on the response of the city's Labour council to the continued decline of the local economy, the emergence of new public-private relations to cope with decline, and the place such developments occupy within

a wider process of local government restructuring. Clearly, the changing economic base of Sheffield, the ensuing process of regeneration programmes and policies, and the posited 'new realism' of the local authority, provide an ideal site for a detailed study of a stage in the transition to a system of local governance.

On methodological grounds many points can be used to justify adopting a case study approach (Yin, 1989; 10/26). However, four basic points will suffice as justification here: firstly, case studies allow for a reconstruction of policy makers and implementors' constructions of social reality - their assumptive worlds; secondly, they allow for a check of internal consistency, with each new piece of information providing a point of 'leverage' from which to test previous interpretations; thirdly, case studies provide a framework for considerable detailed analysis within a local context; and fourthly, they allow for a grounded assessment of that local context. Indeed, such a methodological approach provides a means of communicating information that is contextually grounded in the particular location studied (Yin, 1989; Miles and Huberman, 1984).

However, the problem of the case study approach is that it is difficult to make generalisations from detailed findings about the broader class of phenomenon that is being studied. In this thesis, the detail centres on the emergence and operation of measures for co-operation to cope with the problems of de-industrialisation and the decline of the local economy. Yet the broader issue is the

ingression into a system of local governance with its range of actors and institutions in the management of particular places, of which local economic policy-making is one aspect. Acknowledging this structural problem with the case study approach does not however mean that tentative attempts at generalisation should not be made. The conclusions presented at the end of the thesis seek to relate not only to the specifics of the experience of Sheffield, but also to the inter-relation between the operation of local politics in particular places and more general processes of local government restructuring.

THESIS OUTLINE

Broadly, this thesis has a three part structure: the first part consists of a discussion of some theoretical and interpretative issues within the literature on local government and its restructuring (chapters 1-3); the second part (chapters 4-9) reports and analyses the results of the empirical investigation into the emergence and operation of partnership for economic regeneration in Sheffield; finally, the conclusions of this research are presented.

In chapter one, a range of theoretical perspectives within the literature on local government change is examined including public choice, neo-marxist and neo-pluralist approaches. This is followed in chapter two by a detailed analysis of the inter-relations between three paradigms within neo-pluralist literature (the concepts of local corporatism, growth coalitions and urban regimes), in order to provide a more detailed context for the subsequent empirical analysis

and investigation of local public-private relations in Sheffield. Chapter three then focuses on the notion of partnership by analysing this concept in relation to urban regeneration and local economic development policy.

The case study of Sheffield begins proper in chapter four with a short account of the local authority's approach to economic policy between 1980 and c1983. In chapter five, a case report is presented in the form of a detailed narrative account of the emergence and operation of partnership for economic regeneration in the city between c1985 and 1991. Chapter six begins the analysis of this account by examining the structure and organisation of the partnership in terms of its participation, networking and cross-memberships. In chapter seven, the relationship of the Labour Council with measures for public-private co-operation is examined, by focussing on the changing nature of local economic policy during the 1980s. This line of analysis is also extended to Sheffield's business community, and the second part of the chapter focuses on its changing approach to local economic policy. Following this, chapter eight examines policy development in two areas of the partnership's work. The development of an image policy is considered, as is the attempt to integrate economic and social policy into a regeneration package for the city. Chapter nine explores the issues of accountability and managerial style in Sheffield's partnership through an analysis of three of the city's partnership institutions. Finally, the major findings of this research are summarized, and conclusions are drawn, both about the

specific example of Sheffield and how its experience relates to broader processes of local government change.

<div align="center">NOTES</div>

1.  See chapter one for a more detailed discussion.

2.  The ESRC Local Governance Initiative aims to provide a fuller understanding of 'the transformation of the structure of government beyond Whitehall and Westminster from a system of local government into a system of local governance' (ESRC Local Governance Initiative: The Purpose of the Proposed Initiative, 1992, p.1).

3.  The 'localities' literature attempts to relate wider socio-economic change to its effects in particular places. In this sense, it is not too dissimilar to the concerns of regime theory (see Jonas, 1992;285/286).

4.  Problems arose mainly with the SDC. Interviews were not conducted with the chair, chief executive and planning directors. Unfortunately, requests for interview coincided with the preamble to the Garlick Inquiry into the operation of the Development Corporation.

# CHAPTER ONE

## LOCAL GOVERNMENT IN THE 1980s AND EARLY 1990s:

## INTERPRETING CHANGE AND RESTRUCTURING

### INTRODUCTION

During the 1980s, and early 1990s, two themes emerge which
characterize the thrust of sucessive Conservative administrations'
policy stance towards local government. The first is the
restriction and constraint of local expenditure levels; the second
concerns the restructuring of the role, organisation, and management
of local government through the introduction of new institutional
forms and initiatives at the local political level (Stewart and
Stoker, 1989;2). Although both themes have operated in tandem, and
represent the hallmark of Conservative local government policy, it
is possible to separate them in terms of their temporal location
within the Conservatives' political agenda. The encroachment on
local fiscal autonomy and the imposition of financial controls was
particularly characteristic of the early to mid 1980s, and has
remained a central policy feature of Conservative administrations.

If the first theme of restraining local government finance and
spending was particularly characteristic of the early to mid-1980s,
the second theme has formed the core of the Conservatives' local
government agenda for the latter part of the decade. The objective
of this chapter is firstly, albeit briefly, to outline the main
features of both these processes as they have impacted on local

government, and secondly (and more substantively), to examine some of the interpretive frameworks that have been constructed to explain these developments in local government.


## RESTRUCTURING LOCAL GOVERNMENT

Since 1979 systematic attempts have been made to control the financial base of local authorities through the introduction of a number of strategies. These have included; grant related expenditure (GRE), block grant, rate-capping, and the introduction of the community charge. During the first two Conservative administrations between 1979 and 1987 block grant, GRE and rate-capping were the dominant policy strategies with which the Government orchestrated their campaign to reduce local expenditure levels.


The introduction of the block grant and GRE into the operation of the rate support grant (RSG) during the early 1980s was a particularly novel feature within the system of local government finance. Since 1967 the method of distributing government grants to local authorities had been the RSG. This comprised three elements; domestic rate relief (a per capita subsidy to domestic rate payers), resources equalisation (an attempt to iron out the differences in the tax base of different local authority's), and needs equalisation (a mechanism to equalise the expenditure requirements of different local authorities). From 1981 the resources and needs components were combined in the form of a block grant payable to all local authorities. The block grant entitlement was assessed on 'the

difference between a local authorities expenditure and the amount it was considered able to raise from the rates in order to finance that expenditure (Hampton, 1987;101). Thus, a mechanism designed to redistribute resources to areas of special need was now further controlled from Westminster

GRE was intended to reflect that 'need' and was the government's assessment of how much it would cost a local authority to provide a 'typical standard of service' with regard to its 'general circumstances and responsibilities' (Hampton, 1987;102). In essence it was an indicator to local authorities of what they ought to be spending. If their actual expenditure however was above the target figure then financial penalties and a reduced proportion of grant were imposed. In practice the majority of local authorities were spending less than the government's target figures. Thus rather than reduce spending the new grant regime actively encouraged local authorities to spend more. It was only in the larger metropolitan Labour controlled authorities, where GRE had been underestimated, that penalties and RSG 'claw back' were seriously imposed.

The retention of the targets and penalties system was however short-lived and by 1985 it had been abolished. This was due to three main factors. First, it encouraged increased rather than reduced spending. Those authorities which spent up to their GREA target received higher levels of funding, whereas those which adopted a cautious and prudent attitude to their expenditure lost grant (Butcher et al, 1990;70). Second, some local authorities had been

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penalised so much that they were no longer in a position to receive any grant. Third, many local authorities were unwilling or unable to meet their GREA targets. The Rates Act of 1983 was seen as the answer to the problem. The 'over-spending' and 'recalcitrant' local authorities could be further legislated against. With this piece of legislation the phrase 'rate-capping' was introduced into local government discourse and a new phase of central control of local government finance was ushered in. This Act allowed the Secretary of State for the Environment to determine the maximum level of rate a local authority could set. The Government's position was unequivocal - selective powers were necessary to bring into line a handful of maverick local authorities who steadfastly refused to accept the philosophy of central government's economic policy and reduce their levels of expenditure. Indeed the full weight of historical convention was brought to bear by the Government in their claim that a number of socialist local authorities were breaking with precedent in their refusal to comply with Government policy.

Despite the apparently inconsistent, and 'learning on the job' nature of Conservative local government finance policy, a clear objective is not difficult to detect. Primarily, central government has sought control of local government through restricting the rate of growth of public expenditure, attempting to reduce local spending programmes so as to fit into a long-term macro-economic policy of reducing the ratio of public expenditure in relation to national income. In addition, Conservative local government finance policy has sought to cultivate an understanding of the relationship between

what a local authority spends and what it costs to achieve that level of spending. This concept they considered had become lost in a political mist as a consequence of continual increases in the proportion of local expenditure covered by central government grant, and because of the separation between those who paid for local services and those who used them (Hampton, 1987;99).

The whole thrust of local government finance policy, the introduction of block grant, GREs, and rate-capping, has been directed towards reducing the amount of grant payable to local authorities and restricting their ability to finance any deficit by raising the rates. However, this process did not suddenly begin in 1979. The reduction in grants to local authorities as a consequence of policies to reduce public expenditure was a feature of Conservative and Labour governments of the 1970s. Local capital expenditure cuts have been considered a politically easy path to follow, encountering little local resistance. Indeed, the local expenditure cuts on housing and roads in the mid-1970s allowed the first Conservative administration to claim that it was merely following in Labour's footsteps. Nevertheless, reductions in local public spending have continued apace under successive Conservative governments. Rate-capping, GREs, and the community charge (despite the latter's demise), illustrate an attempt to weaken the fiscal autonomy of local government. Indeed, experience has demonstrated that there has been a commitment to change the structure of local government finance in an attempt to alter perceptions about the financing of local services.

Control over the financial base of local authorities retains an important position within the overall political agenda of Conservative administrations, as witnessed by the introduction of the now defunct community charge. However, following the 1987 general election, a broader concern with the role, function, and organisation of local government developed as a policy priority for central government (Stewart and Stoker, 1989;2). Tense relations between central and local government, an often volatile local political climate, and the emergence of new economic and social agendas for local authorities taking them beyond their traditional functions, has contributed to the production of a programme (admittedly ad hoc) to restructure local government. This programme focuses on issues of public service delivery; the demand for greater flexibility and responsiveness to meet local needs; the structure of local authorities; and the development of the concept of the 'enabling' authority.

A plethora of measures concerned with restructuring have been put into practice, from initiatives aimed at dealing with local economic regeneration and the reform of the internal operations of local authorities to those intended to reorganise their housing, education and social service provision. It is the combination of changes within policy content and measures that is characteristic of the restructuring of local government. Effectively these measures have attempted to 'marketise' local authority activities and services (Stoker, 1989), and have sought to fragment public sector provision and offer a private sector alternative. A new local government

discourse has been constructed around the concepts of competition, choice, and opportunity cost.

A related issue is the growth in the extent to which local authorities are considered, 'facilitators and providers of the last resort' (N.Ridley, Conference of Northern Conservative Women, November 1987). This view implies a separation of the authorisation and production roles of local government. Here the process of service provision is to be disengaged from the process of implementation. The 'enabling' authority will authorise the type and range of provision whilst the implementation or delivery of particular services will lie with competing service suppliers. In turn these suppliers will identify 'on the ground' needs which are then translated into the policy priorities of the 'enabling' agent.

The restructuring programme thus contained new strands in terms of how a local authority should be organised and managed but preserved elements of a previous phase of prudent expenditure. The collection of measures which revolve around 'marketisation' and 'separation' operate to narrow the gap between the public and the private in their simultaneous preoccupation with organisational and functional issues. In essence, the attempt to de-municipalize features of local authority service provision reflects both an assault on the previously understood nature of local government and a restatement of earlier concerns with public expenditure.

# CHANGE AND RESTRUCTURING: POLITICAL INTERPRETATIONS

The dual themes of the restriction of the financial base of local authorities, and the attempt to transform their role, function, and organisation represent a change within the context of the local government system. Although the components of this change are visible, the nature and direction of change is not fully understood. Clearly, the documentation of the process of change is easier than its interpretation. Nevertheless, there is a growing body of theoretically diverse literature seeking to analyse this transformation. In general, interpretative positions fall into three main categories: public choice; neo-marxist; and neo-pluralist approaches. Within each lie critical paradigms that offer specific insights into the process of local government change. Subsequent sections of this chapter consider new right and public choice analyses of local governemnt; the application of neo-marxist regulation theory to local government change; finally, it offers initial comments on the relevance of 'middle range' neo-pluralist based perspectives for interpreting change, to be considered in more detail in chapter two. Firstly, however, we examine a literature which analyses the restructuring of local government in terms of a policy of centralisation and privatisation followed by successive Conservative governments.

## Centralisation and Control

The attempts by central government to reduce the financial and legal autonomy of local authorities, and restructure their role and functions has been interpreted by many writers as an attempt to

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construct and implement a policy of centralisation (Jones & Stewart, 1985; Newton & Karran, 1988; Gurr & King, 1987). The foundations of the centralisation thesis rest on the argument that the Thatcher governments, in particular, engendered a constitutional change within the local government system. Five areas of change have been identified: an interpretation of parliamentary sovereignty as government supremacy; a redefinition of the functions of local government, particularly a reduction in their policy making powers; central determination of expenditure; alterations to the tax and revenue raising powers of local authorities; and a disregard for the local electoral voice (Jones, 1988). Certainly, the trend towards centralisation is a notable feature of developments in central-local relations over the last ten years, particularly with the movement of power away from local to central government has increased apace under successive Conservative administrations.

The centralisation thesis is both powerful and persuasive. In terms of the restriction and controls placed on local government's financial autonomy, the grip of Westminster has been especially tightened. While a hallmark of Conservative policy with regard to local government has been an increase in centralisation, counter arguments exist which claim that it is a necessary evil on the road to greater individual freedom and choice (Pirie, 1988). Criticisms of the centralisation thesis have also come from those who question the assumption that local interests and the interests of local authorities are analogous. Bulpitt (1989) has argued that local democracy has traditionally, without question, been considered a

good thing. According to this line of argument there has been little critical analysis of what is required by a local electorate and what is meant by local democracy. Instead, arguments surrounding the need for local democracy have have been based upon an idealised vision of local consensus and a depoliticised decision-making process. When the notion of local community is broken down, runs the argument, all that is left are those who have benefited and those who have lost as a consequence of the various policies and actions of the state. Thus local government is directly located in the political arena and should not be considered as somehow 'outside' of politics. Given this interpretation, is it merely sour grapes to claim that if central government seeks to favour and protect certain local interests, it is undermining local democracy?

In an attempt to explain the restructuring of local government in these terms the notion of party advantage has been utilised. For some writers (Hambleton, 1988) the restructuring of local government has been a mechanism by which the power of the Conservative government at national level has been used to benefit its favourites and plot against its adversaries. Thus the Conservatives have systematically sought to bolster national support and sabotage the political base of the Labour party, and socialism in general. The backdrop to this line of argument follows from the consequences of local government reorganisation in the early 1970s. The result of this was a system which gave large parliamentary majorities to the Conservatives but left many local authority areas, particularly within the inner cities, in the hands of non-Conservative control.

The acuteness of this problem manifested itself particularly by the mid-1980s. At national level Conservative control was insurmountable, but at local level there was little likelihood of the Conservatives making significant inroads into Labour's control of the urban centres.

Developing from this interpretation Bulpitt (1989) views the process of local government restructuring in terms of party elite 'statecraft'. This analysis suggests that pragmatism, party interests and advantage have priority over ideology. Thus, Conservative local government policies are seen as the playing- out of 'statecraft' where ministers have sought to defend and enhance their party's interests. Within this interpretation, restructuring is seen as a consequence of the economic crisis of the 1970s and the growth in the left wing domination of some local authorities. This, Bulpitt suggests, was the catalyst to the break-up in the historical indifference to local government by national politicians. Both the frustration with 'high' spending and 'recalcitrant' local authorities and the political convenience of using these as 'fall guys' (sic) for failing to reduce spending set the programme of restructuring rolling. With the introduction of more radical Secretaries of State from the mid-1980s an ideological gloss was added which contributed towards the establishment of a more explicitly market based approach to the restructuring of local government. If 'statecraft' considerations are a suitable way of interpretating the restructuring of local government, then it is possible that a new government with a different 'statecraft' will

use its power to engender reforms, and change policy in a manner that will foster and protect its own interests. In this sense, Conservative local government policy may yet turn out to be merely an undulation on the political map.

New Right Ideology: Markets and Public Choice

Within this approach local government restructuring is seen as a consequence of the triumph of new right ideology. The process of restructuring is considered a necessary consequence of other policies designed to rectify the 'ills' of the public sector through the application of assumptions and principles derived from the 'public choice' school of thought. New right thinking is seen as the driving force of change. Old patterns are challenged and replaced by new right perscriptions and perspectives (Pirie, 1988).

Essential to public choice theory is the establishment of a binaryopposition in the process of the distribution and allocation of resources; that is between the operation of the 'free' market and the operation of public bureaucracies and institutions. The former is seen as the'optimal' mechanism for the allocation of goods and services, whilst the latter is inflexible and prone to over-produce. This critique of contemporary democracy does not stop at economics, it raises a number of arguments about the political process. These include the claim that the electoral promises of politicians will always include more than they can ever deliver; that sectional interests pursue their own positions and that in consequence it is the disorganised and 'silent majority' who are the losers; and that

self-seeking government bureaucrats will pursue budget maximisation and the aggrandisement of their departments (Stoker, 1990;12).

Considered in this light local government and the services it provides is an obstacle to future change. Yet it is also seen as a testing ground for the application of new prescriptions and policies. The prescriptive options for change include: small scale enterprise in public service provision; performance contracting - no direct labour and open ended employment contracts; the introduction of competitive tendering; multiple provider service provision; user charges; and private enterprise as the agent for public service provision (Hood, 1987). Here is a package to fashion a political environment which seeks to 'alter the choices people make by altering the circumstances' (Pirie, 1988;127). This change is to be brought about by making 'trade offs' with interest groups and not through direct imposition. At the local level this form of transition, it is suggested, can be seen in the government's decision not to apply 'pure' market solutions to perceived problems, for example contracting out has been favoured instead of a system of user charges. The introduction of the former was considered less politically volatile than the pure market approach of the latter. Thus the local political environment is seen as undergoing alteration by the offering of opportunities to contractors, local authority managers, and a reduced but higher paid workforce.

Clearly, elements within public choice prescriptions for change have been incorporated into the political and legislative agenda of

successive Conservative governments. There has been a reduction in public spending and there are limitations on local political initiative. Market or quasi-market mechanisms have been introduced into the production and distribution processes of public service provision, and a new discourse has been constructed around the concepts of efficiency, accountability, and competition. A minimalist role has been set aside for local government - it is to respond to demand but is to leave the satisfying of that demand to other agencies. Moreover, in areas where market provision is felt not to operate smoothly such as welfare and social service provision, the answer is to open these services up to charitable or voluntary organisations. All this may lead to the conclusion that four consecutive Conservative administrations have swept away all that went before. However, there is a question mark hanging over the extent to which new right theories and prescriptions of change have been implemented at the local level. There is a mixed bag of evidence through which to sift.

Undoubtedly there are obvious examples of the impact and power of privatization. For instance, the deregulation of public transport and the introduction of the 'right to buy' scheme for council house tenants. These initiatives serve as a good illustration of the implementation of market or commercial ventures within traditional areas of local public provision. There are also a number of measures and policies which can be located within the broader shift to introduce market mechanisms into local government, but without the explicit drive of a pure market form. The introduction of local

management of schools (LMS), the failed community charge, and compulsory competitive tendering fall into this category.

The main aim of these measures has been to emphasize value for money in public service delivery. However, their impact at local level is not as great as rhetoric might suggest. Although there has been an increase in private production and delivery of local services, many local authority 'in-house' organisations have remained competitive. This may be read as the successful implementation of an imported competitive and efficient discourse. On the other hand, it may be that attempts to change the production functions of local government may not have worked out as anticipated (cf. Stoker, 1991;204). Moreover, such measures may not necessarily lead to the creation of a free competitive market. Rather, they may engender relationships between 'favoured' suppliers and initiating agencies. In addition, work may be carried out by companies and organisations which had previously been employed for the same task (for example local authority departments), whilst mechanisms might be developed that facilitate the co-operation of local authorities and interests groups, such as trade unions, over the introduction of compulsory competitive tendering (Painter, 1990).

The 1980s have also been witness to the growth of non-elected local agencies (Stoker, 1988). These have sought to develop models of local service provision more akin to private sector practice than those based on existing methods of local public provision. Urban Development Corporations (UDCs) are an example of this new type of

agency. These new institutions of local governance are seen as symbols of the change to a business oriented local government system. Yet in practice there is often a close degree of involvement between these organisations and elected local and central government. Moreover, these bodies are not 'free' from public subsidy. Indeed, their continued existence is dependent upon public investment. Certainly, the relationships which have developed between elected and non-elected local agencies represent more than simply privatisation of local government, and are more complex than the theoretical assumptions of market models of service provision imply. Market theories have obviously influenced the manner in which local government is being restructured. However, the impact of market ideology is far from comprehensive - there are very few local authorities which have been completely 'marketised'. The market approach is not so much a model of what has happened, but an interpretation based on what some would like to see happen. Indeed, the growth of non-elected government and partnerships with a significant input from business, the continued strength of central government, and the resistance to change from within local government, testify to the fallacy of arguments that stress the all embracing nature of market models of local government.

## CHANGE AND RESTRUCTURING: SOCIO-ECONOMIC INTERPRETATIONS

Interpretations which place the restructuring of local government within the context of the impact of new right ideology or the withering away of local government autonomy in the face of

increasing centralisation of power, contain within them valuable insights about developments in local government. However, although New Right thinking has undoubtedly permeated Conservative policies, its impact has not been as great or successful as its rhetoric would have us believe. Similarly, although local authority autonomy has been wittled away by successive measures from central government the gloomy predictions of many commentators in the early 1980s that local government was doomed have yet to come true. Local authorities still remain important sources of local employment, whilst some have pioneered new initiatives, such as the expansion of their economic development role, the adoption of decentralisation policies and devolved management structures, the implementation of equal opportunity programmes, and the incorporation of 'green' politics into their overall philosophy.

Interpretations that stress the process of centralisation, or those based on new right or public choice theory are good at illustrating what developments have occurred and identifying the general direction of local government policy. However, they tell us little about why change is occurring, its general nature, its degree or extent. They offer interpretations of change in which the restructuring of local government is seen as the outcome of political control, political conflict and rational political debate. Both interpretations give minimal input to social and economic factors, and lack the dynamism offered by a socio-economic analysis. Moreover, they also tend to be ahistorical in approach. The restructuring of local government is analysed in a context which

disregards the historical contingency of the social and economic forces which have worked to structure the contemporary climate within which local authorities have to operate. In order to appreciate this and begin to move towards a fuller understanding of the process of local government restructuring, we need to locate local transformation within a wider context of economic and social structural change. Both neo-Marxist and neo-pluralist theory offer explanations of how wider socio-economic change is translated into an explanation of change at the local level. The former is particulalrly concerned with the issue of the transition from Fordism to post-Fordism, whilst the latter is directed towards an explanatory framework which incorporates the notion of the movement towards a more participatory role for non-government (particularly private sector) interests in local government.

## Local Government, Fordism and Post-Fordism

A number of writers have sought to use a post-Fordist framework in their analysis of local level change (Hoggett, 1987; Geddes, 1988; Stoker, 1989b; 1990). Principally, these analyses seek to place local government within a series of economic and social organisational changes which have occurred, and are occurring, since the end of the second world war. The thesis is that we are in the process of a transition from one set of production and consumption norms to another - that is from Fordism to post-Fordism.

Fordist forms and sites of production, Fordist technology, Fordist business organisation, Fordist consumption patterns, Fordist labour

organisation, and the role of the state under Fordism, are all seen as being under attack. Thus in terms of the form and sites of commodity production, the mass production of consumer goods and the industrial regions where they are produced are seen as being challenged by the growth of small-batch production, demand-led flexible manufacturing, and the rise of new industrial centres and renewal of inner urban cores. Fordist assembly line techniques are seen as giving way to robotics, computer aided design and information technology. Corporate organisation is becoming less hierarchical, less centralised, less concerned about planning the virtues of scale in its management structures; and is becoming more concerned about the role of small firms, about decentralisation and sub-contracting, and about strategic and tactical central control. Labour is no longer organised through the routinisation of work, collective bargaining, and the trade unions, but is seen more in terms of a distinction between 'core' and 'peripheral' workers; the growth of local bargaining structures and weaker collective bargaining and trade union powers. The mode of consumption is no longer the mass consumption of standardised products supported through credit and promoted through block advertising. Rather the 'differentiated' more demanding consumer is king, whose goods are marketed through matching them to particular consumer 'lifestyle' patterns (Stoker, 1990;243/249).

The state's role and activities are also seen as threatened. Under Fordism the state assumes an extended role and intervenes to provide and manage a host of collective goods such as housing, education,

health care, and social security, in order to allow for social reproduction, sustain the consumption norm and provide social stability. Within the transition to a post-Fordist regime the role of the state is seen as a managerial one - managing the social costs of transition. However, although the existing role of the Fordist state is challenged as a consequence of transition, the final model of the post-Fordist state is unclear (Stoker, 1990;249).

Regulation Theory

According to the Fordist - post-Fordist paradigm the process of transition is occurring because Fordism is in crisis. Inherent within Fordism, it is claimed, are contradictory and destabilising tendencies which have operated to bring about its demise. The theoretical underpining of this interpretation originates from the work of the Parisian Regulation School and the writings of Aglietta (1979). The argument of the regulation theorists is that the reproduction of capitalism is not inevitable because of contradictions which reside within it. Rather, if reproduction is to occur capitalism must in some way be regulated. For Aglietta the way in which capitalism is reproduced and regulated is by the development of 'structural forms'. These structural forms take the shape of social institutions and social norms within capitalist society. Their formation, the argument runs, is engendered by crisis. However, their creation is not inevitable but is the outcome of social struggle. Some of these forms fail to act as reproductive or stabilising instruments. Others may regulate the system for a while but falter later to the reassertion of the

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contradictions of capitalism, or the development of further contradictions within the structural forms. Historically, Aglietta argues, in order to stabilise capitalist accumulation and resolve crisis, structural forms have acted together. However, he continues, it is not inevitable that this will produce stable accumulation. Rather the success or failure of the structural forms to regulate and stabilise capitalism depends on how they interact (Aglietta, 1979).

The concept of the 'regime of accumulation' is used to identify a set of relationships between production and consumption and occupies a central place in the development of the theory of social regulation. Two regimes are identified; a predominantly extensive and a predominantly intensive regime of accumulation. Within the former, accumulation is organised on the basis of the dominance of absolute surplus value, in the latter it is organised on the basis of the dominance of relative surplus value (Painter, 1990;3). These two regimes correspond to two distinct historical phases. Extensive accumulation is associated with a period of competitive regulation between the 1850s and 1920s. Intensive accumulation on the other hand was characteristic of the half century between the 1930s and the 1970s. Under the extensive regime accumulation is considered as developing primarily in the capital goods sector. In contrast, under the intensive regime, termed Fordism, both production and consumption are seen as integrated in such a way as to allow simultaneous accumulation within both capital goods and wage goods sectors.

For the Regulationists the economic and social crisis of the inter war period was a crisis of the extensive regime of accumulation. Out of this crisis and consequent class struggle arose new structural forms which proved successful in facilitating and stabilising a different regime of accumulation. These new forms included the institutionalisation of collective wage bargaining which provided for a sustained demand, the development of a welfare and social security system as a mechanism to retain, for sections of the working-class, a level of consumer purchasing power in periods of economic and social hardship, the growth of monopolistic economic structures, and the extension of state activity into the areas of planning and fiscal policy. These structural forms allowed for a change in the relationship between production and consumption and the emergence of a new regime of accumulation based on mass production and consumption. Very crudely, changes in the technology of production transformed the labour process in the wage goods sector. This process simultaneously resolved some of the contradictions and overcame some of the limitations of the old regime, paving the way to the mass production of standardised goods. Once the effects of real wage rises that the productivity gains of technological innovation could finance had set in, the process of accumulation based on mass consumption began.

A particular regime of accumulation is then regulated by a particular group of 'structural forms'. These structural forms are the basis of any analysis of the capitalist state. However, as Painter (1990;2) illustrates a tension exists in that although the

state is considered an important component of regulation, its forms and functions are not seen as the only source of regulation. In order to ease this tension the notion of the 'mode of regulation' is introduced. This refers to the way in which the structural forms operate together to regulate a regime of accumulation. Thus while the regime of accumulation is about how the process of capital accumulation occurs, the mode of regulation is about how and why historically those processes have been stabilised.

## Local Government, Fordism and Crisis

Painter (1990), in his analysis of regulation theory and local government, argues that local government is part of both the regime of Fordist accumulation and its mode of regulation. It is associated with the former by being implicated in the crisis of Fordist accumulation over the 1970s, and with the latter because it is a site for the creation of new structural forms. He argues that between the 1950s and 1970s local government came to play a key role within the Fordist mode of regulation. Three areas of state activity are identified as of particular importance: the local provision of services whose production was unprofitable under Fordist accumulation, but for which there existed a political demand; an increase in the planning and regulatory activity of local government; and local government as a site for the expression of social democratic politics at the local level, as well as a site for political conflict and the emergence of new structural forms in periods of crisis. In addition, local government also represented the Fordist mode of regulation by undertaking roles which where not

specific to Fordist state activity, but were essential to Fordism. For example collective bargaining structures were developed in the public sector as well as the private sector and thus contributed to the maintenance of consumption levels (Painter, 1990;6).

Within regulation theory local government is seen as a key feature of the Fordist mode of regulation. Thus, the crisis of Fordism in the 1970s and 1980s, is at the same time a crisis of local government. Regulationists hold that Fordism went into crisis because its mode of regulation was unable to cope with the contradictions of the regime of accumulation. In essence public services, an essential part of the maintenance of Fordism, became 'dysfunctional', threatening its continuation. The production of services such as education, housing and the social services were unsuitable to the mass production techniques of the Fordist regime, proving too costly for private capital to produce. Yet as a consequence of the post-war settlement there was a political and social demand for these services to be met. Increasingly, under Fordism these consumer services came to be socialised and provided for by the state. However, as the demand and cost of provision of these services grew they became a drain on the productivity of the private sector because these state services were financed through taxation.

The rising costs of consumer services, ill-suited to the principles of Fordist production, acted as a constraint to the continuation of the Fordist regime of accumulation. Within the mode of regulation

this situation erupted in the crisis of public service provision of the 1970s. In conjunction, diminishing returns were beginning to set in within the 'mechanised' sectors of production as continual productivity gains brought about an increase in 'task fragmentation' (Aglietta, 1979;22). These two factors combined represent the crisis of Fordism. It was both a crisis of the regime of accumulation and a fiscal crisis of the state. Within local government the relief of this crisis found expression in the pressure to reduce local expenditure from the mid 1970s. This attempt however, failed to relieve the pressure of crisis for it represented an attack on the level of collective consumption goods. Indeed the social and political demands for such goods had not disappeared because Fordism was in crisis. The resolution of this crisis, according to regulation theory, would require the creation of new structural forms acting together in order to produce a stable or new regime of accumulation.

A primary change would be a reduction in the state production of consumption goods and an increase in their private production. This would be made possible by the 'renewed possibilities of accumulation' as a consequence of changes within the labour process. This 'new' form of accumulation, 'neo-Fordism', is seen as a mechanism through which intensive accumulation can continue rather than by which another regime is created. These then are considered the necessary conditions for the resolution of the Fordist crisis, however, they are not sufficient ones. Transformation of the structural forms, and particularly the reduction in the state's

provision of consumption goods, can only occur if the leading power blocks within the state are committed to change and have a predisposition to engage in conflict that any implementation of these changes will engender (Painter, 1990;10).

## Local Government and Post-Fordism

The adoption of a transition framework in the analysis of local level change has been principally found in the work of Hoggett (1987), Geddes (1988), and Stoker (1989b; 1990). These writers have adapted the regulation perspective and have sought to place their analyses of local government within the context of economic and social organisational changes which have occurred since 1945. Along with the regulationists they accept the notion that the state will act to regulate and stabilise the capitalist economy in times of crisis, and that the crisis of the 1970s was a crisis of the Fordist regime of accumulation and mode of regulation. Their thesis is that we are in the process of a transition from one set of production and consumption norms to another - that is from Fordism to post-Fordism. More explicitly, that within the realm of local government we are witnessing the emergence of a new mode of regulation compatible with a post-Fordist regime of accumulation.

The analyses of Hoggett (1987) and Geddes (1988) were directed towards studies of local authority service delivery and their relationship with the local economy. Hoggett's interpretation of the emergence of post-Fordism is predominantly a technological one - a consequence of the rise of new information technologies with a

subsequent set of new socio-institutional relationships. New information technologies encourage the growth of decentralisation within production and the end of the 'mental-manual' dichotomy characteristic of Fordism. His analysis of local service delivery is placed within the context of an analogy between the public production of services and the private production of mass produced goods under Fordist accumulation. He argues that both have been produced on the basis of mass production principles; that local professionals and local bureaucrats have operated as 'people processors' on a service 'assembly line', producing standardised services and emphasising economies of scale (Hoggett, 1987;223). This system he suggests is fertile ground for the technological changes he identifies, heralding the growth of new organisational and managerial forms within local government more decentralised, leaner and fitter and engendering a flexible and democratised public provision (Hoggett, 1987;225).

There are, however, problems with this analysis when applied to local government which question the extent to which the local public production process is being restructured in the way Hoggett suggests. First and foremost, the empirical evidence does not bear the weight of analysis. Hoggett's claim that local public production and labour processes are being restructured on post-Fordist lines tends to ignore or play down the variety of those processes as they operate on the ground. Many services at local level are organised in such a way that they represent Fordist rather than post-Fordist principles, if any at all. Second, the analysis

is just too deterministic. Although it acknowledges that there will be differences in the extent, nature and timing of the changes as they affect local authorities, the transformation in local government organisational and management structures appears inevitable. Finally, the analogy used to advance Hoggett's argument is fatally flawed. In many areas of local authority activity the 'people processors' are less important than Hoggett suggests. The 'people processors' are often by-passed by 'street level bureaucrats' - those local authority employees who occupy a position between their clients and their employers. This is particularly apparent in areas such as education, housing and social services where staff decisions are made which do not always square with bureaucratic procedures.

Within the literature on post-Fordist local government, Hoggett's account is rooted in an analysis which focuses on changes within the labour process. However, there is a strand within the literature which moves away from analyses of the production and labour process, and discussions of technological change, towards consideration of the changing role of local government within the context of a new mode of regulation and the break-up of social democracy and the Keynesian welfare state. This approach is best represented by Stoker (1989b; 1990) whose view of the Fordist/post-Fordist paradigm involves an analysis of the relationship between the political, economic and social processes associated with transition. It highlights the link between national government and local government in managing change.

The restructuring of local government in the United Kingdom is for Stoker not an automatic response to socio-economic change. Rather it is,

> part of the Thatcher government's response to these
> processes. The aim is to create a local government
> compatible with the flexible economic structure, two
> -tier welfare system and enterprise culture which in
> the Thatcherite vision constitutes the key to a success-
> ful future. (Stoker, 1989b;159).

The reference to a 'Thatcherite vision' illustrates the notion of different paths of transition within Stoker's analysis. This point is raised by Stoker to counteract the criticism (which he accepts), that transition theory is inadequate as a 'catch-all' description of the process of economic, social and political change in post-war Western democracies. There is, he argues, a need to take into account national political and economic variations which have engendered differences in the process of change, which is more subtle and complex than the general paradigm suggests (Stoker, 1990;248/249).

Privatisation and the growth in 'new public management' are two trends seen by Stoker as emerging features of a post-Fordist local government in Britain (Stoker, 1990;254). The increased role for the private sector and the introduction of a set of management doctrines which emphasise customer care, performance measurement and decentralised structures are considered to have materialised in local government in the form of competitive tendering, and the decentralistion of service delivery and management organisation. The changes are not in themselves a direct result of the transition

from Fordism. Instead, they represent successive Conservative governments' responses to the transition from one regime of accumulation to another (Stoker, 1989b;157/159).

In terms of its economic role, the most notable characteristic of a post-Fordist local government is seen as the shaping of public production in line with the private sector. This change is expressed in terms of cost economies and allowing private capital into the market place of service provision. A major facilitator of this process has been the introduction of new technology. This has offered the possibility of transforming previously labour intensive services by shedding labour, reducing aggregate costs and making productivity gains possible (Stoker, 1990;255). However, technological innovation has not been the only force for change. Many local authority services are non-information based, for example refuse collection and catering. Indeed, it is these services that have been first in forging an enterprise spirit in local authorities and making local service production and delivery more attractive to the private sector (Stoker, 1990;255). Similarly, a whole range of private management and consultancy based organisations have encroached upon local authority activity in areas such as leisure, recreation, training and planning. Moreover, non-elected government institutions such as Urban Development Corporations and Training and Enterprise Councils have been set up to act as local catalyst organisations to attract private sector investment and encourage private sector initiative (Stoker, 1990;256).

The restructuring of local public production and management is also connected with the restructuring of consumption patterns and the provision of social consumption goods (Stoker, 1989b;161). For a post-Fordist local government the pressure is for local authorities to mirror the private sector and to target markets, and respond to the 'differentiated' consumer. Stoker highlights the Audit Commission's acknowledgement of this pressure with its stress that it was essential that local authorities genuinely, 'understood customers, rather than simply to assume what their needs ought to be' (Audit Commission, 1988, quoted in Stoker, 1989;163).

Stoker's analysis seeks, therefore, to identify the changing role of British local government within the context of the development of a new mode of regulation and the dismantling of the social democratic principles underpinning the Keynesian welfare state. His conceptualisation of the post-Fordist paradigm involves an analysis of the relationships between the political, economic and social processes associated with transition. The changes he identifies within local government, such as the rise of new technology, the marketisation of public services, the search for flexible labour markets, the growth of the differentiated consumer, and the introduction of non-elected local government organisations, are seen to be associated with the transition from Fordism. However, as Stoker clearly acknowledges, they are not in themselves a direct result of that process. Rather, they represent the political responses of successive Conservative governments in their attempt

to manage the transition from a Fordist to a post-Fordist *regime of*
accumulation (Stoker, 1989b;159).

The whole concept of transition theory has been criticised on the
grounds that it is an inadequate theorisation of economic change.
These criticisms have surrounded a questioning of the mechanisms of
Fordist accumulation, the nature of its crisis and the logic of any
new regime which may take its place (Clarke, 1988; Sayer, 1990). In
addition critics have pointed out that it also lacks an adequate
theorisation of the state and politics, and is weak as a description
of post-war change within western industrial democracies. National
variations illustrate a more complicated picture of change than the
one transition theory paints. However, Stoker's use of the concept
is based on the assumption that, 'there is sufficient empirical
evidence to support the claim that the paradigm captures significant
elements in those processes of change'. Moreover, he sees the
concept in ideal-type terms which he claims allows for the creation
of generalisations and the ordering and simplifying of economic and
social complexity and the illustration of the key features and
characteristics of change. This ideal-type construction involves a
reformulation of the concept of a post-Fordist local government
within the context of a three tiered level of analysis: a macro
level, a meso level, and a micro level (Stoker, 1990;249).

At the macro level one would be concerned with the derivation of
propositions about the nature of change. Within the economic arena
this would mean analysis of the process of de-industrialisation,

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disaggregating it from the concept of post-Fordism, and new types of economic activity. Within the social sphere attention would be paid to analyses of market versus non-market provision of services as well as their organisation and management. Within the political arena issues of major concern would be the development of new political interests, institutions, representations and coalitions within local government structures (Stoker, 1990;250).

At the level of meso analysis the task would be to analyse how change identified at the macro level is translated into practice, particularly across nations. To explain how change varies between countries Stoker employs the notion of 'filters' - key elements which shape the processes of change. For an analysis of local government the most important filters are the institutional organisation of economic and political activity; particular historical and cultural values which inform a national system; and the political structures and programmes that dominate (Stoker, 1990;250). To supplement the meso level, a third, micro level could be utilised to focus on individual and group action in order to explain how change is received, promoted, or resisted (Stoker, 1990;251).

Stoker's own analysis of local government and post-Fordism can be read in this way. At the macro level he has identified changes in the local production process, new technological innovations and marketisation of service delivery, and the growth of new institutional forms and relationships as a consequence. At the meso

level he claims that the agenda of change is being imposed on local government in a highly politicised environment where the approach is to facilitate change within the context of a business oriented, enterprise and privatised culture, and that 'new management thinking' is an increasing factor in the pursuit of local economic regeneration and public sector thinking. One filter for these ideas he suggests has been the Audit Commission, whose focus on economy and efficiency has gradually been widened to encompass a remit of public management in general. In turn, these ideas have been received, reconstructed, and regurgitated by the growing number of management consultancies and local government training and study centres, thus gaining a foothold for new wave management thinking and production techniques within the mileu of local government policy entrepreneurs.

All this aside, there are still significant problems for interpreting local government within the context of the transition from Fordism to post-Fordism. One is the elusive nature of Fordist local government. Many critics have argued that the organisation of local government has been more complicated than Fordist analysis of functionalism, uniformity and hierarchy would suggest (Cochrane, 1991). Writers such as Stewart (1983) illustrated the diversity and lack of uniformity in local authority service production and delivery. In addition, competing departmental and professional interests and ideologies have often worked against the production of standardised services, procedures and regulations.

The concept is on safer ground when it focuses on the welfare state as a component of the Fordist mode of regulation. Being a cornerstone of the state it is not difficult to understand why a crisis of Fordism would weaken local government. However, even here we would be talking in specifically British terms, recognising that welfare provision under Fordism has varied between nations. Moreover, many post-Fordist features predate their supposed implementation, this is particularly true of the USA. It is also possible that a lack rather than an abundance of specialisation and flexibility will occur as a consequence of formal contracts. Even in a post-Fordist world there is no guarantee that local authorities will have greater control over suppliers of services. When in competition with each other to attract suppliers, local authorities may not be able to shape the level of demand and quality of product or services from their suppliers to the same degree that some large retail organisations are capable of.

A final criticism rests in the argument that it is possible to acknowledge many of the changes identified within a transition framework without being convinced that they have taken place as part of the emergence of post-Fordism (Cochrane, 1991). It is the implied determinism associated with placing local government within the context of a theory of structural change that is the cost of the analysis. Yet if structural changes within the UK are the product of a particular political ideology and its strategy for the renewal of accumulation, the process is open to political conflict. If change is open to political conflict, then a change of political

masters could result in a change in the strategy of accumulation and thus a different post-Fordism.

## LOCAL ECONOMIC POLICY IN THE RESTRUCTURING PROCESS: A SIGNPOST TO SUBSEQUENT ANALYSIS

For all the diversity of the post-Fordist view of local government change there is a tendency to focus on elected local government in the context of a new competitive environment. However, any framework constructed on the electoral and democratic elements of local government is likely to miss change in the significant political interests within the state system at the local level (Cochrane, 1991). Analyses of the restructuring of local government have to illustrate how local political arrangements and relationships have changed over time. Dearlove (1979) in his analysis of local government noted that there was little in the way of formal channels of communication between those with economic power, those with social status, and those with political control over local government. This was not to say that informal methods of communication did not exist, but that local political power and economic power were not necessarily analogous.

It is not difficult to see the 1980s and early 1990s as a period when such links and relationships have been strengthened, formalised and become more visible. A key issue that has arisen as a consequence of the increased political importance for business in the direct involvement of economic restructuring and training is the emergence of institutionalised measures for public and private

sector co-operation. This process is part of the wider restructuring of local government with its focus on public servivce delivery, greater flexibily and responsiveness to local demands, and the reorganisation of local authority structures.

Business involvement in local affairs has undoubtedly changed in practice and mode of operation under successive national Conservative administrations. Traditionally business involvement at the local level has been seen as limited in its nature and extent. Business leaders have been reluctant to enter the field of public politics; few national corporations have shown commitment to particular localities - with few headquarters or large area offices locally based. In addition, Chambers of Commerce have tended to concern themselves with issues of rate levels and local authority bureaucracy in planning matters, rather than become involved in major political debate about the shape and direction of the local economy. Yet throughout the 1980s a more participatory business orientation has began to develop within the local political arena. This change is not just in terms of business as a supplier or market for local government, or even as a model of favoured organisation, but as an active contributor to the local policy making process.

The propagation of business involvement in the local political process has been crafted both by central and local government and by initiatives from the private sector. There are two basic variations on the same theme. The first may be loosely termed the top down variant. The characteristic form here is the imposition of

agencies, quangos, and institutions from central government into particular local policy areas. Urban Development Corporations in the field of economic regeneration and property development, and Training and Enterprise Councils, Compacts and City Technology Colleges in the field of education and training, are the prime examples of an attempt to increase private sector involvement in local economic affairs.

In contrast, the second variant may be termed bottom-up. Here the general characteristic is the development of locally based organisations which draw from the resources of the local private sector as well as the local public sector. In the latter 1980s, 'partnership' arrangements between the public and the private sector, in the shape of formal political structures and collaborative economic and social regeneration schemes and programmes, have emerged in many British cities (see chapter three). Despite the fact that local authorities have sought a substantial role in the development of formal public-private forums, the main feature is the growth in the degree to which local business leaders have been drawn into these arenas of economic policy making. It is to an examination of three 'middle range' perspectives for analysing these specific developments in the sphere of local economic policy and regeneration, set within the wider context of local government change outlined in this chapter, that we will now turn.

## CHAPTER TWO

## PERSPECTIVES ON BUSINESS - TOWN HALL RELATIONS: LOCAL CORPORATISM, GROWTH COALITIONS AND URBAN REGIMES

INTRODUCTION

Traditionally, the business community has been seen to play only a minor part in city politics, or at most, to underplay any role it might have played. Few business leaders have entered the arena of public politics and few national companies have committed themselves to the economic, social, and political life of their localities. Local business organisations have tended to concern themselves with 'the rates' issue or individual planning issues rather than entering debates about the strategic planning of the local economy. Indeed, one of the apparent features of the local political landscape has been the lack of formal channels of communication between those with political control and those with economic power (cf Saunders, 1979). This does not mean that informal mechanisms did not exist, rather that economic power and political control were not necessarily analogous. Over the 1980s and in the early 1990s there has been an attempt to fashion a more participatory business culture where the links between the public and the private sectors have become institutionalised and more visible.

This chapter considers three perspectives on the emergence of new relationships between the public and the private sectors. Structurally, the chapter is divided into three sections. The first

discusses the potential for using a corporatist mode of analysis for explaining state-business relations. Specifically, it involves discussing a spatial form of corporatism - local corporatism - and its utility as a form of analysis. The second section examines the concept of growth coalitions as developed by Molotch (1976) in his attempt to explain the urban development process in US cities in the 1970s. The general model is described, followed by a consideration of how it can be used in the context of British political economy. The section then details some growth coalition types that have been identified in Britain.

Finally, the chapter outlines how the concepts of local corporatism and growth coalition can be 'synthesised' into a third perspective - that of <u>urban</u> <u>regime</u> (Stone, 1989). It argues that the concept of urban regime allows us to utilise elements of the previous conceptual frameworks, but avoids some of their short-comings. The chapter concludes by suggesting that the regime approach is acutely tuned for analysing the 'informal arrangements' which are fundamentally part of the alliances between the public and private sectors in Britain's cities. Adopting a framework which can account for the informality inherent in these relationships is imperative because they are becoming an ever important locus of decision-making activity.

<u>CORPORATISM AND URBAN ECONOMIC REGENERATION</u>

<u>Towards a Spatial Form of Corporatism</u>

To gauge the extent of relationship change between the public and

private sectors within the local political system, it is necessary to measure not only the degree to which business has become a supplier of local services, but also the degree to which it has become an active contributor to policy making. To this extent one major issue has arisen as a consequence of the increased political importance of business in the direct involvement of economic restructuring and training: the degree to which new forms of local political organisation can be considered corporatist (Cawson, 1985a; Saunders, 1985; King, 1985). These commentators argued not that a 'local corporatism' existed as such, but that changes in government urban policy in the the early 1980s could pave the way for new political forms at the local level that might result in corporatist policy-making.

Traditionally, corporatist literature has concentrated on a macro and meso level in its analysis of state/interest organisation relations (Schmitter and Lehmbruch, 1979; Lehmbruch & Schmitter, 1982; Cawson, 1985b). As such, it has tended to analyse 'function' rather than 'locality'. Corporatist theory as developed by British academics has predominantly adopted a two-tier conceptual framework, based on the concept of 'dual polity' (Cawson and Saunders, 1983). Within this approach there is a clearly defined sphere of politics and policy-making concerned with production, in which class interests negotiate policies with state agencies. Equally, there is a sphere of consumption where interests reflect consumption categories. These interests, not reducible to class, compete with each other to exert influence over state policies. There is thus a

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functional division within the state where production polices are determined at the central level and consumption policies determined, in the main, at the local level. Corporatist politics has thus been seen as a politics of the centre, whereas competitive political processes are more apparent at the local level (Cawson & Saunders, 1983).

Over the 1980s, as a consequence of political and ideological response to structural economic change, the issues of 'local production' and intervention in the local economy grew and became salient features of the local political scene. These changes opened a debate within academic literature about the extent to which concern with production issues at the local level heralded a movement towards corporatism at the local level. The question was, if new forms of state intervention were being developed was there a paradigm shift towards the locality? For example what was the local role of sub-central forms of state activity such as Urban Development Corporations, or partnerships between local government and local private sector organisations. It was argued that functional interests may not 'peak' at the local level, but state intervention in the local economy, of whatever form, may engender corporatist forms of policy-making.

Cawson (1985a) in particular argued that local economic intervention since 1977 could be conceptualised in terms of ideal typical modes of state intervention. He argued that over the 1980s market oriented policies such as enterprise zones grew as elements within

local economic initiatives.  At the same time bureaucratic forms such as the 'inner city partnership' authorities, set up under the auspices of the 1977 White paper (HMSO, Cmnd.6845), continued to operate, although in a diluted form.  Additionally, corporatist initiatives such as Urban Development Corporations have emerged, designed to engender collaboration between sub-central state agencies and organised interest groups (Cawson, 1985a;141).

For Cawson, the significant feature of urban policy was the introduction of a combination of corporatist and market forms of state intervention, coupled with a reduction in public expenditure and contraction of public responsibilities.  In essence this was because the market mode  proved difficult to implement at the local level.  The result was the introduction of corporatist forms of intervention that were 'particularly noteworthy given the associations between the local level and consumption provision discussed...in the context of the dual politics thesis which suggests that local corporatism is an unlikely combination of territorial and functional bases of political organisation' (Cawson, 1985a;136).

In line with the analysis of Moore and Booth (1986a) it is useful to view corporatism as a middle range theory 'which seeks not to define political and economic orders, but to understand their component elements' (Moore and Booth, 1986a;27).  This approach has already been adopted by those interested in furthering the meso-corporatist debate (Cawson, 1985b). In the same vein, it should be the task of

any local corporatist analytic framework. However, in turning to the issue of <u>locality</u> rather than <u>function</u>, local corporatism is dimensionally differentiated from either macro or meso levels of analysis. A local corporatist framework implies an analysis which relates discussion of policy and economic sectors with the influence of space. It is this spatial dimension that marks local corporatism apart from other modes of corporatist analysis. This spatial aspect brings to prominence the issue of <u>place</u> in contributing to the formulation of relations between the state and organised interests territorially. Clearly, the significance of place will depend on a number of variables: political, ideological, institutional, and the structure of the local economy (Moore & Booth, 1986a; 27/28). The particular mix of these variables will give rise to different policy outcomes, but what can be said is that such variables 'may lead to different groups coming together to act in concert to defend economic interests. This can result in very different policy outcomes to those which would result from decisions taken by the market or the central state' (Moore and Booth, 1986a;27).

These variables, which form part of any analysis of local corporatism, are the constituent elements of a local political economy. Thus, we are linking corporatist analysis to territorial outcomes within a local political economy context. Within this context certain questions guide the direction of the analysis: how significant is decision-making at the local level; what lies within the discretion of local institutions and networks, and what are the limits to that discretion; how important are the political and

organisational arrangements of the state and organised interests as locations of decision-making; and what are the outcomes of those patterns of organisation and government in terms of the allocation of resources and economic benefits?

## Aspects of Local Corporatism

If we are to identify new political forms within British cities as corporatist, we need to have a clear definition or understanding of what such arrangements might look like. Thus, we need to be aware of not identifying just any relationship between state forms and economic groups as corporatist. One of the clearest definitions is offered by Crouch and Dore (1990b). Although there is nothing spatial about their definition it does illustrate what any corporatist arrangement worth the name should entail:

> An institutionalised pattern which involves an
> explicit or implicit bargain (or recurring bargain)
> between some organ of government and private
> interest groups... one element in the bargain being
> that the groups receive certain institutionalised
> or ad hoc benefits in return for guarantees by the
> groups' representatives that their members will
> behave in certain ways considered to be in the public
> interests. (Crouch and Dore, 1990b;3).

The key elements of this conceptualisation are the notion of a bargain, and the existence of exercised discipline over group members. We must not lose sight of the fact that it is the institutional arrangements developed between sub-central state agencies and the private sector that we are attempting to identify as corporatist. Clearly then, for any new institution to be corporatist it must have mechanisms that allow it to make use of the representatives of the interests involved. As Crouch and Dore argue

it is the institution that may be corporatist not the interests represented (p.22). Such institutional arrangements imply both bargaining between the state and interest groups, and the implementation of policy through the groups. These interest groups not only advance their own members' interests but also enforce on their membership compliance on agreements reached with the state and other groups in the public interests.

This has a number of implications for local or urban corporatism. Firstly, that for any new form of political organisation to be considered corporatist it has to have the power to mandate its membership to do things - in other words to constrain and sanction. This applies to both state agencies and private interests. Secondly, that sub-central state agencies must have the capacity to deliver on bargained polices. Thirdly, that the representatives of organised interests can ensure that their members consent to and support agreed policies. Fourthly, that there is a common interest that supersedes individual group interests. This common interest should consist of the following points: any wider interest is recognised to be long term; the stages necessary to achieve common interest are identified; and there is a recognition that the 'free rider' option does not exist and 'one's own' co-operation is necessary to achieve any benefit. Finally, as Cawson has argued, we must be able to identify reciprocal policy relationships between the partners in these new political forms, and we need to make an assessment of the extent to which any delegated implementation of policy is accompanied by influence over policy formation such

'...that the two processes are empirically inseparable' (Cawson, 1985a;132).

A problem for the concept of local corporatism is its appropriateness to relationships which are mainly between local government and business. One central question is what does government gain from business by corporatist arrangements? With government-labour relations the question is not so difficult to answer. The state can achieve a degree of compliance by organised labour over particular issues, through the ability of a union leadership to mandate its members, more easily than is possible to achieve with the leadership of business associations. As King (1983b;113) suggests: 'The apparent greater degree of influence exercised by business in public policy, in comparison with that exercised by unions, is achieved without capitalist organisations effectively controlling members in the manner of labour unions'.

The implication is that the intermediary role played by unions is not likely to be played by business organisations. Thus, do business-state relations conform to corporatism? The answer to this question, depends to a great extent on how tightly the concept of corporatism is defined. As King (1983b) suggests, some theorists' definitions are highly circumscribed, where corporatism would always have to include organised labour. In contrast, others such as Cawson (1985b) have moved away from tripartite analysis to forms of corporatism based on state-industry relations which may not involve peak associations of capital and labour. Similarly, forms of micro-

corporatism (Cawson, 1989) where negotiations occur between the state and individual firms, and at the level of the local state and industry through planning agreements, would tend to indicate that tripartite analysis is not the only road to travel. Hernes and Selvik (1981) in their analysis of corporatism at the local level couch their definition of corporatism in terms of an increased interaction between public-private agencies.

King's (1983b; 1985) analysis is perhaps the most useful way of focussing on the relations between local capitalist associations and local government. King identifies two related processes within this context:

> (a) the extent to which groups are recognised and
> invited to assume a role in policy formulation
> and implementation by government, including the
> possible provision of resources, and implications
> for the regulation of internal relations between
> an organisation's leaders and ordinary members;
> and (b) the extent, level and consequences of
> concerted action with other economic actors,
> especially labour associations, including
> involvement in formal tripartite or similar
> bodies. (King, 1983b;113).

This definition appears to offer a less restrictive framework in which to conceptualise corporatism. The problem is however, that the concept arguably loses theoretical specificity for potential empirical adaptability, in that it merely describes an organisational strategy undertaken by the state. As Flynn (1983) argues 'the distinction between intention and outcome is also very important in determining the existence or extent of corporatism' (Flynn, 1983;104). This returns us to Cawson's point concerning the reciprocity of policy relationships where delegated implementation

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of policy to interest groups has to be accompanied by influence over policy formulation (Cawson, 1985a;132).

Assessing the Utility of the Concept

At first glance new political forms in Britain's cities in the latter half of the 1980s and early 1990s appear to offer some evidence of corporatist politics. That is, there seems to be a functional representation of a number of groups at the local level in formal consultation with local elected government. However, we have to consider exactly what may be local about any new arrangements where policy-making assumes the form of a collaboration between sub-central state agencies and local organised interest and groups. A number of points can be raised which question the use of the term local and its application to forms of partnership for economic regeneration.

Firstly, the extent to which non-local actors participate in these new working relationships. Within any partnership there may be participants that have a local dimension, such as community organisations,the Chamber of Commerce, Chamber of Trade, and the local authority. However, even in these 'locally' developed partnerships the partners tend to range more widely than this. Partnerships have been forged between local authorities and national organisations such as Business in the Community and The Phoenix Initiative, national construction companies, and local organisations with a national base. Moreover, central government in the form of the regional offices of the Department of Environment and Department

of Trade and Industry have been involved in a representative capacity in a number of partnership committees and organisations.

The second question concerns the availability of finance. Although the potential exists within many partnerships to raise investment locally, the cost of many projects is often financially beyond the reach of the partnership. Thus, the source of investment has to extend beyond the financial capacity of local actors and draw on a pool of non-local investors. Contributions are dependent on central government subsidy, private money (through the attraction of a financially powerful partner), or a combination of the two.

Thirdly, we should question the extent to which decisions within collaborative organisations are really made locally. Local authorities are heavily constrained by legislation with regard to their activity in partnerships, economic development and participation in companies. As such their decisions will inevitably be coloured by what they think they can do by law. Additionally, the local representatives of national companies and organisations will have to take into account their corporate policy before committing themselves to particular projects or strategies. These decision-making constraints may have little to do with local considerations but they will have important ramifications for the outcomes of projects and strategies. Finally, the impact of partnership policies will have more than simply a local effect. The outcome of a particular project on its immediate environment may be easy to gauge, but the effects on a neighbouring area are less easy

to forecast. If a grand strategy is to be developed then it has to move beyond a localist orientation and relate to wider changes in the economic and social structure. The original conception may be localist but the outcome is invariably not.

These few points are enough to illustrate that both local and non-local impluses intersect in any given combination of public-private sector co-operation. The existence of non-local actors, non-local finance, the constraints on local decision making, and the variation in territorial impact of collaborative ventures, indicate that the spatial and institutional framework of partnerships can be wider than the limits of a local authority area, and may preclude a sole reliance on local interests. Sub-central state agencies, central and local government, private sector organisations, and community groups operate within a policy-making system, but none are necessarily confined to a specific territorial base.

Cawson, (1985a) although positing the emergence of local corporatism, was pessimistic in his conclusions about the potential for locally based interests to adopt corporatist politics. In his view a local corporatist analysis implies the existence of more independence within the local political economy than he considers possible:

> Economic decline and mounting political pressure to
> alleviate its consequences, coupled with a policy of
> privatisation and perhaps the growth of a contract
> model of local service provision, may in time lead to
> a marked change in the role of the local state. But
> such a change is unlikely to be towards a greater
> autonomy, and the kinds of corporatist interventions

that may reshape the local political economy will
be determined outside the reach of local political
organisation. (Cawson, 1985a;147).

According to this interpretation the phenomenon being studied is corporatism at the local level rather than local corporatism, where national interests are represented and local interests are incorporated. This is because 'the local dimension is the target of intervention rather than the basis for the organisation of the participating parties' (Cawson, 1985a;144). However, if it is accepted (not withstanding the caveats outlined above), that a degree of policy autonomy and discretion can be exercised by political interests within particular localities, then the point Cawson makes is merely a semantic one. Indeed, recent work by Cooke (1989) and Harloe et al (1990) argue that the executant character of local government in Britain, with the resources and discretion which that brings, asserts the significance of party control for local policy-making together with the ability of interest groups to influence policy (Pickvance, 1990;11). Both studies examine different localities' responses to economic and social change since 1945, and demonstrate that despite global processes of economic and social restructuring, such general trends do not 'fully explain what happens in particular places' (Pickvance, 1990;1). Indeed, they illustrate the importance of locality and place as a basis for locally specific forms of organisation within a political economy context.

The emergence of public-private partnerships for economic regeneration in many British cities are one form of response to de-

industrialisation and urban economic change. Clearly, they are potential sites for local organisation based around corporatist modes of decision-making, with the functional representation of different groups within a locality becoming manifest through specific organisational and institutional mechanisms. Within such a framework local government occupies a central position as a mediator of different interests. However, within the present urban policy climate it will act out this role within a context which explicitly recognises the enhanced role of business interests. In accordance with Cochrane (1991) we are perhaps now in a position to suggest that although a potential for local corporatism exists, with some of its patterns more clearly defined, it is still 'premature to suggest that it has become the dominant model of urban politics' (Cochrane, 1991;298).

## GROWTH COALITIONS AND URBAN ECONOMIC REGENERATION

The concept of a 'growth coalition' was first developed by Molotch (1976) in his analysis of urban economic development in the USA. This work argued that growth, defined in terms of increases in the labour force; a rising level of retail, wholesale and financial activity; and more intensive land development together with higher population density, was the dominant issue for those who held economic and political power in American cities (Molotch, 1976;310). Molotch argued that virtually all US cities were dominated by an elite:

> whose members have business or professional interests
> that are linked to local development or growth. These
> elites use public authority and private power as a means
> to stimulate economic development and thus enhance their

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> own local business interests. They turn their cities, as
> active, dynamic units, into instruments for accomplishing
> the growth goals that will enhance their fortunes. The city
> becomes, for all intents and purposes, a "growth machine".

(Molotch, 1988;25)

In Molotch's conception, land is the critical and dynamic factor around which a coalition is organised, with at its core land-based business interests. However, they are not the only elements which constitute this network of elites. Rather, the network extends to include others whose fortunes are not directly tied to land-use but are linked to the economic prosperity of their localities: the local financial institutions; the local media; the legal profession; accountants; and the construction industry. Additionally, members of the coalition are drawn from local institutions such as higher educational establishments and social service organisations. As Molotch argues, these institutions 'may come to support the growth goal, either to increase patronage or to curry favour from the elites who give money and serve on their boards of directors' (Molotch, 1988;27). Although these actors may have no direct interest in the spatial pattern of growth pursued by the coalition in general, they nevertheless play an important legitimating role by condoning a particular form of development. As such, the coalition can become identified with the community at large.

The thesis suggests only a minor role for business interests, which, although they may operate locally, have a wider spatial ability to generate returns on their investments. Molotch cites companies such as McDonalds and General Motors who whilst supporting the agenda of

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the growth coalition and its ideology of growth, have little interest in the intensification of the local economy for its own sake (Molotch, 1976;317, 1988;27): 'Their indirect interest is perhaps in the existence of the growth ideology rather than growth itself. It is that ideology which makes them revered people in the area...' (p.317).

The growth coalition also places pressure on government both central and local (in the American case federal government, state government and city government), to aid its agenda for development. At the central or federal level pressures are placed in support of productive infrastructural improvements within a coalition's own patch. At the local level, the expectation is that government will undertake active promotion of the area and pursue polices and strategies for development favourable to business and local capitalist interests. In this way, growth coalitions have a large constituency to call upon in support of their development agenda (Molotch, 1988;28).

Molotch argues that such growth elites have a level of discretion to carry out their development objectives (p.29). However, this discretion is operationalised within a given set of constraints. The constraints which affect the growth elites' strategies and implementation of their development agendas include the following: geographical features; the level of unity amongst civic leaders; the patterns of investment by non-local corporate capital; the quality of local political leadership; and the existence of urban social

movements.[2] These constraints give rise to the specific actions and strategies adopted by growth elites in their attempts to overcome the barriers (the constraints) to their development programmes. Such action in turn is what gives rise to differences between local growth machines.

For Molotch the constraints he identifies add up to the 'partial determinants' of the urban political system. How constraints operate locally is what determines the shape and content of the coalitions' modus operandi. He argues that growth elites adjust to the various constraints as 'best they can', composing a growth strategy that 'fits the circumstances'. As such, this makes growth elites the 'most dynamic, active and deliberate force in shaping local land use and the local policy agenda' (1988;40/41). However, the interaction of this group with the constraints they are faced with limits their discretion. It is this interaction which determines the strategies and, eventually, the shape of cities. Molotch asserts that these constraints affect growth coalitions in various ways and impact differentially to produce locally specific responses and forms of development. His primary concern is to stress this differential of impact by prioritising the salience of some constraints over others. For instance, the constraint of a lack of civic leadership, or of poor political ability amongst a city's political leaders, or the weakness of urban social movements to challenge the coalition ideology, are all considered to be 'minor constraints' on the ability of the coalition to shape the local development agenda. In contrast, the patterns of investment of

cosmopolitan capital are seen to have more 'actual significance' on structuring the strategies of growth elites (1988;42). This prioritisation is ordered on Molotch's belief in the structural hegemony of cosmopolitan capital over locality. By this, Molotch means the extent to which international capital's drive for profit accumulation alters the economic structure within which local capital makes its decisions. However, he argues that within any locality it is the growth elites who are hegemonic:

> In both ideological and structural terms, their dominance over the development process is felt across a wide array of political, economic, and cultural institutions...this deep and broad permeation of locality allows growth elites to prepare the ground for capital, thus coupling local agendas with national and international systems of production. (Molotch, 1988;42).

## Qualifying the Thesis

The concept of growth coalitions has come to occupy a more prominent role in the the analysis of urban policy in Britain's cities (Lloyd & Newlands, 1988; Cooke, 1988; Harding, 1990). Its growing prominence as a method of analysis reflects the directional output of urban policy initiatives in Britain over the whole of the 1980s, but particularly since the mid-1980s. A plethora of policy initiatives have emanated from central government departments directed towards tackling the problems of urban economic and social decline. Much of this policy, although ad hoc, uncoordinated, and pragmatic, has consistently sought to embrace the private sector, attempting to 'lever-in' private sector money through the incentive of public funds, and offer a quasi-managerial role to the private

sector in the solution of urban problems (Hambleton, 1988; Lawless, 1989).

The result has been a growth in local public-private networks which have utilised available resources to promulgate their development agendas. In addition to the general thrust of the Government's urban policy, the growth of 'development alliances' has been achieved by central government's curtailment of local government's financial and statutory resources. This in turn has further reduced local government's ability to act independently of the preferences of local interest organisations (Harding, 1990;92/96). In the climate of the mid-1980s where urban economic and social regeneration was concomitant with public-private co-operation, the result was a 'trade-off' of local government's autonomy against the potential economic rewards of its allying with local or national interests. To quote Harding at some length on this point:

> A combined strategy of reducing vertical autonomy and
> building local unelected agency capacity has...from the
> mid-1980s, significantly altered the prospect for local
> alliances in the latter part of the decade. Thereafter
> the growth coalition model...began to a greater extent
> to suit the interests of each party. Weakened local
> authorities would achieve a voice within the local re-
> development vehicle...greater political legitimacy, and
> potentially larger discretionary resources. The private
> sector would receive a range of public subsidies in cash
> and in kind, and central government would achieve broad
> compliance with its overall market strategy... (1990;96)

In such a policy climate the issue of business participation in urban regeneration initiatives assumes an increased importance. Hence the utilisation of the concept of growth coalitions as a

method for analysing businesses activity in urban policy, and the development and operation of such 'selective alliances'.

Nevertheless, in using the concept it is important to remember that it was devised to analyse urban development processes in US cities in the 1970s. It is a concept which can draw on a deep history and culture of business-city government interaction, and which locates itself within and under a specific political system. Primarily, the concept seeks to explain the longevity of an urban business class's ability to influence the American urban political system. However, it is situated within the context of a federal political structure which is less centralised than the unitary system experienced in Britain. Under a federal system, irrespective of the challenges to local government that have occurred in Britain since 1979, city government in the US has a greater degree of autonomy than does local government in Britain.[3]

A central problem then is the ethnocentricity of the concept, and the time and place specific nature of its analysis. Stating this however, does not deny its important contribution to our understanding of business-local government relations and the urban political process. Rather, it suggests a need to adapt the concept for different experiences and then assess its analytic utility. Thus, however useful the growth coalition concept may be for analysing the processes of urban development and regeneration in the USA, a degree of adaptation and qualification is necessary for it to have any meaning in the context of British political economy.

Lloyd and Newlands (1988;34/35) identify three main areas where it is possible to adapt the concept. The first adaptation revolves around the necessity for land-based entrepreneurs to dominate the coalition. Lloyd & Newlands challenge Molotch's assumption that the core of the coalition will always be land-based interests by arguing that although all capitalist businesses have an interest in the way land is used, most of them, including local capital, have a power and wealth which is derived from market commodities other than land. They suggest that Molotch's assumption of the necessity for property entrepreneurs to 'lead' is based on the 'specific institutional arrangements which govern urban land use and development in the United States' (p.34). This they attribute to North America's 'open' land market which they contrast to the more regulated and controlled planning system and land market in Britain. The result of this challenge to the thesis is that business interests other than those which are land-based can form the core of the coalition and dominate its strategies and programmes of action.

The second area ripe for adaptation is seen to lie in Molotch's under-estimation of the role of non-local capital and its disinterest in local growth. Lloyd & Newlands's assertion is that Molotch 'overstates the difference in interest in the growth coalition between local businesses and the branches or subsidiaries of companies based elsewhere' (p.34). They argue that most subsidiaries and branches will make some proportion of their sales locally, but that this will be particularly acute where branch company executives' remuneration is dependent upon the extent of

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local sales. Additionally they argue, 'the social worth of branch executives, in their own eyes and in the eyes of their peers, is often defined in terms of the number of people one employs' (p.35). The implication of their argument is that far from taking a disinterested or limited interested in local growth, there may be a fundamental requirement for subsidiaries to take an active interest in the local economy both for their profitability as a subsidiary (and the parent firm), and their social standing in the community. Thus, local arms of multi-national capital may be firmly established within the growth coalition.

The third adaptation involves reassessing the role of local government. The assertion is that Molotch offers a weak and passive theory of local government involvement in the growth coalition - in essence the 'hijacking' of local government by business interests. Lloyd & Newlands argue that Molotch 'describes a situation in which local government is co-opted by business interests to assist in the promotion of local growth but does not explain the process by which local government is drawn into the growth coalition, nor whether this is indeed a necessary pre-condition of the coalition' (p.35). In contrast to the simple hijacking theory offered by Molotch, Lloyd & Newlands suggest a more complex relationship between local government and business. Their argument is twofold: first that local government may share the growth ideology of the coalition and be an active partner, or it may not and face exclusion from the coalition; secondly, that local government is constantly 'exposed'

to interests (organised labour, residential associations, racial groups etc) other than business, to which it may or may not respond.

The implication of adopting this argument is that the role of local government in the process of coalition organisation is not simply a zero sum equation of either supineness or active support. To be sure, local authorities may take little or no action in a particular coalition, or in contrast, they may actively seek to legitimise its aims and objectives, but these are not their sole options. Lloyd and Newlands's criticism of Molotch's theory of local government alerts us to the oppositional potential to growth coalitions that local government possesses, but perhaps more significantly local government's ability to develop what in American terminology are called 'progressive' coalitions with their concerns with the social and redistributional aspects of local growth. But, as Lloyd & Newlands point out, it also reinforces one of Molotch's strongest claims, namely the key role of ideology in 'gaining popular support for an economic system characterised by gross inequalities in rewards' (p.35).

## Some Types of Growth Coalition in Britain

In a country that has no real tradition of overt business involvement in local affairs, it is still possible to offer typologies of British growth coalitions. Most coalitions in Britain appear to occupy a position on an axis between the points of a public sector-led coalition and a private sector-led coalition. In Britain, current research suggests that there is little evidence of

private sector dominated growth coalitions of the kind which have
developed in some American cities (Cooke, 1988; Harding, 1990;
Cochrane, 1991). Rather, private sector interests are likely to be
key actors in any alliance, but they appear not (at least at the
moment) always to be the dominant partner. Cooke in particular
argues that 'to the extent that growth coalitions have a role to
play in the contemporary period...[Cooke thinks they do have a
role]...many will have to be dominated not by the business class but
by political and professional representatives not wholly ensnared by
the profit-motive' (Cooke, 1988;192).

Cooke's argument is that in contrast to the American experience,
growth coalitions in Britain have tended to be formed by local
Labour politicians and/or local professionals, in conjunction with
organised labour and local industry for whom 'social justice
criteria may be presumed to have been a major stimulus to action'
(p.195). On occasions such coalitions have involved the local
professional class led by key council officer personnel. Moreover,
in situations where indigenous political leadership was lacking
outside professionals were used to provide the catalyst to coalition
formation.[4]

In his analysis, Cooke offers a threefold classification of his
'progressive' coalitions. First, a Labour Party led, trade union
coalition characteristic of politics in North East cities in the
1960s. Cooke suggests, 'Newcastle...proved itself perhaps Britain's
nearest example of a growth coalition in the American style with

business, unions and local professionals organised into a strongly local corporatist organisation' (p.194). Secondly, a coalition that consisted of local union, local professional, and local petit capitalist interests under the management of local Labour politicians and senior council officers. This 'Party municipal managerialism' was the characteristic form of politics in Swindon in the 1970s. Thirdly, non-Party municipal managerialism, where the source of growth is not so much party driven, but is a managerial response to deindustrialisation. Such a managerial municipal coalition could include senior council officials, the Chamber of Commerce, and the local higher educational institutions (p.195).

Cooke's fear is that such examples of progressive coalitions will face emasculation by attacks to local democracy and democratic accountability by successive Conservative governments' urban policy initiatives. However, he is not totally pessimistic about the ability of local government to challenge the growth of private sector intervention in urban planning, arguing that local progressive coalitions offer an opportunity to remain 'a focus for those whose interests in social justice are upper-most'. Moreover, they can become 'an important political base for social mobilisation...cities and smaller localities are the obvious entity around which progressive coalitions can be formed' (p.198).

Clearly, the role of the local state envisaged in this analysis is an active rather than passive one. Its role is to enable, in the sense of performing, a strategic managerial function - private

capital is not necessarily in a dominant position. Indeed, Cochrane
(1991) has argued that such developments are 'closer to neo-
corporatism, in which the local state still matters, rather than
neo-pluralism dominated by business' (Cochrane, 1991;297). This is
the implication of growth coalition experience in Britain where the
quasi-public role and involvement of the business community in urban
affairs is still not all pervasive. However, the increase of growth
coalitions does herald a changed role for the private sector in
helping to shape, in a more explicit manner than before, the broad
strokes of urban policy. As Meyer & Boyle argue (1990):

> These new roles may be viewed either positively or
> negatively, but they are inherent in the growth
> machine. Private involvement with public efforts
> may increase resources and permit co-ordination
> of public and private injections of needed capital.
> On the other hand, increased direct private involve-
> ment may lead to the US pattern in which the agenda
> for the local state is effectively captured by the
> private sector, and unequal "partnership" evolves,
> with the growth coalition really dictated to and
> directed by private capital. (Meyer and Boyle, 1991;318).

## SYNTHESISING LOCAL CORPORATISM AND GROWTH COALITIONS: TOWARDS URBAN REGIMES

So far this chapter has discussed the concepts of local corporatism
and growth coalitions in relation to the emergence of new political
relationships between the local state and business in Britain's
cities. It has suggested that local corporatism offers a spatial
framework of analysis which seeks to explain forms of policy making
based around the organisation of functional interests within
territorially defined positions. Some of the concept's
characteristics were discussed, and an assessment of its utility was

made. The notion of growth coalitions has also been introduced, drawing on the experience of urban development processes in the USA. However, caution is required in attempting to replicate the concept in the context of British political economy, since the characteristics of economy, institutions, politics, and ideology are not the same in each country. Thus, following the work of Lloyd & Newlands (1988), some of the possible adaptations and qualifications to the concept for use within the British context were outlined. Additionally, types of growth coalitions as they appear to have developed within particular localities in Britain have been described.

Both 'local corporatism' and 'growth coalitions' are discrete concepts, but their similarity lies in their attempt to provide interesting ways for understanding state-business relations, particularly partnerships for economic regeneration, as they are developing in British cities. Local corporatism is perhaps best described as a 'middle range' theory which attempts to offer explanations for the policy outcomes of these new state-business relationships. In contrast, the notion of growth coalitions appears to be more of a description of the organisational arrangements of such relations, rather than a full blown attempt to analyse the politics and policy outcomes of them.

Informal Relationships and Urban Regimes

One of the striking features of the new arrangements which are beginning to emerge between the local state and business is their

relative informality. Many of the partnerships between local government and business which are developing in British cities are not set within formal organisational structures with institutionalised decision-making, but on informal lines of authority and decision-making based on inter-personal relationships, tacit understanding and mutual co-operation. Although these partnerships may have formal aims and objectives, often the manner in which they seek to achieve these objectives is not formal. Such informality in relationship structure poses particular problems for local corporatist analysis with its attempt to explain the existence of formal, highly structured, relationships and decision-making processes. Clearly, if as suggested, it is the informality of arrangements in state-business relations in British cities which is a significant characteristic then a corporatist framework would appear to be limited. The concept of growth coalition also offers only partial explanations for informal relationships. Its analysis tell us who is in the coalition, but little about how the coalition was formed, or how it makes decisions.

One way of reconciling these limitations with the issue of the 'informality' of the arrangements developing between the institutions of the local state and business, is through the concept of urban regime (Stone, 1989). As with growth coalitions it is a concept imported from America, particularly devised to explain urban conflicts arising from the social division of labour between state and market (Jonas, 1992;282/283). However, the concept is not axiomatically place specific and has applicability to wider

circumstances than American urban politcal economy. Of course, cities are different economically, politically, culturally, and institutionally, but the basic premise of regime theory holds for all cities: there is an 'informal yet relatively stable group <u>with</u> <u>access</u> <u>to</u> <u>institutional</u> <u>resources</u> that enable it to have a sustained role in making governing decisions' (Stone, 1989;4). The constituent elements of such a group vary from place to place but will always include institutions of the state and private interests. As such an urban regime is defined as:

> the informal arrangements by which public bodies and
> private interests function together in order to be able
> to make and carry out governing decisions. (Stone, 1989;6).


Clearly, much of the regime's actions are seen to rest on informal arrangements, tacit understanding and co-operation, but how is such informality given coherence, and why is co-operation so attractive an option? Stone suggests that a regime's coherence occurs because it is purposive, created to achieve action (p.4). In this sense, to be <u>in</u> a regime is empowering – more can be realised inside than outside (p.5). As far as co-operation is concerned, Stone asserts that this is a product of weak formal authority within cities. He suggests that cities lack a 'conjoining structure of command', where individual actors may have the power of command but in which there is little in the way of a mechanism to link or unite them. In such a system, where co-ordination of action has only a weak potential for articulation, informal arrangements for co-operation become more significant. This informal process of co-ordination 'across institutional boundaries', Stone refers to as <u>civic co-operation.</u>

For Stone, the term coalition stresses that a regime 'involves bringing together various elements of the community and the different institutional capacities they control' (p.5), whilst governance is through informal arrangements and 'is about how some forms of co-ordination of effort prevail over others. It is about mobilising efforts to cope and to adapt; it is not about absolute control' (p.6).

Stone's assertions challenge traditional formulations of community power. Specifically, they question those interpretations that perceive power as a form of dominance and control, and which view politics as the legitimation of forms of that control (Stone, 1989;222). A key point is that the social control paradigm has led both pluralist and anti-pluralist anaylses to focus on the issue of the presence or absence of hegemonic beliefs in explaining a lack of resistance by the dominated to their dominators (the third face of power debate). Stone contends that by following the social control paradigm a host of critics have misunderstood 'the character of power as it operates in modern socieites' (p.220). He argues that the model produces 'third face of power' explanations because of its emphasis on the 'difficulty of maintaining a comprehensive system of control' within its analysis – the cost of compliance issue. For pluralist, it is the 'cost of compliance' that gives rise to pluralism: for anti-pluralist, consent and legitimacy are manipulated to reduce the costs of control. Thus, both agree that a few rule, but equally, both disagree over the nature of compliance to that rule (p.225). For pluralists, compliance by the many to, the

few implies a lack of any basis for resentment, for more critical theorists a lack of conflict implies the existance and influence of mediating forces (the third face of power), that ' bring about false or fragmented consciousness' (p.225).

Stone's alternative model for understanding power, moving away from arguments constructed around elite control of popular consciousness, is based on the argument that society, in terms of its institutions for governance, conceptions of the world, and the norms and values that people use to make sense of their environment, is fragmented. Society is held together by a 'loose network of institutional arrangements' whose maintenance is a 'matter of struggle, with contenders variously accommodating and resisting one another' (p.227). In such a fragmented system, the issue is not about comprehensive control, but about, 'how to bring enough cooperation among disparate community elements to get things done - and to do so in the absence of any overarching command structure or a unifying system of thought' (p.227). Given this situation, co-operative participants do not 'behave as if the underlying structure of the situation is one of polarity between the few who dominate, and the many who are dominated, but as if the capacity to govern is in question' (p.228). The important questions here become who has resources, how can co-operation be achieved, and where can a foundation for that co-operation be placed? As Stone asserts, the most attractive allies in this fragmented system are the organised, the best resourced, and those who can engage in a system of co-operation - in capitalist society such reqirements tend to be found

mainly within the business or 'investor' class (p.229). In this model, the analysis of power is not so much about who dominates who and how domination is achieved, but about the development of a capacity to act - as Stone says, 'power to, not power over'. The important issue within urban regime theory is thus 'who can achieve coordination of effort among a select few who are strategically placed' (p.229).

The concept of urban regimes provides a novel way of conceptualising the changes that are occurring in British cities in terms of the relationship between local government and private interests, particularly those of business. Through its approach to local government and its various urban policy initiatives, central government has sought to weaken the role of the state at the local level. That this has on occasions resulted in a strengthened position for new quasi-government institutions within cities, does not detract from the fact that the ideological thrust of those initiatives has been towards reducing the role of local state institutions, and particularly local government. Unequivocally, private interests, especially business interests, are being encouraged to take a more participatory and active role in the management of city life. In such an environment, formal authority, that is authority vested in the elected control of state institutions, does indeed become fragmentary, and imbued with weak systems of control to ensure the co-operation and co-ordination of sectional interests.

## CONCLUDING COMMENTS

Informal systems of co-operation have began to develop in British cities in response to such fractured forms of authority. Local state institutions and functional representatives of private interests have begun to work together in alliances in which co-operation and decision-making processes are fundamentally informal in nature. Partnerships for urban economic regeneration are potential sites for such informal arrangements. Partnerships function on the basis of co-operation, mutual dependency and consensus, the actions of which are operationalised in a largely informal way (see chapter three). As such, we need a theoretical perspective which takes account of this informality. Both the concepts of local corporatism and growth coalitions offer insights into how partnerships and state-business relations might operate, but they also have difficulty in either analysing the informality of the relationships or providing more than a description of an organisational structure.

However, for the coalition perspective in particular, given the qualifications and adaptations referred to, it provides a useful way to articulate and describe the emergence of new organisational arrangements between business interests and local state institutions over the 1980s and into the 1990s. However, it does not offer a completely satisfactory analysis of the politics and policy outcomes of a coalition. This is especially relevant when the dominance of business interests within the coalition is questioned, as has been the case with studies of coalitions in Britain. The experience of

British coalitions suggests that there is a far more complex process of state-business relations operating than the original conception allows for. What is required is an explanatory framework that permits us to describe who may be in coalition, but which also engages the questions of how a coalition was formed, how it operates and what are its outcomes?

The concept of <u>urban regime</u> goes some way to bridging this explanatory gap by allowing us to theorise the complexity of state-business relations in a manner which takes account of two important features of urban policy over the 1980s - the informality of relationships in the field of urban policy and the fragmented nature of authority within cities vis-a-vis the formulation and implementation of polices for economic and social regeneration. This conception appears to be particularly apt for analysing public-private partnerships for regeneration. With its stress on informality and repetition, regime theory illuminates the process of policy-making that results as a consequence of collaboration. Such co-operation and involvement is a consequence of a weakening of formal authority in cities, where although individuals or organisations may have power there is little in the way of a mechanism to unite them. In such an environment where formal co-ordinated action is weakly articulated informal co-operation becomes more significant and attractive, and occurs across 'institutional boundaries'. Indeed, informality is a feature of many partnerships between the public and private sectors, developing their aims and strategies through co-operation mutual dependency and consensus.

The regime perspective allows us to determine not only who the participants are, but how any alliance is established and how it is maintained. Before proceeding to consider some of these questions in relation to the specific example of the Sheffield, we need to identify some of the key features of public-private partnerships for economic regeneration. This is the task of the following chapter.

### NOTES

1. This discription is taken from Molotch (1976; 1988). The concept is also described in detail in Logan and Molotch (1987).

2. For a fuller discussion of each constraint see Molotch (198;29/42).

3. For example, one critical difference lies in their relatives abilities to raise levels of local taxation and improve the fiscal base of a city.

4. There is little research on the form of growth coalitions in Conservative controlled local authorities.

5. The concept of urban regime is fully described in Stone and Sanders (1987), and Stone (1988; 3/12).

# CHAPTER THREE

## PUBLIC-PRIVATE PARTNERSHIP AND URBAN ECONOMIC REGENERATION

### INTRODUCTION

The concept of public - private partnership has come to occupy a central place in the political economy of the redevelopment of Britain's inner city and urban areas. Partnerships between the public and private sectors are now commonplace as vehicles for the development and implementation of strategies for local economic regeneration (Harding, 1989a;1990). The notion of 'partnership' should now be a critical feature of any analysis which seeks to explain how the political and economic fortunes of British cities have been shaped over the 1980s, and how they will be shaped into and beyond the 1990s. Since the mid-1980s, there has been a steady growth in the number of formal and informal organisations, committees, bodies and forums which have an explicit collaborative approach embedded in their structures. Such bodies have sprung up in the fields of education and training, housing, and projects for urban renewal. Some of these bodies have been locally inspired 'organic' partnerships and have evolved through negotiations between the local authority and the private sector, with an eventual arrival at an apparently acceptable consensus between them over what the problems of the local economy are. Others have been developed centrally and 'parachuted' into particular localities in order to engender a climate of collaboration between local authorities and the private sector.

If the physical evidence of partnership is widespread, so too is its language. Politicians of all persuasions and levels talk in terms of a 'partnership economy' and the need for co-operation and programmes of joint action between the public and private sectors in the reconstruction of local economies. Running parallel to the political discourse is the professional discourse of civil servants and local authority officers who are increasingly developing and implementing strategies for local economic development that are underpinned by the explicit encouragement of cooperative working relationships between the local authority and local private sector organisations. One analyst discussing the rise of urban partnerships in the United States has said, 'Paying homage to partnerships became de rigeur for public officials and aspiring politicians' (Levine, 1989;13). This statement would not be out of place if applied to the attitudes of British public officials and politicians from the mid-1980s.

Although it may be possible to identify a common environment or climate in which partnership bodies develop it should be evident that there are different characteristics of local political economy which influence the form and style of partnerships in particular areas. The need therefore is to disaggregate the concept in order to avoid an uncritical acceptance of the term and to unravel a complex phenomenon which superficially appears to be easily readable. Thus, we need to define our terms: we need to discuss the historical context of partnership's development; we need to distinguish between its different forms in the regeneration of local

economies; and finally, we need to look at some of the political, social, and economic consequences of the growth of partnerships.

## AN HISTORICAL CONTEXT FOR PARTNERSHIP

Brindley and Stoker (1988) offer a threefold classification of partnership, arguing that since 1945 various forms of partnership have characterised urban planning and development. For Brindley and Stoker the origins of partnerships are rooted in the the post-war planning system. Under this system local authorities were given two key planning functions; the power to draw up development plans and the power of development control. The purpose of the development plan was to provide a broad picture of the development intentions and expectations a local authority had for its area. They were designed to identify the different uses of land within a given locality and disentangle residential, industrial and commercial development as well as allow for the reservation of land for public use. These plans were intended to operate as points of reference for the detailed control of development which lay in the hands of the local authority.

However, this system failed to tackle the issue of land values and development, exposing a weakness at the heart of the system — while development rights were nationalised the private sector retained the right to betterment and the structure of a capitalist development industry was never seriously challenged. In this manner, change in the urban form has not been determined by the state but has been realised through a combination of public and private interests with

the state only indicating objectives to which resources might be put. Thus, the two sectors became 'mutually dependent and their relationship developed as a kind of partnership' (Brindley and Stoker, 1988;3-4).

Brindley and Stoker argue that through indicative regulation of private development private deals between land owners, developers and the local authorities were struck. Certainly, the scope for any local authority development activity was limited and remained in the hands of the private sector. Although private developers often needed the help of local authorities to assemble sites, provide the infrastructure, and use compulsory purchase order (CPO) powers to round up the mass of separate land ownership, the local authority also needed the private developer to assemble and provide the resources necessary to undertake development itself.

The second phase of partnership is characterised by urban decline, recession and economic crisis. After 1974 Britain's cities began to suffer as a consequence of economic and social restructuring. The older and larger urban centres deindustrialised whilst smaller towns and rural areas experienced periods of economic growth. The main dynamic of this process was a change in economic activity and the requirements of capital. The forms of partnership that developed as a consequence of the 1947 planning machinery were ill-equipped to cope with or stem this process of urban decline. Indeed, it is asserted that 'the development plan system could identify needs and propose land allocations, but it could not conjure private

investment out of thin air' (Brindley and Stoker, 1988;4). Urban economies suffered as manufacturing industry began to disappear, private and public investment dried up, and redevelopment schemes were run down or aborted. Public sector agencies could propose schemes and programmes of redevelopment but the important question was always one of finance. Levels of public investment fell, particularly after 1976 and the IMF loan and consequent tightening of monetary policy. Equally, private sector finance was difficult to find as economic recession deepened and restricted the amounts of capital available for private ventures into large scale development and urban renewal projects. This lack of investment, both public and private, highlighted the weakness of a planning system dependent upon economic growth to underpin change, and a system which effectively operated as the state regulation of private development (Brindley and Stoker, 1988;4/5).

The third phase of partnership, since 1979, is seen as a response to urban decline and the failures of the post war planning system. Partnership in this period is characterised by the search for new forms and types of relationship between the public and private sector. Partnerships have developed between central and local government, quasi government bodies and corporate organisations, particularly construction companies and financial institutions. Their form and type has ranged from a focus on the regeneration of land and property and the preparation of infrastructure and sites, such as UDCs, to specific industrial and commercial incentives like Enterprise Zones and City Grants. However, despite differences in

emphasis and detail 'they share in common a distinctive relationship between the public and private sector. In essence, public sector investment...is employed to bring about new private sector investment which would not otherwise have taken place' (Brindley and Stoker, 1998;5).

The distinction between different forms and phases of partnership made by Brindley and Stoker is useful in that it illustrates that the idea of partnership is not a new phenomenon. Clearly however, there are different sorts of partnership operating at different periods. The authors argue that those of the 1950s and 1960s were a consequence of the failure of the post-war planning system to overcome the problems of land values and development and a resultant intermeshing of public and private sector agencies. In contrast, the partnerships of the late 1980s and early 1990s are about a more explicit move towards market oriented planning in which urban renewal is set to conform with neo-Conservative values, the attempt to role back the state, reduce levels of public sector investment, and increase the policy making role of the private sector. All forms of partnerships in the 1980s have developed in an environment conducive to the private sector. The political, economic, and social outcomes of partnership ventures will be conditioned by this factor. However, that is not the same as saying that they will necessarily be determined by it. Indeed, the outcomes of partnerships may be open to a greater degree of contestation than Brindley and Stoker acknowledge. This is an issue we will return to later.

RECASTING THE URBAN POLICY ENVIRONMENT

Partnerships have come to occupy such a prominent position on the agenda of urban policy and regeneration because of a specific political and ideological response to the de-industrialisation of Britain's inner cities. Throughout the 1980s and into the 1990s, the Conservative government's urban policy, although ad hoc, unco-ordinated, and pragmatic, has consistently sought to embrace the private sector (Hambleton, 1988; Lawless, 1989). It has attempted to lever-in private sector money through the incentive of public funds, and offer a quasi-managerial role to the private sector in the solution of urban problems.

By the end of the 1980s there were thirty five initiatives administered either jointly, or independently, by five central government departments, all of which sought to stimulate the economic, social, or physical regeneration of the inner cities. For example, the Department of Trade and Industry, which had responsibility for the Enterprise Initiative and Regional Selective Assistance; the Department of Environment, the Urban Programme, City Challenge, City Grant, Urban Development Corporations and Enterprise Zones; the Department of Employment, Compacts, Small Firms Service, Enterprise Allowance Scheme, and Vision for Cities; the Home Office, Section 11 grants and the Safer Cities campaign; and the Department of Education and Science, City Technology Colleges, PICKUP and REPLAN. Thus, each department had a particular policy remit with regard to its slice of the urban policy cake.

That these initiatives were designed to coincide with a political perspective that emphasised policies for supply-side incentives and market-based solutions to urban problems, reflected the extent to which Conservative politics identified the fate of the inner cities as politically important, and sought to impose upon them its own form of remedial action. Throughout the 1980s, the Conservative's 'liberation' ideology found expression in the rhetoric of the 'inner city debate', the parameters of which were structured by notions of deregulation, 'incentification' (Hesletine, 1982) of the private sector, and a consequent change in institutional framework for tackling urban problems. It is the introduction of the concept of partnership as a policy style within this debate, that has given impetus to the development of a more specific role for the private sector, and has drawn on the resources of the private sector, in the formulation and implementation of policy.

The policy climate over the last ten years has created an environment conducive to the inclusion of private sector finance and skills in areas previously the responsibility of the public sector. Indeed, particular policy styles and initiatives have been developed to facilitate that process. It seems more appropriate then to consider the rise of partnerships as an approach to tackling urban problems within a policy environment created by more specific policy measures of central government. The idea of partnership as an approach to, or method of, dealing with particular urban problems is important for two reasons. Firstly, partnerships as they developed over the 1980s have been characterised by piece-meal evolution,

rather than by formal design and implementation (Lawless, 1989). Secondly, because conceptualising partnerships as an approach allows us to begin to unpack the diversity and range of policy styles, organisational formats, and relationships that underly the term, and see the interplay of ideology, politics and economics which structure those forms and relations. Indeed, although the term is widely used it is also widely misunderstood, seen by some more as a form of policy than as an approach within a particular policy environment.

Law (1988) has argued that the concept of partnership is inappropriate in three main areas: firstly, where the public sector prepares the basic infrastructure and invites developers to acquire sites; secondly, where the public sector collaborates with individual property companies to develop particular sites; and thirdly, where private companies that are involved in urban renewal schemes seek financial support from the public sector. For him these three areas of local activity do not constitute partnership or partnership arrangements. These three areas broadly conform to Brindley and Stoker's 1950 - 1960s phase of partnership, but are rejected by Law as definitions of partnership because the focus of his analysis is confined to partnerships as they have evolved over the 1980s. Law restricts his conception of partnership both temporally and functionally to 'where there is a clear partnership or collaboration of the sectors at the local level, either in preparing and executing a comprehensive scheme for an area or working together in a particular topic area' (Law, 1988;447).

One might argue that such a definition is too vague and adds little to what Law apparently claims is not to be classified as partnership. For example, what is meant by 'a clear partnership', and what sectors at the local level is he talking about – private enterprise (which), local authority, community groups? Perhaps these criticism are a little too harsh given that within any particular local circumstance it should be possible to identify the main actors involved and the issue or issues around which the partnership members have coalesced. Nevertheless, Law's definition represents a restricted view of partnership, particularly of partnership as an approach to the solution and management of urban problems. Clearly any definition or understanding of partnership which seeks to take into account the contingency of factors that shape the partnership must go beyond identification of the actors involved and the issues around which the partnership is based. Two factors should be considered: firstly, the extent to which partnerships act as a focal point or a mediator of change, (whether political, economic, social or cultural); and secondly, the degree to which the fusion of public and private interests address the problems of socio – economic change through mechanisms specifically designed to manage that process.

## THE AMERICAN INFLUENCE

Throughout the 1980s successive Conservative governments drew heavily on the urban policies of the USA. The origins of many of the initiatives which have worked to create a policy climate conducive to market-led regeneration strategies can be found in

American responses to urban decline. Urban Regeneration Grant, Urban Development Corporations, and the concept and utilisation of public-private partnerships are quintessentially American imports. The extent to which these initiatives and methods have been adopted in Britain over the 1980s reflects the Conservatives ideological preference for 'anti-state' pro-market approaches to the solution of urban problems so characteristic of the American response to urban decay. That these imports have become an integral part of British urban policy makes it necessary for us to have some understanding of their American ancestry and how they have fared in the face of similar problems of urban industrial decline.

The partnership approach adopted in US cities has a long and well documented history (Fosler and Berger, 1982; Fainstein and Fainstein, 1983; Davis, 1986; Logan & Molotch, 1987; Squires, 1989). Throughout the post-1945 period corporate involvement in urban regeneration has lead to the development of a civic culture in which business leadership has been an integral part of the success of political leadership. In American cities corporate power and leadership 'dynamism' has been a more overt and recognisably acceptable force shaping public sector responses to the economic and social problems of the inner cities than has been the case in Britain. Indeed, business leadership has often been the fulcrum of public - private partnership ventures. In cities such as Pittsburgh, Boston and Chicago large corporations have assumed prominent roles in directing the nature, pace and extent of local change (see Squires ed, 1989).

Two distinct approaches are discernible in the American literature. The first adopts an uncritical approach based on the assumption that partnerships are beneficial to all the community and concentrates on how partnerships were forged and what mechanisms have been employed (Fosler and Berger, 1987). The second moves beyond this and adopts a more critical stance analysing the impact of partnerships and their role in deploying corporate influenced redevelopment policies (Fainstein and Fainstein, 1983; Mollenkopf, 1985; Logan & Molotch, 1987; Squires ed, 1989). This second body of literature has argued that partnerships are simply 'corporations doing the planning while the city government facilitates corporate planning using municipal legal powers' (Levine, 1989;13). Other criticisms of partnerships have concentrated on the loss of local democracy, the agenda setting of the business elite, and the minimal impact that partnerships have had on the fundamental economic problems of urban poverty and unemployment.

Law (1988) in his review article on partnership in the United States and Britain, has argued that on the evidence of much of the work on American partnerships there is little in the way of an overall model of the process or type of city in which partnerships are likely to develop. Instead there are constantly evolving forms of partnership and variations between cities. Again, partnerships are seen as an approach to the solution of urban decline rather than as a specific policy measure. The idea of variation and evolution in Law's article fits well with Levine's analysis of the political economy of American partnerships since 1945 (Levine, 1989). Here, Levine

examines the historical and theoretical context of partnerships, analysing how and why they developed, the institutional mechanisms deployed to implement their redevelopment policies, and their socio-economic and political impact.

Levine's major theme is what he terms the constancy of the 'ideology of privatism' - the structuring of private corporate interests in mechanisms designed to influence the shape and form of the urban environment. He argues that an ideology of privatistic growth underlies urban public-private relations by identifying local capital's need for policy co-ordination. For Levine, the state and municipal government historically have 'functioned as the public arm of urban capitalism', and provided subsidies and incentives to encourage private investment (Levine, 1989;14). Moreover, although city governments have taken on greater powers over the twentieth century, the ideology of privatism has been the dominant force in public-private relations. Within this general conceptual and theoretical framework Levine categorises partnerships since 1945 into three distinct phases: 1945-1970; 1970-85; and post 1985. These periods are characterised by a variation or extension on each of the preceding phases, but are marked by their reliance on the corporate business sector to implement their redevelopment programmes and policies.

The period 1945-1970 is seen as a time of emerging formal partnerships. Industrial decline, physical decay, and a shrinking of the financial and resource base of cities are seen as the

catalysts to partnership development. Partnerships in this period were characterised by four key features. Firstly, they were governed by local corporate committees composed of a private sector elite. These committees acted as an organisational forum for the articulation and representation of the private sector views. The main aim of these committees was the revitalisation of downtown areas through a strong commitment and 'pro-active' approach to the development of local policy initiatives and local investment. As such they called for public involvement in the form of funding, the use of municipal powers, and the coordination policy. However, the public role was to facilitate, the committees retained overall control of policy content and development. Examples of such organisational forms include: the Dallas Citizens Council (1937); the Allegheny Conference on Community Development 1947); the Great Baltimore Council (1955); and the Chicago Central Area Committee (1956).

Secondly, partnerships were stimulated by government finance of urban renewal programmes. These programmes did not involve direct public funding for urban renewal, rather they acted as the federal underwriting of local partnerships. In this way incentives and profit opportunities were offered to private developers to redevelop blighted areas. Effectively state funding was used to 'lever-in' private investment. Thus partnerships tended to become based and targeted to where private money was available. Thirdly, new forms of urban governance were created in the shape of autonomous development authorities, for example the Pittsburgh `Urban

Redevelopment Authority. These bodies were armed with powers and resources which were invariably directed at implementing the redevelopment policies of the corporate elite. In effect they side-stepped the formal channels of local government decision making.

The fourth feature reflects the interlinking of two factors; the extent to which the public sector become involved in a dialogue with the private sector about the growth of the city; and the recognition by the private sector that although it developed policies for regeneration it required public sector involvement to provide the productive infrastructure necessary for those policies to work. The crucial element necessary for making the link to work at the local level is seen as the existence of pro-development mayors. Levine argues, 'innovative mayors saw redevelopment as a way to overcome (central city stagnation) and reap political benefits along the way' (Levine, 1989;21). Indeed, the common denominator in all partnerships was the concern, by both sectors, with urban decline and a desire to create an environment conducive to economic growth – the development of a 'pro-growth' coalition (Mollenkopf, 1985). These are salient observations because they illustrate the importance of politics as well as economics in the promotion of partnerships.

The second phase of partnership between 1970-1985 is seen as a more complex and sophisticated version of the arrangements developed in the 1950s. They are set within the context of a changing economic and political climate – the deindustrialisation and fiscal distress

of the frostbelt; the growth of the sunbelt; and the politicisation of the business community through the operation of a new conservative political agenda. In the frostbelt cities, partnerships were seen as essential to economic regeneration; in the sunbelt cities they were seen as integral components of growth. In consequence, more public resources and power were given to partnerships in order to support private development and create a climate conducive to the needs of corporate capital. Indeed, partnerships were seen as a way of maintaining and strengthening an entrepreneurial culture.

These second phase partnerships drew on earlier forms in three main ways: firstly, financial inducements in urban policy initiatives, such as the Urban Development Action Grant programme, allowed cities to offer subsidies and incentives to attract private capital and promote redevelopment. Secondly, the number of quasi-public redevelopment authorities grew, along with the powers accorded to them. They became key bodies in the regeneration of urban areas able to assemble land, receive and administer grants, and offer incentives to private developers. These organisations represented the formalisation of the private control of municipal policy. Thirdly, the period witnessed the maturing of public entrepreneurialism as high profile pro-development Mayors began to take an active part in partnership promotion and forged greater links and connections with local corporate and development interests. Law (1988) has argued that such arrangements have produced 'many' benefits for American cities in terms of corporate

commitment to an area, and the development of corporate responsibility through the donation of funds to public projects and support of local voluntary and community groups. Levine is more critical of the economic results of partnerships. For him the outcome has been one of uneven development where redeveloped downtowns are 'islands of renewal in seas of decay' (Levine, 1989;35).

Levine asserts that uneven development is a consequence of both the content and process of partnerships. In terms of content he suggests that the redevelopment of downtown areas is based on advanced services and tourism, which are poor anchors of the local economy because 'the income distribution in such economies tends to be two tiered, with few occupational ladders and middle income jobs bridging the tiers' (p.26). Such an approach takes little account of the quality of jobs and the links between the needs of one sector and needs of another. It relies on the trickle down of benefits rather than the targeting of development. With regard to the process, uneven development has occurred because partnerships have actively encouraged policies that favour private capital over the interests of the majority of urban residents. Public policy has actively encouraged and identified investment opportunities for private developers. Quasi-public development agencies have operated in a way which 'emphasized deal-making and profit opportunities, rather than systematic planning of how best to deploy public resources to create good jobs and meet pressing neighborhood needs' (p.27).

Although this form of partnership is seen as the dominant mode of urban regeneration in American cities, Levine suggests that since the mid-1980s new conceptions of partnership have begun to emerge which 'hold the promise of focussing redevelopment priorities on the needs of the truly disadvantaged' (p.29). New York, Baltimore and Chicago are cited as examples where pressure from community groups and the election of populist mayors running on political platforms of community regeneration, have begun to develop renewal policies based on public control and more equitable distribution of the benefits of partnership. The following three trends are noted in this process: firstly, the growth of strategic and democratic planning of economic development which attempts to develop coherent development plans rather than letting the market 'rip' and incorporate wider access and participation in the planning process; secondly, the development of linkage policies which involve the negotiation of agreements and concessions between the public and the private sector in redevelopment policies; and thirdly, the rise of community economic development corporations which target their renewal programmes on low-income areas. These corporations reject the notion of the trickle down effect of traditional partnerships and attempt to channel their actions towards areas neglected by the market. However, their early achievements have been limited because of their small resource base and their inability to move from small individually based programmes towards a concern with wider strategic planning (p.30). The conclusion to be drawn from these 'new' approaches to partnership is that although constrained by national and international market imperatives, and a political climate

hostile to major public investment, it is possible for cities to adopt policies which although they do not fully negate market forces, seek to remedy some of their worst effects. In this way, it may be possible for city governments to inject a greater degree of social awareness in redevelopment proposals than has hitherto been the case.

## PARTNERSHIPS IN BRITAIN: ORGANISATION AND ISSUES

The preceding sections have argued that public-private partnerships are not a new phenomenon. Collaboration between the public and private sector has a history which stretches back at least until 1945. Periods or phases of partnership have emerged characterised by particular types of relationships and forms of organisation. The partnerships of the late 1980s are one of these phases, and are a political response to the economic decline of the 1970s within an ideological and policy climate conducive to the imperatives of the market and a greater degree of private sector involvement in policy-making. However, although this is the context for the rise of partnerships for economic regeneration, it does not necessarily follow that the outcomes of collaborative arrangements are predetermined. It may be the case, that they are open to a greater degree of contestation than some commentators suggest. Also, it is suggested that to speak in terms of a partnership policy is inappropriate. Rather, partnerships should be seen as an approach within the existing parameters of the urban policy environment - one heavily influenced by the North American experience. However, although it is possible to identify the context of partnership

development such contextualising says little about the organisational forms partnerships assume, and the issues around which they coalesce. *It is to a discussion of these issues that we will now turn.*

Public-private partnerships are arranged in a diversity of organisational formats that have been been crafted by central and local government, and by initiatives from the private sector - there is no easy way to classify them. For instance initiatives which appear to be private sector led (TECs and UDCs) may in fact have been devised and act as adjuncts of central government departments. Conversely, initiatives which have sprung from the private sector may receive substantial support in terms of funding or advice from either central or local government. Clearly we need to be aware that initiatives which aim to foster or work within a partnership approach have input from more than one agency. This is not merely the semantic point that partnerships have to involve more than one partner, but that partnerships come in different forms. This acknowledged, it is still possible to devise a crude classification of the organisational forms of public-private interaction.

There are essentially two variations on the theme of public-private sector partnership in urban policy. The first has emanated directly from central government. The characteristic form here is the 'parachuting' of an development agency, quango, or institution of central government into a particular locality. Urban Development Corporations in the field of economic regeneration and property and

land development, and Training and Enterprise Councils and Compacts in the field of education and training, are the prime examples. These initiatives have, at least in theory, sought to drag in private sector individuals and finance into the process of regeneration. In contrast, the second approach has revolved around the construction of locally based organisations and initiatives that draw on a range of institutions and individual actors. The parties considered involve combinations of local authority members and officers; representatives from business community organisations (nationally and/or locally based); single businesses; development companies (for example, Rosehaugh-Stanhope and Olympia and York); trade unions; and, on occasions, voluntary and community organisations. These partnerships have variously been established to carry out specific physical development projects (for example, Birmingham Heartlands), undertake promotional or marketing campaigns (for example, Sheffield Partnerships Limited), promote business and enterprise growth (for example through business parks), or develop long-term strategies for local economic regeneration (for example, Aberdeen 2000 and Sheffield 2000). Irrespective of their composition or aim however, partnerships generally seek to arrive at an 'acceptable' consensus over what the particular problem, issue or project that they are to tackle is, and how they should approach the task once it has been identified.

In practice, the distinction between the 'imposed' and 'locally inspired' forms of partnership is more blurred than has been suggested. Centrally imposed modes of partnership can intermingle

with locally based initiatives, whilst local partnerships are rarely wholely composed of local individuals, organisations and resources. This picture is further complicated by two additional factors. First, within the second classification a distinction should be made between initiatives and projects inspired from the political and business elite, and those that are generated by, and based on, the needs of the community. There is a significant question mark over the degree to which the local community is represented or can find articulation within these new partnership structures. Second, matters are made complex by intermediate levels of corporate involvement, such as Business in the Community, Business in the Cities, and the Phoenix Initiative. Their advantage, or so it is implied, is that they operate in a politically neutral space outside of party politics (Bennett and Krebs, 1990;32).

Irrespective of whether partnerships are centrally imposed or locally inspired there appears to be a consensus of principles within partnership philosophy in the development and regeneration of local economies. These can be characterised as a recognition of the value of local initiatives; an awareness of the spatial causation and partial solution to identified problems; and the need to develop and 'enterprise culture' through business growth (Richardson, Moore and Moon, 1989;79). In terms of policy implementation, these principals have produced a number of responses from partnerships. For example (depending on the type of partnership), it has involved the rise of small business development policy, including the provision of general physical infrastructure such as ,business

developmentsites, and the creation of business support and information services. It has also produced policies to improve the image of particular places and boost both local and non-local confidence in a locality's economy. Many partnerships have embarked on a process of sectoral diversification of their local economies through a movement away from a reliance on single sector industry, towards service industries, new technology enterprise and tourism. Another policy feature has been the creation of specific urban renewal projects, which illustrates both a spatial approach to the problems of urban decline and the need for focus or 'flagship' projects as catalysts for local regeneration activity (Bianchini et al, 1990). Finally, there has been a growth in policies designed to enhance local employment and training opportunities in order to make the labour force more competitive and a stronger local productive asset (Richardson, Moore and Moon, 1989;79).

Clearly, it would be wrong to assume that all partnerships in the field of economic development are identical. Partnerships developed for specific development initiatives may have significantly different aims, methods of operation, structures, and resources from those that have been established to work on the image and promotion of a particular place. Equally, although partnerships have a broad remit to do something about the local economy, there will be differences in emphasis in how they do that something. Indeed, the format of a partnership will depend on a combination of factors within the local economic, social and political mileu. Moreover, the degree of interaction between partners will vary depending on

the projects undertaken and the level of cohesion and consensus around aims and objectives. The capacity of any partnership to effect change will be dependent both on local as well as national and international economic and political circumstances. Conditions such as industrial structure, the effects of national policy, and local culture, will interact with such factors as infrastructural development, physical environment, and the ability of local institutions to produce strategies designed to accommodate structural economic and social transformation. In any particular location emergent forms of co-operation will be influenced by the inter-relation between these conditions, and the level of involvement of local and non-local inputs (Harloe et al, eds, 1990).

CONCLUSION: THE POLITICS OF PARTNERSHIP

Within the overall perspective of urban policy outlined above, partnerships highlight an attempt to change the relationship between the state and the private sector - a change predicated on urban regeneration that conforms to neo-Conservative values of reducing levels of public sector investment and an ideological dislike of, and political frustration with, Labour controlled inner city local authorities. These factors provided the context in which partnerships for economic regeneration should be situated; moreover, they illustrate the political and ideological nature of partnerships. Politically, partnerships are about the management of change in the face of widespread structural economic transformation. On an ideological level, they represent an attempt to increase private sector involvement in the formation and implementation of

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urban policy. What is important, is not just that partnerships have an ideological as well as political dimension, but that these dimensions converge within partnerships so that they become indistinguishable from each other.

All partnerships can be seen as operating on two levels - structure and process (Moore and Pierre, 1988). The structure is the organisational entity of the partnership such as a committee, local enterprise agency, or development company. In contrast, the process refers to the development of formal and informal linkages and networks between the individuals and organisations involved. Both the structure and process may vary between partnerships, but some combination of each is required for a partnership to be able to formulate and implement its policy objectives. The necessity for both an organisational structure and a developed network of contacts leads towards the notion of the 'realisation' that no one partner has the ability to achieve more on their own than they can in collaboration. Mutual dependence in its turn implies the recognition of the need for, and existence of, consensus, and ultimately, partnerships need a level of consensus to be effective - consensus around the identification of a problem, and consensus around the ability to do something to remedy that problem. It is the movement towards a state of mutual dependence, and the development of a consensus approach to policy generation, that obfuscates the political and ideological dimensions of partnerships. In this way, partnerships can appear as the natural outcome of unmediated events, rather than the product of political and

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ideological conflict and choice. Thus, there is a tendency to lose sight of the fact that partnerships represent different things for different partners. For the private sector, partnerships offer the potential for a new engagement with the political, economic, and social issues of the locality. For local authorities, partnerships are potentially the externalisation of economic development in the wake of falling resources and an erosion of powers. Once a partnership has been formed there is a tendency for these issues to be minimised within the agenda of the partnership, whilst all efforts are directed towards areas where there is a degree of common ground over the regeneration of the local economy. These efforts tend to revolve around the issues of *inward investment, physical* improvement,economic diversification, infrastructural provision, image management, and employment and training. Hence, what is seen to be of primary importance is what partnerships do, rather than how they achieve particular outcomes, or act as mediators of economic change.

However, the construction of consensus within a partnership is never straightforward, and so the potential exists for political and ideological differences between partners to come to the fore. Although the desires for common ground and mutual dependence are strong forces within partnerships, the values and views that partners hold are not necessarily equable. In other words, inputs from partners will not always match-up. Underneath the agenda to do something about the local economy may be a range of sub-agendas which stand in marked contrast to each other. These could revolve

around how partners define regeneration (Richardson, Moore and Moon, 1989). For example, whether regeneration is to be set within a market or more socially redistributive context, and whether there is to be a targeting of investment and policy, or a blanket approach; additionally, what are the criteria the partnership adopts for evaluating its impact, and what role is each partner to play? Unequivocally, within any public-private partnership the potential exists for a divergence between 'those who attach priority to strengthening local economies and those whose priority is increasing employment and income for disadvantaged urban residents' (Solesbury, 1987;18). In this way, partnerships are the site of potential conflict as well as a site of consensus construction.

At their core, partnerships are little more than a political and ideological response to economic change. Whether they are developed locally or as a result of central government imposition, they are the product of a climate conducive to an enhanced role for the private sector and a reduced role for the public sector. The political, economic and social outcomes of partnership ventures will be influenced by this factor; however, this does not mean that they will necessarily be determined by it. Partnerships may well represent an attempt to produce a quasi-privatised form of urban policy, but that outcome is by no means an inevitable one. What is of equal importance in shaping the outcome is who has the power to determine how consensus should be defined, and where and when any compromise should be made. The politics of partnership is about how the partners manage this process, seek to resolve their differences,

and offer their strategies back to the community as consensus
policies for regeneration.

# CHAPTER FOUR

## LOCAL ECONOMIC POLICY IN SHEFFIELD IN THE EARLY 1980s:
## A BRIEF HISTORY OF THE 'RADICAL' APPROACH

### INTRODUCTION

During the early 1980s local economic initiatives came to occupy a central place in the policy programmes of a number of Labour controlled local authorities. Initiatives such as local enterprise boards, cooperative and community businesses, training and technology resource centres, and departments of employment and/or economic development were set up by 'radical' Labour authorities such as the Greater London Council, West Midlands County Council, Sheffield and Leeds City Councils, and Hackney and Haringey London Borough Councils, in an attempt to strengthen their local economic base and boost local employment.

The interventionist local economic strategies of left-wing local authorities in the early 1980s has provoked considerable academic and political writing regarding their aims and intentions (Boddy & Fudge, 1984; Blunkett & Green, 1984; Alcock et al, 1984; Gyford, 1985; Cochrane, 1986; Mawson & Miller, 1986). The consensus view of much of this work has been that these policies formed part of a political programme designed to offer an alternative socialist vision to that provided by the Keyensian social democracy of the post 1945 political settlement; and act as a counter to the emergence, from the right, of a similar challenge to that social

democratic consensus. As a precursor to the subsequent analysis of Sheffield's partnership for economic regeneration, this chapter considers the general political and policy context which gave rise to the 'alternative' economic approach adopted in the city in the pre-partnership period. The analysis is derived from a synthesis of secondary literature, and research interviews with local informants.

## LOCAL ECONOMIC POLICIES: THE POLITICAL CONTEXT

In seeking to offer an alternative approach to both the consensus politics of the post war decades and the challenge to that consensus from the right, the local socialist political package simultaneously sought to question two political agendas. Firstly, what it perceived as the corporatist and bureaucratic structure of social democracy in general, and the record of national Labour governments in particular. Secondly, the rise of an individualist and authoritarian philosophy from the right, whose 'liberation ideology' espoused the rhetoric of laissez-faire market individualism, the weakening of state intervention, and cost cutting in public expenditure and investment. In its place it offered a political package that contained the rhetoric of decentralisation, democratisation, community involvement, collective action, and the restructuring of the welfare state to operate in favour of those it served rather than for those who ran it.

Set within this political context the local economic initiatives of 'radical' Labour authorities provided one example of 'local socialism' in practice. This radical economics sought to develop

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new forms of local organisations that would generate employment, change the nature of work, and build on the skills of the local populace. These new forms of organisation included: technology networks; planning and enterprise agreements; the identification of social needs; and the encouragement of cooperatives. In essence they sought to widen the scope of local political action to cover the production sphere as well as the consumption sphere (Gyford, 1985).

Such aims were counterposed to the economic development policies of local authorities in the 1970s. In general, the policies of the 1970s emphasised industrial promotional activity, with the offer of advisory and technical expertise and land for a corporate clientele. This 'supportive' role for local authorities was seen for some to produce a local economic policy that was 'property led, business and market oriented and competitive, with economic development rather than employment the primary focus...' (Boddy, 1984). Defined in this way local economic policy in the 1970s was the outcome of strategies which subordinated the creation of employment to the servicing of special client groups. In contrast, the local economic policies of 'radical' Labour authorities sought to challenge this notion through strategies designed to overturn such 'mainstream' approaches. Moreover, they were intended to be <u>active</u> rather than reactive. Positive intervention was the aim with the local authority seen as a significant employer, consumer and producer. It was considered a legitimate economic actor in the local economy – not only in the consumption sphere but also in the production

sphere. Public control over capital was to be extended in an attempt to alter the relationship between the public and the private - restructuring for labour rather than capital (Geddes, 1988).

These local strategies were intended to form a set of initiatives within a different political context to either the social democratic consensus of the post-war years or the challenge to it from the Right. A context that focused on the themes of decentralisation and democratisation, community involvement and collective action, and the restructuring of the welfare state. Within this broad context local economic strategies occupied a significant place as totems of 'local socialism'. They were seen as theory in practice and as the catalyst for change in, and extension to, the existing parameters of local debate and action. In short, an attempt to provide an alternative vision of society, '...a picture of an alternative way of running the economy to meet social needs' (Bennington in Alcock et al, 1984;84) - overall the encouragement of socially useful production.

LOCAL ECONOMIC POLICIES: THE POLICY CONTEXT

Local economic strategies of radical Labour authorities can also be seen within the narrower context of a response to post 1945 Labour and Conservative governments' policy programmes and initiatives for addressing change in the economic and social condition of urban areas. From the 1960s successive national governments had adopted a range of policy measures in response to the problems of manufacturing decline, urban unemployment and population loss,

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decaying urban infrastructure, poor physical conditions and the 'ghettoisation' of sections of the urban populace suffering from multiple incidence of economic and social deprivation. By the late 1970s the policy response to the agglomeration of factors tagged 'the inner city problem', had come to be constructed in economic terms. Explicit in the recommendations of the Labour government's 1977 White Paper, Policy For the Inner Cities (Cmnd 6845) was the need for an approach to urban policy which recognised structural transformation within the economy, with a focus on economic intervention at the local level. The intention of future policy was to strengthen inner city economies by obtaining a balance between population and employment. An area based approach was to be adopted with positive discrimination in favour of the inner cities – action and policy, it was claimed, should and would be geared to local circumstance.

The framework of this policy response was the creation of seven inner city partnership areas and fifteen programme authorities (DoE, 1978) These were formed to establish a greater degree of co-ordination between central and local government in the development of economic 'programmes for action'. These partnership and programme authorities were seen as the 'flagships' of the Labour government's new approach and commitment to the regeneration of urban areas. However, the rhetoric of this policy programme outweighed the practice. Governmental claims about the need for local authority accountability and sensitivity, the value of local experience, and that local government was the 'natural' agent for

tackling urban regeneration, were undermined by the mechanics of policy implementation. Inherent in the inner city partnership structures was a centrally imposed regulatory system and overseeing eye on local authority regeneration programmes. Central government sought not only to encourage closer relations between itself, local authorities and the private sector in regenerating urban areas, but also to manage that relationship by imposing rigid forms of monitoring and control (Parkinson and Wilks, 1986). Such action did little to alleviate the reservation of some Labour controlled councils about the centralist approach of the Labour government to urban policy planning and implementation. Moreover, although by the late 1970s structural factors had been identified as a generator of urban decline, the degree to which the state would have to intervene to effect change was beyond the political will of the incumbent Labour government. Rather, their response was a diluted support for the private sector and an emphasis on an improvement in the managerial capacity of local authorities to develop their areas and provide service delivery.

The underlying themes and analysis of the cause of urban problems as presented in the 1977 White Paper were reaffirmed by the Conservative government in 1981 (Heseltine, 1981). The approach was couched in terms of 'recommitment', with the intention to foster the impression of continuity with the White Paper's arrangements for the inner cities. However, the streamlining of policy was clear enough with steps taken to simplify the procedures of partnership and

programme arrangements in order to encourage a greater degree of efficiency in the handling of local economic development programmes.

Although it would be incorrect to suggest that there was no degree of continuity in policy arrangements, under the Conservative government in the early 1980s more salient policy developments were to appear. Indeed, the 1980s witnessed an attempt to reorient the philosophical underpinning of urban policy-making and implementation with a shift of emphasis from collective to quasi-private forms of agency as instruments of urban change. The whole issue of urban policy over the 1980s was not so much about questioning the need for economic regeneration, but about the methods and responsibility for achieving it. On an ideological level, this has revolved around the role of intervention in local economic regeneration. First, this has involved a decision to reduce public sector investment, with resources allocation stretching over the long-term, to a system of limited resource allocation, to areas or projects, in an attempt to stimulate private sector investment. Secondly, it has meant an attempt to transform the institutional forms for policy formulation and implementation.

## LOCAL SOCIALISM AND ECONOMIC POLICY IN SHEFFIELD

Economically, Sheffield has always been a city of steel and heavy engineering (Foley and Lawless, 1985). For three quarters of the twentieth century Sheffield's industrial structure was skewed towards such manufacturing activity. In 1970 forty per cent of a work force of some 300,000 were employed directly or indirectly in

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the steel and engineering industry, with much of this industrial activity concentrated in the Lower Don Valley (LDV) - the heart-land of Sheffield industry. Indeed, at its peak in the mid-1970s employment in the Valley reached over 40,000 and was one of Britain's most successful industrial locations. By 1988, in the wake of the manufacturing recession of the late 1970s and early 1980s, only sixteen per cent of a total workforce of 242,160 were still engaged in manufacturing, and the 40,000 employed in the LDV had fallen to 18,000 (SCC, 1988, LDV Draft Local Plan). At its peak in 1983-84 the unemployment rate in Sheffield stood at eighteen per cent, five per cent above the national average. In 1978, the unemployment rate had stood at four per cent, two per cent below the national average.

Sheffield's industrial decline and the consequent rise in unemployment was compounded by the fact that it was not well placed with regard to other sectors of the economy. The proportion of the labour force employed in the service sector was small in comparison with other northern cities, and the growth in the business, financial, and high technology industries had increased at a rate below that of the national average. With the onset of decline in manufacturing from the late 1970s Sheffield was poorly equipped to weather the storm. By the mid-1980s a large chunk of Sheffield's industrial base had gone, unemployment had risen, local control over production had withered away, and the growing sectors of Sheffield's economy were not keeping pace with their regional counterparts.

Faced with such hard economic realities it is perhaps no wonder that a considerable amount of political effort in Sheffield has been devoted to tackling the consequences of industrial decline. Much has been written about the radical economic policies of Sheffield's City Council of the early 1980s (Alcock et al 1984; Bennington, 1986; Cochrane 1986, 1988a, 1988b; Lawless 1990; Seyd 1990; Mawson & Miller 1986; Duncan & Goodwin, 1988). Many of these commentaries set this economic radicalism within the context of 'local socialism' and its wider set of political objectives (Alcock et al, 1984; Bennington, 1986; Cochrane, 1986; Duncan & Goodwin, 1988). However, in retrospect it is clear that the term 'local socialism' was always more academic short-hand than empirical reality (Cochrane, 1988b). At most, 'radical' local authorities adopted only one or two policies or strategies and then became associated with them.

Sheffield is most strongly identified with economic intervention, particularly the notion of public sector intervention in the sphere of local production. The economic policies developed in Sheffield in the early 1980s were both politically and economically inspired. The political context was made explicit in Blunkett and Green's Fabian pamphlet, Building from the Bottom:

> In any regeneration of the economic and industrial
> life of the country, local initiatives in themselves
> will only play a small part. But they can make a wider
> political impact; not only by committing people to new
> kinds of work experience but winning them over to a
> vision of a very different kind of society.

(Blunkett & Green, 1983;7)

Equally, economic policy was to be about how to cope with industrial decline within the locality:

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What we were doing in the early '80s was a response
to the Thatcherite Government, a response to the
crisis in employment and the economy which was
occurring locally.[1]

Sheffield's economic policies were also a challenge to those pursued
by a paternalist and welfarist City Council throughout the 1960s and
1970s. These included having substantial land ownership; devising
programmes of industrial promotion and packages for financial
assistance; and institutionalising relations between the City
Council, local industrialists and trade unions. In contrast, the
economic policies of the early 1980s were centred on stemming the
rise of unemployment by resourcing campaigns against industrial
closure and rationalisation; promoting public sector employment; and
initiating and supporting projects for 'socially useful' production
(Bennington, 1986).

The source for these new economic initiatives was the Employment
Committee and its associated Department of Employment. The aim of
both the Committee and the Employment Department was to co-ordinate
the City Council's responses to unemployment (SCC/DEED, The Economic
Strategy, undated). Initially, this response revolved around
providing short-term financial assistance to individual firms
suffering from the recession - the 'open door' policy. A section
was explicitly set up in the department to promote it as a source of
investment to the private sector. In essence, it was an extension
of the traditional aids to industry programme prevalent in the
1970s. This reflected both the Employment Committee's desire to be
seen to be acting quickly to deal with unemployment, and the fact

that it was an approach with which a majority of the city councillors could feel comfortable:

> The most important thing the Labour Council
> did when it decided to move into this area
> - regeneration - they called it employment,
> was to say they wanted to use section 137
> powers. They said we've got £2,000,000 and we
> want to put this completely into employment to
> protect jobs...The councillors were much more
> comfortable with this 'open door' handing money
> out...it wasn't just the employers coming to see
> them. The trade unions cottoned on to this...and
> they would come and see their colleagues on the
> Council (and say) 'can't you do something for
> our gaffer, can't we go an rescue Viners, can't we
> go and do this'? So the members found themselves
> very comfortable because they actually thought they
> were doing something, because it expressed their
> desire to do something about unemployment.[2]

Despite this 'open door' policy many of those working within the Department of Employment acknowledged that their economic policies could have only a marginal effect on the regeneration of the local economy and the problem of unemployment:

> The reality was that there was nothing the
> Council could do in terms of loans and grants
> and these types of deals to withstand the
> economic draught out there. In fact, a lot of
> this money went down the drain.[3]

In part, this reflected the understanding that in a capitalist world economy, and with a national government intent on reducing the level of public sector investment in the domestic economy, islands of alternative economic policy could never provide the scale of intervention that would be necessary to effect substantial change. However, it also reflected the fact that the Department and the initiatives which emerged from it were also explicitly political acts designed to offer 'parables' or 'paradigms' for a socialist economy (Alcock et al, 1984; Bennington, 1986). Indeed, the aim of

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the Department according to its first Director (or co-ordinator as he was known) was 'to liberate the resources of the local state and put them at the service of the working class movement, the women's movement and community based movements' (Bennington in Alcock et al, 1984;83). In short, as well as intending to provide an economic gain in itself (the reduction of unemployment), it was also an attempt to offer an alternative vision of society, of running the economy to meet social need - to encourage socially useful production.

The 'open door' policy and an involvement with the private sector in the form of direct investment which it represented, was replaced by a format that introduced guidelines 'about viability which excluded most of those seeking assistance' (Cochrane, 1988a;164). This commitment to a larger-scale support for a smaller number of firms was to be achieved through financial assistance, advice on product development, marketing and public-sector purchasing. The major beneficiaries of this approach were those initiatives which had least access to mainstream sources of investment and advice, for example co-operatives, and joint ventures with the private sector that were considered to have a substantial impact on the local economy (Mawson and Miller, 1986;173). Programmes of work were set up to identify key areas of importance for the Department. These included training; technology; labour market analysis; equal opportunities; and the role of the public sector in fostering economic development.

Public sector generation of economic growth came to occupy a significant place within the local authority. The view was that in a period of diminishing resources, the most effective way to use what resources were available was to channel them into public sector-led initiatives (SCC, 1984). Both the Employment Committee and Department believed that by using the resources which the City Council had at its disposal, and not simply the initiatives of the Employment Department, greater pressure or leverage could be applied to the local economy. The argument was that the local authority could no longer be solely concerned with consumption issues - it now had to be directly, and across the authority, involved in the production sphere:

> People were recognising that the Council
> had certain levers it could pull. It's a large
> estate holder, it owns a lot of land, and it
> can do deals on that. It's got powers to grant
> and loan, and it's got technical skills of every
> conceivable variety...It couldn't simply carry
> on delivering mainly housing, education and
> social services when people were losing their
> jobs, and losing them in their thousands.[4]

Certainly, the Council did have significant 'levers' it could pull. For example, the Council was a major employer within the city, five times larger than the largest private sector employer in the city, and as such had a considerable impact on the labour market through employment and recruitment practices. It had an annual budget of over £200m, spending some £80m on purchases, of which approximately £20m was spent locally. It had a significant impact on the local construction industry through its capital and revenue spend on housing and related building trade activity (Mawson and Miller,

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1986;173/174). The aim was to harness this potential economic lever to all the activities of the Council in order to illustrate the role the public sector could play in generating forms of economic development which were not solely reliant on the private sector. In general, this public sector role was defined in terms of local authority employment. The creation of the Employment Programme Committee in May 1983, with a remit to co-ordinate economic and employment initiatives over the whole authority, formally institutionalised this approach.

There was then, what can be termed a 'dual approach' to economic policy in Sheffield in the early 1980s. Predominantly, the Employment Department pursued project based initiatives which sought to make small gains in economic terms, but which offered alternative visions of economic development. At the same time, there was an attempt, through the work of the Department and the work of the Employment Programme Committee, to create a general commitment, at a corporate level, to employment issues and alternative approaches to economic regeneration. This 'dual approach' to economic policy worked in a symbiotic manner, with both aspects seeking to reinforce each other. The result was a coupling of the Employment Department's initiatives and its vision of alternative economic development, with the defence of Council services (Mawson and Miller, 1986;174). This was mainly seen in terms of the protection of public sector employment, and promotion of exemplary project based initiatives:

> We developed the notion of exemplary projects.
> Projects that could be done in the context of

> a new initiative in the employment field, hoping
> that the Council, as a whole, would take them on
> board, particularly our Training and Education
> Department. The ITEC had a positive recruitment
> policy, fifty per cent women, fifty per cent
> Black, which in those days was a real achievement,
> because the Council as a whole wasn't achieving
> that in its education special programmes. We were
> hoping that these examples would act as a spur
> to our colleagues.[5]

Clearly, much of the Department's work was devoted to defending local authority employment, and developing and financing small scale initiatives. A significant amount of the Department's work was concerned with the provision of employment opportunities which would not have occurred if left to the private sector. Indeed, the Department's research and analysis was focused on minimising the effects of industrial restructuring and employment loss in the local community. This approach was not without its problems. The rigidity of departmental and committee structures, and scepticism about the work of the Employment Department by other service departments and some of the more traditional officers, meant that generating a corporate approach to employment and economic issues was not easy to achieve.

Another difficulty was that within the Employment Department there was very little in the way of a strategic overview of the work that was being undertaken. Much of the work was project oriented, whilst little was done in terms of developing sectoral or strategic analyses for specific industries in the city. Although work was undertaken in the area of special steels, retailing, and cultural

industries, only the latter was to be implemented as a coherent
strategy for sectoral development:

> The type of people who came in [to the Employment
> Department] were dedicated to what they were doing.
> They were good at project management, and they were
> learning how to cut corners inside local government.
> Some of the traditional officers saw this lot coming
> and couldn't believe it, and they felt very threatened,
> very suspicious...of people showing how different things
> could be done using local government resources. So, there
> was quite an interesting mix, but there wasn't all that
> much of an understanding of it all from a strategic point
> of view, binding it all together. It was a process of
> actually getting things moving.[6]

By the mid-1980s, in the wake of continued local authority spending
cuts, a stagnant local economy and growing evidence of the limited
impact of its initiatives on employment creation, the Department
began to shift the focus of its operation. What began to emerge was
an realisation that the only way to make progress in developing
public sector projects was to lever in private sector finance,
because public sector funds were simply not available in the amounts
required to make the Department's initiatives work.[7] This shift in
emphasis was also a reflection of circumstances within the local
authority and wider political environment. In the early 1980s,
economic policies had a high political profile and were actively
supported by the city's Labour councillors. However, by the middle
of the decade other political priorities had emerged. The pressures
of rate-capping and the maintenance of more traditional service
departments became the dominant issues on the political agenda of
the Council (Blunkett and Jackson, 1987). Local economic policy,
particularly as it had developed in the early part of the decade,

could no longer hold its position as the most salient political and policy issue. Moreover, the limited impact of the Department's initiatives on local unemployment levels did little to enhance its image within the authority as a whole. Despite its establishment within the local authority system by the middle of the decade, the Department had always suffered from a degree of antagonism and scepticism by more traditional departments, particularly those such as Estates Surveyors and Planning and Design, who felt that they too had claims on developing the local economy.[8]

By 1985, the task for the Department of Employment was to find a new niche for itself within these changing political and economic circumstances. It sought to do this by developing what its director saw as a more strategic approach to its work. Fundamentally, this meant combining the different strands of work that had been initiated in the earlier period into a single approach for the latter half a the decade:

> What was significant about the post-1985 period was the attempt to develop a strategic overview of what we were doing. What typified the shift was a movement from a project based approach to a more strategic approach. We didn't ditch much...we shifted the emphasis of some projects so there was a more coherent overall strategy. But really, they fitted in well...it was a mixture of moderating private sector opposition, and in doing so, also recognising that they had some contributions to make to some of the projects that were around.[9]

The mechanism designed to integrate the stands of the Department's work into a what it called its 'strategic vision', and thereby seek to shape the type and form of regeneration that occurred, was the Sheffield Economic Regeneration Strategy (see chapter seven). This

strategy symbolised the movement away from employment creating projects to an emphasis on economic development and regeneration activity, and legitimized the search for municipal enterprise within the context of public-private collaboration. In the late 1980s, the SERS in combination with a number of local plans and strategies, was to provide the framework upon which a public-private partnership approach to local economic policy was developed.

## NOTES

1.  Interview with Sheffield MP, Int. 8 CD 91090.

2.  Interview with local authority officer, Int. 12 CD 8391.

3.  —————————"—————————"—————————"————————

4.  —————————"—————————"—————————"————————

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7.  —————————"—————————"—————————"————————

8.  —————————"—————————"—————————"————————

9.  —————————"—————————"—————————"————————

# CHAPTER FIVE

## THE EMERGENCE OF PARTNERSHIP FOR ECONOMIC REGENERATION

## IN SHEFFIELD, c1986 - 1991

### INTRODUCTION

Having outlined the development of Sheffield's radical approach to
economic regeneration in the early 1980s, this chapter provides a
narrative of the main events in the emergence of partnership as an
approach to local economic policy. The events in this section are
based on recollections gathered from interviews, and the
information available in council reports, minutes, and local
newspapers. All these sources are inevitably subjective to a
greater or lesser extent, and by ordering them in the sequence that
follows creates a further degree of subjective recollection. What
the chapter does is to create a narrative that incorporates the
'generally accepted' view of the history of the partnership in the
period 1986-1991. This 'popular' or generally accepted view is most
clearly epitomised by the following quotation:

> It is now generally recognised that in the past
> [1981-85] there was inadequate communication between
> the private sector and the local authority and in
> particular, an unwillingness to acknowledge each
> other's objectives. In recent years [post 1986] the
> private and public sectors have, however, begun to
> recognise common ground and identify many opportun-
> ities for joint action. This has led to a new mood of
> optimism and a willingness to work together, and has
> brought about the recent establishment of a number of
> local organisations with the common objective of
> actively promoting investment in Sheffield and thus
> contributing to the City's regeneration.
> (Hallamshire Investments, Prospectus p.9, 1989)

This chapter provides an outline of the events which gave rise to these 'local organisations' which have sought to 'promote investment' in the city and 'contribute' to its regeneration. At this stage of the thesis the account is restricted to 'partnership' events, and the chapter does not provide a narrative of events before, or outside, that remit. In general, the chapter is descriptive, although it is inevitable that in writing or constructing a narrative interpretive frameworks will develop, and causal relationships will be implied. Nevertheless, it is important to bear in mind that just because an event is included does not mean that it is causally important or has any great significance. At this stage of the thesis there is no explicit intention to preempt subsequent interpretations of causality, of why the partnership occurred, how it operates, or what its implications for local political culture are. These issues will be addressed in later chapters.

The point of departure of this account of partnership in Sheffield is an arbitrary one. Narrative is inevitably a subjective procedure. It could be argued that the events that punctuate, or form, the narrative of partnership are more concrete than the ways in which they are linked together, but even this is doubtful. Indeed, the events that construct the narrative are 'concrete' or significant only in the sense that they are thought to be so by those involved in the partnership. Thus both the narrative of the partnership and the events which form it are subjective.

The begining of the narrative is the civic trip to Anshan in China. This is justified by referring to the ways that several people interviewed have perceived partnership as a narrative. This event has been seen as an important precursor to the development of partnership arrangements within the city. In constructing a narrative of the partnership it does not matter if the Anshan event was not as significant as some interviewees and commentary has claimed. Why it is important is that it provides a short-hand device for describing and making more explicit vague recollections or comments by interviewees about how they began to set the groundwork for the partnership. This is why it is a useful juncture from which to construct the narrative. In constructing a 'popular' account it makes sense to begin with a specific event which interviewees have perceived as marking a change in 'business-Town Hall' relations in Sheffield.

## PARTNERSHIP – THE FIRST STEPS

Popular account has it that in 1983 on a civic trip to Anshan in China the Chief Executive of the Sheffield Chamber of Commerce and a leading local politician began talking to each other about Sheffield and its economic problems. Each found that although there were areas where their views differed over how to remedy the ills of the city's de-industrialisation and unemployment there were also areas where their views coincided. Both agreed that the image of Sheffield was poor and that their differences had to be put aside for the sake of the economic revival of the city. They discovered that a potential existed for for the establishment of a working

relationship between them, and the construction of a <u>new</u> dialogue between the City Council and the Chamber of Commerce.

For those actively engaged in the partnership this trip is seen as an important point in the history of the collaborative working arrangements between the public and private sectors in the city. It is considered by some as the catalyst in bringing together previously antagonistic parties and is heralded as the beginning of the partnership.[1] Others see it as simply one of a series of events that contributed to the development of the partnership between the public and private sector.[2] Whatever view is held, the common thread is that it was an event that provided an opportunity for discussion where the civic elite could sound each other out about the ways in which working together could help regenerate the local economy, while away from the 'hot house' atmosphere of political debate within the city:

> I think the trip to China was an illustration of how
> things began. If it hadn't have happened would partner-
> ship still have happened? Well it probably would still
> have happened, but it's an indication of where perhaps
> for the first time people began to sit down and without
> any set agenda discuss whether there were ways in which
> working together could actually assist.[3]

The Anshan trip has become a symbolic watershed in the recent history of civic relations in Sheffield. Stories abound about situations that gave rise to opportunities for individuals to meet and talk about the city, and form new friendships; delays in airports, politicians and businessmen sharing rooms, and agreements being made on the Great Wall of China are just a few of the

anecdotes which circulate amongst the partnership cognoscenti. The
extent to which these stories are true, or the significance of the
trip in general, does not matter. Its value to the partnership is
not to help those involved pinpoint the exact date and time of its
creation (although some might like to do this), rather it allows
them to construct a peg upon which to hang the diffuse concept of
'coming together' and the laying of foundations for the emergence of
new alliances. Thus for those involved in the partnership it is an
important stage in the development of Sheffield's recent political
past.

It is not difficult to understand why such a legend has grown up
about Sheffield. In a city that was known for its left-wing stance,
radical economic policies, and anti-Capitalist ethos in the early
1980s (Seyd, 1990), it is a subtle irony to write off an apparent
about-face in political strategy as the outcome of a holiday romance
that blossomed into marriage back home, despite the objections of
disapproving parents. The trip to Anshan certainly offered the
opportunity for discussion and provided an occasion where the civic
elite could sound each other out about the ways in which working
together might help regenerate the local economy, but it was not the
catalyst to partnership. Indeed, it would be mis-leading to
attribute the movement towards partnership in Sheffield to a meeting
of like minds, or as the result of a marriage that has transcended
the public-private divide in Sheffield's politics. What can be said
however, is that the trip is of value for what it represents to
those involved in the partnership.

Another event which is seen to have led to the development of a more accommodating atmosphere between the City Council and the local business community was a series of meetings arranged by the Anglican Church in Sheffield.[4] The impetus for these gatherings originated with the Vicar of Ranmoor, the Reverend Michael Jarrett. His interest in bringing together various groups within the city had evolved from work he had undertaken into urban poverty and deprivation in Sheffield for the New York Theology Seminary and the Urban Theology Unit in Sheffield. Out of this had emerged the realisation that a major problem in the city was a lack of a 'place' for people to meet and develop a dialogue about issues of economic and social concern. The result was the establishment of a series of meetings or forums aimed at bringing together sections of the civic community into informal discussion groups.

The first meeting was held in the Ranmoor Parish Centre in April 1986 and included senior local politicians, businessmen, trades union officials, and educationalists. These forums became a regular event and acted as a focal point for a range of discussions between the public and private sectors in the city. The meetings operated as an arena for debate away from the Town Hall or private sector settings. In an informal atmosphere, over dinner and in comfortable and neutral surroundings, discussions could take place outside the rigid structures of formal meetings or the hierarchies imposed by an individual's status and standing within the community. Much of the debate centred on the economic and social problems of the city, how they could be remedied, what issues particularly concerned the

individuals involved, and where areas of common territory between the participants actually lay. As a leading member of the business community at the time has recollected:

> It was one of the first groups of its kind...people
> meeting regularly to listen to invited speakers from
> all sides of the debate and try to understand each
> other better...People realised that the decline of
> Sheffield had gone far enough.[5]

The Ranmoor 'Forums' however were not the only opportunities that provided a space for 'interested' parties in the city to discuss the issue of economic regeneration. In January 1986 the Chamber of Commerce ran five one-day workshops on the theme of The Challenge and Privilege of Leadership. These workshops were designed to attract the 'top people' in the city from business, local government, education, trade unions, voluntary organisations, and the Church (Field, 1989). The aim of the workshops was to enable these 'leaders' to debate and establish how their leadership roles within the city related to each other, and address the question of what they should all be doing for the city and where it should go in the future. From these workshops emerged two conclusions: first, all the participants had a 'great pride' in the city, and that pride was something that should be developed for the good of the city; and secondly, although they all wanted to 'do more' none of them knew what to do (Field, 1989).

Part of the way out of this seeming impasse was provided by the impetus afforded by Industry Year. This programme, which ran

throughout 1986, was designed to enhance and heighten the country's awareness of industry and business. Nationally, it was co-ordinated by the Royal Society of Arts, in Sheffield the programme was organised by the Chamber of Commerce. As far as the Chamber was concerned Industry Year provided a useful vehicle to augment the work that had evolved from their leadership seminars. It gave ample opportunity for them to run events and hold meetings and dinners in order to develop the new civic relationships that were beginning to emerge in the city. Indeed, within the Chamber leadership, Industry Year was clearly seen as a potential catalyst in forging new alliances. The then President of the Chamber of Commerce unequivocally saw it as a process that led to the break down of old rivalries, turned 'adversaries into friends', and enabled the City Council and the business community to begin to work together as a team:

> We ran more than six events every single day of the year, and by the end of the year the Town Hall gave a reception for the business world as well as for other people in the city to celebrate the success of Industry Year...and what that year did in my opinion...was to change people from councillor Clive Betts to Clive, from councillor David Blunkett to David, we became friends during that year.[6]

Perhaps the most significant Chamber initiative in Industry Year was the establishment of its Image Working party (IWP). This was set up in November 1986 under the guidance and chairmanship of Norman Adsetts, then senior Vice President of the Chamber. Its brief was to determine '...how best to attract inward investment to boost Sheffield's declining economy' (ABCC, 1989;9). Initially, the IWP

consisted only of Chamber members, with no more than half a dozen active participants. These tended to be younger businessmen, not part of the traditional 'old guard' of Sheffield's steel and engineering industrial community. At the first meeting the only attendants were those Chamber members who had agreed to form the group. Although invitations had been sent out to the City Council to attend, their early reaction was one of caution. However, by the time of the second meeting the City Council had decided to make representation and was eventually to have three representatives on the group. Although no invitations were sent out after the first meeting the number of representatives grew from the original half a dozen to approximately twenty over a short space of time. These included the higher education establishments in the city, the Cutlers' Company, the Chamber of Trade, trade unions, and the Sheffield Industrial Mission.

Initially, the IWP spent much of its time airing the general grievances and prejudices of those present. This resulted in the rule that no one should be allowed to talk about *negative things, in particular arguments* about the level of rates and the extent of Council spending:

> If we hadn't issued that rule we would have spent the
> whole of the first few months talking about the level
> of rates....I said look, I think we only make forward
> if we settle down and list the good things about
> Sheffield....I think it was fairly surprising to the
> people sitting round the table that we actually listed
> about a dozen things that were good about the city.[7]

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However, simply listing the good things about Sheffield was not enough. The negative image of the city more than outweighed any positive points that could be made and so negated their value:

> Anyone in the business community would have said that one of the reasons why Sheffield wasn't going to attract any investment, or one of the reasons why businesses were not planning to grow in Sheffield, were even looking to move outside the city, was that the image was bad, the image was one of division, the image was one of an extreme anti-business City Council, the image was one of decline.[8]

The move in the IWP then was to create a positive image for the city. However, this raised a fundamental question which had to be answered before any campaign of action could begin. This was, where should the positive message be aimed - inside or outside the city? As far as the chair of the IWP was concerned, it was a question that could be easily answered. The argument was that for all Sheffield's poor image outside the city, the prime concern had to be an improvement of the image within the city. You had to look towards yourself and improve your self-image before you could do anything about changing the external perceptions of Sheffield. This was felt to be particularly important because the first point of contact for potential inward investors was considered to be the business community within the city.[9] The task of the IWP then was to begin to form an agenda for the reconstruction of the internal worth of the city and aid the rebirth of 'civic pride'.

If the most important business initiative in 1986 was the establishment of the Chamber of Commerce's IWP, perhaps the most important City Council initiative which contributed to the setting

up of a framework for collaborative working was the creation of an officer working group to investigate the potential for the economic regeneration of the city's 860 hectare industrial heartland, the Lower Don Valley (LDV). Under the leadership of John Darwin, then assistant director of the Department of Employment and Economic Development, the brief of the working group was to analyse the economic potential for development in the Valley, assess sources of financial availability, and possible mechanisms for the implementation of any regeneration programme. This officer group began its investigation in July 1986 and reported its findings the following September. The final report argued the need for a flexible land-use pattern in the Valley and the need for a 'land bank' to cater for potential industrial growth and changing land-use patterns (SCC, 1986). Although it focused on the economic development of the Lower Don, the report was extended to cover the economic regeneration of the central area of the city as well. The strategy was eventually developed as the Twin Valley programme (DEED, 1987b), and further extended into a city-wide economic development programme, the Sheffield Economic Regeneration Strategy (SERS). The latter sought to: regenerate the city's economy as a whole; ensure that Sheffield City Council influenced the type of regeneration that occurred; create a balanced and diversified local economy; and ensure that the benefits of economic regeneration were spread throughout the community.

The importance of the LDV study does not lie in its acceptance of land-use in the Valley for other than industrial development, indeed

land uses other than for industrial activity had been envisaged in a number of plans and policy initiatives concerned with the LDV since 1979 (SCC, 1983). Neither does it lie in the policies or strategy itself, which was based on amalgamating a number of past programmes and projects. Rather its importance lies in the extent to which explicit reference was made to the need for actively incorporating organisations other than the local authority in the revitalisation of the Valley and implementation of the strategy. The thrust of the argument was that any attempt to regenerate Sheffield's economy would falter unless it was constructed around an inter-agency and collaborative framework. *As an initial step to such action the* study formally identified the potential partners necessary for the *development of a strategy for regeneration. These were to include* public and private sector bodies, trade unions, education and research institutions, and the voluntary and community sectors.

Clearly, much of the debate between the public and private sector in the city has concentrated on trying to find a level at which everybody can agree and feel 'comfortable'. The most pertinent comment on this approach was given by a past Chamber of Commerce President when he said:

> That those things we agree upon we will shout about
> in public and those areas where we disagree will be
> discussed in private behind closed doors (Field, 1989).

This statement acutely reflects the extent to which initiatives such as the Ranmoor forums, the Chambers IWP, and the City Councils' plans for the Lower Don Valley, acted as 'feelers' for the

production of a 'new' consensus in the city allowing common ground to be found. Much of that common ground was occupied by a single issue, one that has remained a focal point for both the City Council and business community in all partnership deliberations. Sheffield's partnership is not unique in the respect of requiring a 'big idea' upon which to construct its alliance. This 'big idea' helps to draw the partnership together by defining a goal to which all efforts are directed. It also tends to reinforce and consolidate the partnership by creating and reproducing a partnership doctrine or philosophy.

As with all partnerships constructed on alliances between public officials and local capitalist organisations and individuals Sheffield's 'big idea' involved 'doing something' about the local economy. Certainly the partnership in Sheffield was predicated on an assessment of a local economy in an impoverished state and a realisation that a public-private partnership approach offered a potential for improving the industrial and financial base of the city. This was something that was agreed by both the City Council and the local Chamber of Commerce. Both accepted that Sheffield's economy was in a period of substantial structural economic change, and although their analyses of how Sheffield had got into that situation may have differed, there was little disparity over the fact that something had to be done to improve the situation. The 'big idea' of Sheffield's partnership was thus to regenerate the industrial and commercial base of the city through developing a 'climate for growth' - a climate in which Sheffield's economic

potential could be realised. From the standpoint of the *mid-1980s*
with the experiences of Sheffield's recent political and economic
history still fresh in the minds of both public and private sectors,
that 'big idea' was not difficult to conceive.

The initial drive of the 'first steps' phase of the partnership was
then directed towards the question of how an improvement in the
material base of the city could be secured. As a consequence a
number of 'action areas' were identified as essential components of
the strategy to regenerate the economy. These were: building
internal confidence; improving Sheffield's image: attracting inward
investment; and developing a long term plan for the economic
diversification and social regeneration of the city. These four
areas form the cornerstones of the partnership and stem from a
fusing of the priorities of the partners. Moreover, they dominate
partnership debate and as such form significant components of
partnership discourse within the city. Not only did they help
constitute the language of partnership they also framed the way in
which subsequent issues, projects and initiatives were discussed and
dealt with. Clearly, boosting internal morale and improving the
image of the city have particular implications for what sort of
project or initiative is undertaken, for instance placing a high
priority on marketing and promotional exercises. Similarly,
attempting to attract inward investment implies targeting scarce
resources to particular groups and areas, and has hidden assumptions
about how the benefits of investment should be distributed
throughout the community. How these issues appeared on the agenda

and how they were maintained on it constitutes the politics of partnership, and will be considered later in the thesis.

Given Sheffield's political image of a radical left-wing local authority and the economic consequences of a declining single industry city in the early 1980s, it was not surprising that image, inward investment, and economic diversification were identified as areas of concern within the fledgling partnership. That confronting these issues was a prerequisite for economic regeneration was a perception shared by both the City Council and the local business community. The 'fall-out' of the vitriolic relationship that developed between the City Council and the Chamber of Commerce during 1980-83 led both sides to appreciate that neither's interests (and some perception of Sheffield's interest) had been well served by the affair. Much of the public-private sector debate in the city in these years was conducted openly through the local *press*. *Both* sides squared up to each other, blamed the opposing *side* for the industrial decline of the city, and argued about the 'rates issue' or the level of Council expenditure. Irrespective of the merits of each side's arguments, the 'slanging match' did little to endear Sheffield to either a national government whose urban policy funding regimes were increasingly becoming tied to cooperation with the private sector, or those development interests looking for areas of potential investment. As far as potential investors' external perceptions of the city were concerned, Sheffield was a city in decline.

## CONSOLIDATING THE PARTNERSHIP

By the end of 1986 it was recognised, particularly within the City Council, that an injection of institutional capacity was necessary in order to consolidate and progress the issues that were beginning to develop within the emerging partnership. One expression of the recognition of this was the establishment in December 1986 of the Sheffield Economic Regeneration Committee (SERC). This committee brought together those organisations in the city who had taken part in the earlier initiatives, and sat on the informal ad hoc committees, into a formal consultative forum. In popular partnership parlance it was seen as '...a sort of board of directors for the city' (Field, 1989). The concept itself was formally developed within the City Council's Department of Employment and Economic Development, and originated from the Lower Don Valley strategy. As the architect of the strategy within DEED remarked:

> ...back in mid '86 when I wrote the Lower Don Valley economic strategy...what we did there was list all the organisations with an interest in the economic regen-eration of the city, and basically said they needed to come together and start meeting regularly and talking to each other, and identify areas where they could work together.[10]

In effect, the LDV strategy laid down the basic framework of the regeneration committee within this document, identifying the potential parties to be included (SCC, 1986). Additionally, it advocated that at the very least a formal consultative body would be required to oversee the process of regeneration, bring together the activities of agencies involved, set objectives and terms of reference, and review the regeneration strategy at regular intervals

(SCC, 1986). The eventual committee that was formed was not too dissimilar to that which Darwin had proposed. Given the parentage and composition of the regeneration committee it is not surprising that it continued the work of the earlier phase of the partnership. Boosting the internal confidence of the city, improving its image, the necessity to attract inward investment, and the need to develop a long-term strategy for the economic and social regeneration of the city, were all accepted as part of the regeneration agenda before SERC was formed.

SERC's function was to develop and coordinate the city's attempts to regenerate the city's economy with 'an eye to the long term economic and social benefits for all the community' (Jackson, 1988a). Structurally, it was to include all those with an 'interest' in the well being of Sheffield's economic future. Very simply these included the City Council; the business community; central government departments or agencies; trade unions; higher education institutions; and organised community groups (see chapters six, eight and nine for a more detailed examination of its membership).

Over its life-span the level of representation to SERC from these organisations has varied (see chapter nine). However, the actual groups themselves have remained relatively stable in their commitment to the committee. In total there are approximately twenty five representatives from these organisations on the committee, plus a further five local authority officers - the City Council hold the Chair, with a private sector representative taking

the Deputy Chair. Originally there was also a smaller executive committee which comprised two representatives from each of four main groups. This executive core met to arrange the agenda for SERC meetings, discuss the long term direction and activities of the committee, and deal with urgent matters. From June 1990 this function was taken over by a SERC Secretariat, comprising representatives of the Department of Employment and Economic Development, the Chamber of Commerce, the Sheffield Training and Enterprise Council, the Sheffield Development Corporation, and the Department of the Environment. The committee is serviced by an officer group which coordinates agendas, reports, and other informational requirements.

Effectively, the regeneration committee works to coordinate the various partnership initiatives that are undertaken in the city and attempts to maintain '...a guiding influence to help minimise duplication of effort and to ensure that all the initiatives continue to work towards a common goal' (SERC, undated). In this sense it is seen to act as a focal point for all the local initiatives and provide an information exchange where ideas can be developed and then disseminated into the wider community. However, the committee has no mandatory powers over any other organisation, either those involved in SERC itself or those involved in any other partnership initiative. It cannot compel its members to reach any agreements, nor can it enforce any agreements made within the committee to be accepted in the wider membership of its individual representatives. Instead, it functions by claiming a 'moral

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legitimacy' for itself because it is seen to speak for a wide selection of interested parties, and so is considered representative of the Partnership in Sheffield at large.[11]

Another peg in the process of the formalisation of the partnership was the formation of Sheffield Partnerships Limited (SPL) in March 1988. This company was set up jointly by the City Council and the Chamber of Commerce to promote the city's interests and improve its image. Sheffield Partnerships Limited represents the culmination of the interest shown in improving public relations and recreating a new image for the city by both the city council and the business community. It is commonly asserted (mainly by those involved in the partnership) that Sheffield Partnerships Limited was a direct outcome of the Chamber's image initiative. Indeed, the thrust of the Chamber's working party was directed towards improving the internal confidence in Sheffield, then widening that out in an ambassadorial fashion to improve Sheffield's image externally, and to that extent SPL was a formal extension of the IWP (see chapter six for a discussion of the compostion of its directors).

However, to concentrate solely on that link fails to appreciate developments taking place within the City Council itself. Much of the debate about the image and promotion of the city undertaken in the IWP was mirrored within the Council. It was not only the business community that recognised the need for, and importance of, improved public relations. At member and officer level it was acknowledged that the image of the city was poor, both within the

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business world and with central government. As a consequence, in early 1986 officers from a number of Council departments formed a 'Promotions Working Party' with the aim of developing a more coordinated approach to industrial provision and making the promotion of industrial sites and assistance complement other promotional campaigns within the city. The conclusions of this working party, together with a report prepared by the management team in the Publicity Department, argued that a primary concern was the identification of potential markets for promotional activity, moreover, that the City Council should create a single and strong and positive image for the city, and attempt to establish a positive image for itself. One of the consequences of this was the establishment of the Sheffield Development Office in February 1987. Essentially, this was a Council *information service for potential investors*. It was to be a 'one stop shop' for developers with 'a single point of contact and action for industrial and commercial development enquiries (SDO, undated). In attempting to provide information on available industrial and commercial property, provide advice on the sources of aid, give an indication of the development climate in the city, and help promote development opportunities in general, it formed an integral part of the City Council's renewal strategy and new found partnership with the private sector.

Another factor contributing towards the heightened promotional culture was the establishment and initial work of the regeneration committee. Charged with overseeing the development of collaborative work between the public and private sector in the regeneration of

the local economy, one of SERC's primary objectives was to 'facilitate the promotion of Sheffield as a location of industrial, office and service sector activity (SERC mins, 23.1.87). In attempting to make Sheffield a more attractive prospect for potential investors and developers it laid great stress on joint presentations, and promotion through concepts such as Project Champion, City Ambassador and Flagship Projects. The latter of these concepts was to play a central part in the final report of SERC's commissioned study on the Lower Don Valley (SERC, 1987). This report on the organisation and implementational options available for regeneration initiatives within the Valley, advocated a considerable amount of input into improving the valley's image, both in physical and psychological terms. Indeed, the report recommended the use of Flagship Projects as catalysts for image enhancement and inward investment. In addition to this the City Council and the Chamber of Commerce commissioned research into the promotional campaigns of other cities, and the perception of Sheffield's image by firms considered as potential targets for future relocation. The results of this research served to reinforce their belief in the need for a more coordinated approach to promoting the city and the importance of first constructing a positive self-image.

Throughout 1986 and 1987 these developments provided the impetus to producing an image strategy for the city. Both within the City Council and the Chamber of Commerce the salience of image and

promotion became accepted as crucial factors in the regeneration of Sheffield's economy. The discussions between the City Council and the Chamber, particularly within the IWP, helped reinforce the notion that any external campaign would lose its momentum unless it was underpinned by a commitment from within the city to reconstruct internalised perceptions. With this accepted a joint promotional campaign was set in train, one that was designed to change both the internal and external image of the city. As such the whole promotional process was a two-stage affair.

The first stage, dubbed Sheffield - Partnership in Action, was launched in September 1987. This stage of the campaign lasted for approximately six months and was directed primarily towards a Sheffield audience. Essentially, its aim was to bring an awareness of the 'spirit' of partnership to the business community and local populace, and inform them of what the partnership intended to do. It sought to do this by concentrating on a number of themes such as, public-private commitment to economic development; fostering an entrepreneurial climate within the city; and portraying Sheffield as a centre of excellence and as a attractive place in which to live and invest (SCC/DEED, 1987). The whole weight of the local media was brought to bear on the preparation of the launch at The Star Business-Industry Exhibition. Adverts were placed in the press, prominent politicians and local businessmen appeared on local radio, and a 'good news' sheet (later to become Success in Sheffield the regular promotional voice of the partnership) was published to supply positive news and images about the city. The use of the

local media and the establishment of a partnership publication was clearly seen as critical in bringing the message to the wider community:

> We had a press that was (previously) really only printing negative things, good news stories, good things that were happening, good aspects of the city were not really being featured anywhere. So maybe we should do something about that.[12]

By early 1988, while the campaign was still in its first phase, both the City Council and the Chamber of Commerce had arrived at the conclusion that the long term aims of the campaign would be better served by establishing a formal company to organise the promotional side of the partnership. Moreover, it would also add a degree of institutional certainty to the partnership by creating a legally binding relationship between the partners. The rationale for the company was threefold. First, it would be an independent commercial body set up to specifically promote industry and commerce within the city. Secondly, because of its commercial status it was considered that it would make for more effective administration and management. Thirdly, it was felt that as a consequence it would be more attractive to the private sector, and as such would attract greater levels of private sector funding (SCC/DEED, 1987c). The company (Sheffield Partnerships Limited) was eventually set up in March 1988 using a dormant City Council shelf company, New Leisure Limited. Initial composition of the company was such that it had a board of seven directors, three from the City Council, three from the Chamber of Commerce and one 'independent' representative, funding was to be

50:50 between the City Council and the Chamber. The Chair was held by Norman Adsetts, one of the Chamber directors and previous chair of the Chamber's IWP. (see chapter six for a more detailed discussion of the composition of the company).

The next stage of the promotional campaign, from mid-1988, was designed to widen the scope of the partnership message by targeting external organisations and individuals, and build on the work that had been undertaken to improve the internal image of the city. The extension of the campaign was most publicly expressed in two events. The first was an Industrial Society conference on 'Partnership' at the Adelphi Hotel, Liverpool in March 1988. This conference was an extension of the Sheffield Chamber of Commerce's Leadership and Privilege workshops which they had organised in 1986, and a similar event, in Liverpool, that had taken place in the same year. Under the banner of Action '88 (part of the Industrial Society's inner cities initiative) the conference brought together leaders from the public and private sectors from a number of British cities with the intention of helping them work through how they could work together as a 'city team', and lay the foundations for new partnerships and working arrangements (Action '88, 1988). The delegation or 'city team' from Sheffield, which consisted of City Council members and officers, MPs, local business people, educationalists, the Church of England, and the media, was actively engaged in presenting its approach to partnership and took a lead role in the workshops. Within the conference's working groups the Sheffield 'city team' was able to promote itself as an innovator in the sphere of public-

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private partnership and present the existence of its new found cooperation to other cities.

The second event was a major reception at the Mansion House in the City of London in May 1988 hosted by the City Council, the Cutlers Company and the Chamber of Commerce. Termed Sheffield Goes To London, the purpose of this event was slightly different to that of the Industrial Society conference. Essentially, the Industrial Society conference had provided Sheffield with an opportunity to debate with other cities the partnership strategies that each might employ and how they should approach the issue of urban regeneration. For instance, how imaginative could the partnership be; how could partnerships be used to present the city to visitors and potential investors; and how could common concerns be translated into practical commitment? Moreover, although the Sheffield 'city team' had occupied a prominent position in the debate, the conference was not specifically Sheffield oriented. In contrast, the Mansion House presentation was solely about promoting Sheffield's image and the targeting of a specific market. In essence, it was an industrial investment and marketing exercise designed to 'sell' Sheffield, and its partnership approach, to the City of London. The whole affair sought, in ambassadorial fashion, to bring an awareness of the partnership to a wider (specifically private sector) audience and promote the city as a location for industrial and financial investment (Field, 1989).

As well as the setting up of SPL and the associated promotional campaign another initiative was developed which sought to profit from the 'new found' confidence within the city. Coupled with the promotional exercises the city had to be seen to be doing something 'practical' and specifically private sector oriented if Sheffield's image was to undergo further improvement amongst potential national and international investors. The establishment of Hallamshire Investments, a local investment company, was felt by those within the partnership to provide that opportunity. As Hallamshire Investments the company formally came into existence in August 1988 as a limited liability public but unlisted company. However, in practice it had been operational, albeit in another name, since the previous February (Hallamshire Investments, Prospectus, 1989).

This 'home-grown' financial institution was designed to encourage and develop local economic initiative and enterprise. It had several main objectives: to identify, manage and take a stake in investment projects within Sheffield; to introduce potential investors and developers to the region; to promote an opportunity for 'Sheffield citizens' to invest in their city; and to undertake this work on a partnership basis (Hallamshire Investments, Prospectus, 1989). These objectives were to be realised through the acquisition of property and its eventual development, with a minor role to be played by taking an equity stake in local companies, particularly in the manufacturing and service industries. The company itself is composed of 'leading' figures form the public and private sectors in the city. In total there are eighteen directors

on the board which has overall responsibility for the investment policies of the company. There is also a management committee of eight (which also has representatives from the business community and the City Council on it) and this has responsibility for the authorisation of the company's policies. The day-to-day decisions are taken by two executive directors, the chief executive and the finance director. (see chapter six for an examination of the directorial composition of the company).

Initial finance for the company was raised at a dinner held at the Cutlers Hall in March 1988. This function, hosted by Sir Charles Villiers, Chairman of British Steel Corporation (Industry), and attended by public and private representatives from within the city, was directed towards potential local investors and designed to provide the company with seedcorn finance. By the end of the evening approximately £200,000 had been raised with guarantees of financial commitment provided amongst others by British Steel, the City Council, Cantors PLC, Sheffield Forgemasters, Sheffield Insulation, and the University. This sum was used to establish the managerial and secretarial appointments, and help pay for the company's office. Much of the company's early work was directed towards drawing up a prospectus to attract share capital and trawling the City of London for investment. An initial sum of approximately £7 million share capital was raised, with a further £1.5 million added amounting to £8.5 million by the end of the 1990 financial year. Investors include South Yorkshire Pensions Authority, Derbyshire County Council, Westinghouse International

Holdings Plc, Scottish Amicable Nominees Limited, and Pearl
Assurance Plc (Hallamshire Investments, 1991).

Hallamshire Investments formally emerged from recommendations made
in the Lower Don Valley report prepared for the regeneration
committee by Coopers and Lybrand, although informally the idea of a
development bank had been discussed by both the public and private
sectors in the city.[13] Building on this, one of the recommendations
of the Coopers and Lybrand strategy for the regeneration of the
valley was that some form of funding vehicle would be required to
provide finance as part of that strategy. The consultants' solution
was the establishment of a development bank (SERC, 1987). The
regeneration committee's response was twofold. First, it
commissioned Coopers and Lybrand to research the legislative
implications of the formation of a development bank, and secondly it
established a small working group to undertake the preparatory work
necessary for creating such a company. This group consisted of
three individuals: Hugh Sykes, the primary private sector architect
of the initiative and the first chairman of the company; Vernon
Smith, deputy chair of the regeneration committee and Chief
Executive of British Steel (Industry); and Malcolm Newman, the City
Treasurer.

Their initial report argued that the creation of a development bank
would help focus the Partnership in Action campaign on Sheffield as
a place to invest. The logic behind this was that the practical
example of a financial partnership would be taken as serious

evidence of a change in public-private relations by potential investors. In the event the concept of a 'development bank' proved problematic owing to the legislative restrictions and legal implications involved in establishing a 'bank'. To overcome this legal hurdle the 'investment bank' concept was remodelled into an 'investment company'. The process of setting up the company was overseen by a steering group composed of public and private representatives from SERC. Its objective, apart from making the appointment of the chief executive and determining the operating principles of the company, was to seek out financial commitments from institutional sources and appoint the board of directors 'capable of providing confidence and potential investment for the company' (SERC mins, 22.7.88). This was all to be set within the partnership framework that was beginning to consolidate and take shape by 1988. It was a point that the prospectus of the company was to make forcefully:

> The Directors of Hallamshire, comprising leading
> members of the Sheffield community, have not only
> wide industrial and commercial experience but also
> associations with a number of these local (partner-
> ship) organisations and public bodies. This will
> enable the Company to draw on extensive resources of
> relevant knowledge and expertise.

> (Hallamshire Investments, Prospectus p.7, 1989)

Another area where the public and private sectors within the city attempted to work together was in the preparation for the World Student Games (WSG). Although ostensibly a City Council inspired initiative much of the initial management and preparation of the

Games occurred within a public-private partnership context. At much the same time that the Chamber's IWP was operating and the regeneration committee was in its early stages of formation, a public-private WSG organising committee was formed to prepare for Sheffield's bid to host the Games. Additionally, the delegation that went to Zagreb to make Sheffield's bid and presentation for the Games to the FISU Executive (Federation International du Sport Universitaire) included councillors and officers, and representatives of the Chamber of Commerce and the higher education institutions. Between November 1986 and July 1988 the preparation and management of the Games remained within the hands of the organising committee. Despite the continued insistence by the organising committee that the Games were part of the overall regeneration of the city no detailed work was carried out into the economic impact of the Games on the city and how it could be 'exploited' to meet the social requirements and needs of the community. Throughout its existence the priority of the organising committee was given to the construction of the facilities and the structure of the organisations required to run the event. The lack of attention given to developing an economic analysis reflects the fact that a key reason for the Games lay in their potential for changing the image of the city (see chapters eight and nine).

The organising committee's intention had always been to develop the Games facilities through the interaction of public and private sector finance and expertise. However, restrictions in the power of local authority borrowing capacity made direct intervention by the

City Council problematic and limited their ability to raise finance. Yet at a political level there was still a need for the local authority to be involved in the development of Games policy and the management of the Games facilities. The solution to this political problem was the establishment of Sheffield Leisure and Recreation Trust (SLRT) in March 1988. Sheffield Leisure and Recreation Trust's role was to provide the facilities and manage their future use, the finance of which was raised mainly through foreign bank loans, and secured by City Council assets. The Trust's governors included representatives from the private sector, local community groups, and a Sheffield MP. Two operating subsidiaries of SLRT were also established: Universiade (GB) Ltd., and Sheffield for Health Ltd. The former was set up solely to administer and raise finance for the Games, whilst the latter was to be a permanent subsidiary of SLRT charged with the task of developing and operating the new Games facilities. Both these organisations were set up under the banner of partnership and drew their directors from the private sector and the wider community in the city. Universiade (GB) Ltd. was seen to be typical of the partnership approach that had developed in the city over the previous two years. All of the six directors (three from the City Council and three from the private sector) had been involved in either some or all of the earlier partnership initiatives. At the time, Universiade (GB) Ltd. was heralded as the icing on the cake of working relationships between the City Council and the private sector, that had been set in train by initiatives such as the Chamber of Commerce's IWP, the establishment of SERC, and the associated promotional campaigns for the city.

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PARTNERSHIP: ACCOMMODATING CENTRAL GOVERNMENT POLICY

Throughout the period 1986-1988 the public and private sectors in Sheffield began to develop a number of locally inspired partnership initiatives. These initiatives sought to draw on locally based organisations, institutions, and individual actors in an attempt to construct a consensus over what the problems of the local economy were and how they could be remedied. However, despite the growth of this cross-sector activity, three central government initiatives were thrust onto the partnership over the next three years – an Urban Development Corporation (the SDC); a Training and Enterprise Council (TEC); and an invitation to bid for City Challenge funding. These initiatives reflected the Government's own form of remedial action for the regeneration of the inner cities: stressing co-operation between central government and the private sector, rather than co-operation between local government and the private sector; and reinforcing a feature of urban policy in the 1980s – the central determination of what should constitute an urban regeneration proposal.

## The Introduction of the Sheffield Development Corporation

The decision to establish a Development Corporation in the Lower Don Valley rode roughshod over the work of the regeneration committee to prepare a plan for the renewal of the city's industrial heartland. SERC's LDV study had been commissioned to provide an 'independent' assessment of the Valley's regeneration potential. The study argued that the regeneration of the Valley should be achieved through a combination of public and private sector finance focused around a

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number of 'flagship' projects. Moreover, it rejected the concept of the Development Corporation on the grounds that boundary issues for the area were unproblematic, in that the area under consideration was within the control of one local authority, that Sheffield as a local planning authority was very efficient, and that public-private co-operation was already happening in the city. In its place the report proposed a delivery mechanism (the Urban Regeneration Project) where planning power and control remained with the local authority, but which would have a board membership taken directly from the constituent members of the existing partnership arrangements in the city.

These conclusions clearly illustrated the need for public investment in the Valley and the importance of working in partnership at a local level. In essence, it was little more than a reworking and updating of the Council's own Lower Don Valley Strategy (SCC, 1986). As the architect of the Council's LDV strategy asserted:

> ...the strategy that it [Coopers and Lybrand]
> proposed was basically the same one we proposed.
> It was just that when we first took it to the
> Government they said 'that's fine but that's your
> strategy, we need an independent assessment of it'.
> So Coopers provided that, but it reinforced what
> we said.[14]

As far as the City Council was concerned, the sub-agenda for the Coopers and Lybrand report was about repackaging, for central government consumption, a locally inspired regeneration proposal in a more palatable form. However, within the regional office of the DoE, the necessity of an independent assessement was predicated on a

view which stressed its usefulness in making a case for a

Development Corporation:

> At the time the City Council did the LDV strategy,
> the possibility of additional UDCs was being mooted
> by Ministers. When the City Council produced that
> study, I saw it as a means of getting the case brought
> forward for a UDC based in the LDV. Hence, we set up
> a specification for independent consultants to prepare
> a study of the LDV.[15]

In the event, the recommendations of the study were not implemented,

and a Development Corporation was announced for the Valley in March

1988 (Action For Cities, 1988). As one DoE offical involved in the

process commented:

> Coopers and Lybrand were coming up with all these ideas
> of setting up a body which would have a constitution, may
> have some executive responsibilities, but would have no
> financial powers - they would remain with the City Council
> or central government organisations...but in the region,
> we saw it [the study] as an opportunity to set up a UDC,
> because the resource requirements were such that the local
> authority could not possibly tackle that problem itself...it
> could never have been delivered by the City Council alone.[16]


For the private sector individuals involved in the partnership this

decision was accepted without too much concern. One of the leading

members of the business community summed up the business community's

reaction to the Coopers and Lybrand report and its dismissal by

central government in this way:

> Let's invent a URP they (Coopers and Lybrand) said.
> There wasn't a hope in hell that the Government would
> accept that...So to suggest that as well as putting
> money into Sheffield in order to regenerate the Don
> Valley one should also rewrite the basic model for
> regeneration, which was the UDC, I think was going
> beyond what was practical politics. Nevertheless we
> all of us argued from SERC for the URP model because
> those were good arguments that Coopers and Lybrand
> were putting forward. However, I suppose the business
> community being pragmatic were very much inclined to
> take the money and meet any requirements that were laid

down on the basis that it was the money we needed and
we'd make anything else work because that's how business
works.[17]

Clearly, news of the Development Corporation was treated with pragmatic acceptance by the private sector who did not see the imposition of the UDC as an issue of political principle in the way the City Council (specifically the ruling Labour Group) did. As far as the City Council was concerned initial public pronouncements were critical of the decision, which was seen as yet another attempt to erode the power base of the local authority and weaken local democratic accountability (PTPC mins, 15.3.88; EPC mins, 21.3.88; PC mins, 23.3.88). However, within the leadership of the Labour Group and senior officers in DEED and the Planning Department, the attitude was one of a grudging acceptance of the Corporation on the grounds of financial pragmatism and a hoped for political influence over its operation:

You know, £50m really was very difficult to turn down
completely. And so the aim became to try and shackle
the UDC a bit...bend it our way.[18]

This pragmatic philosophy was not universially accepted. Indeed, within sections of the Labour Group and in the District Labour Party, a counter-argument emerged which stressed non-co-operation with the Development Corporation:

There were a number of people who would have petitioned
against it, and campaigned against it, and would have
boycotted it, and had nothing to do with it.[19]

However, this argument held little appeal to the leadership of the Group, primarily because it was perceived to be a politically naive and destructive course of action:

We agreed to work with it [the SDC] because not to work
with it would have damaged the efforts of the city to

> try and attract industry...It would have put at risk
> some new partnership ventures, and I think politically
> we would have done ourselves damage because the public
> of Sheffield would have seen us walking away from £50m.[20]

In many respects, the decision taken by the Employment Programme Committee, and endorsed by the Policy Committee, to petition against the Development Corporation (SCC, EPC mins 23.5.88; PC mins 23.5.88) was a political posture that had to be adopted. A Labour Council, committed to notions of public accountability and the maintenance of public sector control over planning powers, could not be seen to be acquiescing to the introduction of a Development Corporation without some degree of opposition. However, a restraining clause on the decision to petition against the UDC (which stressed that it was to be adopted as Council policy only if insufficient progress was made in discussions between the City Council, the chair designate of the Development Corporation - Hugh Sykes, and the Department of the Environment), illustrates the extent to which this course of action was about demonstrating disapproval of central government's urban policy initiatives, rather than attempting to erect barriers between the City Council and the Development Corporation. The following comment by a leading private sector individual involved in the negotiation process provides an insight into how those negotiations were perceived by the partnership cognoscenti:

> ...by then (imposition of the UDC) a few individuals
> had got to know each other quite well, and could
> trust each other at least to talk...we all knew that
> we wanted the Don Valley to be regenerated and then
> what happened was the UDC was announced...We didn't
> spend a lot of time as we might have done two or three
> years earlier arguing about that, because by then we
> knew the politicians well enough to understand why they

> had to be against it...We started talking about it and
> we came up with a suggestion that if we could agree that
> whatever the format of the *UDC...the UDC would in fact*
> operate within a common vision of the city...irrespective
> of what the UDC rules said we would add elements to the
> way the UDC worked which would turn it into something
> much closer to a partnership. On that basis it was
> agreed that the Labour Group would not petition against
> it.[21]

This quote illustrates the extent to which the political leadership of the Labour Group and private sector individuals within the city were able to use pre-existing partnership mechanisms to avoid a rupture of the partnership over the introduction of the Development Corporation. Indeed, the informal and formal partnership arrangements that had developed eased the negotiations between the City Council, private sector, DoE and chair designate of the SDC. Given that the participants in these negotiations were those involved in establishing SERC, or had taken part in discussions and meetings organised by the regeneration committee, it was perhaps not surprising that an agreement was reached.

On the 4th July 1988, an agreement was signed between the City Council and the Sheffield Development Corporation (SDC). This document sought to tie the Council and the Development Corporation together in the task of improving economic growth in the city. The agreement, outside of the statutory code of conduct required by the Department of the Environment, sought to provided a framework for the two organisations to 'act as partners in promoting their agreed objectives to increase economic activity and reduce unemployment in the interests of and to the benefit of all the people of Sheffield' (SCC/SDC agreement, 4.7.88;1). It focused on a number of joint

principles which included: the promotion of openness in the operation of the SDC; the holding of regular monthly meetings between the City Council and the SDC; the SDC to consult the Council closely on the development of its corporate plan; coordinate and undertake promotional activities through Sheffield Partnerships Limited; and to involve a senior Council officer in the setting up of the SDC (SCC/SDC agreement, 4.7.88). Other concessions were to include the appointment of a community director within the Corporation and the establishment of an agency agreement with the City Council over development control work on planning applications in the SDC's area. A board of ten was appointed in July 1988, and apart from the Chair and Deputy Chair, included three councillors, and five individuals from the local business community. All of these had had some involvement in earlier partnership initiatives in the city, and in retrospect, it is clear that the composition of the board (in its initial membership) was heavily influenced by the composition of the regeneration committee. (see chapter six for a more detailed discussion).

## From Training Council to Sheffield TEC

In the same way that the introduction of the Development Corporation by-passed the partnership arrangements devised for the Lower Don Valley by SERC, so the introduction of the Sheffield Training and Enterprise Council by-passed another SERC generated proposal – a partnership-based training council. As one SERC representative commented:

> We were looking for some kind of operation on
> regenerating training and employment in the city.

> We [SERC] decided that there was a need for a
> Council, industry, unions forum. We had a proposal
> in place before the White Paper came out.[22]

The regeneration committee's proposal was for an umbrella training organisation (accountable to SERC) to co-ordinate the provision of post-sixteen training, within the context of training as a key to economic regeneration. Although there was some reservation within the Labour Group about member representation on the training council, and the need for any organisation to take full account of equal opportunities in training, general approval was given to SERC's initiative (EPC mins, 25.1.88; PC mins, 23.2.88). By Spring 1988, SERC had produced an outline plan for the training council (SERC, 1988).

The aims of the training council were to encourage and enable economic activity already based in the city to remain and develop; to attract new investment to the city and encourage economic diversification; to help maximise the benefits of regeneration for local people through the provision of opportunities for developing new skills; and to increase access to training for either personal or community benefit outside strictly defined vocational sectors. The training council was to comprise representatives from the the City Council, Chamber of Commerce, University and Polytechnic, trade unions, private training organisations, and organised community groups with an interest in employment and training issues. These organisations were to be allowed to operate within their own constitutional and statutory requirements, but were to contribute to, and be informed by, the work of the training council's co-

ordinating and advisory role in planning the city's overall strategy for training and training provision (SERC, 1988).

With the publication of the Government's White Paper, Employment for the 1990s, in December 1988, and the announcement of the intention to establish a network of local companies to deliver training and enterprise strategies, SERC's proposal for training became redundant. Despite City Council criticisms of the Governments intention for introducing training organisations with a two thirds private sector dominance, a number of ad hoc meetings took place in January 1989 between city councillors and members of the Chamber of Commerce, to draw up a formula for a Sheffield based TEC (Field, 1990;58). A more formal series of Breakfast meetings were held by the Chamber of Commerce, under the direction of Richard Field, and were attended by city councillors and trade unionists. The outcome of these meetings was the establishment of a TEC development team headed by Richard Field, Bill Jordan of the City Council, and Martin Frizelle regional officer of MSF. Their task was to develop the training council project into a proposal for a TEC, but in line with the operation of the partnership. This meant that a Sheffield based TEC would have a membership not dominated by private sector individuals. The proposal was for board representation to be split fifty per cent private sector and fifty per cent City Council, trade unions and community groups (SERC mins, 24.2.89). The proposal was presented, to the Under Secretary of State for Employment in March 1989. As the trade union member of the TEC delegation commented:

> Our proposal was for an equal split. We took a joint
> delegation to the Minister and said look, we're an

> awful long way down this road already...we want to
> be able to implement the Sheffield system.[23]

Although the response of the Government was to refuse the

representational model outlined in the delegations proposal, a

degree of local license was allowed:

> ...the answer we got from the Minister was you can
> change everything as long as you don't change the
> numbers on the top team...how you deal with it under
> there is up to you.[24]

The response of the City Council and trade unions was one of

disappointment that the development team's compromise had been

rejected by central government. However, this did not mean that

either the City Council or trade unions wanted to withdraw their

participation from the development team, and they continued their

input into the preparation of a bid for the TEC (SERC mins,

28.4.89). This continued participation was made easier by two

factors. The first was the acknowledgement by private sector

representatives on the development team that the TEC's programme

should fit in with SERC's overall vision for the city (SERC mins,

26.5.89). The second, was the establishment of seventeen

principles for co-oerative working between the TEC, City Council,

trade unions, and community organisations, on general training and

equal opportunities policies (SERC mins, 28.7.89; Field, 1990;58).

The City Council also showed its continued participation in the work

of the TEC development team, by establishing an officer/member

corporate group to provide information to the Council about the TEC;

to represent the Council at TEC development board meetings; and to

support the City Council representatives on the eventual TEC board

(EPC mins, 25.9.89). Between November 1989 and early 1990, an initial consultation exercise was carried out, the main conclusions of which stressed the need to produce mechanisms to ensure that equal opportunities and social considerations were incorporated into the TEC's programme of action (SERC mins, 2.3.90). A draft corporate plan was published in June 1990, and in the following October, a partnership recognised (if not partnership inspired) Training and Enterprise Council went 'live'. (see chapter six for a discussion of the composition of the TEC board).


City Challenge - Bidding for Regeneration

City Challenge was launched in May 1991 as a series of five year comprehensive urban improvement programmes for key priority areas within individual cities, based on precise action plans approved in a competition between local authorities. Seventy five million pounds was earmarked for the projects of successful first round City Challenge bids launched in 1992/93, although this was later increased to £82.5m. The programme was designed to attract private sector investment, to provide added-value and to stimulate wealth creation in cities, as well as create a climate both of environmental quality and enterprise. The 'Challenge' bids were to be made on a partnership basis:

> We need a more ambitious and comprehensive approach.
> We need to tackle areas on a sufficient scale to bring
> confidence back to them, and to the city as a whole...
> Local political leaders have a duty to lead, but they
> do not have a monopoly of wisdom or ability. A parallel
> response is required from private companies, academic
> institutions, the TEC, other Government agencies, voluntary
> organisations and local people...Local authorities will be
> invited to enter into partnerships with their local
> businesses and their community to draw together imaginative

programmes for the regeneration of their areas.[25]

For the launch of the programme fifteen local authorities, of which Sheffield was one, were invited to submit bids for schemes to be implemented during 1992-97.

In Sheffield, the response to the announcement of City Challenge was generally positive (PEDPC mins, 28.6.91), although there was criticism of the initiative from the ex-chair of the regeneration committee:

> This notion of competition is totally the wrong way to address urban policy and urban regeneration...picking winners and losers only goes to emphasise how bogus the whole exercise is. It's a presentation of economic policy that's a diversion from the very real problems that South Yorkshire has got...I think the way we've gone about economic development in Sheffield has been right, we've done it in a co-ordinated way. We don't really want any Government, Labour or Conservative, to say now go in for a little game and let's see who comes out the winner.[26]

However, within the Council's Planning and Economic Development Programme Committee, there was a clear acknowledgment that an opportunity to bid for central government financial assistance, as an aid to the implementation of aspects of their plans for the regeneration of the city, should not be ignored (PEDPC mins, 28.6.91). Publicly, the feeling was that Sheffield's bid would be successful:

> We believe we shall get one of the bids through on the basis of our record of partnership working and the quality of the scheme we shall put up...We have all the partners who are necessary involved and committed.[27]

Following the announcement of the initiative a series of meetings were established, involving organisations represented on SERC, to

respond to the initiative and to develop a bid within the context of Sheffield 2000 and its implementation programme, the Three Valleys Initiative (Lower Don, Upper Don and Sheaf Valleys) (PEDPC mins, 28.6.91). The City Challenge submission was to be based on the core area of the Three Valleys Initiative embracing part of the city centre, Kelham, Attercliffe and Wybourn. Projects were to include the development of a centre for innovation and manufacturing; the renewal of Attercliffe shopping centre; the provision of new housing in Attercliffe and Kelham, with housing improvements in Wybourn; a development agency providing specialist advice and marketing services to local industry; the establishment of a national environment centre in the city; the creation of a media and exhibition centre; and the development of a national centre for popular music (Sheffield City Challenge Bid, July 1991). These activities were chosen because they were considered to consolidate existing economic activities, have the capacity to aid the diversification of the local economy, and attract new investment to the city (Sheffield City Challenge Bid, July 1991;19).

In terms of management and organisation, the existing structures of partnership were to be drawn on for inspiration:

> Given the strength and experience of existing partner-
> ship activities in Sheffield, it is neither necessary
> nor desirable to create elaborate new structures. The
> intention...is to build on this experience and improve
> the capacity for implementation.
> (Sheffield City Challenge Bid, July 1991;37)

A City Challenge Board would be established, whose representation would be based on those organisation involved with SERC. The board

would be a 'Committee of Council' with the majority of its members
co-opted from the private and non-profit sectors in the city. It
would therefore be similar in composition to SERC, although smaller,
but explicitly concerned with implementation. Below the board, an
implementation team drawn from individuals within the public sector,
private sector, educational institutions, Development Corporation,
TEC, trade unions and community organisations, would be established.
This team would be responsible for ensuring the realisation of the
City Challenge projects; identifying new project opportunities;
acting as brokers to establish new projects, which could be
undertaken by separate dedicated organisations; and the monitoring
of those projects (Sheffield City Challenge Bid, July 1991;38/39).

In the same way that the projects within the City Challenge
submission were re-workings of initiatives developed through SERC,
so the management structure echoed SERC's proposal for a
regeneration vehicle for the Lower Don Valley - the Urban
Regeneration Project. As a senior officer within DEED admitted:
'that proposal [URP] came out in City Challenge'.[28] This link
between the URP and the proposed management structures for City
Challenge was also acknowledged within the DoE:

> Some of the principles that were being examined in
> the URP, in terms of organisation and general legal
> and financial powers, are relevant [in City Challenge].[29]

At the end of July 1991, the successful City Challenge bids were
announced - Sheffield's was not one of them. The reasons why the
bid failed are open to debate, but they range from the idea that

the bid was too ambitious and dominated by the Council (HG), to the

notion that the city was still suffering from its radical left-wing

image of the early 1980s (ST. 2.8.91).    Whatever the reasons, the

feeling in Sheffield was that plans for the regeneration of the city

had been set back, and that the work of the partnership (not of

weeks, but of years), had been snubbed (Clive Betts, interviewed on

BBC Radio Sheffield, 31.7.91; ST. 2.8.91).   The response, although

with some dejection, was swift and typical of the city that claimed

to have 'invented the modern partnership principle' (ST. 2.8.91):

> We've got the proposals, we've got an economic
> strategy, we've got consultation...We are working
> closely with the private sector...We still see
> partnership working as the right way forward. We're
> only sorry that the Government doesn't want to join
> in that partnership.[30]

## A NARRATIVE SUMMARY

This chapter has outlined the main features  of the emergence of

partnership in Sheffield between 1986 and 1991 by examining the way

in which local public and private organisations sought to develop a

collaborative approach to local economic policy making.  In summary,

there have been three main phases in the evolution of the

partnership: firstly, the initial period of attraction and alliance

formation; secondly, the consolidation of these alliances in more

formal settings; and thirdly, the imposition, and eventual

accommodation, of central government models of regeneration onto

Sheffield's local mechanisms.

Within this general framework we can identify a number of more specific characteristics that contributed to the development of the partnership. For example, the first phase witnessed the creation of neutral forums or arenas, such as the Ranmoor Forums, where the local civic elite where able to identify the problems and key issues of importance to the city. There also began to be an awareness of what the main focus or issues for the partnership should be, primarily these have been image management, inward investment, and the development of a long-term strategy for regeneration. In the second phase, we saw the continuation and development of these issues in more formal partnership organisations, such as SERC, SPL and Hallamshire Investments, which became key arenas of local public and private sector representation. We also saw within SERC, and indeed, SPL and Hallamshire Investments, the beginnings of an analysis of how to tackle the issues of importance that had been identified. This has continued into the third phase of partnership development, where Sheffield's local initiatives have had to work alongside those imposed by central government. More significantly in this phase however, has been the emergence of a strategy to pursue the goal of long-term economic regeneration - Sheffield 2000. This latter aspect has largely been untouched in this account, but it will be the focus of examination in subsequent chapters. Having elaborated the narrative context of Sheffield's partnership then, the following chapter will go on to consider the structure and composition of the partnership and its institutions.

## NOTES

1. Interview with local businessman, Int. 6 CD 21090.
   ———"——————————"———— Int. 20 CD 21191.
   Interview with CoC official    Int. 10 CD 291090.

2. Interview with Labour city councillor, Int. 2 CD 5790.

3.    ——————————"——————————"——————————"————————

4. Interview with representative of Anglican Church, Int. 22 CD
   291191.
   Interview with local businessman, Int. 7 CD 81090.
   Interview with Sheffield MP,     Int. 9 CD 101090.
   Financial Times, 8.9.89.

5. Interview with local businessman, Int. 7 CD 81090.

6. Interview with local businessman, Int. 6 CD 21090.

7. Interview with local businessman, Int. 1 CD 27690.

8.    ——————————"——————————"——————————"————————

9.    ——————————"——————————"——————————"————————

10. Interview with local authority officer, Int. 5 CD 12990.

11.    ——————————"——————————"——————————"————————

12. Interview with local businessman, Int. 4 CD 24790.

13. Sheffield City Council, Lower Don Valley Strategy, 1986.
    As revealed in Interview with local businessman, Int. 6 CD
    21090.

14. Interview with local authority officer, Int. 5 CD 12990.

15. Interview with representative of regional DoE, Int. 28 CD
    261092.

16.    ——————————"——————————"——————————"————————

17. Interview with local businessman, Int. 4 CD 24790.

18. Interview with Labour city councillor, Int. 15 CD 1691.

19. Interview with Labour city councillor, Int. 13 CD 25391.

20. Interview with Labour city councillor, Int. 1 CD 27690.

21. Interview with local businessman, *Int. 4 CD 24790.*

22. Interview with local union official, Int. 27 CD 261092.

23.     ------------"------------"-------------"---------

24.     ------------"------------"-------------"---------

25. M. Hesletine MP, quoted in The Sheffield Telegraph, 24.5.91.

26. Interview with Labour city councillor, Int. 3 CD 9790.

27. Clive Betts, quoted in The Sheffield Telegraph, 24.5.91.

28. Interview with local authority officer, Int. 5 CD 12990.

29. Interview with representative of regional DoE, Int. 28 CD 261092.

30. C. Betts, quoted on BBC Radio Sheffield, 31.7.91.

## CHAPTER SIX

## THE STRUCTURE AND COMPOSITION OF PARTNERSHIP FOR
## ECONOMIC REGENERATION IN SHEFFIELD

## INTRODUCTION

Chapter five offered an account of the rise of partnership for economic regeneration, and how the public and private sectors in the city began to co-operate and work together in the field of economic policy. Reference was made to partnership's participants, but its full compostion was not systematically outlined. The overall objective of this chapter is to outline the composition of partnership, and participation within it, both individually and organisationally. At the outset, it should be stated that there is no single organisational structure that characterises Sheffield's partnership for economic regeneration. Rather, it consists of a number of partnership bodies, partnership committees and partnership companies. Since 1986 these have included the Sheffield Economic Regeneration Committee; Sheffield Partnerships Limited; Hallamshire Investments; Sheffield Leisure and Recreation Trust; Universiade (GB) Ltd; the Hallam Group; Sheffield Regeneration Ltd; Sheffield Science Park Ltd; Sheffield Industry Business Technology Centre Ltd (SIBTEC); Sheffield Media and Exhibition Centre Ltd; the Sheffield Education/Business Partnership; Sheffield Training and Enterprise Council; and the Sheffield Development Corporation.

In many respects, partnerships's bodies and committees operate independently of each other with little in the way of formal mechanisms or channels of communication. Because the partnership lacks a clear conjoining structure, it is difficult to represent diagrammatically. A view residing within DEED conceptualises partnership in terms of the overlapping of various interests, which can be represented visually through the concept of a Venn diagram:

> I suppose the simplest definition...is the
> Venn diagram...up until about '85, '86...you
> take the two circles as being the interests
> of two different groupings, particularly the
> public sector - private sector, much of what
> happened tended to focus on the areas outside
> the overlap. And what happened was a gradual
> agreement...that it would be more productive
> for the agencies and for Sheffield to focus
> more on what was in the overlap, and to
> concentrate on finding areas where we could
> work together...Extending that then to mean
> more than just two circles but several circles
> ...[there was]...a partnership between all the
> agencies interested in the city.[1]

This conceptualisation of partnership illustrates the merging of the various agencies within the city (see Table 1), however it says little about how they are inter-related in organisational or individual terms, or how such inter-relations were formed. Perhaps the most appropriate way of conceptualising the partnership is by considering it as a loose web-like network of organisational and individual interests working in co-operation, but without an overall chain of command. In other words, amongst the myriad of agencies and actors operating under the banner of partnership no one agency or individual has overall control over any other organisation or individual. The main partnership body, SERC, may act as an

## TABLE (1) INSTITUTIONAL ACTORS WITHIN SHEFFIELD'S PARTNERSHIP FOR ECONOMIC REGENERATION

| SCC | BUSINESS | CENTRAL GOVERNMENT DEPARTMENTS |
|---|---|---|
| Members | Chamber of Commerce | Dept. of Environemnt |
| Officers | Chamber of Trade | Dept. of Trade & Industry |
| | British Steel (Ind) | |
| | Cutlers Company | |

| HE | TRADE UNIONS | SOCIAL/COMMUNITY |
|---|---|---|
| University | Sheffield Trades Council | Voluntary Sector Consultative Forum |
| Polytechnic | Associated Engineering Union | Sheffield Council For Racial Equality |
| | Manufacturing, Science & Finance Union | |
| | Confederation of Shipbuilding and Engineering Unions | |

### SUB-CENTRAL GOVT/AGENCIES

Sheffield Development Corporation

Sheffield Training & Enterprise Council

English Estates

institutional focal point for the partnership, and as a politically recognised space in which partners can discuss issues they consider relevant to the regeneration of the city, but it has no legal powers which allow it to determine members' actions. It has no power to mandate its constituent members to acquiesce to a particular course of action which does not have common agreement.

Other partnership organisations such as Sheffield Partnerships Limited and Hallamshire Investments operate as independent companies responsible only to their board of directors and shareholders, not (in theory) to the partnership at large. Additionally, (again in theory), agencies such as the SDC and the TEC, are more directly responsible to central government than they are to the partnership. Their powers of decision-making are inscribed in legislation and relate more to national urban policy than they do to partnership arrangements in Sheffield. That organisations such as SPL, Hallamshire Investments, the SDC and the TEC choose to act in concert with others in the partnership, such as the City Council and the Chamber of Commerce and work through SERC, is more a reflection of the inter-personal networks which have developed and the membership composition of all these organisations than it is a reflection of the organisational structure of the partnership.

The inter-personal relationships that exist within the partnership have evolved over a period stretching back to the mid-1980s. Chapter five argued that much of the early phase of the partnership was characterised by informal, but repeated, interaction between local

politicians, local authority officers, members of the business community, and individuals from what may be termed the intellectual or professional 'elite' within the city, coming together to discuss how to tackle Sheffield's economic and social problems. It also suggested that one of the features of these interactions was the dismantling of the political and ideological barriers erected between the City Council and the private sector in the early part of the decade. Certainly, in the early 1980s the City Council and the business community were offering different interpretations of the causes, consequences and remedies for Sheffield's industrial decline. The intention now is to make explicit the fact that this informal interaction was a process that worked to establish a network of public and private actors in the city, and which coalesced around the issue of regeneration.

## INFORMAL NETWORKS FOR REGENERATION

The Ranmoor Forums provided a space for interaction where those parties interested in the revitalisation of Sheffield's economy could meet and discuss their views and discover the ideas of others. As one senior business figure suggested:

> These were supper parties, a bit of a muck around,
> maybe a theme speaker...and I think these were
> extremely good. He [the Vicar of Ranmoor] got his
> Bishop involved, David Blunkett and the City Council
> people, prominent business people. I actually think
> that was quite a pivotal step in stopping the war.[2]

A key feature of these meetings was that they allowed the city's leading local politicians and members of the business community to meet regularly outside a politically sensitive arena or public

place, and begin to establish what areas of common ground existed

for them to work on. In essence, the beginnings of an understanding

arose around how to tackle the issue of regeneration. This process

was described in the following way:

> [discussions were] usually about Motherhood...
> you know non-controversial subjects...then you
> suddenly realise that your deeply held beliefs
> of what you want in the future are actually
> quite similar to the guy [sic] you believed was
> divided from you. So although those Motherhood
> subjects can be derided, in fact if you really
> mean them and get to the nub of things they're
> actually very important.[3]

The Ranmoor meetings are not the only examples of the development of

a series of exchanges between the public and private sectors which

led to the creation of a network of inter-connected individuals and

organisations concerned with the issue of the regeneration of the

city. The Chamber of Commerce's activities also worked to establish

a regeneration centred network. Chamber initiatives such as its

workshops on The Challenge and Privilege of Leadership in early 1986

sought to bring together the business community, local government,

education institutions, trade unions and the Anglican Church to

enable them to discover how they related to each other in their

concern for the regeneration of the city. As with the Ranmoor

meetings, such an occasion provided further impetus to the

establishment of common ground and potentially common goals for

economic regeneration. Similarly, the Chamber's Image Working Party

was a forum in which the public and private sectors could determine

an approach to improving people's perceptions of Sheffield in an

attempt to boost the level of inward investment in the city.

Overarching this activity, the year long industry campaign in 1986 allowed the Chamber to support networking initiatives by running civic events and dinners in order to enhance the new relationships which were beginning to emerge. According to the then President of the Chamber of Commerce:

> ...the sort of things we set up were a meeting
> once a month with the City Council at the Cutlers'
> Hall. Eight O'Clock every first Monday of the Month
> to find out what the latest exciting thing in Sheffield
> is, we have many of these meetings.[4]

As far as he was concerned, it was this pattern of interaction throughout 1986 which, 'changed people from councillor Clive Betts to Clive, from councillor David Blunkett to David, we became friends during that year'.[5]


Many of the meetings between public and private actors in this initial phase of the partnership were of a public, if informal kind. However, they were public only in the sense that they were not kept secret, not in the sense of being open to the general public. Nearly all the respondents interviewed in the course of the research, revealed that they had engaged in private meetings with members of the emerging partnership, or if they had not, suggested that such meetings had taken place. The importance of private meetings was alluded to by Richard Field, in his lecture to the Royal Society of Arts (Field, 1989) where he suggested that areas of agreement between partners were made public, whilst areas which produced disagreement were 'discussed in private behind closed doors'. This is a telling comment on the emergent partnership, for it states quite openly, if perhaps inadvertently, that private

meetings were important parts of the decision-making process in the city, particularly when it came to those issues upon which it was difficult to reach a consensus. It is of course impossible to fully comprehend what went on in these meetings, but it would be difficult to imagine that such contact was not significant, even if it only added to the creation of a network of individuals and agencies concerned with Sheffield's economic regeneration that was simultaneously occurring through informal, but public, initiatives. Indeed, many of those interviewed commented on the extent to which such liaisons were influential in establishing good interpersonal relationships, as well as augmenting the thrust of the more public meetings in the city.

The following quotes, two from the public sector, one from the private sector, and one from a trades union official should help illustrate this point. They are not intended to be representative of all private meetings and links, but do highlight the extent to which they were seen to be important. First, the comments of a leading city councillor of the time:

> [in the early 1980s] we were intrigued by, concerned about how we dealt with the private sector, but the links, the personal links weren't there and we weren't being pushed so much until later in the '80s to say you must work with the private sector...It was later in the '80s when they [central government] said you must work with the private sector in the area of development...I think it was at that time, the '87 election, when we realised we were going to lose again. We said well we're not going to have any money, we can't sit here and do nothing. So we talked the issues over and we gradually made relationships with the private sector, sort of Clive, Howard and myself going out drinking with the likes of Norman Adsetts and Richard Field. I mean, initially it was on that level.[6]

This private link with two of the leading figures in the business community formed one connection. It was supplemented by another involving senior members of the academic institutions in the city:

> The other area of course is the Polytechnic and the
> University. They were involved through John Padley
> and John Stoddard. There was another example, Clive
> and I, and Howard, and Malcolm Newman, used to go and
> play squash against Jack Hobbs and John Stoddart from
> the Polytechnic, and you know talk issues over afterwards.
> So those sort of networks were quite important and took
> it forward.[7]

Similarly, within the private sector, the importance of establishing private contacts with 'like-minded' people over the issue of regeneration is implicit in the following quote from a leading business person who came to Sheffield in the mid-1980s:

> I met this Sheffield that was very demoralised and
> curiously I also met one or two newcomers who felt
> the same way...the first people were from the Poly-
> technic. That was my first realisation that as low
> as Sheffield was there were people that wanted to
> do something about it, could do something about it.
> The first one was Jack Hobbs, who was the assistant
> Principal at the Polytechnic...I must have met him
> socially. I became a council member of the Chamber.
> I joined the forum of the engineering federation...
> That was a pretty good forum and a number of people
> coming in each month to meet each other...[and]...
> very soon I found myself on the Polytechnic board of
> governors. After I met Jack I met John Stoddart, and
> they had both come to the area fairly recently.[8]

Trades union links into the emerging regeneration network were also alluded to:

> The trade union movement and the Labour movement are
> very close in this city. There are informal contacts
> in the sense that people know each other...The senior
> people inthe union movement and the Labour movement
> would have very little trouble having a chat over a
> pint to sort something out...The trade union movement
> and the business community know each other, but going
> out for a drink is a lot less common. Partnership has

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broken a few of those barriers down, and made informal
or off the record comment and discussion easier.[9]


By the end of 1986, the groundwork for much of the partnership had been laid with individual to individual contact and the repeated use of informal meetings firmly establishing the main players and the parameters in which they could operate. What began to emerge was a network of partnership cognoscenti constructed around interlinking individuals and organisations, with new partnership institutions developing and linked by and through that cognoscenti, which was:

> ...the product of meeting after meeting, group after
> group sitting down with eight or nine people actually
> talking to each other.[10]


## FROM INFORMAL TO FORMAL NETWORKS

The successful development of a fledgling network of public and private sector individuals concerned with the issue of the regeneration of the city can be guauged by the extent of organisational and individual cross-memberships within the formal or institutionalised outcomes of the initial phase of the partnership. To illustrate such inter-connections we will examine the compositions of five partnership institutions - SERC; Sheffield Partnerships Limited; Hallamshire Investments; Sheffield Leisure and Recreation Trsuts; and Universiade (GB) Ltd; one Business Leadership Team (the Hallam Group), developed locally in conjunction with Business in the Community; and two central government inspired organisations, the Sheffield Development Corporation and the Sheffield Training and Enterprise Council. These organisations have

been chosen because they represent the most high profile partnership organisations, but also because they are a combination of locally inspired and centrally imposed institutions. Given that these institutions represent a combination of local and central impulses (with potential for conflict between them), the extent to which it can be shown that the composition of each organisation is similar helps to illustrate the extent of institutional and individual integration within the partnership.

## Sheffield Economic Regeneration Committee

The Sheffield Economic Regeneration Committee was set up in December 1986 in an attempt to consolidate the movements towards partnership which had been developing in the preceding twelve to eighteen months (see chapter five). Its function was to act as a forum in which interested parties could formally exchange ideas and information in a publicly acknowledged arena, and through which the emerging partnership could be symbolically expressed. As one interviewee related, jokingly but not unimportantly, about the emergence of SERC:

> You couldn't do everything on a night's drinking with Richard Field and Norman Adsetts. It became the formal public expression of the partnership, and indeed all the early discussions took place in SERC. That's where some of the moves towards links at officer level [began] because officers are in on that, came on as well as politicians. And some of the discussion that had gone on in private then went on in SERC, and you were able to get public comment back, Party comment, union comment, private sector comment.[11]

Initially, the committee included those groups which had previously

articulated their concerns for the economic well-being of the city in more informal, less public spaces: the City Council; the business community (Chamber of Commerce and British Steel Industry); the trade unions; and higher education institutions. Central government was represented through the regional offices of the Department of Environment and Department of Trade and Industry, and at 'arms length' through the Manpower Services Commission and English Estates (SERC mins, 19.12.86; 23.1.87).

Table (2) lists the particular organisations and individuals that have sat on the committee and the representative capacity in which they have appeared. The table reveals the extent to which the committee is dominated by representatives from the City Council (councillors and officers) and the local business community (mainly the Chamber of Commerce). This is perhaps not surprising given that SERC was a Council inspired initiative, and had as its initial preoccupation the economic regeneration of the Lower Don Valley. Similarly with the business community, those participating in SERC were primarily those who had been involved in earlier less formal meetings about the state of the city's economy. Trade union representation on the committee, through the Trades Council, MSF and Confederation of Shipbuilding and Engineering Unions, was also based on accepting the need for a partnership approach in countering the decline of traditional employment opportunities in the city. Indeed, the trade unions initial participation in SERC was was certainly supportive of the plan for the regeneration of the Lower Don Valley:

**TABLE (2)   SERC REPRESENTATIVES 1986 - 1991**

| SCC | CoC | DOE/DTI | SDC/TEC | HE |
|---|---|---|---|---|
| H.Jackson | N.Adsetts | J.Ballard | H.Sykes[1] | J.Stoddart |
| B.Jordan | J.Hambidge[2] | H.Gallagher | K.Beaumont[3] | J.Hobbs |
| M.Buckley | P.Cornick | H.Adamson | P.Moss | J.Padley |
| S.Jones | B.Smith | B.Vause | S.Khan | R.Handscombe |
| D.Skinner | D.Lyon | E.Shmule | R.Field[4] | |
| C.Betts | B.Stokes | K.Lussey | J.Power[5] | |
| D.Blunkett | P.Newman | | | |
| M.Robinson | P.Bolton[2] | | | |

**SCC Officers**

J.Darwin

D.Sequerra

C.Freeguard[6]

D.Child

| TU | MPs | SOC/COM | CHURCH | MISC |
|---|---|---|---|---|
| M.Frizelle[7] | R.Caborn | P.Bagshaw[8] | Can. M.West[9] | J.Derbyshire[10] |
| K.Long[11] | | S.Thakur[12] | | P.Wilbourne[10] |
| B.Flannary[11] | | | | M.Reynold[13] |

**CoT**

S. Charles

R. Thompson

1. Has also represented the CoC;   2. CoC official;   3. Has also represented the DoE;   4. Has also represented the CoC;   5. Chief Executive, TEC;   6. Appointed SDC Planning Director, Summer 1988; 7. MSF;   8. VSCF/SCRE;   9. Sheffield Council of Churches;   10. English Estates;   11. STC;   12. SCRE;   13. Training Agency.

We needed to be involved in decisions about whether
the old industries were left to decline or whether
they were supported... Part of that meant finding
common ground with others, we had to join in and
build alliances. I don't think we had any alternative
to working on this stage.[12]

Because SERC was the first formal partnership organisation within
the city, it has acted as a magnet in attracting a wide
constituency. It has been an organisation to which everybody with
an interest in the regeneration of the city either wished to belong
or considered it necessary to belong, in order to be seen to be
contributing to the regeneration debate. However, as the remit and
sphere of operation of SERC has changed over time, new members have
been brought onto the committee, for instance voluntary and
community organisations (SERC mins, 26.11.87; 7.12.87), and
representatives from the local police and health authorities (SERC,
promotional leaflet, undated). Additionally, the need to belong to
the committee has not remained as important for all participants in
the partnership. However, in the first two years of its existence
most 'interested' parties wanted to belong to it, or be recognised
by it. (see chapters eight and nine for a discussion of these
issues). Despite such organisational and individual changes in
membership and participation, the broad membership of SERC has
remained relatively stable. As such, it provides the best location
from which to begin to identify the extent to which particular
individuals and organisations within the city were participating in
other partnership institutions - that is, the extent of personal

and organisational cross-membership within the networks of partnership.

## Sheffield Partnerships Limited

Sheffield Partnerships Limited, set up in March 1988 to organise the promotional aspects of the partnership, (see chapter five) has a membership which acutely reflects its own parentage and the make-up of the regeneration committee. Table (3) lists the compositional structure of the board of directors and their institutional affiliation. The table highlights the extent to which SPL has been dominated by city councillors and members of the business community affiliated to the Chamber of Commerce. Councillors such as Helen Jackson, Bill Jordan and Mike Buckley have all been SPL directors, but they have also all been prominent members of the regeneration committee, indeed Helen Jackson was its Chair. Similarly, business community SPL directors such as Norman Adsetts, Vernon Smith, Rowland Walker and Peter Newman also participated SERC's deliberations either as representatives of the Chamber of Commerce or British Steel (Industry), as in the case of Vernon Smith.

There was then a significant degree of overlap between SERC and SPL both in terms of institutions and individuals. In part, this is because the origins of SPL can be traced back to the Chamber of Commerce's Image Working Party, whose task had been to tackle the problems of Sheffield's poor image and dearth of private sector investment. Indeed, Norman Adsetts, the Chair of the working

## TABLE (3)   SPL BOARD of DIRECTORS   1988 - 1991

| SCC | CoC | SDC | INDEPENDENT |
|---|---|---|---|
| H.Jackson | N.Adsetts | H.Sykes | M.Corner[1] |
| J.Jamison | J.M.Smithies | G.Kendall[2] | B.Smith[3] |
| D.Heslop | J.Hambidge[4] | | P.Jagger[5] |
| B.Jordan | D.Nice | | V.Smith[6] |
| M.Buckley | R.Walker | | |
| P.Horton | P.Newman | | |

1. Editor, The Sheffield Star.
2. SDC Chief Execurtive post Garlick Inquiry.
3. Chief Executive, SENTA.
4. CoC official.
5. Regional TUC official.
6. Chief Executive, British Steel (Industry) Ltd.

party, who had been instrumental in setting it up, took-up the position of Chair of the SPL board. However, the overlap was also a consequence of the formalisation of the Image Working Party within SERC, and the City Council's own efforts to address the problem of image. The company was an extension of these activities designed, as it was, to act as an independent industrial and commercial public relations agency using public and private expertise to revitalise the internal and external perceptions of the city.

Initially, the company was composed of a board of seven directors - three public sector, three private sector and one independent representative - with funding split equally between the City Council and the Chamber of Commerce. However, in 1989 the articles of association of the company were changed to allow for an increase in the number of directors in order to accommodate the newly installed Development Corporation. The most significant feature here was that by changing the rules of what had become Sheffield's most outwardly visible sign of partnership, SPL was able to incorporate a key player both individually and institutionally. One consequence of this was a change in the funding mechanism of the company. Gradually, the Development Corporation began to finance more and more of the company's activities, and in so doing it began to dictate the pattern of promotional work that SPL undertook. (see chapter nine). Additionally, by accepting Hugh Sykes, the Chair of the Development Corporation, onto the board (he had also been admitted into the regeneration committee) further formal connections were established.

## Hallamshire Investments

In the case of Hallamshire Investments the inter-connections are equally visible. The company was formed in August 1988 as a financial institution designed to encourage and develop local economic initiative and enterprise (see chapter five). It was established on a partnership basis under the auspices of public and private sector individuals in the city. Table (4) lists the directors of the company and their institutional background.

The striking feature about this table is the number of private sector individuals on the board. This is perhaps not surprising, given that the company was a private sector driven initiative designed to illustrate the business community's specific efforts to regenerate the city. What also emerges is the extent to which the particular individuals within the private sector are beginning to appear repeatedly within partnership organisations. For example, Norman Adsetts was a director of Hallamshire Investments as well as the Chair of SPL, and a Chamber of Commerce representative on SERC. Vernon Smith and Rowland Walker, both directors of Hallamshire Investments, were also board members of SPL as well as holding representative positions on the regeneration committee, with Vernon Smith being its deputy chair. Similarly, Hugh Sykes, the 'architect' of Hallamshire Investments, was also a Chamber of Commerce representative on SERC, and by the time the company became operational was installed as the Chair of the Development Corporation - a link which was to prove troublesome and raise serious questions about conflicts of interest over Sykes' role as

## TABLE (4)  HALLAMSHIRE INVESTMENTS LIMITED

| SCC | BUSINESS | HE |
|---|---|---|
| C.Betts | R.Field[1] | J.Padley |
| S.Jones | H.Sykes[2] | |
| M.Newman[3] | N.Adsetts | |
| | R.Walker | |
| | V.Smith | |
| | N.Jeffery | |
| | M.Jelly | |
| | D.Stone | |
| | P.Wright | |
| | P.M.Wright | |
| | J.F.Hewson | |
| | D.S.Cammerman | |
| | D.Firth[4] | |
| | G.Shepard[5] | |
| | M.D.Rees | |

| TU | MISCELLANEOUS |
|---|---|
| D.Simpson[6] | J.Hattersley[7] |

1. Also TEC Chair.
2. Also SDC Chair
3. Sheffield City Council Treasurer.
4. Finance Director.
5. Chief Executive.
6. AEU.
7. South Yorkshire Pensions Fund.

Chair of both organisations (see chapter nine for a detailed discussion of this).

From the public sector the directors included Clive Betts, leader of the City Council, Steve Jones[13], chair of the Education Programme Committee, and Malcolm Newman, City Treasurer. Betts, as leader of the Council, had been active within debates on SERC and many of the informal meetings between public and private sector in the early stages of the partnership. Malcolm Newman had also been instrumental in setting up Hallamshire Investments, working with Hugh Sykes and Vernon Smith to undertake the preparatory work necessary to develop the company. In the event, Hallamshire Investments was set up under the auspices of a steering group composed of public and private sector representatives from SERC, some of which such as Sykes, Smith, Adsetts, Newman and Betts were to become its directors.

Sheffield Leisure and Recreation Trust

The membership compositions of Sheffield Leisure and Recreation Trust (SLRT) and its subsidiary, Universiade GB Ltd also illustrate the extent to which particular public and private sector individuals were repeatedly becoming aligned in partnership organisations. Briefly, SLRT was set up in March 1988 to manage the future use of, and provide the facilities for, the World Student Games. Its origins lay in the work of a public-private Games organising committee which operated between 1986-1988. SLRT had developed as a consequence of a political necessity to have the City Council more

## TABLE (5)    SHEFFIELD LEISURE & RECREATTION TRUST - GOVERNORS

| BUSINESS | TRADE UNIONS | MPs |
|---|---|---|
| B.Stokes | P.Jagger (Regional TUC) | R.Caborn |
| R.Field | | |
| B.E.Smith | | |
| R.Walker | | |
| H.Sykes | | |


## TABLE (6)    UNIVERSIADE GB LTD - DIRECTORS

| SCC | BUSINESS |
|---|---|
| C.Betts | B.Stokes |
| P.Price | N.Adsetts |
| J.Barton | D.Lyon |
| Alternate: | Alternate: |
| H.Knight | J.Hambidge[1] |
| S.Jones | R.Walker |
| V.Nicholson | |

1.  CoC official.

overtly in control of the organisational process (see chapters five and nine). The Trust was managed by governors from the City Council, local business community, regional TUC, and a Sheffield MP.

By comparing Table (5) with the preceding ones the extent to which we see a repetition of names, particularly from the private sector, within this partnership body, becomes clear. Governors such as Richard Field, Hugh Sykes, Rowland Walker, and Bev Stokes had all held positions within other partnership organisations. Similarly, SLRT's trades union governor - Paul Jagger, Yorkshire and Humberside TUC regional officer - held this position, as well as being an 'independent' director of SPL, and was the TUC representative on the regeneration committee. When we consider SLRT's operating subsidiary, Universiade (GB) Ltd., familiar names also emerge (Table 6). From the private sector directors included: Norman Adsetts, Bev Stokes, Rowland Walker and John Hambidge, whilst those from the public sector included councillors Clive Betts, Steve Jones and Howard Knight. What is apparent is that in terms of their membership, both SLRT and Universiade (GB) Ltd. were typical of other partnership initiatives that began to emerge in the city between 1986 and 1989.

The Hallam Group

Another organisation which reflected the general pattern of membership in Sheffield's partnership bodies was the Hallam Group. Effectively, this was a regional Business Leadership Team (BLT) for

the city set-up as part of Business in the Community's national

urban regeneration programme. The group was formed in November 1989

under the direction of Hugh Sykes and Richard Field, with a remit to

'support and co-ordinate' the city's regeneration projects. This it

sought to do by harnessing the 'skills and resources of Sheffield's

key players to tackle the challenges' that faced the city (Sykes,

quoted in the The Sheffield Telegraph, 1.12.89). Primarily, the

Group was a forum for discussing initiatives and projects with which

its members were involved:

> You spend two minutes just giving your up-date on what
> your project is, and at the end you have a discussion.[14]

The Hallam Group included not only those businessmen already steeped

in the activites of the partnership such as Norman Adsetts, Richard

Field, Bev Stokes and Hugh Sykes, but also other business figures

such as Eddie Healy (the developer of Meadowhall) and John McGee

(the then Master Cutler) who were not involved in other partnership

initiatives. The Hallam Group also included senior figures from the

University (Chancellor and Vice-Chancellor) and Polytechnic

(Principal), and the chief executive and treasurer of the City

Council.


The Development Corporation and the Training and Enterprise Council

One interesting feature of the membership compositions of

Sheffield's partnership organisations is that to a large extent the

boards of the Sheffield Development Corporation and the Training and

Enterprise Council were populated by Sheffield based individual and

institutional actors, particularly those already participating in

## TABLE (7)  SDC BOARD MEMBERS 1988-1991

| SCC | BUSINESS | HE | TU | SOC/COM |
|---|---|---|---|---|
| H.Jackson | H.Sykes | G.Roberts | - | - |
| D.Skinner | N.Adsetts | | | |
| M.Buckley | R.Field | | | |
| J.Fiore | C.McNamee | | | |
| D.Heslop | R.Walker | | | |
| | P.Newman | | | |

### MISCELLANEOUS

Lord Mulley

Lady Parks

other initiatives. This <u>merging</u> of Sheffield based individuals and institutions with centrally imposed mechanisms for tackling the problems of urban regeneration avoided a potential rupturing of the networks and interconnections which had developed in the city. This merger can clearly be seen in initial board membership of the Development Corporation detailed in Table (7). One sees the names of Hugh Sykes (Chair), Norman Adsetts, Richard Field, Rowland Walker, Peter Newman alongside those of councillors Helen Jackson of Hugh Sykes (Chair), Norman Adsetts, Richard Field, Rowland Walker, Peter Newman alongside those of councillors Helen Jackson and David Skinner - all heavily involved in other partnership initiatives. This was the result of an already established pattern of public-private interaction in the city, which was capable of bringing its influence to bear on the structure of the Development Corporation. Such channels of interaction existed both at an informal level (see above) and at a formal level through SERC. Indeed, the regeneration comittee was the base from which directors of the SDC were drawn. This was acknowledged within the regional office of the DoE:

> SERC provided the nucleus of people for the UDC, SERC was already there. There were a number of people already involved in the regeneration process, so it was a natural place for the Department to look for potential board members.[15]

The constitution of the board of the Training and Enterprise Council is equally revealing about the extent to which the same individuals were participating in public-private partnership activities in the city. Table (8) lists the TEC's board membership and their organisational affiliation. Again, what stands out is the extent to

## TABLE (8)   TEC BOARD of DIRECTORS   1989 – 1991

| SCC | BUSINESS | HE | TU |
|------|-----------|------|------|
| S.Jones | R.Field | J.Stodart | M.Frizelle |
| B.Jordan | H.Sykes | | D.Simpson |
| | D.Lyon | | |
| | J.Power[1] | | |
| | M.Pupius[2] | | |
| | P.Horsepool[3] | | |
| | D.Liversage[4] | | |
| | J.Morris[5] | | |
| | D.Stone[6] | | |
| | M.Perkins[7] | | |
| | J.Hunt[8] | | |

1. TEC Chief Executive.
2. District Head Postmaster, Royal Mail.
3. Managing Director, Ackroyd and Abbott Plc.
4. Chief Executive, G W Thornton Holdings Plc.
5. Managing Director, Jan Morris and Associates.
6. Managing Director, Stocksbridge Engineering.
7. Investment Director, 3Is Plc.
8. Senior Partner, Wake Smith and Co.

which we see a repetition of names - Richard Field (Chair), Don Lyon, Hugh Sykes from the private sector, and Steve Jones and Bill Jordan from the City Council. The trade unions have also participated in the TEC and have representation on its board of directors. Again, however, we see that those who represented the unions were already connected with the partnership, for example MSF union official Mike Frizelle was a representative on SERC, whilst Derek Simpson of the AEU, was also a director of Hallamshire Investments. Similarly, other TEC board directors were also involved in other partnership activities - John Stoddart, Principal of Sheffield City Polytechnic, was a member of SERC and David Stone, Managing Director of Stocksbridge Engineering Steels, was a director of Hallamshire Investments.

Within SERC there was discussion over the extent to which the TEC could be established on a partnership basis, and whether the City Council's initial hostility to increased private sector involvement in training would jeopodise the TEC being integrated into the partnership (see chapter five). In the event, the TEC was established within the general framework of the partnership (although more heavily weighted in favour of the private sector as a consequence of central government dictate), and illustrates again the extent to which existing partnership mechanisms were used to incorporate these centrally imposed institutions within existing structures. This is not to imply that the TEC, or indeed the SDC, were introduced into the city without problems. Indeed, accounts given elsewhere in this thesis have suggested otherwise. However,

what should be stressed is the extent to which locally inspired partnership arrangements which had been established, or were in the process of being established, between 1986 and 1988, provided a mechanism for accommodating what were, to the partnership, potentially disruptive organisations.


CONCLUSION

The preceding analysis has outlined the structure of partnership in Sheffield, and has illustrated the nature of representation on the institutions of the partnership. Within the city there is a partnership network populated by local individuals and organisations built on specific institutions within which local organisations and individuals meet repeatedly to discuss the regeneration of the city. Tables (9 ) and (10) are an amalgam of the previous tables and illustrate the extent of inter-linkage between institutions, by listing those individuals who are connected to two or more of the partnership organisations discussed above (Table 9), and the degree of representation of locally based organisations in seven institutions of partnership. They demonstrate that the points of formal inter-connection within the partnership are multiplicitous, channelled by, and through, the partnership nexus.


The City Council and the private sector (largely represented through the Chamber of Commerce), are the predominant institutions with representation in the network of partnership organisations. In terms of councillors we see the names of Betts, Skinner, Jackson, Jones, Buckley and Jordan. From the private sector we see the

## TABLE (9) INDIVIDUAL REPRESENTATION ON SEVEN PARTNERSHIP ORGANISATIONS

| | SERC | SDC | TEC | SPL | HI | SLRT | UNGB |
|---|---|---|---|---|---|---|---|
| **SCC** | | | | | | | |
| Betts | + | | | | + | | + |
| Buckley | + | + | | + | | | |
| Jackson | + | + | | + | | | |
| Jones | + | | + | | + | | |
| Jordan | + | | + | + | | | |
| Skinner | + | + | | | | | |
| **BUSINESS** | | | | | | | |
| Adsetts | + | + | | + | + | | + |
| Field | + | + | + | | + | + | |
| Hambidge | + | | | + | | | |
| Lyon | + | | + | | | | + |
| Newman | + | + | | | + | | |
| Stokes | + | | | | | + | + |
| Stone | | | + | | + | | |
| Sykes | + | + | + | + | + | + | |
| Walker | + | + | | + | + | + | |
| **HE** | | | | | | | |
| Padley | + | | | | + | | |
| Stoddart | + | | + | | | | |
| **TU** | | | | | | | |
| Jagger | + | | | + | | + | |
| Frizzell | + | | + | | | | |
| Simpson | | | + | | + | | |
| **MPs** | | | | | | | |
| Caborn | + | | | | | + | |

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TABLE (10)  INSTITUTIONAL REPRESENTATION ON SEVEN PARTNERSHIP
ORGANISATIONS

|  | SERC | SPL | TEC | SDC | HI | SLRT | UNGB |
|---|---|---|---|---|---|---|---|
| SCC | + | + | + | $+^1$ | $+^1$ | x | + |
| CoC | + | + | + | $+^1$ | $+^1$ | + | + |
| DOE/DTI | + | x | x | x | x | x | x |
| SDC | + | + | – | – | x | x | x |
| TEC | + | x | – | – | x | x | x |
| TU | + | + | + | x | + | + | x |
| HE | + | x | + | + | + | x | x |
| CHURCH | + | x | x | x | x | x | x |
| MPs | + | x | x | x | x | + | x |
| SOC/COM | + | x | x | x | x | x | x |

Key: + Has representation.

x No representation.

1. Representatives are there as individuals and not as
representatives of their parent organisations.

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repeated presence of people such as Norman Adsetts, Richard Field, Bev Stokes, Hugh Sykes, Vernon Smith, Don Lyon, Rowland Walker and Peter Newman. Similarly, the same representatives from the trade unions (both local and regionally based officials) and higher education institutions in the city are scattered throughout the institutions of the partnership, with representation on at least two of the institutions considered. What is also clear is that the representation of community and voluntary groups within the partnership has been less encompassing. Indeed, although community and voluntary groups have been accorded representation in the partnership, their participation and linkage with other participants is formalised largely through their incorporation into SERC, the umbrella organisation of the partnership (see chapter eight).

Clearly, evidence of representation or participation within partnership institutions has to be treated with some caution. It enables us to identify who participates, and it allows us to suggest that there are individuals in the city who appear repeatedly throughout public-private deliberations. However, some individuals have been important to the development and maintenance of the partnership but do not appear repeatedly within its insitutions. This is particuarly the case with senior Council officers such as Dan Sequerra (director DEED), John Darwin (assistant director/director DEED), Dave Child (officer DEED/SERC), Ron Barrowclough (central policy unit), and Rod Jones (director Department of Land and Planning. Moreover, stating who participates tells us little about the extent to which those participants have

been able to shape the regeneration agenda. Although membership of organisations and the existence of institutional linkages are important in furthering our understanding of local public-private co-operation in Sheffield, it is within a framework of the <u>politics</u> of the partnership, that we begin to understand the dynamics of public-private interaction and the nature of local economic regeneration policy which that interaction entails.

## NOTES

1. Interview with local authority officer, Int. 5 CD 12990.

2. Interview with local businessman, Int. 7 CD 81090.

3. ──────────"──────────────"──────────

4. Interview with local businessman, Int. 6 CD 21090.

5. ──────────"──────────────"──────────

6. Interview with Labour city councillor, Int. 15 CD 1691.

7. ──────────"──────────────"──────────

8. Interview with local businessman, Int. 7 CD 81090.

9. Interview with trade union official, Int. 27 CD 261092.

10. Interview with local businessman, Int. 1 CD 27690.

11. Interview with Labour city councillor, Int. 15 CD 1691.

12. Interview with trade union official, Int. 27 CD 261092.

13. Although a director of Hallamshire Investments, Councillor Jones was never an 'active member' of the company. Letter to author, 7th October 1992.

14. Interview with local businessman, Int. 6 CD 21090.

15. Interview with regional representative of the DoE, Int. 28 CD 261092.

## CHAPTER SEVEN

## TOWARDS PUBLIC-PRIVATE PARTNERSHIP AS A POLICY APPROACH: ECONOMIC REGENERATION POLICY IN SHEFFIELD SINCE 1985

## INTRODUCTION

Throughout the 1980s a combination of de-industrialisation and successive urban policy initiatives facilitated the development of public-private co-operation in economic development. Similarly, restrictions on the financial base of local government and a reduced local autonomy have helped reshape the urban policy environment. Falling resources, capital controls, and local government legislation have made local authorities more receptive to collaborative working arrangements in the reconstruction of their economies. Urban policy has consistently sought to increase business involvement in the regeneration process and 'lever' in more private sector investment (see chapter three). Unequivocally, the national political response to the deindustrialisation of Britain's manufacturing cities is the context in which local developments have occurred. Local authorities in the inner cities and urban areas have had to operate within a policy environment that has drawn them into establishing more formal links with private sector organisations. Sheffield, like many other industrial cities in the mid-1980s sought to combat its economic problems through the creation of political mechanisms designed to draw on the resources of the private as well as the public sector.

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By the mid-1980s, Sheffield's radical economic policies had apparently given way to a different form of economic policy - that of partnership. A number of commentators (Cochrane, 1988a & b; Fazey, 1989; Lawless, 1990; Lawless and Ramsden, 1990; Seyd, 1990) have noted this apparent about-face in political direction characterising the change in terms of 'radical intervention to partnership' or 'radicalism to entrepreneurialism (Lawless, 1990; Seyd, 1990). The general tenor of these commentaries is that in the middle of the 1980s Sheffield's recent economic past was transformed into a less radical, more traditional form of economic policy in which co-operation between the public and the private sector in regenerating the local economy was emphasised as much as the unitary role of the public sector had been earlier in the decade. However, conceptualising the changes in Sheffield over the 1980s in terms of 'radical intervention to partnership' or 'radicalism to entrepreneurialism' paints only part of the picture. Such accounts (Fogarty and Christie, 1990; Lawless, 1990; Lawless & Ramsden,1990; Seyd 1990), whilst acknowledging change, produce analyses that miss the degree to which the realignment of economic policy was part of a wider process of political and economic restructuring within the local state - the transformation of a system of local government to that of local governance involving a range of public and private sector actors working in co-operation.

This chapter analyses the emergence of partnership as a policy approach towards economic regeneration. By focussing on the nature of economic policy in Sheffield since the mid-1980s, it examines the

relationship of Sheffield's Labour Council to measures for policy co-operation with the city's business community. The chapter analyses the evolution of a partnership approach to policies for economic regeneration within the City Council and Sheffield's business community. It also considers how we may conceptualise economic policy in this period. For instance, can we characterise it in terms of a change from 'radical intervention' to 'entrepreneurialism', or is there a greater degree of continuity with the approach to economic policy pursued in the early 1980s than such short-hand analytic phrases suggest?

## LOCAL AUTHORITY ECONOMIC POLICY SINCE 1985: CHANGE AND CONTINUITY

Changes in political leadership are often seen as key mechanisms for altering political ideologies. The emergence of a new leader for Sheffield City Council's ruling Labour Group is one such event identified as having been an important contributory element in the development of more conciliatory relations between the City Council and the local business community (Lawless, 1990). David Blunkett, leader of the Council between 1980-1987, and the main exponent of Sheffield's form of 'local socialism' and radical economic policies, was elected to Parliament in May 1987. He was replaced as leader of the Council by Clive Betts. Some commentators have seen this in hindsight as a significant change, arguing that Betts 'proved to be a pragmatic leader...of an authority that increasingly adopted collaborative relationships with business' (Lawless, 1990;143). Certainly, the media image of Clive Betts is one of a more conciliatory and less conflictual leader than David Blunkett, and it

is the case that under his leadership the Council has moved nearer the private sector than was the case with the Blunkett administration. If the change meant anything, it was that in the view of the private sector, Betts was not so closely associated as Blunkett with the public rows between City Council and business community, and the antagonism between the Council and central government over the issue of rate-capping.

However, it would be wrong to assume that a leadership change was a prerequisite for a change in approach to economic policy. Indeed, the move towards partnership as economic policy did not suddenly begin with the arrival of a new leader in the Town Hall. Conversely, the initial moves towards a reoriented economic policy began under David Blunkett's leadership. For example, the most significant institutional manifestation of this reorientation, the Sheffield Economic Regeneration Committee (SERC) was set up in December 1986. The establishment of this committee reflected the belief, particularly within the political leadership in the Labour Group, that an institutional capacity had to be generated in order to continue the fledgeling and informal partnership initiatives which had been developing both inside and outside of the Council in the city throughout 1986 (see chapter five).

Just as the realignment of economic policy began under the Blunkett administration, some of the key political positions within the council were still occupied by the same people under both Blunkett's and Betts's administrations. Helen Jackson, who became chair of

the Employment Programme Committee in 1983 (at the height of Sheffield's economic radicalism), was still chair of that committee until her resignation from the Council in 1991. Similarly, David Skinner held the position of Chair of the Planning and Transportation Programme Committee throughout most of the decade. Both Jackson and Skinner occupied a position on the left of the Party and were influential members of the ruling Labour Group. As with the argument about the significance of the move from Blunkett to Betts, it is difficult to countenance a change in personalities in key political positions as a significant precursor to economic partnership - mainly because there was so little change in the personnel who occupied those positions. Change in the political leadership had little effect on these key committee positions, and to view the movement towards partnership as simply the product of different leaders' attitudes misrepresents the unfolding of that process:

> I think David [Blunkett] has felt that Clive
> [Betts] got a lot of the credit for things
> that had been started under him. Or, that there
> was this new realism and it was different under
> Blunkett. I mean, it was not true at all. The
> rate capping issue apart, there was no difference.
> It was an evolution through the circumstances,
> not through the people.[1]

If change in political personalities is not as significant as some commentators have suggested, how important was a change in one of the key management positions within the Council - the appointment of a new Director of the Employment Department? Lawless (1990) comments: 'Other key changes in personnel occurred. The first head

of the Employment Department left and was replaced by a less ideological figure' (p.143). This statement is left standing without any further explanation, getting us no nearer an evaluation of the significance of the change. The implication is that this 'less ideological figure' ushered in a new approach to economic policy, characterised by conciliation rather than conflict with the private sector, because of his political outlook.

Unquestionably, John Bennington, the Department's first Director (or co-ordinator) was overtly sceptical of the role that the private sector had to play in regenerating the local economy and providing employment opportunities. Bennington effectively built the Department from scratch, setting the work programme and co-ordinating its various initiatives. Steeped in the experiences of the Community Development Projects, and the insights offered by the theoretical framework of of the local state literature of the mid to late 1970s, under his tutelage the Department became the bastion of the City Council's radical policies. However, his successor, Dan Sequerra, if not as theoretically motivated, was no less a figure of the left. Prior to his appointment as Director of the Employment Department in 1985, Sequerra had been Chair of the District Labour Party, and deputy chair between 1979-1983, as well as being on the executive of the Sheffield Trades Council and a trades union negotiator. His appointment was as equally controversial as Bennington's and it was the subject of much debate in the local press and criticism by local Conservative and Liberal-Democrat opposition parties.

It is difficult to square the move towards partnership in economic policy with this change in personalities. However, the change was important, not because Sequerra was less ideological or left-wing than Bennington, but because it reflected a wider change that had been taking place in the local authority's economic policy - that the reliance on the public sector as an employment generator was becoming increasingly more difficult to achieve. Recognition that the Council's earlier strategy of promoting and defending public sector employment was becoming ever less feasible was described as follows:

> The strategy of keeping up jobs and keeping
> spending up, the Jobs Audit which was produced
> inside the Employment Department was the key
> theoretical lynch-pin...but having said all that
> it was quite clear that in the middle '80s the
> jobs situation in terms of new jobs being
> created...the reality was that the private sector
> was the vehicle for new jobs, and clearly at the
> same time there was a need to do something about
> replacing the enterprise that had gone down the
> drain. [2]

What Sequerra's appointment represents is not the introduction of some less ideological figure, but the personification of a repositioning of economic policy - the movement away from employment related projects towards a strategic approach to economic development. Within the political leadership of the Labour Group it was recognised that there had to be a strategic approach to economic development if jobs were to return. Safe-guarding employment on an ad hoc project by project basis was not a realistic option, given increased reductions in local government finance and the political need to respond to the demands of the larger service departments within the local authority.

Similarly, the continued collapse of the economy made the re-evaluation of the economic strategy a necessity, particularly the notion that regeneration could be achieved by the public sector alone. There was a realisation, both within the political leadership and at senior officer level in the Department of Employment, that the private sector would have to play a more central role in the creation of employment and the regeneration of the economic base of the city. It was also accepted that the scale and structure of the steel and engineering industry of the 1970s could never be recreated (SCC, 1986):

> From the mid-1970s, when the losses in steel and
> engineering started in any significant way, there
> was a belief, probably in the private sector as
> well as in the wider community, that eventually
> they'd all come back. Only as firms shut down
> and sold machinery off, then demolished factories,
> did the realisation come that it wasn't going to
> come back, and that something new had to be done
> and created. That required some general commitment.
> It wasn't going to happen by the Council saying
> we're going to have this industry or that industry
> in the city. It wasn't going to happen by the private
> sector saying we welcome this firm or that firm. There
> had to be some combination along with support from the
> University, Polytechnic, and Trade Unions to achieve
> it...something new needed to happen and if we didn't
> have something new happening then decline might become
> permanent.[3]

Unequivocally, one of the reasons why the political leadership in Sheffield moved towards partnership was in order to put *itself in a* position where its plans for economic development projects were viewed neutrally (or at least considered) by central government. By the middle of the 1980s, Sheffield City Council found itself *in a* position where it was unable to get additional grants from central

government because of the highly politicised nature of its recent past. Any scheme or project put forward by the Council to a government department found itself suffering from a 'Sheffield overlay':

> I can remember the Science Park sat on Baker's
> desk for three months. No problems from the
> civil service, they agreed it was a perfectly
> good project, but because it was Sheffield, at
> the time they wouldn't back it.[4]

The move towards partnership was not seen as putting a break on the stance adopted in the first half of the decade. Rather, it was viewed as an attempt to create a framework where opposition, both internally and externally, could be muted and where the City Council's economic and social policies could find expression in a politically hostile climate. Indeed, the ruling Labour Group was faced with a third term of Conservative Government, whose intentions to further orientate itself towards the private sector and weaken the role of local authorities were far from equivocal. This was a real concern for the leading councillors within the Labour Group and was a significant factor in the move to more conciliatory relations between the Council and the business community. As one senior counicllor of the time suggested:

> It was about changing times more than anything
> else. I think it was the '87 election, when we
> realised that we were going to lose again. We
> said, well we're not going to have any money, we
> can't sit here and do nothing. So, we talked the
> issues over and gradually made relationships with
> the private sector.[5]

Similarly, another senior councillor commented:

> It's been vey much 'no private sector involvement,
> no cash'. It's been that pressure which has pushed
> us in the partnership direction...That is fairly
> pragmatic, it's a Tory government. They will listen

a bit more to the Chamber of Commerce saying something
than they will to Sheffield City Council.[6]


The emergence of a political strategy that involved developing links

with the private sector was not without its critics. Criticism was

voiced within the Group at large and within the District Party. One

ex-councillor who stood outside of the leadership circle commented

on partnership in the following way:

> Some people thought by gaining a closer relationship
> with business, finding areas in economic policy you
> could agree upon, and then from that position seek to
> influence them on issues like equal opportunities,
> trades union recognition, all the issues that are close
> to the heart of most Labour councillors. But the price
> was being less critical of the business community. We
> tried to compromise rather than confront.[7]

The majority of this criticism was directed at the leadership of the

Group, and was couched in terms which stressed the leadership's's

ability to pressure the rump of the Group to accept the neccessity

of closer working arrangements between the Council and the private

sector:

> The leadership gets away with a lot, because other
> groups depend on them. Individual councillors disagree
> with what's been happening, but they reach a point
> where to speak out or to push against the decisions
> compromises their own positions. So, they then get
> into a calculation like, do you stay on the inside
> and live to fight another day, or do you go down on
> this issue and that's you out? Certainly, partnership
> has brought that out.[8]

Even amongst those closest to the leader of the Group there was some

concern over the stance being taken towards economic policy.

However, the ability of Clive Betts to persuade those doubters

closest to him that this was the most politically realistic approach

was a critical factor in facilitating the adoption of the

partnership strategy. As one Programme Committee chair commented:

> I was as suspicious as anybody. I'd worked with Geoff
> Green and John Bennington...we were very much commited
> to the '83 manifesto. I was always sceptical of the
> changes in many ways. I would give credit to Clive, I
> needed Clive's clear sighted commitment to it...He was
> able to say 'yes OK we're going to do this. There are
> dangers and we've got to explain the dangers to the
> Group and the Party, but we've got to do this'. Given
> that we were going down that road I tried to say, OK
> we're in partnership, this is the name of the game,
> we've still got some of our manifesto aims at the back
> of us, but we're trying to achieve them in a different
> way.[9]

The thrust of the argument begining to emerge was that the

interventionist policies of the early 1980s were no longer

appropriate for the political and economic circumstances of the mid-

1980s. However, by reorienting economic policy towards partnership

with the private sector the local authority could retain the

initiative in development matters, and pursue a strategy that

incorporated both economic growth and a social dimension (Jackson,

1988a). In essence, the Labour administration was entering into a

political settlement with the private sector in the city. Their part

in the settlement was to agree to enter into more harmonious

relations with the business community and engage them in some of the

discussions about the wider economic issues facing the city. The

price they wanted the private sector to pay for better relations was

to absorb some of the economic and social commitments that they

wished to realise, as well as generating increased levels of

investment. The task for the local authority was to maintain an

interest in employment and local economic development by pursuing

policies that took account of equal opportunites, employment
training and quality, and which would retain some sembalance of
policies and projects developed in the earlier part of the decade
(Jackson, 1988a;3). Thus, reference to a more interventionist past
was used to legitimise the development of policies for a less
interventionist future. Indeed, speeches by Clive Betts at both the
Industrial Society Conference in Liverpool in March 1988, and at the
Cutlers' Feast in the same year, made explicit, at least at the
level of rhetoric, the City Council's commitment to the continuation
of an employment strategy that focused on equal opportunites and
training. As a leading local councillor of the time recollected:

> Clive's first speech at the Cutlers' dinner was
> superb...It made an incredible impact...he said
> we know we've got things to learn from the private
> sector, but we've got things we can contribute, and
> challenge them on equal opportunities, on race, on
> women and so on. It created a heck of a stir.[10]

By 1988, the partnership strategy had been fleshed out. The
leadership of the Labour Group was arguing that views of partnership
as either a 'sell-out' or a complete panacea to the city's economic
problems were equally mis-guided (Betts and Jackson, 1988).
Instead, it offered an explanation which bisected such oppositional
analyses. Its claim rested on conclusions drawn from two years of
partnership working in the city. Firstly, they suggested that
working in partnership had raised the level of debate on the
potential consequences of regeneration. Secondly, that experience
had shown that it was necessary for the Council to have a bottom
line on every issue considered within the partnership that had been

discussed and agreed with trade unions, community and ethnic organisations. Thirdly, that only by becoming more closely involved with all sections of the local community was it possible to negotiate with central government on important issues. Fourthly, that as regeneration proposals became implemented projects, it was necessary to maintain communication with sections of the community other than business. Finally, it was asserted that a partnership approach to economic regeneration required the gathering of economic and social intelligence which could be used to revise projects and polices and spawn new development and initiatives (Betts and Jackson, 1988).

This analysis clearly relates the rise of partnership to the thrust of central government's urban policy, stessing the weakened position of the local authority in a hostile political environment. More significantly, however, the analysis alludes to shifts in the operation of politics and democratic representation at the local level; particularly, the emergence of a politics of partnership that focuses not on the question of who makes decisions, but on those about what sort of decisions should be made, and how they are to be formulated and implemented. The reorientation of economic policy in the mid-1980s was a consequence of the emergence of these issues within the sphere of local economic development. In the earlier part of the decade, the response to these challenges to local government took an ideological form which championed the public over the private in economic development. By the middle of the 1980s the response had shifted to take account of an approach to local

economic development in which local authorities were no longer seen as the 'natural agencies' for formulating and implementing policy. Thus interpreted, the realignment of economic policy was about the local authority developing a strategy capable of operating within a local political economy where local government was becoming local governance, and democratic representation was ceding legitimacy to functional representation in local economic policy-making.

## Towards 'Strategy' in Economic Policy

The shift in economic policy can be seen in the change of emphasis of the Department of Employment. In the early 1980s much of its work had been devoted to the defence of local authority employment, and the development and resourcing of a number of small project-based initiatives. A significant amount of this work was concerned with the provision of employment opportunities which would not have occurred if left to the private sector. Indeed, much of the Department's research and analysis work was an attempt to minimise the effects of industrial restructuring and employment loss in the local community - the Department's work on the steel industry was in this mould (SCC, 1984).

However, by the mid-1980s much of this rearguard action was being remodelled into a more strategic approach which sought to generate employment growth, not by defending public sector services or by funding socially useful but marginal employment creating projects, but by using the Department's resources to develop a small number of key Council-led initiatives to act as catalysts for employment

creation and the diversification of the local economy. Initiatives such as the Science Park, the Audio Visual Enterprise Centre (AVEC), the Technology Park, and the Cultural Industries Quarter were used to highlight the type of developments that the council wanted to see in the city. These were not socialist 'parables' or 'paradigms' for an alternative society, rather they were practical development initiatives (albeit public sector led), more attuned to private capital and the market economy than were their predecessors. Scientific, technological, and cultural industries became the focus of the Department's project work from the mid-1980s and it sought to use such initiatives to 'lever-in' finance from both the public (central government) and private sectors.

Within the Department it was clearly understood that the only way to make progress in developing public sector projects was to lever in private sector finance, because public sector funds were simply not available in the amounts required to make such initiatives work. This was the legitimation for undertaking municipal enterprise within the framework of public-private partnership. The task within the Department (now renamed the Department of Employment and Economic Development – DEED – reflecting the change in emphasis of the Department's work) was to combine all the different strands of work that had been initiated in the earlier period into a single approach.

The key initiative which sought to link together the strands of the Department's work into a strategic overview was the creation of an

economic development strategy for the city - the Sheffield Economic Regeneration Strategy (SERS). This initiative encapsulates the attempt to intermesh the Department's work into an overall vision for the city, and the extent to which the Council moved towards trying to influence the type and form of regeneration which developed, through partnership mechanisms. The Council's objectives within this strategy were: to regenerate the city's economy and ensure that the Council played a key role; to influence the type of regeneration, and create a balanced and diversified economy; to maximise the benefits of regeneration for the whole community (in terms of training, employment and social benefits); and to take account of the Council's public sector developments and municipal enterprise, and ensure that it became a major provider and enabler in the locality (SCC/DEED, The Economic Strategy, p.4/5, undated).

The SERS was an integration of a number of DEED's programmes and projects which it had developed since its inception with some new approaches. Essentially, these were economic regeneration including the development of land and buildings; business and technology development; economic promotion and infrastructural improvement; employment and social benefits including training; project developments and research; and public sector development including improvements in service delivery and competitiveness in public sector enterprises. The SERS acted as a wider framework in which to develop specific City Council initiatives on the back of partnership. Initiatives such as the Science Park, the Technology Park and the Cultural Industries Quarter were all components of the

SERS, and all were developed on a partnership basis, utilising funds form both public and private sector sources.

The development of the Cultural Industries Quarter offers a good example of the reorientation in economic policy. The concept of a new industrial sector in the city developed from work within the Employment Department's public sector team in the early 1980s on the potential for a municipally owned recording studio. Initially, the idea was to construct a fully municipalised training centre with some £1,000,000 of public sector investment. Premises were acquired, and a plan was put together. However, when the scheme was put to the Council during 1984-85 both the limitations on the Council's ability to raise the finance, and members' reservations about the economic and employment potential of the project, limited funding to £70,000. The question then was, what was DEED to do with the resources which had been made available?

> We had the conclusion that we had a building
> and £70,000 - what were we going to do? was
> there a way of maintaining the elements of
> this project, the things that need to be done?
> And then the answer was yes, we can do one bit
> of this from a municipal base and seek to use
> our powers as landlords, as movers of resources,
> as grant aiders, to try and shift the rest of
> the project by moving other people's money. So
> we built the Red Tape studios, two studios well
> provisioned. But for training purposes we went to
> look for people either in the private sector or
> in the voluntary sector who fitted the theme of
> it. That was important, we had a strategy, a vision
> of what we wanted to do in there. The vision there
> was cultural industries, audio visual, cinema.[11]

Through a combination of voluntary help, Arts council grants, urban programme funding of some £400,000 (much of the area is within an

Industrial/Commercial Improvement Area), finance from the British Film Institute and Channel Four, the Audio Visual Enterprise Centre (AVEC) was established. In total over £2,500,000 was invested in this project, the majority of which was private sector generated. By the end of the 1980s this complex contained recording and film studios, graphic design companies, and a photographic gallery. The intention was to build on this capacity and develop it further into a fully fledged Cultural Industries Quarter, again using public-private co-operation, with public funds as the leverage tool for private sector investment. Clearly, the example of the development of AVEC and the Cultural Industries Quarter illustrates how the Council, on the back of partnership initiatives in economic policy, sought to develop a new form of economic activity in the city.

A similar argument can be made about the City Council's plans for the regeneration of the Lower Don Valley. In the early 1980s, the Council's approach to the regeneration of the LDV were couched in terms which stressed the primary role of the local authority in effecting regeneration (SCC, An Employment and Environment Plan for the Lower Don Valley, 1984). However, from the mid-1980s regeneration in the form of direct intervention was replaced by an approach which stressed inter-agency and the levering in of private sector investment (SCC, 1986; 1987; SERC, 1987). The beginnings of this change can be seen in a report presented to the City Council's Lower Don Valley Panel in 1985 by the then city treasurer, Grenville Folwell (SCC, 1985). Reviewing the employment and environmental plan for the Lower Don Valley, the report commented that, despite a

political commitment to the plan, there was a clear lack of resources within the Council to secure the implementation of a number of its initiatives. Without additional funding, the report predicted a plan that would leave a legacy of half finished projects and failed strategies. Moreover, the report called for a rethink of the Council's political priorities for the development of the Valley, specifically the need to recognise that additional sources of finance would have to be found not only from central government, but from the private sector. At member level, the report was met with a degree of resignation, being described publicly by the Chair of the Planning Committee as 'a mid-course correction' (Sheffield Telegraph, 24.5.85). Members stressed that the difficulty had been to enable Council departments to co-ordinate their work, and to ensure that the respective Council committees budgeted adequately for the work commitments of their departments. However, irrespective of this internal focus, the realisation that public sector finances alone would be insufficient to effect change in the LDV was not lost on the Labour leadership. Despite commitments to public sector intervention and regeneration, a new strategy was devised, based on market initiatives and public-private sector partnership.

The creation of an authority officer working group to investigate the potential for the regeneration of the LDV in July 1986, marked the most explicit reorientation of policy. Under the leadership of John Darwin, then assistant director of DEED, the brief of the working group was to analyse the economic potential . for the

development of the Valley, assess sources of financial availability and the possible mechanisms for the implementation of any regeneration programme. The final report of this group argued for a flexible land-use pattern, and the need for a 'land bank' to cater for potential industrial growth and changing land-use patterns (SCC, 1986). Within the regional office of the DoE, the Lower Don Strategy was viewed in the following way:

> Sheffield City Council were [sic] concerned with the needs
> of the area, and ensuring that whatever resources where
> made available could be harnessed and channelled into
> that particular area. We were arguing at that time, in
> terms of Urban Programme, that in order to make the case,
> they had to have an overall strategy...The City Council's
> aim was to identify the problem, quantify the resource
> requirements, and make the case for assistance.[12]

The importance of the LDV study does not lie in its acceptance of land use in the LDV for other than industrial development, indeed land use other than for industrial activity had been envisaged in a number of earlier plans and policy initiatives (SCC, 1979;1984). Neither does it lie in the policies, or the strategy itself, which was simply an amalgam of a number of past programmes and projects. Rather, its importance lies in the extent to which explicit reference was made to the need for actively incorporating organisations other than the local authority in the revitalisation of the Valley. The thrust of the argument was that any attempt to regenerate Sheffield's economy would falter unless it was constructed within an inter-agency and collaborative framework. As an initial step to such action the study formally identified the potential partners necessary for the development of a regeneration

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strategy. These included public and private sector bodies, trade unions, education and research institutions, and the voluntary and community sectors. In effect, the working group study laid down the framework of what was to become the formal institutional expression of public-private co-operation in the city - the Sheffield Economic Regeneration Committee, and built on earlier ad hoc and informal articulations of partnership (see chapter five).

The initial preoccupation of the regeneration committee was the regeneration of the LDV, and one of its first actions was the commissioning of a study into the organisation and implementation options for regeneration initiatives within the Valley (SERC, 1987). SERC's report argued that the regeneration of the LDV should be focused around a number of 'flagship projects' under the guidance of a non-statutory delivery mechanism, the Urban Regeneration Project. Within the agency, planning powers and controls would remain with the local authority, but it would have a board membership taken directly from the constituent members of the existing partnership arrangements in the city. The report was commissioned as an independent (non-City Council) assessment of the need for economic regeneration in LDV. For the Council, the exercise was an attempt to legitimise their own Lower Don Strategy by repackaging it in a form which stressed the importance of working in partnership. However, the Lower Don Strategy and SERC's independent report, both aimed at making the case for additional sources of public funding (primarily through Urban Programme), became part of the process leading to the establishment of a UDC for the Valley.

Arguably, the introduction of a Development Corporation into the LDV represented a defeat for the Council's partnership policy for the Valley's regeneration. Paradoxically however, the partnership approach to economic policy in the LDV, which SERC's report symbolised, was not lost completely with the introduction of the Development Corporation (see chapter five). Despite public criticism of the UDC by the ruling Labour Group, the existence of channels of public-private co-operation that had begun to emerge in the preceeding two years, facilitated the development of negotiations between leading councillors, the DoE, the chair designate of the UDC and various private sector individuals, about the structure and operation of the Corporation. As a result, a 'partnership' agreement was signed between the Council and the SDC, and the Council were able to nominate three representatives for the Corporation's board of directors (see chapters five and six). The agreement was essentially a framework for co-operation between the two organisations:

> The purpose of the agreement was to provide a frame-
> work in which both sides were required to take each
> other seriously.[13]

The agreement was a reflection of the institutionalisation of the partnership channels that had already been developed in the city. For the City Council the agreement offered the potential of drawing in the SDC and its financial muscle into the wider partnership framework set by themselves. Such linkages have produced a relatively stable, if not always conflict free, relationship between the two organisations. Much of the history of the relations between

the City Council and Development Corporation since 1988 has been about the struggles around linking the SDC's vision for the LDV into a city wide strategic framework for regeneration. Indeed, although there have been no major disagreements which have resulted in the City Council withdrawing its co-operation and membership from the SDC board, there have been areas of distinct disagreement between them.

Perhaps the most significant in the period with which this research is concerned, has been over the Development Corporation's planning framework (SDC, 1989a). The planning framework outlined a strategy to 'secure the regeneration of the LDV by providing a high quality environment to attract high quality development served by a new landscaped dual carriageway, a new city airport and a proposed Supertram network' (SDC, 1989a;16). The strategy sought to provide a new pattern of land-use where the 'needs of industry' were to be 'balanced against new commercial leisure, and tourism developments...' (SDC, 1989a;19). Fundamentally, the strategy was aimed at the service sector.

City Council criticisms of the strategy revolved around the reduction of land for manufacturing activity (100 acres); increases in the land for office development (which the SCC saw as prejudicing their policy of attracting office development to the city centre); the introduction of more retailing in the Valley; the 'unnecessary' spine road through the Valley; and the Council claim that there was little strategic need for housing in the Valley (Joint Report of the

Director of Land and Planning and Director of DEED to PTPC 14.12.89
and EPC 18.12.89; Sheffield Star 16.12.89). As one critic of the SDC
commented '...as their policies are spelt out in practice, they are
seen more clearly to diverge from the economic strategy endorsed by
the City Council, SERC and Council policy generally'.[14] Criticisms
also emerged from the local business community in the Valley over
the CPO programme required for the construction of the link road,
and from the trade unions on the level of retail and leisure
development outlined in the Corporation's planning framework.

Within the local authority disappointment with the planning
framework was such that officers within DEED and the Department of
Land and Planning were requested to produce an 'alternative
strategy'. However, following intensive debate between the SDC and
City Council a rapprochement was reached:

> We acknowledge there may be potential disagreements
> so we feel it better to thrash things out now in a
> spirit of co-operation.[15]

There were three steps to this co-operation: firstly, City Council
and SDC officers were to work together on industrial land supply in
the Valley: secondly, both sets of officers would reflect on the
models of regeneration seen on a City Council and Development
Corporation study trip to West Germany, and consider how they might
apply to Sheffield; and thirdly, city councillors would define
social objectives that the SDC should take into consideration,
whilst the SDC would impress on the Council the needs of private
business (The Sheffield Star, 22.12.89). Following this activity
and discussions between the SDC, City Council, and local Valley

business and community interests, changes were made to the planning framework. In the final planning framework (SDC, 1991) modifications had been made taking into account concerns over the amount of land allocated to industry and the effects of the spine road on local industry. Pressure form the City Council and local Valley interests undoubtedly changed the appearance of the planning framework, but change was also a consequence of a squeeze on SDC finance owing to a lack of early progress on land sales, and the rising costs of land reclamation and the original road building scheme.

Clearly, despite areas of disagreement between the SDC and City Council, negotiation, debate and agreements have taken place over the future shape of the Valley. Many of the Corporation's development proposals, particularly in its first two years of operation, were simply repackaged City Council schemes. This has resulted in some recrimination over who gets the credit for regeneration, but largely antagonisms have tended to focus on each organisation's differing time horizons and areas of responsibility, rather than the type of development that the Corporation has proposed. In general, the Development Corporation has adopted a shot term strategy based on its own area of concern, whilst the City Council has stressed a long run city-wide approach that incorporated the development of the Valley into a cohesive plan for regeneration (Kirkham, 1990; para.53).

What has rankled most with the Council has been the political issue of accountability and their loss of planning powers in the Valley. For a local authority such as Sheffield, committed to public accountability and control over local planning powers, the themes of local accountability and the SDC's methods of operation have always been the main source of political conflict.[16] Despite what were considered to be 'quite friendly' working relationships with the Council and 'useful' financial aid in promoting the city which added 'urgency and endorsement' to 'existing Council plans for the Valley', the Council has not hesitated to hail the Development Corporation as a 'vehicle through which an alarmingly increasing number of key decisions for the spending of public money in the city are being taken by the same few unaccountable businessmen'.[17] However, it has continued to co-operate with the Development Corporation because it realised that it was a body through which government funds could be channelled to developments which could 'be of benefit to the city'.[18]

Change and Continuity?

Thus far we have analysed the relationship of Sheffield's Labour Council to the emergent partnership by focussing on the Council's changing approach to local economic policy from the mid-1980s. It was suggested that the wider context for the emergence of partnership was one structured by central government's urban policy initiatives and the de-industrialisation of Britain's inner cities. In relation to Sheffield, it has been argued that the leadership of the Labour Group justified closer working relationships with the

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business community on four main grounds. Firstly, to improve relations with central governemnt in order to be more positively treated in terms of receiving grants and funding; secondly, to mute internal and external opposition to its projects for regeneration; thirdly, to draw on the resources of the private sector in developing regeneration projects; and fourthly, to retain some involvement in the local economy, if in a less interventionist form than was attempted in the early 1980s.

Explaining the economic policy of the mid to late 1980s and early 1990s in the terms described above illustrates the degree to which continuity as well as change can be seen in Sheffield's economic policy over the decade. Previous accounts of Sheffield's economic approach in the late 1980s have tended to highlight the extent of change, rather than tease out any sense in which a continuity might exist between the two periods. Clearly, economic policy from the mid-1980s was not public sector intervention in the local economy in the sense that it was envisaged between 1981 and 1983. However, it did represent a move to a more indirect form of intervention which sought to retain a foot-hold on local management of the economy. In a changed political and economic environment the reality was that the methods developed in the early part of the decade were no longer appropriate for saving and creating jobs and generating economic growth. As one leading councillor of the time suggested:

> To be doing the same thing in the wrong environment
> is just crass. So that' part of it, part of the change.[19]

## THE BUSINESS COMMUNITY AND LOCAL ECONOMIC POLICY IN SHEFFIELD

The move towards partnership in Sheffield was not solely the outcome of a repositioning of the City Council's economic policy. It was also a consequence of specific actions within the business community in the city. Indeed, Sheffield's business community was as actively engaged in creating the new dialogue of partnership as was the City Council. Clearly, the private sector is not a homogenous block of companies or idustries, and does not necessarily speak with one voice and articulate a unified approach to the issue of economic regeneration. However, it is possible to isolate a number of general elements to explain the participation of Sheffield's business community in the arena of economic regeneration policy. These include: the general thrust of urban policy and business-led initiatives; the decline of the city's economy; the desire to rebuild civic pride; and the emergence of the Chamber of Commerce as a focal point for business activity in the partnership. It is important to bear in mind that in practice these factors were all interlinked. Moreover, that they acted in a contemporaneous way and not in isolation.

### A Climate for Corporate Participation

Throughout the 1980s local authorities had to contend with restrictions placed on the utilisation of their economic development powers by a national urban policy which consistently sought to embrace the private sector and provide them with a managerial role in the solution of urban problems (see chapter three). The 'incentification' (Hesletine, 1982) of the business community was

perhaps most explicitly acknowledged in the Conservative Government's re-launch of urban policy under the Action For Cities campaign where private sector involvement in urban regeneration was given added impetus (HMSO, 1988). Under this approach the inner cities were to be made places where 'businessmen want to invest' (sic) (HMSO, 1988;3). The whole thrust of the Action For Cities campaign, heavily influenced by the experiences of business in urban regeneration in American cities, was towards making the private sector the dominant partner in any partnership arrangements.

Coupled with this thrust of urban policy is the development of specific business-led initiatives. Some of these initiatives such as Business in the Community, Business in the Cities and the Phoenix Initiative have sought to promote general business involvement in urban regeneration. Others, for example British Urban Developments, the Per Cent Clubs, and the Foundation for Education Business Partnerships have targeted specific activities or developments within the inner cities and urban areas. Despite the plethora of business-led initiatives and projects a common theme exists - the promotion of corporate involvement and leadership in public-private partnerships for urban economic regeneration (Jacobs, 1990).

At the national level the Confederation of British Industry (CBI) also outlined its vision for the regeneration of cities. The CBI's report Initiatives Beyond Charity (CBI, 1988), took a significant step towards defining the role and position of businesses in local

regeneration strategies. The report represents the first publication of of the CBI's Task Force on Business and Urban Regeneration set up in 1987. Its task was to 'identify what further steps business should be taking to assist in the process of urban regeneration' (CBI, 1988;7). This report asserted in a forthright manner the key role of business in regenerating the local economy. Four main conclusions were reached on the role of business in regenerating Britain's cities. First, leadership and a common vision were needed to break out of the cycle of economic and social decline. This was to be achieved through the creation of local teams under the direction of senior local business leaders. Confidence and morale had to be raised both inside and outside of the city, and this was seen as a crucial factor in encouraging inward investment, stimulating development and restoring the pride of the local community.

Secondly, the report argued that the solution to the consequences of urban decline lay beyond charity. In other words, the resources directed towards solving problems should originate from investment decisions of companies 'taken on the basis of the commercial returns available, not from a sense of charity' (CBI, 1988;9). The implication was that companies should become involved in regeneration initiatives through something approaching enlightened self-interest. The third conclusion was that because Britain's cities appeared to share common problems, programmes could be developed which followed a similar process and could be applied to most situations. This process was to be constructed around the

development of 'flagship' projects, and creation of a 'critical mass' or self-sustaining momentum for projects, all of which should be integrated into an overall strategy for regeneration. Finally, the report concluded that the business community should commit itself to providing corporate leadership in programmes for urban regeneration.

The Association of British Chambers of Commerce (ABCC) has similarly offered its thoughts on the proper role of business in urban regeneration initiaitves. In, A Tale of Four Cities (ABCC, 1989), the regeneration experiences of the Chambers of Commerce in Birmingham, Nottingham, Manchester and Sheffield were outlined, along with a prescription for best local practice based on the positive aspects of these four examples. The general thrust of the document is towards highlighting the importance of local business organisations in promoting and participating in regeneration projects. However, it is worth repeating a number of specific points because they represent both a localist business orientation to regeneration, and because they have a resonance with the experience of business involvement in Sheffield.

The first point to note is that the document states that the impetus and responsibility for urban regenation initiaitves should come from a local base, and that the 'parachuting' in of outside initiatives is inappropriate. Secondly, it argues that national bodies such as the ABCC, should adopt a facilitating and an enabling role for their local counterparts. Moreover, they should provide 'a forum for

discussion and the exchange of experiences' and where possible link projects to 'potential sources of finance'. Thirdly, the report stresses that local managers of national or multi-national enterprises 'should be given responsibility for business involvement in projects to develop their local communities'. Fourthly, it emphasises the need to work in partnership with local authorities and the counter-productive nature of central governemmt policy intiaitves that have sought to exclude local governemmt form the regeneration process. Fifth and finally, the document urges that urban regenation and investment should be seen in terms which incorporate employment training, promoting enterprise and generating cive pride, as well as focusing on property development and physical regeneration (ABCC, 1989;28-29).

Both the CBI and ABCC reports offer illuminating insights into the perceived role of business in the formulation and implementation of urban economic and social regeneration policy. The import of much of it is the assertion that business is the agency with the capacity and ability to solve and tackle urban problems in a systematic and professional way. In this sense, public-private partnerships are seen as vehicles for regeneration that should be 'closely integrated with the business community's efforts' in tackling the problems of urban decline (CBI, 1988;10/11).

Business Community Initiatives: A Local Articulation?

Unequivocally, the general *thrust of urban policy and the emergence of a philosophy of corporate involvement in the regeneration of*

Britain's cities have been contributory factors to the growth of business input into economic development initiatives in Sheffield. It is difficult to trace the full extent to which such general policy approaches and cultural changes have permeated through into the corporate 'mind sets' of Sheffield's business community. However, it is difficult to imagine that these forces had no impact on business activity in the city. Indeed, an organisation such as the Hallam Group, set up by BiC under the local direction of Hugh Sykes, provides evidence of the link between philosophies to encourage corporate involvement and responsibility and increased business activity in the city's regeneration initiatives. The Hallam Group, has been involved with local ventures such as Hallamshire Investments, Sheffield Enterprise Agency (SENTA), and the development of the Training and Enterprise Council. Similarly, the Sheffield Per Cent Club (also initiated by Hugh Sykes) relates to national initiatives engendered by organisations such as BiC. The Per Cent Club's aims are linked to the notion of corporate community responsibility by demonstrating that 'companies are involved in the community' by promoting the 'culture of giving among Sheffield firms' (Fogarty and Christie, 1990;94).

What is more interesting however, is that these examples of links between national corporate initiatives and local enterprise are the exception rather than the rule. In Sheffield, a philosophy of corporate participation in local regeneration initiatives has been internally, rather than externally, generated. Much of the city's private sector input into establishing co-operative working between

the business community and the Council has come through the Chamber of Commerce. The Chamber, Sheffield's primary organisation representing the private sector in the city, has been actively engaged in almost all of the partnership initiatives that have developed since the mid-1980s. For example, it was instrumental in establishing an early forum for partnership, the Image Working Party, was an original member of SERC, had directors on the board of Universiade (GB) Ltd., has equal representation on the board of Sheffield Partnerships Limited, and has representatives on the boards of the Sheffield Development Corporation and Hallamshire Investments.

Such visible participation and involvement in local regeneration initiatives stands in marked contrast to the civically aloof approach adopted by the Chamber in the early 1980s. As one business figure noted:

> There was a time [the early 1980s] when it was seen that business was not thought of as any use at all. Therefore, what we did was concentrate on running our own businesses and that was that.[20]

Another Chamber member commented:

> In the early '80s, everytime you went to a Chamber of Commerce meeting, all you heard was people going on about left-wing politics and flying the red flag over the Town Hall.[21]

We need then, to consider why and how such an isolationist and anti-local authority stance was supplanted by an approach which sought active engagement with the City Council over the issue of economic regeneration.

The economic imperative was important in bringing about changed relations between the Chamber and City Council. The dramatic and continued decline of Sheffield's economy during the early to mid-1980s was a significant factor behind the Chamber's decision to construct a more open and participatory dialogue with the City Council. Within the Chamber, at its most senior level, it was acknowledged that the collapse of manufacturing industry and the deterioration in the physical environment of the city did not augur well for future developments, investment and the profitability of Sheffield's companies (ABCC, 1989).[22] When the evidence of decline was coupled with the much publicised antagonism between the Council and the private sector over its causes and its remedies, the fear was that a barrier was being erected that was preventing investment in the city:

> It became clear that the squabbles within Sheffield
> between various parties were actually being translated
> outside the city and was doing the city harm, because
> all it [sic]cwas doing was reinforcing a media view about
> the Socialist Republic of South Yorkshire. And that wasn't
> the right sort of environment to attract the inward
> investment which in the early 1980s we desperately
> needed...and people are not going to put money into an
> area which they perceive as being risky. Therefore...
> having our debates in public and megaphone diplomacy...
> was not really going to help the position at all.[23]

An example that illustrates how the Chamber's leaders saw the partnership formula as a mechanism for generating investment in the economy (in this instance from central government), is the Lower Don Valley. This was an area plagued by dereliction and aborted attempts at regeneration. The following quote highlights the extent

to which the Chamber's leaders saw the potential for a partnership based on the issue of the regeneration of the Lower Don Valley:

> Somebody gave the hint, probably from the DoE, that
> Sheffield and the Don Valley was a probable subject
> for regeneration and government funding, provided the
> case was made properly...There was no way that the
> government could pick up the strategy laid down by
> the left-wing Council and use that as the model for
> making the case for helping Sheffield. So there began
> to be a realisation that a partnership approach was
> needed...That if the private sector and the public
> sector could agree on the way ahead for the Don Valley
> ...and put forward a commonly agreed strategy then at
> least that would be the basis on which the government
> could take it seriously.[24]

The establishment of an organisation such as SERC with its focus on the regeneration of the Lower Don Valley bears witness to the fact that both private and public sectors in the city saw potential benefits from collaboration. It was in both parties' interests to be seen to be working together to regenerate the city's industrial heartland in order to attract government finance (see chapters five and above). This, then, was the view beginning to emerge within the Chamber of Commerce by the middle of the 1980s. Emphasising the counter-productive nature of its anti-Council and isolationist stance, the Chamber's new approach was to seek an accommodation with the City Council over the issue of Sheffield's economic regeneration.

A precondition for the successful articulation of this new accommodation was the creation of a unified and consistent Chamber policy stressing the need for public-private partnership. However, although one talks of the Chamber's movement towards more

conciliatory relations with the City Council in generic terms, in essence the force behind the move was a _small_ number of individual Chamber members and officials. Businessmen such as Bev Stokes (chairman and chief executive of Bassetts Plc), Richard Field (chairman of J & J Dysons Plc, a Sheffield based refractories company), and Norman Adsetts (chairman of Sheffield Insulations), together with John Hambidge, the chief executive of the Chamber, were the vanguard of the private sector in terms of acknowledging the need for more conciliatory relations with the City Council over the issue of economic regeneration. The following quote is typical of their approach:

> In the early '80s, the local authority was the only
> body in Sheffield that was making investment in the
> future. The private sector wasn't doing it...they
> weren't taking that broader view. They were taking
> views about their own companies, but not about
> Sheffield Ltd. as it were. In that respect, we felt
> that we shouldn't shut off potentially the only organ
> that had kept funding coming into Sheffield. I don't
> think they [City Council] should be doing it all. It's
> a matter of finding a mechanism...which enables public
> and private sector to sit down together and say what is
> going to be best for us.[25]

For a policy of active participation in regeneration initiatives to become accepted in the Chamber it was necessary for it to be consistently and continuously articulated at its most senior levels. To develop such consistency and continuity the Chamber's system of Presidential succession became the focus of attention. This system, with its three year cycle of a member becoming Junior Vice-President, Senior Vice-President and then President, followed by two years on the management committee of the Chamber, offered a

valuable base from which to launch and develop notions of corporate

involvement in initiatives to regenerate the city.   As one Chamber

member involved in the initiation of this  process commented:

> It was 1984 when I became Junior Vice-President. We'd
> got to a stage where a number of us said look, what
> we really need is some continuity in this organisation...
> a continuity in thought and deed so that we stick to
> what we're doing for a while. Because whilst it may all
> be very well for one person to sit there for a year and
> say this is the policy of the Chamber, it's no good if
> a year later someone else turns that over. So...we sat
> down and did some manpower planning, and we said we'll
> ask a little bit further ahead. Not only will we ask you
> to be President of the Chamber of Commerce, we'll say
> these are the views we think we should be getting across,
> this is the role we think the Chamber should play, and
> we've got to use the talents in the business community
> to help run the city, to have an input.[26]

Through this process, by mid-1986, Stokes, Field and Adsetts had

moved into senior positions within the Chamber - Stokes was

President, Field was senior Vice-President, and Adsetts was junior

Vice-President (Mins, CoC AGM, 21.4.86).   These three businessmen

were to occupy succesively, the position of Chamber President

throughout the first three years of the partnership.   Similarly

'like-minded' individuals who were to  become Presidents of the

Chamber included Peter Cornick, President 1989/90 (managing director

TECHNOR, an information technology consultancy firm); B.E Smith,

President 1990/91 (Parnell, Kerr, Forster); and Don Lyon, President

1991/92 (managing director, H.Turner and Sons).  Thus, from the mid-

1980s 'manpower planning' (a euphemism for identifying like-minded

people), encouraged by the cycle of Presidential succession,

provided a mechanism for developing a continuity of policy that

stressed the merits of working in partnership.

The partnership approach which these individuals sought to project was not without its critics, both within the Chamber and business community at large. Some within the Chamber could not move away from a perspective, clouded by the arguments of the early 1980s, which viewed the Council as dominated by left-wingers, spending large amounts of money financed through the rates. As one Chamber member involved in the move towards partnership commented:

> We were accused of being fellow travellers. We
> said what alternative is there? We felt that what
> was happening was absurd.[27]

Similarly, another Chamber official suggested:

> It was an interesting decision to take because
> people were saying to the Chamber leadership what
> on Earth are you doing campaigning on issues jointly
> with a Labour controlled local authority as left-wing
> as it was perceived to be in those days.[28]

The task for this group was to persuade doubters of the sense of their approach. In so doing, they sought to raise the level of awareness of corporate responsibility in the city, particularly through business participation in initiatives designed to regenerate the local economy such as SERC, Hallamshire Investments and SPL. To achieve this there was a constant reiteration of the necessity for working in partnership, and that by working in this way the Chamber was contributing to the economic well-being of the city. This well-being was viewed as a straightforward appeal to local business profitability by emphasising that partnership would bring greater investment into the city, but was also visualised in less specific terms that stressed the wider economic benefits of partnersip through a more productive and profitable community and labour force:

> With business people you've got to somehow or other
> set it into a context that makes sense to them. We

> were past the point where you say if you do this you
> will get profit. You have to say some kind of planning
> is important. You have to get them to realise that they
> get a better bottom line if the community as a whole
> is healthy.[29]

From their positions within the Chamber of Commerce, Bev Stokes, Richard Field and Norman Adsetts were able to orchestrate the campaign to raise the public profile of the Chamber, and move it away from its blanket anti-City Council stance. The articulation of policy was channelled through initiatives such as the organisation of business leadership seminars and the creation of the Chamber's Image Working Party. Certainly, the improvement of the image of the city was all important for the Chamber's leaders, and was seen as the fundamental problem to be overcome if Sheffield's economy was to be regenerated. That tackling 'image' was the number one priority for the business community was never seriously questioned: 'there was no serious debate...that doing something about the image of the city was extremely important'.[30] This was the starting point for the Chamber's public expression of its new approach designed to help reconstruct the profile of the city, improve Sheffield's prospects for inward investment, and draw in local business community participation in regeneration initiatives (see chapters five and eight):

> What I think we did...was to engender a spirit of
> responsibility beyond ones own office or factory
> walls. There are many organisations in Sheffield
> doing things in the community at large which ten
> years ago they wouldn't have been involved in.
> I think we've managed to engender the spirit of
> Sheffield, and we need the right sort of image for
> our city if we are going to see its economy pick-
> up.[31]

The Chamber of Commerce was not the only source of business involvement in the private sector's move towards partnership. One source of non-Chamber private sector input has come from British Steel (Industry). Their involvment in the local regeneration process is perhaps not surprising given that a significant purpose of the organisation has been to aid the economic and industrial regeneration of areas that have suffered from steel industry closures. The inclusion, from 1986, of a senior representative of the company in many of the city's partnership initiatives has served as a symbolic reminder of Sheffield's industrial heritage. The representative, Vernon Smith (formally the Yorkshire and Humberside regional manager of British Steel (Industry), and from 1989 its chief executive), was an active participant in SERC (he was its first deputy chair), eventually became a director of SPL, and with Hugh Sykes, was involved in the creation of Hallamshire Investsments:

> The timing of our decision to establish a regional office in Sheffield was perfect, because at that particular point in time, the City Council and the private sector, had decided that now was the time to start to do things together...We were known to be people who wanted to help them, to make a contribution, and we were invited to join pretty well everything that was going on.[32]

Apart from British Steel, the majority of private sector input into partnership has come from individuals and businesses not involved in the traditional steel and engineering activities of the city. This reflects wider structural changes within Sheffield's economy with a movement away from heavy industry to lighter manufacturing and

service based occupations. In 1989, almost three quarters of employment in the city was in the service industries, although the remaining quarter of employment in manufacturing industry is a figure second only to Birmingham among English cities (Watts, et al, 1989). However, it is noticable that despite the shift to the service industries there are few private sector representatives located in the service sector working in the partnership. Again, this reflects the composition of the city's private sector. Apart from the Midland bank, which is the largest private sector employer in the city, Sheffield has few large service sector companies. Despite the addition of Norwich Union to the city in 1989, in comparision with other northern cities Sheffield has a small commercial and service base.

None of the Presidents of the Chamber in the period under consideration are associated with steel or heavy engineering — Stokes' company manufactures sweets, Field's produces furnace linings, Adsetts' makes insulating materials, Cornick is involved in information technology, Smith is an accountant, whilst Lyon's company is involved in the retail and distribution trade. Similarly, chairman of the Development Corporation, Hugh Sykes, has a background in accountancy rather than steel or engineering. He founded Thermal Scientific Plc and Technical Component Industries Plc and was deputy chairman of Harris Queensway Plc. In sum, these businessmen form a new cadre of business leadership — one that reflects the changing nature and composition of private sector activity in the city.

As has been identified, the main thrust of establishing these business figures in the regeneration process has predominantly occured through local business organisation and initiatives. National business inputs did emerge but, in general, they have been subordinate to home grown private sector projects. In part, the relative absence of national initiatives can be explained by a tinge of local chauvinism within Sheffield's business community, with its 'Sheffield knows best' philosophy. This attitude is prevalent within the business community and has fuelled both the rise of locally inspired initiatives, and a fair degree of scepticism of non-local business projects. It is an attitude rooted in the successess of the city's industrial past, a past that produced a wealthy, self-confident and self-reliant business community. As one Chamber member commented:

> When the cutlery industry was booming, the steel
> industry was booming...if the rest of the world
> didn't agree with us, we could cope - they needed
> us more than we needed them. There is still a
> belief in Sheffield, that if we've got the answer
> right then the rest of the world ought to admit it,
> that it's not really our job to go and tell them,
> they should be coming to us.[33]

This attitude has certainly underpinned a general wariness towards outsiders whose approach, characterised as a troubleshooting 'we want to do our own thing in your city', was considered insensitive to local mechanisms for co-operative working. As one leading business figure commented:

> There's so many things happening. It's far better
> for someone to go to SERC and say what do you think
> about this...then it's adopted by the city and
> people know what's going on.[34]

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Fogarty and Christie's (1990) account of business activity in the
city suggests that BiC was not well regarded by the local business
community, with many taking the view that it had been 'ineffectual
in its interventions in Sheffield' (p.103). Certainly, this
captures the atmosphere of general business antipathy towards BiC's
initiatives as revealed by research interviews with members of
Sheffield's business community. However, the point Fogarty and
Christie miss is that the <u>effectiveness</u> of any BiC initiative was
dependent upon the degree to which it was capable of being
integrated into the 'mainstream' regeneration activity of the city's
private sector - that is, could operate within a framework of
business participation set by the Chamber of Commerce. Two factors
played a part in determining the degree of integration between
national initiatives and local projects: the first was the
particular local organisation that articulated the national
initiative; whilst the second, was the business person who 'headed'
it up.

In Sheffield, local business articulation of national corporate
programmes has been primarily undertaken through the Cutlers'
Company, <u>not</u> the Chamber of Commerce. This is particularly the case
with initiatives inspired by Business in the Community. However, a
problem with this route into the city was that it by-passed the main
private sector organisation in Sheffield. By 1988, the Chamber of
Commerce had become the city's leading business organisation, and
was the motive force driving the business community further into
partnership with the local authority. In contrast, the Cutlers'

Company was seen as little more than a 'gentleman's club', insular and not working actively as an organisation to encourage partnership. It was not that the Cutlers' Company stood against closer public-private co-operation, but that it was not part of the emerging regeneration network.[35] However, this begs the question of why the key private sector organisation in the city, the Chamber of Commerce, was not the conduit for BiC's programmes? The answer lies in the fact that the invitation to become involved in the city in 1988, was extended to BiC by the then Master Cutler, Rowland Walker. Walker had strong links with BiC through his personal involvement with the Prince's Youth Trust and other charitable activities, and it is not surprising that in his year of office as Master Cutler he introduced BiC into Sheffield via the Cutlers' Company.

There was, though, a degree of private sector scepticism over the ability of BiC to network effectively with business leaders operating from within the Chamber of Commerce:

> The Master Cutler set up a team of people to work
> with BiC...They were very nice around the table...
> but they were doing something over there, whilst
> mainstream activity was somewhere different. BiC
> would come up here, all the big people were here, but
> there was no business support for them at all, because
> it wasn't mainstream. Now had they gone to the Chamber
> of Commerce and said now what should we do?, that
> would have been a much better approach.[36]

The integration of BiC initiatives into the partnership proved problematic because they did not filter into Sheffield through the main private sector organisation, and into the established networks and institutions of partnership. In general, initiatives inspired

by BiC did not touch the heart of business participation in partnership, and consequently they met with varying degrees of business enthusiasm. Projects such as the Sheffield Enterprise Agency (SENTA) and the Sheffield and District Afro-Caribbean Community Association (SADACCA), suffered from a lack of local business support. In contrast, initiatives such as the Hallam Group and Hallamshire Investments (which was only marginally aided by BiC) and the Sheffield Per Cent Club, were actively encouraged within the city's business community.

What determined the favouring of one initiative over another was the extent to which it was directed by business people already immersed in the culture and networks of Sheffield's partnership. The most prominent ventures in which BiC had some involvement (the Hallam Group, Hallamshire Investments and the Sheffield Per Cent Club), were those headed by Hugh Sykes. Sykes, because of his position as chair of the Sheffield Development Corporation, and because he was locked into existing partnership arrangements through his personal and organisational representation on a number of partnership bodies and boards (see chapter six), could garner support from the city's private and public sectors for these initiatives. As one leading business figure revealed:

> ...it was only when BiC began to get in with people
> in the mainstream, and do mainstream projects, that
> something happened. The ones BiC were given were
> SENTA, SADACCA, and Hallamshire Investments. The
> only one where they got any support in Sheffield
> was Hallamshire Investments, because that was the
> one that Hugh Sykes took on.[37]

Sykes was also instrumentral in bringing in BiC support to the

development of the partnership's long-term stratgey for city wide regeneration - Sheffield 2000. The antecedents of this strategy lie within past local authority plans produced in the Department of Employment and Economic Development (see chapter eight for a more detailed account of the origins and development of Sheffield 2000). However, they also relate to private sector concerns with the nature of the local economy, and how to tackle the city's economic and industrial decline. Sykes' interest in the concept of a city-wide regeneration plan was initiated by the evidence of the partnership developed in Lowell, Massachusetts, which he had visited on a BiC fact finding mission. The choice of Lowell was an important one - it had successfully used its public-private partnership to exploit state and federal grants to revive its textile-based economy and regenerate its run down areas. On his return, Sykes was encouraged by BiC to replicate the Lowell model in Sheffield (Wade, 1990;98).[38] For Sykes, the Lowell partnership was a potent symbol of what could be achieved by the business community working with the public sector.

## CONCLUSION: WORKING IN PARTNERSHIP

This chapter has analysed the relationship of Sheffield's Labour Council to the emergence of partnership by focussing on the Council's changing approach to economic policy from the middle of the 1980s. Closer co-operation with the business community was justified on the grounds that it would improve their image with central government, draw in private sector support for their regeneration projects, and allow for continued involvement in the

local economy in a climate of central government hostility to local authorities. Explaining the economic policy of the mid to late 1980s and early 1990s in these terms draws out the sense of continuity, as well as change, in Sheffield City Council's approach to economic policy over the decade. Clearly, economic policy from the mid-1980s was not public sector intervention in the local economy in the form that it took in the earlier part of the decade. In changed political and economic circumstances the reality was that the mechanisms adopted in the first half of the decade were no longer appropriate for attempting to generate economic growth and employment. What the move to partnership represented was a change to an indirect form of intervention that sought to secure local authority participation and influence over the direction, structure, and management of the local economy.

Within the private sector in Sheffield, the move towards partnership reflected the general thrust of urban policy over the 1980s, and was consistent with the encouragement of corporate involvement in urban affairs by national business organisations such as Business in the Community. National business-led initiatives did emerge, however their local manifestation was not expressed through the Chamber of Commerce (the main voice of the private sector in Sheffield), and thus did not feed into the established structures of partnership in the city. The most successful BiC initiatives have been those headed by individuals well placed in the network of partnership institutions. Predominantly, the more significant advances towards a greater degree of private sector participation came not from

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national business programmes, but from Sheffield based private sector individuals, primarily from businessmen within the Chamber of Commerce. For the business community, partnership offered a mechanism to improve the image of the city and facilitate inward investment, and to occupy a position from which they could 'have a say' about the strategic economic decisions affecting the city. In the process, it provided the opportunity for establishing a wider involvement in broad scale local economic decision-making than individual businesses could achieve on their own.

## NOTES

1. Interview with Labour city councillor, Int. 15 CD 1691.

2. Interview with local authority officer, Int. 12 CD 8391.

3. Interview with Labour city councillor, Int. 2 CD 5790.

4. Interview with local authority officer, Int. 12 CD 8391.

5. Interview with Labour city councillor, Int. 15 CD 1691.

6. Interview with representative of regional DoE, Int. 28 CD 261092.

7. Interview with Labour city councillor, Int. 13 CD 25391.

8. Interview with Labour city councillor, Int. 13 CD 25391.

9. Interview with Labour city councillor, Int. 15 CD 1691.

10. Interview with Labour city councillor, Int. 15 CD 1691.

11. Interview with local authority officer, Int. 12 CD 8391.

12. Interview with representatives of regional DoE, Int. 28 CD 261092.

13. Interview with local authority officer, Int. 19 CD 3991.

14. Helen Jackson, quoted in The Sheffield Star, 5.12.89.

15. Hugh Sykes and Mike Buckley (Chair of PTPC), quoted in The Sheffield Star, 22.12.89.

16. Helen Jackson, Report to SDLP and Labour Group, 19.8.88.

17. ─────────"───────────────────────────"─────── 19.8.88;3.

18. Report to SDC board members by Labour Group city councillor representatives on the SDC, February 1990.

19. Interview with Sheffield MP, Int. 8 CD 91090.

20. Interview with local businessman, Int. 6 CD 21990.

21. Interview with local businessman, Int. 11 CD 28291.

22. Interview with local businessman, Int. 1 CD 27690.
    ─────────"───────────────"─────── Int. 6 CD 21090.
    ─────────"───────────────"─────── Int. 11 CD 28291.

23. Interview with CoC official, Int. 10 CD 291090.

24. Interview with local businessman, Int. 4 CD 24790.

25. Interview with CoC official, Int. 10 CD 291090.

26. Interview with local businessman, Int. 11 CD 28291.

27. Interview with local businessman, Int. 4 CD 24790.

28. Interview with CoC official, Int. 10 CD 291090.

29. Interview with local businessman, Int. 1 CD 27690.

30. ───────────"────────────────────"──────────

31. Interview with CoC official, Int. 10 CD 291090.

32. Interview with local businessman, Int. 20 CD 221191.

33. Interview with local businessman, Int. 24 CD 10192.

34. Interview with local businessman, Int. 6 CD 21090.

35. The majority of private sector interviewees suggested that the Cutlers' Company was not a major organisational player in the partnership.

36. Interview with local businessman, Int. 6 CD 21090.

37  ───────────"────────────────────"──────────

38. ───────────"────────────────────"──────────

# CHAPTER EIGHT

## POLICY DEVELOPMENT IN SHEFFIELD'S PARTNERSHIP
## FOR ECONOMIC REGENERATION

### INTRODUCTION

The previous chapter considered the emergence of partnership as a
policy approach towards local economic policy, by focussing on the
evolution of measures for policy co-operation in the City Council
and the local business community. This chapter moves on to analyse
policy development in two areas of the partnership's work - image
and promotion; and the attempt to integrate economic and social
policy into a regeneration package for the city. The analysis of
image policy suggests that this area has proved accessible to
consensus generation because of a mutual recognition that there was
a need to project a new image for the city. The result has been the
development of a policy that has used the discourse of partnership
to challenge the view of Sheffield as a city of political division
and economic decline. The analysis of SERC's attempt to produce an
integrated package for economic and social regeneration takes the
issue of consensus construction a step further. The regeneration
committee's initial activity involved developing a programme for
the regeneration of the Lower Don Valley (see chapters five and
seven). On this issue, as with that of image, there was little
difficulty in establishing a consensus amongst SERC's participants
because the economic regeneration of Sheffield's industrial
heartland was something that was acceptable to all. However, the

attempt to introduce a less specifically economic development agenda
into the remit of the committte proved more problematic to consensus
generation.    For  instance,  the  implementation  of  a  city-wide
employment policy was to prove troublesome, whilst the mechanism for
enabling social regeneration to take place has been a contentious
issue amongst SERC's participants.    The chapter argues that to
overcome such problems compromise strategies have been produced,
which are  as much  about  conflict  resolution  as  they  are  about
regenerating the local economy.

## IMAGE AS REGENERATION POLICY: CHALLENGING DIVISION AND DECLINE

> A few well chosen words will not reverse Sheffield's
> industrial decline. It must be emphasised that an image
> is the focus for what must be a well-engineered, well-
> researched and heavily resourced programme which through
> a process of creating awareness and demystifing fallacies
> will put Sheffield firmly on the map. (SCC/DEED, 1987c).

An  immutable  feature  of  Sheffield's  partnership  for  economic
regeneration has been a fundamental concern with the image of the
city.   There has been almost unanimous agreement that any attempt to
regenerate the city's economy would in part depend on the successful
development of a promotional campaign that projected an image of the
city in accordance with  the 'new mood' of co-operation between its
public and private sectors.    Within  the  business  community  the
necessity of establishing a powerful and positive image for the
city, as a prerequisite for regeneration, was reflected in the
creation of the Image Working Party within the Chamber of Commerce.
The task this group set for itself was to determine the best way to
attract inward investment into Sheffield, or, to <u>sell</u> the city to

the private sector. It concluded that only by creating a positive self image would capital flow into the city, and, in consequence, there was a need to form an agenda for the reconstruction of Sheffield's civic pride (see chapter five).

Within the local authority, there was also recognition that the city needed a new, more positive image if regeneration was to occur. The promotions working party, set up with officers from DEED and the Department of Land and Panning, is representative of the degree to which image was becoming a more salient issue for the City Council. Moreover, the establishment of the Sheffield Development Office as a 'one stop shop' for potential developers and investors was an integral part of the City Council's strategy for regeneration (see chapter five). Within SERC too, the development of a positive image and promotion of the city, and particularly the Lower Don valley, were primary objectives (SERC Mins, 19.12.86). The Coopers and Lybrand report on the regeneration of the valley stressed how such regeneration might be achieved through image enhancing initiatives such as flagship projects, city ambassadors and project champions (SERC, 1987).

Throughout 1986 and 1987 these developments provided the impetus for producing a new image for the city. Local politicians, local authority officers and members of the business community recognised the salience of image and promotion as a critical factor in the regeneration of Sheffield's economy. Discussions between councillors, business people and the local media, particularly in

the Image Working Party, helped reinforce the notion that any
promotional campaign would be unsuccessful unless it was based on
firm commitments from within the city to reconstruct the perceptions
of the local community. With this accepted a joint promotional
campaign was set in train, one designed to change both the internal
and external image of the city. This point is clearly articulated
in the following quote from a DEED paper on a putative promotional
campaign:

> Both the City Council and the Chamber of Commerce
> have come to the conclusion that one of the ways of
> achieving the economic regeneration of the city will
> be through the fostering of confidence and pride by
> local businesses in their city...any external campaign
> of promotion will lose its momentum unless there is
> commitment to the city by its own community...it is
> the logical starting point for a longer term promotional
> campaign run jointly by the business community and local
> authority. (SCC/DEED, Report on Promotional Campaign,
> 1987c).

Since the mid-1980s then, there has been a continuous attempt to
produce an image for the city concomitant with the existence and
operation of partnership. Indeed, the establishment of Sheffield
Partnerships Limited, in March 1988, as the promotional vehicle for
the partnership represents the search for a clear conduit for the
dissemination of positive images of the city (see chapter five).
Primarily, the production of image has sought to eradicate the pre-
partnership characterisation of Sheffield as a city in economic
decline and rife with political division. The image projected has
been one of unity, solidarity and cooperation. The simple message
this image was designed to convey was the synonymity of Sheffield
with optimism, confidence, co-operation, and economic diversity -

all characteristics to be associated with the new approach to regenerating the city's economy.

To fully understand the significance of this process we need to make a distinction within its mode of operation. Fundamentally, this involves recognising two distinct, but related aspects of image production - the need to alter perceptions within Sheffield, and the development of a corporate image for the city. Superficially, this division follows a chronological divide in Sheffield's promotional campaign (see chapter five), however, the distinction is more than one based on the temporal sequence of events. Rather, it is rooted in a analytic distinction between strategies designed to 'naturalise' the emergence of a new political alliance in the city and those designed to aid the projection of that alliance into other places (cf. Harvey, 1989;155). Both can be illustrated with reference to the challenge offered by the agencies of partnership to the popular perception of Sheffield as a city politically divided, and their methods for internally undertaking this challenge and externally promoting a new image. This attempt to change local perception has occurred through specific promotional exercises and through the reiteration of the notion of partnership by its major players.

Keeping the Spirit Alive

The 'Sheffield - Partnership in Action' campaign was the beginning of the first phase of the partnership's image promotion exercise. Launched in September 1987, its aim was to bring an awareness of the

spirit of partnership to the business community and the local populace, informing them of what the partnership intended to do. It sought to do this in a number of ways: encouraging public-private commitment to economic development; fostering an entrepreneurial climate in the city; and by portraying Sheffield as a centre of excellence and as an attractive place in which to live and invest (SCC/DEED, 1987). The whole weight of the local media was brought to bear on the preparation of the launch of the campaign at The Star Business-Industry Exhibition. Adverts were placed in the press, prominent politicians and local business people appeared on the radio, and a 'good news' sheet (later to become Success in Sheffield) was published to supply positive news and images about the city.

A key mechanism for naturalising the partnership and its associated image has been, paradoxically, a constant referral back to days of political division in the city. Sweeping the political antagonism of the early 1980s under the carpet has not been attempted. Rather, there has been a more subtle process at work involving the re-interpretation of division which stresses the extent to which the business community and local authority have converged. By referring to the political gap between the City Council and the business community in the early 1980s its erosion from the middle of the decade appears all the more significant and impressive. The partners have played up to the division in order to stress their new found unity. This itself helped in fostering the notion of

partnership, unity and co-operation both inside and outside of the city.

On another level, this referral to past division is a consequence of the very language of partnership. Within the discourse of partnership notions of antagonism and division co-exist with those of co-operation and mutual dependency. Indeed, the concept of partnership bears the imagery of union and interdependency, but it also conveys the very opposite - division and separation. Only from division and separation can unity and dependency emerge; or, to put it another way, only from the political divisions of the early 1980s was it possible for the political union of the latter 1980s to unfold. Thus, the language of partnership combines oppositional terms - division versus union - but it is the very play of the opposition of those terms which justifies the existence of partnership. The logic of the language leads to an argument which asserts that Sheffield's recent past of political antagonism and division was necessary for it to produce its present, politically unified, face. Through the local press and the 'paper' of the partnership Success in Sheffield, 'good news' stories about Sheffield's approach to regenerating its economy were regularly produced. 'Talking-up' the city has been a constant refrain. Indeed, the reiteration of the concept of partnership has been a key mechanism for its penetration into the public consciousness:

> It's a message that's very simple that people
> understand. My own view is that it was the word
> partnership that more than anything else got over
> the message that the days of division and argument
> were over, that we're trying to work together.[1]

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As suggested, an important agent here has been the local press, primarily the Sheffield Star. This is perhaps not surprising given that its editor has been a member of a number of partnership organisations and committees. Through its editorials, partnership and its attendant language has been disseminated across the city:

> One of the things we did was to actively write
> editorials about what a good idea it is that
> people come together, and look at aspects of
> partnership and praise them. We did have a role
> in public perception. We did the communication
> bit to encourage it.[2]

The following quote is also illustrative of the extent to which positive editorials acted as conduits for the partnership message, and that such messages were vetted by key actors within the partnership:

> An inner caucus of a few people got together
> to thrash out a perceived problem. I was then
> writing a press release, and going back with
> it to Hugh Sykes and Clive Betts, and saying
> have we actually reached this stage where we can
> agree to these words. So I was involved in that
> sense.[3]

Similarly, Success in Sheffield, the 'voice' of the partnership, published as many positive stories and images about the city as it could muster. The images and message sent were always concerned with unity, the overthrow of division and the 'naturalness' of working in partnership. Emphasising what partners had in common and what was good about the partnership over what differences there were, was a key strategy in generating the notion that partnership working was inevitable. The stress of the term partnership and its projection within and outside the city has been a critical factor in

defining the 'reality' of the 'need to co-operate' which both gave rise to, and perpetuates, the partnership.

The projection of the image of partnership into other places will now be considered. In other words, we will examine the geo-political strategies employed within the partnership to carry its image beyond the immediate environs of Sheffield. The protection of the partnership image outward is immediately visible in two events - an Industrial Society conference on 'Partnership' at the Adelphi Hotel, Liverpool in March 1988, and .a civic reception at the Mansion House in the City of London in May 1988 hosted by the City Council, the Cutlers' Company, and the Chamber of Commerce (see chapter five).

The conference was an extension of the Chamber of Commerce's Leadership and Privilege workshops which had taken place in 1986. Under the banner of Action '88 (part of the Industrial Society's inner cities initiative) the conference brought together leaders from the public and private sectors from a number of British cities with the intention of helping them work through how they could work together as a city team (Action '88 leaflet). Sheffield's city team consisting of Council members and officers, MPs, local business people, educationalists, and representatives from the Church of England and the Sheffield media, was actively engaged in presenting its approach to partnership and took a lead in the workshops. Within the conference's working groups Sheffield's team was able to

promote itself as an innovator in the sphere of public-private
partnership and present its new found co-operation to other cities.

Sheffield Goes To London, the reception at the Mansion House in May
1988, had a purpose different from that of the Industrial Society
conference. Essentially, the conference had provided Sheffield with
an opportunity to debate with other cities the partnership
strategies that each might employ and how they should approach the
issue of urban regeneration. For instance, how imaginative could
the partnership be; how could partnerships be used to present the
city to visitors and potential investors; and how could common
concerns be translated into practical commitments? Moreover,
although Sheffield's team occupied a prominent position in the
proceedings, the conference was not specifically Sheffield oriented.
In contrast, the Mansion House presentation was solely about
promoting Sheffield's new image and the targeting of a specific
market. In essence, it was an industrial investment and marketing
exercise designed to sell Sheffield, and its partnership, to the
City of London. The whole affair sought, in ambassadorial fashion,
to bring an awareness of the partnership to a wider (specifically
private sector) audience and promote the city as a location for
industrial and financial investment (Field, 1989). The reception
was aimed at 'the bankers and opinion formers who might be involved
in some inward investment in Sheffield'.[4] The local press was a key
promotor of this initiative. The editor of the Sheffield Star
commented:

> I went to a breakfast meeting in the Grosvenor
> House Hotel to an invited audience of a couple of

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> dozen leading businessmen and put to them a
> proposition like 'this is what we'd like to do in
> in terms of this supplement, but we need advertising
> support to do it. If enough of you support this we
> can produce this supplement and if its good enough
> in terms of the revenue we get, we'll hope to pay
> for the Mansion House. The response was phenomenal...
> The Mansion House bill came to about £14,000 and
> we picked the whole lot up. So we were playing a
> very active part in promoting what was going on.[5]

This form of promotional activity has not been the only mechanism for projecting a new image for Sheffield. The 'urban spectacle' has also been used to promote a distinctiveness and exclusivity for the city (cf. Harvey, 1989). The £400m Meadowhall retailing development is a monument of spectacle and display of the new Sheffield. Seen as a phoenix 'rising from the ashes of the city's devastated steel industry' it is represented as the centre piece of the revival of the Lower Don Valley (ST, 31.8.90). Its place in the scheme of regeneration was as much about creating a physical structure in an economically barren landscape, as it was about creating new emploment opportunities. Indeed, its construction signified the rebirth of economic activity in the city, and projected the image of Sheffield as a vibrant active place to a literally passing (along the M1) audience. Tongue in cheek, some have called Meadowhall 'the largest hoarding in the country',[6] but such an ironic analogy is not far from revealing a key function of this retail development.

Similarly, the World Student Games was designed to present the city as a place of growth and change, acting as both symbol and instrument of public and private sector unity and co-operation.

That the main purpose of the WSG was to raise morale in the city, to improve its image and to exhibit to the outside world the power of unity as a regenerating force, is difficult to deny. The Games were seen by many within the partnership as a practical opportunity to demonstrate the triumph of co-operation over division:

> It [the WSG] started as a bright idea and was
> perceived as being something that would raise
> the morale and image of the city. It could not
> be carried, at least in the initial stage, by
> the City Council alone and so became an occasion
> for people to work together. Everybody could
> agree that whatever other differences there were
> the Games were a good thing.[7]

Despite continual insistence by those public and private sector individuals involved in organising the WSG that they formed part of the overall regeneration of the city, only secondarily was the Games about the provision of a pathway out of the mire of industrial decline. Indeed, there was little in the way of an economic analysis of the potential benefits of the Games either in terms of the spin-offs for the city as a whole, or the impact of the construction of games facilities on the communities in which they were to be built:

> The WSG was never seen as an economic regeneration
> thing...We were kept well away from it until they
> [the members] needed an economic justification for
> doing it. It was a civic grandeur type project in
> which the economic regeneration benefits of it were
> never the reason for doing it, and therefore an
> economic development approach to the Games was never
> taken.[8]

Much of this overtly 'boosterist' activity has run in tandem with a more subtle form of promotion and image projection relying on the co-option and creation of loyalties to place through the language of

partnership. Most significant here has been the production of a number of 'glossy' brochures in which the language of consensus, cooperation, unity, participation and commitment to place are all called upon to foster the notion of a new economically and socially dynamic city. Three examples will briefly be considered - Sheffield Vision Become Reality (SERC, 1989); Forward into the 1990s - A Partnership with the Community (SCC/DEED, undated); and Sheffield - Room with a View (SLP, undated).

The Sheffield - Vision Becomes Reality document set out the economic regeneration committee's vision for the future of Sheffield. It stressed the city as a natural centre for business and industry; a new decision centre; an international centre for sport, leisure and tourism; an international centre for teaching, learning, research and technology; and as a city of life (SERC, 1989). The document is full of statements of intent but is short on the evidence of implementation of partnership ventures. However, the importance of the brochure lies not in its presentation of 'hard' evidence, but in its projection of a message - that these economic aspirations for Sheffield have emerged from a wide ranging consensus and unity between the key functional interests in the city. The purpose of the document is thus to present Sheffield not only as a place with economic potential, but as a place where there is a real local commitment to fulfilling that potential. Or rather, in the language of partnership, creating a city where 'vision will become reality'.

In contrast to the Vision document, Forward into the 1990s - A Partnership with the Community is about the extent of community participation in the partnership, rather than the degree of unity between functional interests in the city. Its focus is on the involvement of local people in a range of initiatives set up by the local authority through the Department of Employment and Economic Development. The tone of this document is more communitarian, with its emphasis on the involvement of local people as well as the business community in regenerating Sheffield's economy. Stress is placed on employment and training; working with neighbourhood groups; supporting the trade union movement; and supporting the city's ethnic minorities and unemployed. The thrust of the brochure is that:

> ...by working with local communities, local centres
> and activities we aim to build a partnership with the
> people of Sheffield and to ensure that everyone will
> reap the benefit of the 'new' Sheffield. (SCC/DEED, undated)

The 'new' Sheffield is of course the one alluded to in the Vision document - a economically diversified but dynamic city. Forward into the 1990s propagates that notion but sets it within the context of a caring and widespread partnership which can as easily tap into the resources of local grassroots organisations as it can those of the business community. Overall, the implication is that 'partnership with the people' offers opportunity - the opportunity of actively participating in the regeneration of the city.

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The final example of a glossy partnership brochure, <u>Sheffield - Room with a View</u> (SPL, undated), was designed to demonstrate 'what a marvellous place' Sheffield was in which to live and work.[9] It is perhaps the most illuminating in terms of illustrating the symbolic representation of the partnership and its attendant imagery and language of unity, cooperation, consensus and commitment to place. The establishment of <u>place</u> is a key variable in the regeneration equation, and this brochure demonstrates the establishment of Sheffield as a 'growth friendly' place to potential investors. Permeating the document are contrasting views on Sheffield as a place - Sheffield as a place with an industrial past; as a place with new industry; as a place with good educational and research facilities; as a place with excellent leisure, recreational and cultural facilities; and consequently, as a place for growth. Conceptualising Sheffield as a particular sort of place implies taking a particular view of the city. The brochure invites us to take these different views of Sheffield, and we are asked to take these views from particular standpoints - what we want the city to be for us. In the brochure we see these different views of the city through windows, windows of opportunity which allow us to imagine what the city could be like for us if we chose to go there. This city is one full of contrast, variety and co-existence - of fast living urban life and rural idyll; of work and play; and of an old and new.

Its language sets up these contrasts and varieties for us before we take in the view:

> If you're looking for room - to expand your
> business, to improve your quality of life or
> just room to breathe - take a look at Sheffield.
> You'll find room. With a view. (SPL, undated).

The section entitled <u>room to breathe</u> informs us that Sheffield is Britain's greenest city, with a spectacular back garden - the Peak District National Park - only a few minutes from the city centre. We are told about beautiful scenery, and are shown pictures of spectacular landscapes, which conjure up images of spiritual freedom refreshing one from the pressures of daily life. We are also informed about the 'fascinating traditions' of numerous 'pretty villages' which nestle in the valleys around Sheffield. The rural idyll is laid before our eyes, its sub-text hinting that Sheffield is not really a city at all, it is part of the countryside.

In the next section, <u>room to live</u>, the idyll continues, but *it is* that of prosperous Victoriana, offering the allure of traditional stone built Victorian housing 'complete with stained glass, cornices, fireplaces and picture rails'. However, recourse to past forms of dwelling is not enough, and we are given the alternative of residing in apartments with breathtaking views of the Peaks, or the cosiness of a 'neat semi in a tree lined suburb'. To complete the picture the image of Sheffield as the largest village in England is appropriated to foster the notion of community. When we venture outside of our Victorian villas, modern apartments or suburban semi's, we are told there is plenty to do - particularly shopping! The art of consumption can be developed in Sheffield's 'bustling markets' or at Meadowhall, although the incongruity between the two

forms is not alluded to.  In the <u>room to play</u> section, we are reminded of Sheffield's great spectator sporting traditions - football, cricket and snooker.  And for those with a less sedentary predisposition there is a myriad of indoor and outdoor sports to be pursued in the city's new leisure facilities or in its surrounding countryside.  Culture too, is not left out of the equation with stress on Sheffield's galleries, museums, theatres and cinemas.

However, the city is more than a place of consumption, it is also a place of production and the next section, <u>room to work</u> provides us with this perspective.  The emphasis here is on the replacement of old industry by new 'high quality commercial, industrial and technological developments, situated in greenfield sites'.  We are shown a picture of two middle-aged women, one black, one white, apparently packaging some product for SKF and Dormer Tools.  The image is of one of racial harmony, but it is also one which suggests that the labour market encompasses women returners - a lucrative labour force for many employers.  The theme of production is continued in <u>room to grow</u>, a section in which 'the unique partnership of the public and private sector' which 'works hard for the city' to ensure 'good support for its newcomers' is seen to be the motive force behind the 'positive atmosphere of confidence in the city'.  The demise of Sheffield's industry in the late 1970s and early 1980s is translated into 'major opportunities for development' to be seized by those employers who want to expand their companies, in a city that has accommodated 'quality craftsmanship' in engineering and manufacturing with new industries and their

associated forms of employment. The notion of growth is also contained in the education section of the brochure, room to study. We are shown pictures which stress the multi-cultural nature of education in Sheffield, and told of its excellent quality, from school to higher education. However, the key message is that the higher education institutions in the city offer a research reservoir which ultimately will benefit local businesses through its technological and mental resources.

Fundamentally, the development of an image represented a way of coping with a change that involved moving away from a city based on an 'assortment of production spaces' towards one visualised as a space of abstract technological, financial and consumption processes. The partnerships, through its own institutions, has pursued an incrementally interventionist promotional strategy to market the city. This process has involved promoting the particular qualities that working in partnership can bring; it is here that the production of images of the 'quality of life' have played their part. Reference to cultural amenities, a high quality built environment, residential districts and open spaces have been important resources in marketing the city. In this way, image policy has been a tool of economic development. Its target has been private investors, companies, developers, and public and private bodies and organisations, and that segment of the community able to consume what the parnership had to offer. The image has also been directed at a wider citizenry in a form which stresses that co-

operation and unity between all sectors of the community, will ultimately produce a better quality of life for everyone.

Since the mid-1980s then, the production of an image for the city appropriate for partnership has been a high priority for Sheffield's partnership. Altering perceptions within the city and promoting a corporte image for the city beyond its boundary's have worked in tandem in an attempt to create an overall image for Sheffield and its partnership. Promotional campaigns, the staging of urban 'spectacles' such as sports events (WSG), and retail experiences (Meadowhall), and the constant reiteration of the notion of partnership through partnership newsheets and brochures such as Vision Becomes Reality, Forward into the 1990s, and Room with a View, have been the mechanisms employed to create the new image. Through the dual process of internal and external image production the pre-partnership characterisation of Sheffield as a place of economic decline and political division was challenged by an image which favoured unity, co-operation and consensus, and stressed optimism, confidence, activity and modernity. These were now the characteristics which the partnership, through its image policy, strove to associate with its approach to regenerating Sheffield's economy.

## SERC: POLICY DEVELOPMENT AND STRATEGIES OF COMPROMISE

The Sheffield Economic Regeneration Committee (SERC) is the principal partnership organisation in the city. It was formed in December 1986 in an attempt to bring together a wide range , of

organisations with a stake in the well-being of Sheffield's economy. As outlined in chapter five, the concept of SERC was formally developed by local authority officers within DEED, although it was also the outcome of informal discussions between councillors and members of Sheffield's business community. SERC has acted prodominantly as the umbrella partnership organisation, co-ordinating various city-wide initiatives. Thus, it acts as a focal point for local initiatives and provides a location for the exchange of information and its dissemination into the community.

SERC itself has no executive powers of decision-making. Nor has it mandatory power over any participant organisation, or those involved in other partnership initiatives. Moreover, it cannot compel its members to reach agreements, and similarly it cannot enforce any agreement made within the committee to be adhered to within the wider membership of its participants. That SERC can operate at all is primarily by virtue of its ability to be able to claim a moral legitimacy for itself. This legitimacy rests on two arguments. Firstly, that it has a wide participation and thus articulates the views of a range of interested parties within the city, and secondly, that it is a wholly voluntary organisation.

Such volunteerism clearly requires the recognition of dependency between actors involved in the process of regeneration, and a high degree of consensus between partners over what needs to be done. SERC is the practical manifestation of the acceptance of mutual

dependency and development of consensus in Sheffield with regard to economic regeneration - for example, the plan to regenerate the LDV. However, it has also been the site where conflict between partners is resolved in the form of compromise strategies. This point can be illustrated by a discussion of how SERC has approached employment and social regeneration policy in the city. It is an important area because it highlights tensions within SERC over the concept of regeneration and policy development.

## A City-Wide Employment Policy - The Sheffield Charter For Jobs

In August 1988, after SERC had been operational for nearly two years, the first report was presented to the committee on the employment and social benefits of regeneration. This was the first instance where, in a formal manner, the agenda of the committee moved towards the consideration of the social dimension in their efforts to revive the economy. The report, submitted by DEED, argued that although there was a growing confidence in Sheffield about its economic recovery, the question of how to ensure that the benefits of that up-turn be maximised for local people had to be addressed. Job opportunities, recruitment policies, training provision, and the special requirements of disadvantaged groups, were all identified as areas that should not be overlooked. The recommendation of the report was that through the partnership a voluntary code of social responsibility and good employment working practice should be established to ensure that these issues were taken into consideration by all SERC's participants, and in all aspects of the city's regeneration. The response of the

regeneration committee was to 'invite' its membership to develop the idea in order to implement a city wide policy through mutual agreement and negotiation with individual developers and employers in the early stages of development and employment programmes (SERC Mins, 26.8.88).

In October, papers dedicated to this issue were presented to SERC by the City Council, the Trades Council and the Sheffield Council for Racial Equality. What emerged from this work was the reiteration of the theme of employment which dominated the earlier DEED report. This concern was expressed in three ways. Firstly, that SERC should actively encourage the development of manufacturing and industrial employment; secondly, that in order to obtain 'real benefits' from economic regeneration a charter of good employment practice should be established; and thirdly, that an employment and social benefits team be set up within the local authority structure to explore the potential employment gain from development within the city (SERC Mins, 28.10.88). That the employment issue emerged as the focus of an examination of the social consequences of regeneration is not surprising, given who initiated it and who prepared the papers for SERC. The impetus for the 'social review' came from the City Council and officers within DEED, whose perception of social benefits was predominantly in terms of the provision of employment through the attraction and retention of jobs, and the dismantling of patterns of discriminatory employment practice within the city. For the trade unionists on SERC the process provided an opportunity for outlining a series of city-wide

employment policies designed to benefit trade union members in terms of local employment training, pay scales and working conditions.[10]

The most tangible outcome of this activity was the emergence of a good employment initiative, dubbed the Sheffield Charter for Jobs (SERC, 1989a). The intention was to set out a series of mutually agreed policy stances in relation to employment and equal opportunities which would then be adhered to by all existing and new employers in the city. Between October 1988 and March 1989 drafts of the Charter were developed by representatives from SERC. Predominantly, the drafts were produced by the trade union representatives on the committee, although there was input from the Sheffield Council for Racial Equality and the Chamber of Commerce. The early drafts of the Charter were considered solely by SERC's executive committee and were focused mainly on labour force training and equal opportunities. By Spring 1989 enough work had been put into the development of the Charter for it to be considered at full committee level.

The draft presented to SERC in May 1989 included seven policy commitments. These were a commitment to recruit from the local community; a commitment to provide for employee education and training; a commitment to improving the type of employment – particularly by creating full-time and long term jobs; a commitment to equal opportunity; a commitment to allowing employees to belong to a trade union or similar collective organisation; a commitment to the operation of a positive health and safety policy; and a

commitment to ensure that the benefits of regeneration were spread widely (SERC, The Sheffield Charter, Third Draft, April 1989a). However, at the May meeting the problematic nature of the Charter became apparent. The problem was that whilst agreement could be reached amongst SERC's individual participants on the concept of a mutually agreed charter of good employment practice, agreement on what could be accepted as good employment practice was contestable, and secondly, an argument emerged that as drafted the charter would be counter-productive to the goal of economic regeneration.

In the process of producing drafts of the Charter it became clear that there was little prospect of obtaining wide ranging private sector assent for its policy commitments (SERC Mins, 26.5.89). The Charter itself was clearly very prescriptive and its employee orientated approach reflected a trade union and local authority employment perspective which was not necessarily one shared within the business community. Although private sector individuals within SERC accepted the Charter, they were joined by very few other private sector employers. In the Chamber of Commerce it was made clear that employers would not sign up to policy commitments that they either did not agree with, or could not act upon. Additionally, they argued that the Charter initiative was peripheral to the mainstream activity for regenerating the city, which was to improve Sheffield's image and attract inward investment. Moreover, many private sector employers asserted that pursuing such employment policies would repel rather than attract new job opportunities.

The Charter episode illustrates the problematic nature of addressing employment and social issues within a regeneration agenda dominated by physical improvements, image management and the attraction of inward investment. Although connections between economic growth, and employment and social issues had been made and accepted by all the participants within SERC, there were still differences between partners over how this issue should be handled. Ultimately, the Charter dropped off SERC's regeneration agenda because the committee lacked power to compel its membership to enforce the charter on the constituencies which they represented. That a consensus was reached within the regeneration committee was of little consequence once it was acknowledged that consensus could not be sustained outside its own confines - and that could not be achieved. The problem for SERC has been to extend the communality of interest that has developed within the committee outside of itself. What this has demonstrated is that any notion of wider group interest has been restricted to economic development issues.

The argument fostered by the private sector that the Charter was an inexpedient initiative that would detract from the overall approach to regeneration, faced little challenge. Indeed, despite some criticism of the stance adopted by the majority of the private sector, the Labour councillors on SERC were not willing to turn the Charter into an issue of political contention. This was because there was little political advantage to be gained once the Charter had effectively faltered in SERC. More importantly however, by the time the Charter had reached the stage of substantive debate in

SERC, the employment and social objectives within it, had already begun to be reworked into a new long term strategy for regenerating the city. Similarly, the trade unions would have been unable to develop the initiative on their own, and had little option but to abandon it and redirect their efforts to contributing to the emerging long term plan for regeneration. As long as the issues discussed within SERC focused on image promotion, and generally improving and diversifying Sheffield's economic base, such differences remained hidden. However, when the focus changed to consider specific initiatives devoted to employment and social issues the problematic nature of how to distribute the benefits of regeneration became abundantly clear.

Sheffield 2000: Towards a Programme for Regeneration

A central difficulty for SERC then, has been to unify the social and economic dimensions of regeneration within a partnership framework for local growth and development. One way in which this unification has been attempted has been through the development of a long term strategy for the city's future - Sheffield 2000. Fundamentally, the strategy is based on identifying what sort of economy Sheffield needs for the twenty-first century, and how such an economy could be achieved. It is important because it represents the formal articulation by SERC of an economic niche for Sheffield within a changing national and international division of labour.

Sheffield 2000 originates from the objectives and proposals developed in the Sheffield Economic Regeneration Strategy (SERS),

and two earlier SERC documents, <u>Vision</u> and <u>Sheffield Vision Becomes</u> <u>Reality</u>. The former was a detailed local authority plan designed to aid the implementation of an economic strategy for the city, but one based on public-private co-operation (see chapter seven). In contrast, the latter documents were less detailed and more aspirational, being an outline of SERC's aims for an economic niche for Sheffield, and stressed the city as a natural centre for business and industry; as a centre for decision-making; as an international centre for sport, leisure and tourism; as an international centre for teaching, learning, research and technology; and as a city of life (DEED, <u>Sheffield Vision</u>, second progress report, 25.4.88; SCC, 1989). Sheffield 2000 was designed to bridge the gap between the detail of the SERS and the aspirational content of <u>Vision</u> and <u>Vision Becomes Reality</u>. As the main architect of Sheffield 2000 related:

> We had the SERS, and we had Vision and Vision
> Becomes Reality. For some time we had the
> problem that Vision and Vision Becomes Reality
> said this is where we want to be, and the SERS
> was supposed to say this is how we get there, but
> they didn't actually mesh. There was a growing
> feeling that they needed to mesh and that led to
> discussions about doing that. Parallel to this there
> was a discussion going on, brought up by Hugh Sykes,
> along the lines of the 'the city needs a corporate
> plan'. I didn't like the idea of a corporate plan
> because that was too economistic, but certainly that
> notion came together with the notion of pulling
> together the strategy and the vision. Now out of
> this a working group was set up to pull that together
> and that was when it became Sheffield 2000.[11]

This comment about the integration of a local authority strategy and a partnership inspired plan, together with the concept of a

corporate plan for the city, helps explain the parentage of Sheffield 2000. Unequivocally, the strategy's antecedents lie within past local authority plans produced within the Department of Employment and Economic Development, but it also relates to private sector concerns with the nature of the local economy, and how to combat industrial and economic decline. The interest in a 'corporate plan' for the city has a resonance with aspects of the work of BiC and their attempts to demonstrate the catalytic potential of the business community in regenerating urban areas.

In chapter seven, it was shown that although BiC has had a modest input into the city, where it has entered this has been through the conduit of Hugh Sykes. BiC's input into the notion of a 'corporate plan' did not deviate from this path. Sykes' interest in the concept of a city-wide regeneration plan was supported by BiC, and particularly by Peter Henschel, the former deputy mayor of San Francisco.[12] Henschel was key member of BiC, and had been involved in establishing BiC's involvement in Halifax and Blackburn. The majority of BiC's ideas had been drawn from the experiences of North American cities, particularly Baltimore, Pittsburgh, Boston and Lowell. Sykes, encouraged by Henschel, sought to replicate the Lowell model in Sheffield. The choice of Lowell was an important one - it had successfully used its public-private partnership to exploit state and federal grants to revive its textile-based economy and regenerate its run down areas. Indeed, in seven years the Lowell partnership had helped reduced unemployment from 15.5 per cent to 2.5 per cent. For Sykes, the Lowell partnership symbolised

what could be achieved by the business community working with public officials. A Chamber of Commerce representative on SERC commented on the initiation of the 'corporate plan' (Sheffield 2000) in the following way:

> Hugh Sykes came back from Lowell in America. He came
> back with two sheets of paper which said what Lowell
> were going to do [about the regeneration of its economy].
> I wrote up the same thing for Sheffield on two sheets
> of paper. John Darwin of DEED took that forward into
> the beginnings of Sheffield 2000.[13]

The first phase of Sheffield 2000 began in late 1989 and continued until the autumn of 1990. In SERC, a Sheffield 2000 steering group was set up consisting of *councillors Helen Jackson and Mike Buckley*, Norman Adsetts and Peter Bolton from the Chamber of Commerce, Hugh Sykes from the Development Corporation and Blanche Flannery from the Sheffield Trades Council. Complementing this was a working group within which much of the detailed drafting of the strategy would be undertaken. This group included John Darwin from DEED, and one representative each from the Department of Land and Planning and the Development Corporation. In addition, an executive team was established to provide 'input and ideas' to the development of the strategy. This team was made up of the chief executive of the local authority, the directors of DEED and the Department of Land and Planning, the chief executive of the Chamber of Commerce, the chief executive and community director of the SDC, two representatives from the Sheffield Council for Racial Equality, and one representative each from the Trades Council, the Confederation of

Shipbuilding and Engineering Union, the University and Polytechnic, and the Training Agency (SERC Mins, 25.8.89).

The initial work for Sheffield 2000 was devoted to a review of previous economic proposals for the city, and an examination of the wider economic, social and physical context of the city's regeneration. Much of this activity was carried out in the autumn of 1989 through a series of seminars and workshops organised by officers from DEED, and the private consultancy firm Deloitte, Haskins and Sells. These seminars concentrated primarily on the economy, infrastructure, human resources and new technology. From them emerged a series of issues which were to become the foundations of the eventual strategy. These were the growing importance of green initiatives; leisure; human resources; information technology; new materials; and knowledge and technology transfer (SERC Mins, 27.10.89). More generally, the exercise sought to place Sheffield within a changing national and international economy by identifying Sheffield as part of a region suffering industrial decline, lacking economic diversification, growth sectors and decision centres, lacking applied research capability, adequate investment in human resources, and requiring improvements to its physical infrastructure.

The seminars and workshops culminated in the identification of what became known as the Sheffield Arrow or Sharrow - a list of 'outlook' themes representing statements designed to project and promote the image of the city. The themes were similar to those outlined in

SERC'S earlier <u>Vision Becomes Reality</u> document, identifying
Sheffield as a caring city; a green city; a world city; a learning
city; a healthy city; an information city; and a productive city
(SERC Mins, 22.12.89). Underlying these themes were objectives for
the regeneration of the city, in particular:

- retaining and developing the city's industrial base;
- increasing the number of decision-making centres in Sheffield;
- developing a tourism strategy;
- diversifying the economy to include more growth sectors
- improving information networks;
- and, developing a wider regional approach to social and
  economic regeneration.


A second series of seminars and workshops was organised in early
1990 in which the working group and the executive team used the
'outlook' themes and objectives to identify priority areas for
development. Five areas were isolated for future action within the
meetings - business and industry; decision-making centres and
infrastructure; research and technology; sport, leisure and tourism;
and social regeneration. Over the following months these priority
areas were reworked into a proposal for developing a self sustaining
economy in the city. In so doing, the working group identified five
areas of intended economic growth - manufacturing; public service;
information; leisure; and environmental or green issues. These
<u>growth networks</u>, as they came to be known, were intended to act as
'magnets' which would attract related economic activity, and
generate sufficient momentum to sustain their own growth. This
<u>critical mass</u> was to be achieved by a combination of consolidating
existing economic activity within the city, helping it grow and
diversify, and by attracting inward investment. Underlying all this

were three core elements intended to permeate throughout the strategy - the development of physical and human investment; working in partnership to achieve the aims through project champions; and ensuring that each growth network could identify how it would contribute to ending poverty and discrimination (SERC, Sheffield 2000, Executive Summary, June 1990).

The second phase of the Sheffield 2000 process was devoted to developing these five growth networks. The organisational structure for phase two included the establishment of a steering group to recommend policy and oversee the project, a core management group charged with implementing the strategy, and a co-ordinating group to bring together the project champions of the growth networks. Additionally, each growth network was to have a development group and a work group within which the detailed proposals for the network would be produced. All of these groups were staffed by nominated representatives from SERC's constituent organisations, as well as local authority officers from within the Department of Employment and Economic Development. Work focussed on identifying priorities for each network, and how to link particular organisations (project champions), and financial, social and knowledge resources in the city, in order to allow specific projects within the networks to be developed (SERC Mins, 28.9.90). Most of the work was carried out between winter 1991 and summer 1992, and was devoted to establishing objectives and developing activities for each network.

Beyond the Factory Gate: Social Policy in Sheffield 2000?

Primarily, Sheffield 2000 has been about finding a productive role for the city in a changing national and international economy. Phase one of the process was heavily geared towards establishing a new economic discourse for the city, based on high technology-high value industry, specialised research and information and the pursuit of leisure developments, rather than one focused on its industrial past of steel production and heavy engineering. As a consequence, much of the early work was designed to foster a new discourse concentrated on economic regeneration as a counter to the collapse of the city's traditional industrial base. The project's initial seminars and workshops were predominantly concerned with the nature of the local economy, local infrastructure and the issue of new technology (Sheffield 2000 workshops, 2.10.89; 3.19.89). There was little concern with issues such as inequality, housing or education in the papers produced by the consultants Deloitte, Haskins and Sells, or officers from within DEED. SERC's voluntary sector representative commented:

> I went to two seminars, and the social issues were
> seen to be in a separate box. The result was complete
> exclusion of social concerns from final papers, and
> it was as though we hadn't been there.[14]

Phase one then, was carried out in isolation from many of the social issues on which its economic analyses impinged. A counterweight to this was the submission, to the Sheffield 2000 working group, of a paper outlining an agenda for social regeneration. This paper, prepared by the City Council's central policy unit, considered the

aims and operational objectives needed to create a 'better quality of life' for all of Sheffield's community. Moreover, it highlighted those sections of the community who could 'miss out' on the benefits of economic regeneration unless efforts were made to cater for their needs (SERC Mins, 27.10.89; PB). One consequence of this was the establishment of a Social Regeneration Group (SRG), consisting of representatives from the Voluntary Sector Consultative Forum, the Sheffield Council for Racial Equality and local authority officers. Its first act was to hold a conference in January 1990 entitled Quality of Life in Sheffield 2000, focussing on the social aspects of regeneration in the city. This conference was conceived as an alternative to the emphasis on economic factors in the initial Sheffield 2000 seminars, and in the planned second series of seminars. The initiator of the conference asserted:

> The attempt was to set up a conference first, the
> 'Quality of Life' conference, which was conceived
> far more in opposition to phase one of Sheffield
> 2000 than it was a component part.[15]

Two major concerns emerged from the conference. The first was how to integrate social regeneration into the economic strategy, so that the marginalisation of sections of the community could be avoided; the second, was the necessity of pursuing specific and targeted action to ensure the widest possible dispersion of the benefits of economic growth (SERC Mins, 26.1.90). The following comment from the chair of the SRG illustrates the context within which specific initiatives were to be located:

> The line that the SRG went on following the
> conference was focussed on empowerment and
> responsive institutions. The theme was that

> institutions should be open, flexible, responsive
> and provide appropriate services, and should do
> so with the people who are on the receiving end
> rather than for or to them. Also that those who
> are concerned with making decisions on the large
> scale should also be concerned with the impact on
> those not directly affected, externalities, things
> beyond the factory gate.[16]

Post-conference activity focused on the preparation of a report on the social consequences of economic growth (SERC Mins, 30.3.90). The SRG's report was presented to SERC in the Spring of 1991, eighteen months after the initiation of the Sheffield 2000 process. The report argued that a social perspective should underlay the 2000 strategy by addressing the issues of community development; community care for the elderly; reducing unemployment; and alieviating poverty and debt. The report also stressed that Sheffield's regeneration should be characterised by the promotion of community empowerment (SERC, executive summary, Sheffield 2000, June 1990). Such areas of interest highlight the extent to which the SRG sought to extend the debate on the distributional aspects of economic growth beyond the issue of employment. However, the work of the SRG was designed to *do more than impregnate the regeneration* debate with social concerns:

> Social regeneration was always about embedding
> social concerns in the economic agenda, though
> it was also concerned with enabling people to
> have a say, a voice for themselves. Whether that
> be the voluntary sector, those organised community
> groups or those not yet organised.[17]

This wider remit including the notion of community empowerment can be seen in the SRG's guidelines issued to the growth networks. These stressed that integral to each network should be a process of assessing the social policy implications of its work; initiating

social impact studies; identifying potential partnerships with the community; and developing specific social regeneration proposals (SERC Mins, 23.11.90).

The output of the networks demonstrates the extent to which the aims of the SRG were achieved. The information network is the best example of a network which did make some attempt to accommodate some of the objectives of the SRG. Indeed, the work programme of this network exhibits a more explicit awareness of the need to consider the social implications of economic change than does others. The aim of the information network was to develop a locally controlled information technology network geared towards social and economic development in the city. The aspiration was to establish a 'network culture' amongst those not benefiting from changes in technology that would spread awareness of the knowledge of existing technologies; help coordinate the city's information and communication developments; provide a counterweight to the dominance of market forces in information technology; and provide information technology training (SERC Mins, 22.3.91). The greater level of social awareness within this network can be explained by the existance of a political framework for its work, that other networks did not have. The chair of the SRG hints at this in the following comment:

> The individuals on that network, largely local
> authority officers, were already concerned about
> information as a dimension of social life, and a
> dimension of further inequality because of the
> access and use of information reflecting the power
> of those already comfortably off, primarily business.[18]

However, despite the recognition of social issues within this network the concerns of the SRG were given equivocal treatment in phase two of the process. Reports presented to SERC by other networks are full of action plans which relate only marginally to the guidelines of the SRG. For example, the priority areas for the manufacturing growth network were Sheffield's traditional industrial base; new growth sectors; provision of business advice; technology transfer; and land and premises (SERC Mins, 25.1.91). There is some recognition of the social dimension in the leisure network, in terms of acknowledging the difference between elite and grass roots leisure and sports development, but it is vague in terms of catering for a wider level of leisure participation or the impact that leisure developments might have on adjacent communities (SERC Mins, 25.2.91). In general, embedding a social dimension into the work of the growth networks was thus problematic. Indeed, despite the fact that the management group for phase two included the chair of the SRG (whose primary role was to maintain the social dimension on the agendas of the networks), his attempts to 'push social things towards them' were received equivocally.[19]


Accommodating Economic and Social Policy in Sheffield 2000: A Strategy of Compromise?

The economic regeneration committee's long term plan for the regeneration of the city's economy was designed to facilitate the integration of the social and economic dimensions of regeneration so that they could operate within the consensual mode of operation

required within SERC. The 2000 strategy repackaged and softened policies on employment quality and equal opportunities outlined within initiatives such as the Sheffield Charter. Unlike the Charter with its definite points and prescriptive aims, the descriptive, more vague social commitments of the 2000 strategy have proved less problematic for SERC's participants, and their wider memberships, to accept. None of SERC's constituent parties has had to get agreement from its own members over anything other than a diffuse and partial set of proposals.

This reconstitution of the social has allowed SERC to claim that it has integrated social regeneration into its 2000 strategy. Nowhere is this more evident than in the regeneration committee's assertion that it was committed to 'the integration of social regeneration within economic regeneration' and 'the goal of sustainable social regeneration' (SERC Mins, 26.4.91). However, integration implies the fusion of economic and social objectives so that they work in unison, informing and influencing each other. This has certainly not been the case in the process of Sheffield 2000, and it is unlikely to permeate into its outcome. It would be more appropriate to suggest that SERC has accommodated social considerations within the strategy process rather than integrated them into it. This accommodation has allowed the two main participants of SERC, the City Council and the Chamber of Commerce, to make similar claims. The City Council can claim that it has been able to infuse the 2000 strategy with a social conscience, whilst the Chamber of Commerce

has used Sheffield 2000 to promote the concept of ethical corporate community participation.

To keep the social on the regeneration agenda, policies concerned with good employment practice and equality of opportunity have been toned down, and the wider issue of who benefits from economic growth has been only marginally addressed. Pressure from the SRG has resulted in acknowledgement that social concerns have to be part of the regeneration agenda, but it has not resulted in any structural concern with the social consequences of economic growth. Indeed, there has been little practical commitment to developing a strategy that incorporates mechanisms for enabling community involvement in the regeneration process. The references to community empowerment, non-discriminatory employment practices and the alleviation of poverty and debt, which appear in phase two of Sheffield 2000, are there by virtue of the insistence of the SRG representative on the management group. They have become accommodated in the strategy despite, and not because of, the work of the growth networks, and are unfiltered by contact with them.[20] The consequence is that they appear as statements of 'good intention' rather than programmes of action integrated into the individual strategies of each network, and have had to be imposed from the top of the Sheffield 2000 organisational hierarchy, rather than emerge from the process itself. As one of SERC's trade union representatives commented:

> The problem we've had is that we could only really
> do it down the different levels. The support for the
> specifics has had to come down rather than up, and
> its an uncertain process. We haven't got it all the
> way down, more work needs to be done on that. It
> [Sheffield 2000] needs to be more accessible down

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the line. There's a lot of pieces of paper flying
about on Sheffield 2000, lots of details of plans,
but consultation with ordinary people goes deeper
than that. I think there is a gap - one we need
to address - of getting discussion of what it means
in individual people terms. We're quite good at grand
strategy, but we need to be better at talking to the
individual on the street and saying this is what it
means to you, this is what you could do.[21]


CONCLUSION

Overall, the explanation for the development of economic and social

policy within SERC can be set within the context of partnership

outlined in chapter three.  Briefly, this asserted that politically

partnerships are concerned with the management of economic change.

Ideologically, they are part of an urban policy climate that has

sought to increase the role of the private sector in the process of

urban economic regeneration.  These two dimensions of partnership

converge within the notion of mutual dependence, and it is the

acquiescence to 'mutual dependency' that blurs the political and

ideological dimensions.  Partnerships then appear to be the only way

to achieve regeneration, rather than as a politically determined

option.  Although  particular partners may recognise the political

and ideological nature of the collaboration, once a partnership has

been formed there is a tendency for the partnership to concentrate

its  efforts  where  clear  areas  of  common  ground  exist.  This

reinforces the notion of dependency.  Within partnerships concerned

with economic regeneration, these areas of communality tend to focus

on image management and inward investment.  The partnership in

Sheffield  is  no  exception.   The  regeneration  committee  has

concentrated much of its activity on improving these areas, and has

had little difficulty in establishing a consensus between the partners, as in the case, for example, with SERC's plan for the regeneration of the Lower Don Valley.

However, returning to partnerships in general, although it is clear that consensus can be established, the problem is to maintain it. Certainly no two partners ever approach the partnership with the same values, objectives, of criteria for evaluation. The views of the partners may differ markedly in how they assess the impact of partnership initiatives and how they judge its success. In Sheffield, differing conceptions of regeneration were most evident in how SERC dealt with the issue of employment policy and social regeneration. Within the committee it was not difficult to get agreement on the economic development issues that needed to be addressed. However, when the social dimension reared its head the result was a dispute, based not on the merits of having the social dimension on the regeneration agenda, but on the means of incorporating it into the agenda. The direct and prescriptive equal opporunities policies of the Sheffield Charter were unacceptable to the wider business community. When issues such as equal opportunities, discrimination and the wider distribution of economic benefits were re-introduced into the 2000 strategy, they were more diffuse and vague than in their previous incarnation. In effect, it was a 'trade off' between the social and employment goals of the community, trade union and political representatives on SERC and the market-based criteria of the private sector representatives from the Chamber of Commerce. This 'compromise strategy' resolved the

dispute by massaging the ideological differences, and allowed the regeneration committee to continue its claim of consensus.

## NOTES

1. Interview with local businessman, Int. 1 CD 27690.

2. Interview with editor of The Sheffield Star, Int. 23 CD 61291.

3. _____"_____"_____"_____

4. _____"_____"_____"_____

5. _____"_____"_____"_____

6. Interview with representative of VSCF on SERC, and member of SERC's Social Regeneration Group, Int. 21 CD 291191.

7. Interview with local businessman, Int. 1 Cd 27690.

8. Interview with local authority officer, Int. 12 CD 8391.

9. N. Adsetts, quoted in The Sheffield Star, Industrial Survey, 15.1.90.

10. Interview with local union official, Int. 27 CD 261092.

11. Interview with local authority officer, Int. 19 CD 3991.

12. Interview with local businessman, Int. 6 CD 21090.

13. _____"_____"_____"_____

14. Interview with representative of VSCF on SERC, and member of SERC's Social Regeneration Group, Int. 21 CD 291191.

15. _____"_____"_____"_____

16. _____"_____"_____"_____

17. Interview with representative of VSCF on SERC, and member of SERC's Social Regeneration Group, Int. 21 CD 291191.

18. _____"_____"_____"_____

19. _____"_____"_____"_____

20. _____"_____"_____"_____

21. Interview with local union official, Int. 27. CD 261092.

# CHAPTER NINE

## BRIDGING THE GAP? PRIVATE MANAGMENT AND PUBLIC ACCOUNTABILITY IN SHEFFIELD'S INSTITUTIONS OF PARTNERSHIP

### INTRODUCTION

The previous chapter considered the development of policy within the partnership, particuarly through its main institution - SERC. The chapter argued that differing conceptions of regeneration within the committee produced a compromise strategy (Sheffield 2000), which represented the partnership's pragmatic intentions for Sheffield's long-term development. The result was the production of a compromise strategy in the name of the 'greater good' of the city. The aim of this chapter is to consider differences between partners that are, paradoxically, more difficult to bridge - those focused on issues of managerial style and public accountability.

In Sheffield, a clash of public-private managerial styles and differing notions of accountability can be seen in two vivid examples - the Universiade (GB) Ltd. and the Sheffield Development Corporation. A third, less spectacular example, is offered by the operation of the economic regeneration committee. In SERC's case, this umbrella institution of partnership has been constantly, if not explosively, faced with pressures over the manner in which it approached the management of the partnership in general. These three institutions of partnership have been chosen because they represent a wide forum for partnership (SERC); a public-private

partnership venture established for a specific purpose (Universiade (GB) Ltd); and a centrally imposed, but locally incorporated, instrument of economic regeneration (the SDC). This chapter begins with an examination of the regeneration committee, followed by a discussion of the managerial problems and styles in Universiade (GB) Ltd. and the Sheffield Development Corporation.

## SERC: A 'BOARD OF DIRECTORS' OR A 'FORUM FOR DISCUSSION'?

The economic regeneration committee was the first formal expression of public-private partnership in Sheffield. It is the umbrella institution of the partnership, and the point from which various partnership initiatives have sprung, or have been orchestrated. SERC's initial participants were relatively high profile individuals and organisations in the city. For example, it included the leader of the Council; the chairs of the Council's Employment Programme and Transportation and Planning Programme Committees; the chief executive and president of the Chamber of Commerce; the regional directors of the DoE and DTi; trade unionists; senior administrators from the University and Polytechnic; and was serviced by senior officers from the Department of Employment and Economic Development (see chapters five and six).

As the first institutional manifestation of partnership it is unsurprising that such individuals and organisations should be involved in what was ostensibly a committee set up to prepare a plan for the regeneration of the Lower Don Valley. In these early stages of partnership the belief was that 'everything' was possible, and

'everybody wanted to be part of it'. Participation in the committee has, however, changed over its life time. As the partnership has developed more organisations have been drawn into sending representatives to sit on the committee. Community groups such as the Voluntary Sector Forum and the Sheffield Council for Racial Equality have been incorporated, as have the Chamber of Trade, the Development Corporation, the TEC, the Church of England in the city, and latterly, the health and police authorities.

However, it is not only the extent of participation that has changed. There has also been a variation in the level of representation on the committee, and some organisations have played a less active part within it:

> There aren't many bodies who've stopped coming,
> if any. But the level of representation has some-
> times changed and that's been a reflection on how
> much they've wanted to be involved in it, and that's
> been the problem.[1]

For example, the regional office of the DoE have played less and less a part in SERC's deliberations, primarily since the inception of the Development Corporation in the Lower Don Valley.[2] It is not that this central government department no longer sends representatives to SERC, but that those representatives that do attend are not of the same level of seniority as those who formed part of the original committee. Similarly, the Development Corporation, in the early stages of its existence, was represented at a very senior level through its chief executive and chairman. However, over time, that level of representation has not been maintained and the SDC is now represented by *less senior individuals*

who tend to act as observers rather than as active participants. In contrast, the TEC is represented at SERC meetings on a regular basis at a high level through its chairman. This however, can be explained by the fact that the chair of the TEC is deputy chair of the regeneration committee.

This changing level of participation and representation is the consequence of a number of factors. The initial view of the regeneration committee was very much focussed on the regeneration of the Lower Don Valley. An ex-SERC representative commented on the regeneration committee's initial composition and eventual change in the following way:

> SERC was set up explicitly to look at the regeneration
> of the Lower Don Valley...it comprised those people who
> had money and influence - to make a difference. If you
> look at who was first on SERC and who was added later
> you see the process of dilution of the powers that be,
> or conversely the incorporation of more sections of the
> community.[3]

Certainly, if one considers SERC's early activity it is clearly oriented towards 'making a difference' in Sheffield's industrial heartland. This is not surprising given that SERC was predominantly a product of the City Council's officer working party set up to develop a strategy for the Valley's regeneration. Similarly, the initial membership of the committee was as it was because its members were the ones identified in the Council's Lower Don Valley strategy report as key agents necessary for any initiative to be successful, and because they had been taking part in the informal meetings in the city discussing ways to regenerate the local economy. It also has to be acknowledged that SERC's activity was

focused on the Lower Don Valley in order to head off the imposition of a Development Corporation. That this was never an achievable strategy (given that the government's favoured route for regenerating derelict areas of inner city was the UDC and that the DoE used SERC's work to make the case for a UDC in the Valley), does not detract from the fact that local councillors and officers believed that the example of SERC, and its work, could be used to negotiate a way of regenerating the Valley on terms that would be acceptable to them. (see chapter five).

With the introduction of the Development Corporation in July 1988, one of SERC's main reasons for existing was taken away. One critic of partnership suggested that, 'the guts was pulled out of SERC when Sheffield got an Urban Development Corporation'.[4] However, SERC has always been about more than a concern with one part of the city. Even though its initial focus was on the LDV its brief always included a wider view of the regeneration of the city as a whole, whether that be through co-ordinating promotional campaigns, working to boost internal confidence, or co-ordinating various partnership initiatives. Nevertheless, with a key area of its work no longer open to it, the committee needed new activities on which to focus. Primarily, this reorientation has been undertaken through the development and co-ordination of Sheffield 2000. Embarking on such activity has inevitably necessitated drawing in more actors and organisations into the structure of the committee, with a particular need to appeal to community organisations.

However, this change of focus away from a strict concern with the economic and physical development of the LDV has meant that some organisations have played a less active part in SERC's deliberations. This is the case with the regional DoE which has switched its focus to the work of the Development Corporation, thus channelling its input into the regeneration of the city through centally established policy mechanisms. Similarly, the Development Corporation itself, although sending representatives to SERC, will inevitably have as its primary concern the development of its area and implementation of its own initiatives for regeneration. There has also been a growth in the institutions of partnership, developed since the regeneration committee was established, to further collaborative working. Some, such as Sheffield Partnerships Limited, Hallamshire Investments or Universiade (GB) Ltd. were set up to do specific things within the partnership, whilst others, such as the Hallam Group are more loosely focused organisations within which general regeneration issues and initiatives are discussed. In addition, the TEC and the SDC, although imposed on Sheffield by central government, have become part of the network of regeneration activity within the city.

Clearly, since SERC's inception there have been fluctuations in the focus of the committee and in the extent and level of participation of its membership. The growth in new partnership institutions has meant that a proportion of the debate that originally took place within SERC, has moved into other formal or informal partnership structures. However, as the number of institutions and the level of

collaborative working in the city has proliferated the regeneration committee has progressively widened its gerth to accommodate these new structures. The paradox here though is that whilst SERC has become a more encompassing organisation, its _raison d'etre_ has become progressively less easy to define. This has resulted in a number of crises of confidence in which its role, focus and structure have come into question. Predominantly, two forms of criticism have been levelled at the committee - firstly, that it is too Council dominated and bureaucratic, being part of the local authority committee system; and secondly, that is has deteriorated into a 'talking shop'.

The former criticism emanates predominantly from private sector representatives on the committee. As an original, now ex-Chamber of Commerce representative asserted:

> If you go into a meeting then the chances are very high that if you speak to a paper, that paper will have been prepared by a City Council officer. So anything you see today, Sheffield 2000 or Sheffield for health will have the stamp of Sheffield City Council... and generally expounds the views that they would hope to find favour. The arguments why that is so are legion - they've got the staff and resources.[5]

Another Chamber based SERC representative commented:

> The nearest we've got to formulating some total work in SERC is Sheffield 2000. How balanced an approach is that? Well it's better than nothing but it is perhaps influenced more than you would want by the local authority. It has got the resources, whereas if you look at the business community in all these things it has lacked any kind of resource to put a lot of planning thought into it. So, it invariably slides back into the officers of the Council...There's always the risk that what you start injecting is rather more a set

of political priorities than the original partner-
ship would have chosen.[6]

Similar criticisms have also been voiced within the regional DoE:

> The City Council were using SERC as a means to
> exercise their influence, and to a certain extent
> control, a development strategy. They liked to think
> of it as a tripartite arrangement...but the City
> Council's tactic was to try and make sure that the
> private sector were supporting what the City Council
> were seeking to achieve.[7]


For the business community, the counterweight to what was seen as a

Council dominated body lay in the Hallam Group, the Business

Leadership Team set-up as part of Business in the Community's

national urban regeneration programme (see chapter six and seven).

Formed under the direction of Hugh Sykes and Richard Field, with a

remit to 'support and co-ordinate' the city's regeneration projects,

the group sought to harness the resources of Sheffield's business

leaders to the task of regeneratining the city (The Sheffield

Telegraph, 1.12.89). The Group included those businessmen already

immersed in the activites of the partnership, as well as other

business people who were not involved in partnership initiatives.

Additionally, members of the group included senior figures from the

city's educational establishments, and the chief executive and

treasurer of the City Council (see chapter six).


Despite its national origins, and given the criticisms of SERC which

have gradually grown within the private sector, the Hallam Group can

justifiably be seen as an alternative buisness dominated co-

ordinating organisation. Indeed, understanding the Hallam Group as

an alternative locus of regeneration activity is all the more convinving when one considers that Sheffield already possessed a strategic level co-ordinating organisation in SERC. The difference was that some people in the business community saw the regeneration committee as becoming more bureacratic and Council dominated, too heavily populated, and increasingly diverging from its original aims. The Hallam Group offered the opportunity to escape these 'problems'. As one President of the Chamber of Commerce noted:

> If you've got lengthy meetings [in SERC] you will not
> not keep key business people involved, because that's
> not the way they operate. We don't operate on lengthy
> meetings, lengthy debates and run things by committee.
> In SERC, you've got a wide mixture of people with a lot
> of different interest. All of them want to have their
> say, and that can be quite a tedious process...In the
> Hallam Group we get the opportunity to discuss what is
> going on and in what way we can help, and sometimes
> champion projects...projects which just wouldn't happen
> unless somebody picked them up.[8]

Within the leadership of the Labour Group the benefits of possessing resources greater than those of other partners and the ability to set the agenda of the regeneration committee was clearly acknowledged:

> We've got a lot of officers in the Employment
> Department or Planning Department, who despite
> other pressures have got some resources to put
> in. Alright, the private sector have got the
> Chamber, but they are dispersed, and if we
> exercise our abilities to influence we can be
> a very powerful force...I think SERC have a
> fairly clear agenda of what we [SCC) want to
> see. Most private sector people wouldn't
> necessarily agree with us, but you offer them
> part of the process and they come in...Then you
> throw up the issue that you can't really have a
> healthy approach to development unless you take
> on board the social issues...I'm not saying we've

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got to the point of the acceptance of them, but
we've got them on the agenda.[9]

Moreover, an ex-councillor member of SERC Commented:

There were all sorts of moans from the private
sector of it being over bureaucratised. And it
was very bureacratised in the way that local
authority things tend to be. But nevertheless,
of course we wanted to keep tabs on things. So
that was part of the reason for that.[10]

Private sector concerns with the dominance of the City Council in

SERC are specifically related to the widening of the regeneration

committee's remit - moving away from the notion of a 'board of

directors' for the city focussing on the regeneration of the LDV, to

that of a forum for more general debates on regeneration. Indeed,

the inclusion of a social dimension in SERC's work (rather than

purely focusing on economic issues), and the pursuance of

initiatives such as the Sheffield Charter, was considered to be of

little relevance to mainstream regeneration activity in the city -

the physical and economic aspects of urban regeneration (see chapter

eight):

SERC started, and the City Council tended to
administer it. What happened was that the City
Council got agreement off SERC on a number of
points which were peripheral to the mainstream
of the city...and therefore a lot of the business
people dropped off.[11]

However, the analysis of the process of Sheffield 2000 presented

above, suggests that although social issues have been considered and

accommodated within the overall framework of Sheffield 2000, they

are still subordinate to the primary concern with physical and

economic renewal.   Moreover, although the City Council has more resources in terms of officer time and expertise to put at the disposal of a committee such as SERC, and so dominates  it in that way, it does not dominate the agenda in the manner in which some within the business community suggest.   The   introduction of the Development Corporation into the LDV, despite SERC'S plans for the Valley's regeneration, is a clear example of the extent to which the City Council's ability to steer the course of regeneration was re- directed by the orientation of central government policy.   That the Council does not have carte blanche to determine the regeneration agenda is implicitly acknowledged, by those private sector representatives on SERC who claim that the City Council are in a dominant position:

> Doing things within a partnership context does a
> great deal to moderate what might have come out
> anyway from the local authority...If you look at
> the sort of planning policies and strategies for
> future development that the Council was producing
> through its own resources eight to nine years ago
> and compare it with what is coming out now. What's
> coming out now is a lot more pragmatic and a lot
> more realistic.[12]

The weakened position of the local authority in determining the shape of regeneration is (unsurprisingly) more explicitly recognised by the politicians:

> We're in a position where the very fact that we
> have a government that isn't supportive of local
> authorities...means that our ability to be as
> successful as we might has been weakened. In the
> end, there are certain things you can't do because
> you haven't got the powers, you haven't got the
> resources. Government will always intervene if you
> try and do things in a particular way.[13]

The widening remit of SERC and its movement away from a sole concern with economic issues and the physical regeneration of the LDV, has led to the criticism that the regeneration committee has become a 'talking shop' - achieving little, and achieving what it does very slowly. However, this criticism is misplaced, and based on a mis-understanding of the function of SERC within the partnership, particularly as it has progressed and developed over times. Since its inception, the regeneration committee has <u>always</u> been a talking shop, but this only became visible after its initial activity in the Lower Don Valley was curtailed by the introduction of the SDC. SERC's constitution clearly indicates the extent to which it was to be an organisation of discussion rather than direct action. Indeed, SERC has no executive powers, has only limited financial resources and cannot mandate any of the individual organisations which sit on it to <u>do</u> anything - in consequence, it can only progress through consensus and producing compromise strategies. In this sense, SERC could never be anything other than a talking shop. When there was a communality of view, then some form of action could follow, but again this has been limited by the fact that SERC has no dedicated resource base upon which to draw. This has meant that any initiative or programme of action agreed by the committee has had to be carried out by one of its partners, and often this has been the City Council. Primarily, SERC has been a location for the exchange of information and the airing of preliminary ideas, rather than an organisation charged with the implementation of particular initiatives.

That a talking shop arena exists is seen by one senior planning officer as vital to the well-being of the partnership. He suggested that in discussions between the City Council and the private sector over the structure and changing role of the regeneration committee the belief was that:

> If SERC becomes a different animal where will we
> hold those not exactly open debates, but where will
> we have that debate which you have in an organisation
> which doesn't take decisions...?[14]

The same officer went on to say:

> I think the general feeling was that there was a
> value in having a talking shop around, whilst there
> were other bodies that would actually be able to
> do things as well.[15]

However, the retention of a talking shop body such as SERC is vital in a related, but distinct, way - that is in the presentation of the political image of the partnership. SERC's validity as the umbrella partnership organisation rests on its capacity to incorporate, and retain within its ranks, a range of groups and organisations in the city. SERC may have become 'too cumbersome', but the talking shop function of the organisation is vital, because while it remains, it keeps alive the notion of Sheffield as having a wide participation in its partnership.


## UNIVERSIADE (GB) LTD.: A 'CLASSIC' PUBLIC-PRIVATE PARTNERSHIP

> In Universiade (GB) Ltd. we were introducing the
> community to the concept of playing for high stakes
> with major investment.[16]

Universiade (GB) Ltd. was set up in March 1988, as an operating subsidiary of Sheffield Leisure and Recreation Trust, to administer and raise finance for the staging of the World Student Games. In

many respects, Universiade (GB) Ltd. was a typical example of a public-private partnership: established for a clear and single purpose (the WSG); composed of equal representatives from the public and private sectors (three senior city councillors and three prominent local business people); and working to produce an outcome (or benefit) which each partner could not produce alone (sponsorship and finance for the Games). The company was seen to represent the icing on the cake of the working relationships between the City Council and private sector which had been developing over the previous two years. Indeed, all the six directors of the company had been involved in either some or all of the earlier partnership initiatives in the city. What follows is an outline of the history of this partnership company, and a subsequent discussion of why it failed as a partnership venture.

From the outset, it was not envisaged that the 1991 Universiade would be financed by either central or local government. Instead, the budget for running the Games was to be determined by the success or failure of Universiade (GB) Ltd. in raising revenue. Approximately £35 million was the estimated figure considered necessary to run the Games, with the intention to raise the majority of this finance through private sector sponsorship deals, television and marketing rights and admission charges. Only a small proportion of the total was anticipated to come from public sector grants or subsidies.

Between March 1988 and December 1989 the company was in a bullish mood over its ability to raise the finance through sponsorship packages - a number of deals had been struck with individual local companies; a £2 million contract has been signed with British Satellite Broadcasting as the host broadcaster for the Games; and the Sheffield '91 Club had been established to arrange advertising and ticket deals for local companies in relation to the level of their financial contribution to the Games. Moreover, the chief executive of the company was assuring the board of directors that by Christmas 1989 sponsorship deals worth between £10 and £11 million would be in place (The Star, 7.11.89). Yet despite these claims and activity, little in the way of concrete evidence for the raising of sponsorship was publicly declared, and by the end of the year Universiade (GB) Ltd. was experiencing extreme financial difficulties. A £3.4 million expenditure against an income of less than £1 million in nine months of operation was certainly a financial difficulty for the company (Sheffield Telegraph, 2.2.90). The response was swift:

> With little to show in the income account, exposure
> of proper financial controls and evidence of staff
> profligacy over entertaining and expenses, the chief
> executive was sacked and a holding operation mounted.
> (Darke, 1991;9).

The dismissal of the chief executive was followed by the reorganisation of the management structure of the company, a revision of its business plan and the installation of a leading local businessman (prominent in the coalition, and a director of Universiade (GB) Ltd). as a caretaker chief executive. This change provoked a realignment of policy, and a survival package was put

together. This included a scaled down budget from £30 million to £27 million for running the Games; an intensified appeal to local organisations for support in cash and kind; an extension of this appeal to a wider region; and the floating off of the Cultural Festival under a separate committee, with a remit to seek its own sponsorship (SCC/DEED, WSG Impact Study, 1990;34; Sheffield Telegraph, 2.3.90).

With this package laid out, Universiade (GB) Ltd. continued to organise the running of the Games. However, despite attempts to raise the profile of the Games and reform the image of the company the credibility of Universiade (GB) Ltd. as a vehicle to deliver the Games had become seriously impaired. Indeed, although levels of verbal support were high, little private sector money was forthcoming, and by Summer 1990 it became clear that the company had been unable to work through its financial difficulties. In June, Universiade (GB) Ltd. ceased trading. In the event, the City Council took over the company's responsibilities, assumed the lead in the directional co-ordination and management of the Games, and designated a senior local authority officer as Director of Games Administration (SCC, Policy Committee, 6.6.90).

Thus, with a little over a year remaining until the staging of the Games, the public-private partnership established to steer its organisation and raise its finance had folded. Moreover, it collapsed in a way that did little for public confidence in the Games, and had potentially ruinous implications for the partnership

initiatives that had underpinned most of its inception. That such ruin did not befall the partnership with the failure of Universiade (GB) Ltd. is partly a consequence of the extent to which good relationships had developed between those councillors and business people involved. However, the lack of a widely expressed Town Hall-business community recrimination was also a realisation, by both senior councillors and businessmen, that the consequences of a public slanging match about the demise of Universiade (GB) Ltd. would be detrimental to the overall image of the city, which the partnership had been attempting to nurture. However, this is not to suggest that criticism did not emerge, but it emanated primarily from a small section of the business community, and a section of the Labour Group which had always been opposed to the staging of the Games on the grounds that it offered little but gloss in terms of regenerating the city.

Financial mis-management and the poor company image that this projected has been the most consistently advanced reason for the failure of Universiade (GB) Ltd. Both public and private sector directors of the company have claimed that the ineptitude of their chief executive was the root cause of the demise of the company.[17] Similarly, opposition parties on the City Council have claimed that Council directors were irresponsible in their management and monitoring of the financial activities of Universiade (GB) Ltd. (Sheffield Telegraph, 5.1.90; SCC, Policy Committee, 6.6.90). Academic commentary on the WSG has also laid the blame for the collapse of the company on staff profligacy and a lack of financial

control (Darke, 1991). However, there are a number of other factors which add to the explanation for the crash of Universiade (GB) Ltd.

One problem was the clash of operational styles and methods within Universiade (GB) Ltd. Fundamentally, there was a conflict between the way in which the City Council directors wanted to steer the company and the way in which its chief executive wanted to sell the Universiade concept. Primarily, this was the result of the chief executive not wanting to play what one private sector director called 'the political game' of partnership. Another private sector director commented:

> Peter used to say to me, 'you go and be nice to the city councillors. You've got to live in this city, I've got a job to do. I don't have time for all these niceties - you do the niceties and I'll do the work.[18]

The problem was that the 'political game' or 'niceties' were important. They were particularly important in a close knit partnership such as in Sheffield, where most of the participants were local, and in the Universiade company specifically, where both the leader and deputy leader of the City Council were directors. What follows is a lengthy quote from a private sector director of Universiade (GB) Ltd. Although anecdotal in nature it provides an insight into the relations between the Council directors and the chief executive, which helped to prevent effective working arrangements in the company:

> I know for a fact it will never come out but I will tell you happily...Yes, we'd had problems. We'd had ups and downs, little arguments, but nevertheless the Games were progressing. The logistics were well under control when the secretary of FISU came for the opening of the Don Valley Stadium. At that opening ceremony

Peter Burns made a speech of welcome...Following that
speech Clive Betts wrote a very long letter to him saying
a casual visitor could have been forgiven had they not
understood that the City Council was involved in the
project. Now, Peter Burns was doing a job, Peter Burns
was trying to sell Universiade and the facilities to
the private sector, and a sacrifice that the City Council
had to make was that they wouldn't be shouting from the
roof tops. Because, whatever we say about partnership
there are still people who believe that it's all a
charade, that the city council are taking the business
community for a ride. Peter Burns was trying to do a job
of selling the Universiade. He knew, I know, and they
[the City Council] ought to have known, that had he made
too much of a song and dance about Sheffield City Council
then it would have put people off.[19]

There is also a question mark over the extent to which a company

such as Universiade (GB) Ltd. was the most appropriate vehicle for

raising the finances for the operational costs of the Games.

Amongst the business community generally, there were doubts that a

partnership company was the best way of raising finance.  Three of

Universiade (GB) Ltd's. private sector directors echoed similar

sentiments about progressing the Games on a partnership basis.

Their argument was that a 'substantial body' should have been

prepared to underwrite the Games from the outset, by which they

meant the public sector in the shape of the local authority:[20]

I've always believed that the City Council should have
bitten the bullet and said look we are going to put
£12 million into these Games. I think that if you'd
given the WSG company sufficient confidence to know
that the pump was well and truly primed, rather than
just sucking at the edges, I think that the potential
gathering of revenue would have been much easier.[21]

This  assertion was based on the argument that the low profile of

the Games would deter private sector investment.  Certainly, before

the WSG came to Sheffield, it was an almost an unheard of event in

the sporting calendar, and this undoubtedly affected the ability of the company to raise money. However, to claim as some of the local private sector individuals in the city have done, that the Council should have 'bitten the bullet' and committed themselves to fully financing the Games, shows a misunderstanding of what it was politically and fiscally possible for the Council to do, and what the Games represented for the Council in terms of regenerating the city.

Although initiated and effectively lead by the City Council, the Games provided the opportunity for the local authority to demonstrate on an international scale the extent to which they were working in partnership with the private sector to regenerate the city. The Games were a major symbol of partnership and as such had to be organised on a partnership basis. The problem was that the City Council overestimated what the private sector could deliver in terms of investment. This can be seen in the operating structure of the company itself.

Universiade (GB) Ltd. was set up as a cash company with no significant capital assets. Loans for the company were backed by both the public and private sectors, but there was to be no substantial working capital after the first year of its operation. In consequence, the company was always going to be reliant on its ability to generate enough income to cover its expenditure. The problem with this sort of structure is that even assuming success in generating income, such income would inevitably follow, rather

than lead, expenditure. This would certainly be the case given that the company would need time to establish itself and develop marketing strategies before it could begin the task of setting up sponsorship deals and drawing in money. With little in the way of capital backing after the first year of its operation this was an issue that was not addressed from the outset. In December 1988 the company was £800,000 in deficit, a year later it was £1.9 million in the red, and by May 1990 it was in financial difficulties to the tune of £3.9 million. Ultimately, it was the company's inability to tackle the problem of expenditure exceeding income that led to its collapse.

## THE SHEFFIELD DEVELOPMENT CORPORATION: PRIVATE SECTOR LEADERSHIP IN A PUBLIC SECTOR ORGANISATION

> I don't have to worry about public wrangles. My job, and that of the SDC board, is to regenerate the Lower Don Valley.[22]

This section considers some of the problems that occurred within the Development Corporation as a consequence of a clash between the entrepreneurial operational methods of its chairman and the operational procedures required within a public sector organisation. These problems were brought to light in a series of allegations made by the SDC's chief executive, Keith Beaumont, concerning the working methods and managerial style of the Corporation's chairman, Hugh Sykes. The allegations overlap, but they can best be summarised as conflicts of interest between Sykes's role as chairman of the SDC and his association with a number of local property development and engineering companies; Sykes' abuse of his position within the

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Corporation; his mis-use of public funds and facilities; and his lack of understanding of the concept of public accountability, combined with consistent attempts to act in an executive capacity (SDC/DoE, 29.5.90;1).

These allegations were described by one source as a product of 'office politics', framed within the context of a clash of personalities between Sykes, a successful entrepreneur, and Keith Beaumont, the chief executive, a senior DoE civil servant (The Sheffield Star, 5.7.90). The relationship between the two was certainly fraught with tensions and difficulties, and one board member commented on it in the following way:

> He [Keith Beaumont] wasn't the right kind of go getter
> that Sykes wanted. But Keith Beaumont was of immense use
> to him at the DoE, because he knew the DoE. But Sykes
> suspected all of that. Beaumont had appointed very largely
> public sector staff, and I think Sykes felt a bit hemmed
> in.[23]

However, the problems that emerged between Skyes and Beaumont and which resulted in the Chief Execuitves allegations are the product of more than 'office politics' or 'personalities at war'. More saliently, they illustrate the potential consequences of private sector managerial styles within a putative public sector organisation. As one SDC board member commented:

> In partnerships the relationship between a managing
> director and chairman which is what one part of the
> partnership is used to, and a chairman of a committee
> and a chief officer which is what the other is used to,
> are very different. You've got to try and find a middle
> way which almost brackets the public and private sectors.
> ...Its between board and executive that problems arise in
> partnerships.[24]

We turn then, to a discussion of the chief executive's allegations. Let us first consider the issue of <u>conflicts of interest</u> between Sykes's promotion of companies he was involved with, and his position as SDC chairman. Hallamshire Investments, a company of which Sykes was both co-founder and chairman (see chapter five), offers one example of such a conflict of interest.

The main allegation was that Sykes was frequently involved in SDC board discussions concerning land development and disposal proposals, in which Hallamshire Investments had an interest. Sykes is alleged to have consistently sought to engineer sales of land and development agreements to Hallamshire Investments in an attempt to promote a 'close relationship' between the SDC and the company (SDC/DoE, 29.5.90;2). For example, at a meeting in January 1990 between the Development Corporation, the City Council and Shearwater (the developers tendering for the Canal Basin/Cutlers Wharf redevelopment), Sykes is alleged to have proposed that Hallamshire Investments would be a 'suitable' joint venture partner for Shearwater. This alleged proposal was made despite the fact of the Development Corporation grant-aiding the Canal Basin development scheme to the tune of £10.5 million. Similarly, it was alleged that at an SDC board meeting later that month, to consider short-listing developers for the 28 acre Atlas North site, Sykes chaired the meeting despite Hallamshire Investments tendering for the development. The chairman allegedly did not declare an interest, took part in the debate and questioned why Hallamshire Investments

was, in the event, not short-listed for the development (SDC Mins, 18.1.90).

A second example of an alleged conflict of interest concerns Sykes's involvement in the purchasing of Albion House by Alpha Estates, a property development company in which he had a financial interest. Sykes is alleged to have financed the purchase of Albion House, a prestigious office block at the Whicker (the gateway to the Lower Don Valley) through Alpha Estates, even though the company was applying for a city grant from the Development Corporation. The application was made through a shell company Bergfell, which was taken over by Alpha Estates once Sykes had disposed of his shares in the company. However, at the time Sykes was attempting to dispose of his shares in Alpha Estates (to avoid a conflict of interests), he was allegedly negotiating with Andrew Taylor (managing director of Alpha Estates) for Hallamshire Investments to purchase Bergfell and Albion House. Moreover, these negotiations allegedly occurred at a time when the City Grant application was under consideration by the Development Corporation. Prior to this, Taylor had allegedly sought advice from Sykes about how to acquire land from the SDC in order to provide additional car parking space to enhance the viability of Albion House (SDC/DoE, 29.5.90;3). In the context of the city grant agreement, it was also claimed that Taylor proposed to let space in Albion House at a nil rent to the Prince's Youth Trust, of which Hugh Sykes was chairman of the South Yorkshire Appeal (The Sheffield Star, 27.6.90). Similarly, it was alleged that in correspondence between Sykes and Taylor, dated December

1988, Taylor questioned Sykes on the possibility of Alpha Estates acquiring land from or via the Development Corporation (SDC/DoE, 29.5.90;3).

A third alleged example concerns Sykes's involvement with Rotabroach, a company based in the Lower Don Valley, and Northern Strip Mining Ltd (NSM). Again, it is alleged that Sykes took part in SDC board discussions relating to Rotabroach, including the decision to exclude them from the Corporation's CPO programme. This occurred even though Sykes was chairman of Neepsend (a Sheffield based engineering group) of which Rotabroach was a wholly owned subsidiary. Similarly, it is claimed that although Sykes was open about his financial interests in Northern Strip Mining Ltd., and about the company's intention to tender for an open cast mining contract at Tinsley Park airport site, he participated in SDC board discussions and decisions concerning the company's planning application (SDC/DoE, 29.5.90;4).

We will now turn to consider the SDC chairman's alleged abuse of his position within the corporation and his alleged mis-use of public funds and facilities, together with his apparent lack of understanding of the concept of public accountability.

The issue of alleged abuse of position can be illustrated by reference to Hugh Sykes's attempt to appoint personal friends to senior positions within the Corporation. Primarily, this concerns his pressure to appoint Derek Latham and Associates, an eponymous

architectural and planning practice (SDC/DoE, 29.5.90;4). From late 1988 until early 1990, Sykes is alledged to have consistently sought to force the executive to appoint this company to undertake consultancy work for the corporation. Sykes is alleged to have 'browbeat' staff in an attempt to impose his will on the executive over the appointment of Latham. As a result, Derek Latham was employed as a concept co-ordinator to establish a design panel and to act as its convenor. It is claimed that Latham and Sykes's relationship was close, with allegedly Latham reporting directly to Sykes and putting forward arguments to be aired in board *meetings* against recommendations of the executive with which Latham did not agree. Indeed, it is claimed that the planning director could not put planning applications to the board unless they had been approved and initiated by Derek Latham (SDC/DoE, 29.5.90;10). It is also suggested that by October 1988, Latham was writing confidentially to Sykes and drafting letters for him to send to other consultants instructing them to carry out work for the Development Corporation, none of which were reported to the Corporation's executive officers. When challenged about his involvement with Latham at a board meeting in November 1989, Sykes denied that he had any involvement in Latham's previous work for the Corporation, and attempted (unsuccessfully) to force through Latham's continued appointment as concept co-ordinator. Indeed, even after Latham had officially been informed to cease work for the SDC, and that the decision had been endorsed by the board, his company still allegedly carried out work for the Corporation at the request of Sykes (SDC/DoE, 29.5.90;5). As a side issue, it is interesting to note that the Peak Park Trust,

of which Hugh Sykes was chairman, also appointed Derek Latham as a planning consultant.

A further example of the alleged mis-use of Hugh Sykes' position concerns the decision to appoint consultants to carry out a study of Sheffield's economic potential - that is the consultants hired to carry out the initial work for Sheffield 2000. Initially, this decision was taken solely by Sykes without reference to the executive of the Corporation or SERC, the co-ordinating body for this initiative. Sykes sought to appoint consultants of his own choosing by means of single tender action, but was eventually forced to recognise that competitive tendering was necessary. In the event, Deloittes, Haskins and Sells were appointed as the Sheffield 2000 consultants (see chapter eight). However, following their appointment Deloittes enjoyed direct access to Sykes, who it is alleged, repeatedly altered their terms of reference without discussion in the SDC board and executive or the regeneration committee. For example, when the officer with line management authority instructed Deloittes that they had to remain within their consultancy budget of £20,000, he was informed that Sykes had independently authorised expenditure of £40,000 (SDC/DoE, 29.5.90;6).

Hugh Sykes's relationship with Sheffield Partnerships Limited (SPL) has also been the subject of criticism (SDC/DoE, 29.5.90,6/7).[25] The Development Corporation is a member of, and makes financial contributions to, Sheffield Partnerships Limited (a contribution of

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£150,000 for the year 1989/90) (see chapter five). It is alleged that Sykes 'considered this to be an area where he could expound his own policies without any reference to the board' (DOE letter, 29.5.90;6). Indeed, it was Sykes who put forward the names of Councillor David Heslop (the Conservative Group leader) and Rowland Walker (SDC board member) to serve on the board of SPL, on the basis that the Development Corporation 'wished to nominate'. However, these nominations were never endorsed by the SDC board. Similarly, Sykes's preference for a project by project approach to the promotion of the city has often been at variance with the 'strategic' view taken within the Council's Economic Development Department.[26]

Sykes's alleged authoritarian style of management also extended to the appointed of the city's Director of Tourism. Initially, Sykes made an offer to personally pay for the costs of recruiting a tourism director. Following this he sought to get the Corporation, without board approval, to meet the expenses and costs of this recruitment. Another example is the Quickstart scheme administered by the Development Corporation. The Quickstart project was initially proposed in December 1988 but was judged by Sykes to be a low priority. However, by the following Spring, at the suggestion of a 'third party' the scheme was given urgent priority rating. The officer in charge of the implementation of this programme was then forced to implement it immediately. On the pretext of the need to act quickly a financial commitment of £50,000 was entered into without any board approval. These three examples of SPL, the

tourism appointment and the Quickstart project are brief but nonetheless significant matters in which Hugh Sykes sought to involve the SDC and commit resources, in terms of officer time and money, without allegedly the authority for so doing.

Another interesting area which illustrates the managerial style of Sykes is in his conduct in board meetings. It is alleged that Sykes habitually altered the timing and dates of meetings without consultation (SDC/DoE, 29.5.90,8).[27] More importantly however, was the claim that Sykes held special meetings in advance of the main board. Generally, these took place the evening before in the form of private dinners and in further pre-meetings with selected board members, before the gathering of the full board. The chief executive and directors were excluded from these meetings as were certain board members, but were required to be 'on-call'. As one SDC board member, excluded form these special meetings commented:

> Talk about smoke filled rooms...I've never
> come across anybody who did it as well as Sykes.
> He was far worse at that, at not consulting people,
> or consulting them separately, dealing with them
> one by one. He's a past master of that.[28]

Sykes also allegedly exercised a complete veto on all board papers and on the subjects that the board was allowed to consider. It is also claimed that Sykes treated board decisions with scant regard, ordering changes of direction and policy as he saw fit. An example of this can be seen in the board's decision to institute Compulsory Purchase Orders (CPO) on businesses in the Lower Don Valley (SDC Mins, 4.9.89). The board instructed that every business and individual affected should receive a map of the CPO area, a legal

letter and a circular letter from the chief executive. Yet a few days later it is suggested that Sykes overturned these arrangements completely.

A final point to be considered is the allegation that Hugh Sykes continually refused to accept that his role as SDC chairman had no executive capacity, by attempting to have authority delegated solely to him from the board. Sykes frequently sought to have executive powers delegated to him in spite of advice from lawyers, the deputy chair of the SDC and the finance director. However, in the absence of such authority Sykes proceeded by means of establishing 'advisory committees' to deal with particular subjects. A public relations committee was established, as were those covering finance and property. As far as the PR committee was concerned Sykes, it is alleged that Sykes, without a hint of consultation, invited Bev Stokes (a prominent member of the local business community involved in partnership activities) to join. However, Stokes had no official connection with the Development Corporation.

In the event, these allegations by the chief executive of the SDC were investigated by a DoE inquiry headed by Sir John Garlick, a senior civil servant. The full results of the inquiry were never made public but a statement made by the then Inner Cities Minister Michael Portillo reported on the main findings (The Sheffield Star, 29.8.90). Although the inquiry reported that Sykes had not attempted to secure financial gain through his role as chairman of the Development Corporation, it did identify four areas of concern:

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firstly, that Sykes had to make a clearer distinction between his private business and his public role with the Corporation; secondly, that there should be no suspicion of conflicts of interest and that Sykes should consider his position as chairman of Hallamshire Investments because this was the area where a conflict was most likely to occur; thirdly, that there should be better procedures for the appointment of consultants to the SDC; and finally, that the Corporation should regularise the employment of secretarial staff (The Sheffield Star, 29.8.90; The Independent, 8.9.90). However, Portillo's statement did not reveal the results of the investigation into all the allegations made by the chief executive, such as the agenda-setting dinners and pre-meetings held by the chairman with selected board members.

That the full extent of the inquiry was never revealed, or the fact that Hugh Sykes was allowed to continue as chairman of the Corporation, does not detract from the real importance of the allegations made by the SDC's chief executive. Their value is that they catalogue a clash of managerial styles and procedures, predominantly that of a successful entrepreneur unused to working in a bureaucratic government system. It is quite clear that the chief executive of the SDC saw a number of deep rooted problems within the Corporation based around the behaviour and activity of the chairman. These problems were considered to be seriously damaging to the structure and organisation of the Development Corporation. Firstly, the conflicts of interests which existed between Sykes' role as chairman of the SDC and chairman of a number of other companies such

as Hallamshire Investments and Alpha estates, with which the Development Corporation sought to do business. Secondly, the chairman's lack of understanding of the concept of public accountability – this applies both to the issue of conflicts of interests and to that of Sykes' appointment of consultants and staff. Thirdly, the vetos which Sykes tried to exercise on issues presented to the board, and the tendency to run board business by means of an inner cabinet which excluded certain board members. Overall, this led to the criticism of Sykes by his chief executive as someone with 'a total contempt for all DoE and Treasury rules, procedures and financial constraints' (SDC/DoE, 29.5.90;12).

The allegations centred on operational methods rather than any substantive suggestion of financial impropriety or corruption. Hugh Sykes probably stepped over the procedural line in his position as chair of the Development Corporation. However, it would have been surprising if someone as successful as an entrepreneur as Sykes would not have wanted to take a more 'hands on' or autocratic role. Hugh Sykes was used to working within a system where the key relationship was between a chair person and managing director. In the Development Corporation, Sykes found himself in an organisation where decision-making was more protracted and more bureaucratic. Not only was he operating within a committee system, serviced by executive officers, but there was the additional layer of the DoE regional office in Leeds and its head office in Marsham Street that had to be considered. This additional layer of bureaucracy was acutely recognised within the local authority:

> The Government set up an operation which is essentially
> private sector influenced, but in many respects it is
> an adjunct of the DoE. Their [the DoE's] bureaucracy is
> far worse than than anything local councils manage to
> throw up. You've got a wonderful contrast that people
> who are appionted by central government from the business
> community, who are used to workng in a purely private
> sector environment, suddenly find that they're totally
> hemmed in by all these government regulations.[29]

Within the local business community the problematic nature of
working in a public sector organisation was even more clearly
recognised. To conclude, as one private sector SDC board member
commented:

> Business people like to agree a vision and get on with
> the job. The idea of waiting three months for a decision
> from the DoE is anathema.to wait three months to get a
> decision, it's not easy.[30]


BRIDGING THE GAP?

A general feature of local authority-business community partnerships
for economic regeneration is that they fuse public responsibility
with private management. Such interaction between these sectors
often produces conflicts and tensions over the management of
partnership initiatives and institutions. In such circumstances,
problems become focused not on _what_ is to be done, but on _how_ it is
to be done. From the analysis of Sheffield's partnership it is
evident that differences in managerial styles, working methods and
notions of accountability were peppered throughout its institutions
of public-private collaboration.


In SERC, struggles over whether it should be a tighter more pro-
active organisation, or whether it should be a 'broad church' forum

for local discussion, has been a reflection of the differing perceptions held by the public and private sector over its role and function in the partnership. In the Universiade company, there were also clear differences between the public and private sector directors, and the Chief Executive , over how to manage and approach the marketing of the WSG. These differences meant that neither set of directors were ever comfortable with the direction that the company took. Additional misunderstandings, such as the private sector not fully recognising the symbolic value of the company to the City Council and the City Council miscalculating on the amount of investment that the private sector would put into the Games, knocked further nails into the company's coffin. As far as the Development Corporation is concerned, the allegations made by the Chief Executive against the Chairman vividly illustrate the problematic nature of a robust private sector management style unleashed in a public sector organisation.

Predominantly, these problems are the result of contrasting managerial styles and notions of accountability, and competing claims on how to achieve given partnership aims. In Sheffield, these differences or gaps in understanding have not always been bridged successfully. Struggles over how to manage particular initiatives and organisations demonstrated that going beyond the identification of joint 'aims' was no guarantee of reconciling the issue of public responsibility with that of quasi-private management. As such, they reveal cleavages between partners which were less amenable to the bridge building compromise solution that

was employed in the formulation of Sheffield's long-term plan for regeneration.

## NOTES

1. Interview with local authority officer, Int. 5 CD 12990.

2. Interview with regional representative of DoE, Int. 28 CD 261092.

3. Interview with VSCF representative, Int. 21 CD 291191.

4. Interview with Conservative city councillor, Int. 14 CD 26391.

5. Interview with local businessman, Int. 11 CD 28291.

6. Interview with local businessman, Int. 1 CD 27690.

7. Interview with regional representative of DoE, Int. 28 CD 261092.

8. Interview with local businessman, Int. 24 CD 10192.

9. Interview with Labour city councillor, Int. 2 CD 5790.

10. Interview with Labour city councillor, Int. 15 CD 1691.

11. Interview with local businessman, Int. 6 CD 21090.

12. Interview with local businessman, Int. 1 CD 27690.

13. Interview with Labour city councillor, Int. 2 CD 5790.

14. Interview with local authority officer, Int. 19 CD 3991.

15.     ————————"————————————"————————————"————————

16. Interview with local businessman, Int. 1 CD 27690.

17. Interview with Labour city councillor, Int 2 CD 5790.
    Interview with local businessman, Int. 6 CD 21090.

18. Interview with local businessman, Int. 11 CD 28291.

19. Interview with local businessman, Int. 11 CD 28291.

20. Interview with local businessman, Int. 1 CD 27690.
    ————————"————————————"————  Int. 6 CD 21090.
    ————————"————————————"————  Int. 11 CD 28291.

21. Interview with local businessman, Int. 11 CD 28291.

22. Hugh Sykes, quoted in The Sheffield Star, 7.12.89.

23. Interview with Labour city councillor, Int. 15 CD 1691.

24. Interview with local businessman, Int. 4 CD 24790.

25. Interview with local authority officer, Int. 19 CD 3991.

26.    ————"—————————"—————————————"—————————

27. Interview with Labour city councillor, Int. 15 CD 1691.

28.    ————"———————————"————————————"—————————

29. Interview with Labour city councillor, Int. 2 CD 5790.

30. Interview with local businessman, Int. 6 CD 21090.

## CONCLUSION

This thesis has argued that new systems of co-operation have begun to develop in response to the fragmentation of formal governmental authority. In Sheffield, local state institutions and functional representatives of private sector interests have begun to work together in alliances where co-operation and policy formulation are beginning to operate outside formal systems of local government. Sheffield's partnership for economic regeneration is one institutional manifestation of such arrangements. This concluding chapter summarizes the findings of the research and relates the example of Sheffield's partnership for economic regeneration to the broader process of local government restructuring. Firstly, the chapter offers a review of the partnership; secondly, it relates the empirical findings of the research to the theoretical discussion in the first part of the thesis; and finally, it considers some connections between the experience of Sheffield and the concept of partnership generally, and its implications for local government change.

## PARTNERSHIP IN SHEFFIELD: A REVIEW

Since the early 1980s, economic policy has been a major political preoccupation in Sheffield. Faced with a deteriorating industrial base and rising levels of unemployment it is not surprising that a considerable amount of political effort in the city has been directed towards stemming the tide of local economic decline. In the early part of the decade, the approach of the City Council was advanced through a series of policies for public sector intervention

in the local economy. Under the auspices of the the City Council's Department of Employment, project based initiatives designed to make 'small gains' in economic terms, but which provided alternative visions of economic development, were combined with a corporate level programme to create a commitment to public sector employment and new approaches to economic regeneration.

As the decade wore on, the continuing collapse of the economy and the existence of an urban policy climate orientating further towards the private sector made the re-evaluation of past economic policy a necessity, particularly the notion that regeneration could be achieved by the public sector alone. Within the political leadership of the Labour Group, and at senior officer level in the Department of Employment and Economic Development, it was realised that the private sector would have to be more actively solicited to participate in the regeneration of the local economy. It was believed that more co-operative participation in economic policy would put the city in a position where its projects might be viewed neutrally by central government. Certainly, the City Council found itself in a position where it was unable to get additional grants from central government because of the highly politicised nature of its recent past.

The political leadership on the Labour Group did not see this action as putting a break on the interventionist stance they had adopted in the first half of the decade. Rather, they saw it as an attempt to create a framework where opposition, both internally and externally

could be muted and their political and social agendas be advanced. As far as they were concerned, co-operation with the private sector offered a vehicle for the furtherance of their plans for the economic and social regeneration of the city. Working in partnership was justified on the grounds that working in co-operation with the private sector provided the opportunity for intervention in the economy in a way that the radical policies of the early 1980s had never been able to offer. For the political leadership partnership was seen as a method of maintaining continuity with the economic policies of the early 1980s.

However, partnership is certainly not public sector intervention in the local economy in the sense that it was originally conceived. Indeed, working for labour between 1981-1983 and working with capital from the middle of the decade were different strategies for regeneration. In the early 1980s, the City Council was not on good terms with the private sector, but much of that argument was a reflection of the Labour Group's disenchantment with central government policies and their attempt to offer local alternatives to Thatcherism and the policies of a paternalist and welfarist Labour Party. What partnership represents is the recognition that such alternatives were not possible in the way the city's Labour administration had envisaged. By the mid-1980s, an indirect form of intervention which sought to retain some influence over the economy's direction and structure (rather than exerting overt manipulation or management) was perceived to be the way to regenerate the local economy.

The political, social and economic climate of the late 1980s meant that the City Council had to construct a constituency of support for local economic policy from sectors it did not draw on in the earlier part of the decade. This new constituency was primarily found within the local business community (particularly the Chamber of Commerce), and not the City Council's more traditional allies - the trade union movement. This is not to suggest that the trade unions have played no part in the regeneration initiatives in the city, indeed they have. For example, in contrast to some other cities, the trade unions in Sheffield have co-operated with the business community in the operation of the TEC, and have representation on its board of directors. Similarly, their initial participation in SERC was directed at supporting the committee's plan for the regeneration of the Lower Don Valley. However, given the nature of the city's political history, dominated, as it was, by the Labour movement, and a close relationship between the Labour party and local trade unions (Hampton, 1970:216; 1986:134; Seyd, 1990:337), one might have expected the latter to have played a more prominent part in the partnership. That they did not is a paradox of Sheffield's recent political past (see below).

The partnership that this new constituency has produced is a loose confederation of partnership individual bodies, partnership companies and partnership committees. No single organisational structure characterises it, and the network of partnership bodies and committees operate independently of each other with little in the way of formal mechanisms or channels of communication.

Initially, partnership debate tended to be informal in nature, as it progressed however, it become more formal finding institutional expression in organisations such as the economic regeneration committee, Sheffield Partnerships Limited and Hallamshire Investments. Although participation in such organisations is relatively wide, the core of the partnership has never exceeded a dozen or more individuals from less than a handful of organisations. In the sphere of economic policy the range of key players is drawn predominantly from the local authority, the Chamber of Commerce, and the Development Corporation. In total, there are probably no more than ten people who have played a major role in organising the partnership, and this figure includes public and private sector representatives.

Within the City Council it was the small group of people that made-up the leadership of the ruling Labour Group which dominated the political movement towards partnership, overriding opposition from within the Group concerning the development of closer links with the business community. Similarly, senior Council officers within the authority played active parts in creating a climate in which such developments could take place - most notably those in the Department of Employment and Economic Development. In so doing, they secured a prominent position for themselves and the Department in the coalition, as well as the wider role of the City Council, in attempting to shape the regeneration agenda.

As far as the private sector is concerned the Chamber of Commerce has been its most organised and articulate voice. Through its Chief Executive and a succession of 'committed' Presidents it has embedded itself in the networks of the partnership, and has improved its image as a 'serious' player in the regeneration game. The motive force behind the Chamber's movement into partnership has been a small number of businessmen who from the mid-1980s began to change the focus of the Chamber's local operations away from parochial business concerns to more strategic economic considerations. Both the status and influence of these 'committed' Presidents and the organised voice of these individuals in the Chamber have developed symbiotically.

Such a close knit partnership has allowed good personal relationships to develop between politicians and local authority officers and a number of private sector individuals. Although too much stress should not be laid on this in terms of why partnership arose, it is important in understanding how the partnership operates and is structured. Indeed, one of the most notable things about partnership in Sheffield, and a weakness, is its parochialism and insularity. Apart from the involvement of national government in the form of regional representatives of the Department of Environment and Department of Trade and Industry on the Sheffield Economic Regeneration Committee, there are very few national actors involved. These representatives of central government constitute the only non-local membership. The boards of the Training and Enterprise Council and the Sheffield Development Corporation are

mainly composed of Sheffield based individuals, whilst the key business figures in the partnership are all locally based. Within the partnership at large there has been only marginal contact with outside organisation such as Business in the Community, the Phoenix Initiative, or individual partnerships with development companies. Where there has been involvement with such agencies they have tended to meet the partnership at a tangent.

What binds such a small group of people together is the belief that common working arrangements can only be of benefit for Sheffield's economic regeneration. The shared values, agreed objectives, and common purpose that is said to exist within this group is seen as enough of a glue to hold the partnership together. Indeed, much capital is made out of this by the key players who argue that it is the localist make-up of the partnership, without any rigid structure to it, that makes it operate so well. However, only a handful of individuals from the business community in the city have actively been involved in the partnership, and they are not representative of that section of the private sector that can bring development capital into the city. Indeed, representatives of multi-national arms of capital are largely non-existent in the partnership, whilst representatives from the property development sector are equally thin on the partnership ground. Nor is the organised voice of the private sector in the city, the Chamber of Commerce, capable (at present) of challenging the Council in terms of their financial, human, physical, and information resources. (However, one of the key aspects of partnership so far has been the attempt by the

Chamber to restructure and reorganise itself to offer a civic leadership outside the local authority.) As a consequence, the City Council has been able to maintain a prominent position within the partnership in general, and on SERC in particular.

## THEORETICAL MODELS, PARTNERSHIP AND LOCAL GOVERNANCE

In chapter two of this thesis the concepts of local corporatism, growth coalitions and urban regimes were discussed in order to provide a framework for analysing the subsequent empirical investigation into the development of economic regeneration policy in Sheffield. The chapter argued that although local corporatism offered potential insights into how partnerships and state business relations might operate, it had difficulty in analysing informal relationships and an informal co-operative process of policy-making and development. Alternatively, it was argued that by adopting a coalition and regime perspective such informal processes could be decoded more readily. In an environment where business interests are being encouraged to play a more participatory role in the management of city policy-making, formal authority (authority vested in the elected control of state institutions) is becoming fragmented and weakened. Urban regime and coalition theory, with its focus on how government and non-government actors mobilise to produce an effective system of co-operation in the wake of fragmented government, should be better suited to illuminate how local co-operative processes interact with changing conditions in the wider political economy. But how does the experience of Sheffield relate

to either of these approaches? Let us first consider the appropriateness of the local corporatist paradigm.

If we adopt a local corporatist perspective one thing we have to consider is whether the partnership has the ability to mandate its membership on particular policy issues. SERC, the main partnership body, acts as a co-ordinator of the various partnership initiatives in the city, and provides an information exchange, but it cannot compel its members to agree to anything. SERC has no executive power, no specific resource base, no staff, and there has never been a vote in the life-time of the committee. To operate, it has to develop consensus amongst its participants. Even though there has been a commonality of view, the limited resource base of SERC has prohibited it from implementing any specific policy initiatives. SERC's only real initiative, the 2000 strategy, has largely been financed through the City Council and the Development Corporation, with the majority of the research input coming from private consultants and the Department of Employment and Economic Development.

Another issue is the degree to which the City Council actively supports the partnership and has the capacity to deliver on any policies agreed within the partnership. The political leadership of the Council certainly supports the partnership; however, in terms of decision-making it has not ceded power to SERC. The regeneration committee cannot impose any of its recommendations on the City Council, all it can do is hope that they take notice of them.

However, the issue is not so much whether SERC can impose its recommendations on the Council, as whether the City Council can deliver on any agreements reached in SERC. Predominantly, this depends on the ability of the leadership of the Council to maintain support for SERC's policies within the wider Labour Group. To a large extent this has been achieved during the period with which this research is concerned. Much of what has gone on in the regeneration committee in terms of debate and agreement has not challenged the direction in which the political leadership of the ruling Labour Group has sought to take Sheffield. Because SERC has no decision-making powers the City Council leadership could, in theory, choose to ignore it. That the leadership has chosen to be part of it, and accept its legitimacy as the main institution of civic co-operation, is because SERC cannot seriously challenge it, and because participation serves as a continuing symbol of partnership.

The structures of partnership developed in Sheffield illustrate how problematic it is for the representatives of non-government interests within the partnership to ensure that their members consent to and support agreed policies. The Sheffield Charter illustrated that although a consensus and agreement could be reached within SERC, when that agreement was taken outside the regeneration committee it proved difficult to implement. The main private sector organisation, the Chamber of Commerce, was unable to convince its members to accept the Charter. The majority of the Chamber's members were simply not willing to sign up to what would have been a

prescriptive set of policies with regard to the quality and conditions of employment. What is more revealing is that SERC had no power to sanction the Chamber for failing to get an agreement on the Charter within its own membership. The problem for SERC has been to extend the commonality of interest that has developed within the committee outside itself. The Charter episode demonstrates that any notion of wider group interest has been restricted to uncontentious issues. Indeed, the differences that existed over the extent to which the economic and social aspects of regeneration are linked has precluded anything more than a vague identification of how the two are to be integrated.

Within the overall partnership no mechanism exists that allows any initiative to be implemented through a partnership structure. The regeneration committee's role is to co-ordinate initiatives within the partnership, it has no power to carry out policies that have originated from joint working. Thus all the partnership initiatives have to be carried out by one of the partners rather than by one decision-making partnership body. In essence the majority of initiatives are either carried out by the City Council; the Development Corporation and the Training and Enterprise Council; or they are one-off collaborative ventures between the Council and private developers. The local business community, as represented through the Chamber of Commerce, has only had a minor role in the implementation of partnership initiatives. Its limited resources and the small number of individuals within the Chamber organisation

involved in the partnership, has mitigated against strong involvement on policy implementation.

When compared with the parameters of local corporatism identified in chapter two, there is no overall partnership decision-making body in Sheffield; there are no mechanisms to compel partners to act on any agreements; and the resourcing and implementation of the initiatives remain largely with state institutions. There is nothing rigid within the partnership that acrues to a decision-making process that 'dissolves the institutional separation of inputs and outputs...and...links directly...interest representation and policy execution' (Cawson, 1985a;134). The structure of the partnership itself precludes this. The evidence from Sheffield suggests that the notion of local corporatism is, on its own, an insufficient explanation for the formulation of economic policy. However, there is a need for a framework which helps us understand the emergence of co-operative relations between government and non-government actors in the development of local economic policy. It is here that we can draw on the regime and coalition paradigm for insights.

Regime theory is about the mobilisation of resources for effective government as a consequence of fragmented and weak formal government. Specifically, regime theory focuses on how government and non-government actors establish a system of co-operation through informal arrangements and tacit understandings. The case of Sheffield illustrates the way in which functional and sectional interests in the community are beginning to become part of a system

of civic co-operation. Mechanisms for co-operation have included the identification of a common cause around the need to improve the city's image and diversify its economic base; establishing mutual loyalty to place; establishing loyalty between co-operating actors (individuals becoming accustomed to co-operation, reliant on each other and wanting to maintain co-operative relations); and establishing loyalty to the governing arrangements established within the partnership: there has also been the establishment of intra-partnership norms for making relationships 'dependent and reliable' - the 'agree in public, disagree in private' approach so favoured within the partnership.

How, though, do we explain the fact that although participation in co-operative action over economic policy in Sheffield is wide ranging, the main actors have predominantly been local state institutions and business interests? Regime theory's perspective on community power offers insights into this experience. Fundamentally, regime theory questions the explanatory strength of analyses of urban politics and development that perceive power in terms of dominance and control, and see politics as the legitimation of that control (see chapter two). Stone argues that the analytic emphasis of the social control paradigm is on 'the difficulty of maintaining a comprehensive system of control' - commonly known as the cost of compliance issue. It is this pre-occupation with the cost of compliance that has led to the emergence of 'third face of power' explanations to account for the discovery of a lack of resistance and conflict within studies whose theoretical framework

stresses the domination and control of one group over another. Within pluralist analysis, it is the problem of the 'cost of compliance' that gives rise to pluralism. In contrast, anti-pluralist analysis sees consent and legitimacy as manipulated to reduce the costs of control. Thus, both pluralists and their critics agree that a few rule, but both disagree over the nature of compliance to that rule. As Stone contends, 'what pluralists see as genuine, their critics see as manipulated' (Stone, 1989;225).

Stone's argument is that by following the 'social control' paradigm a host of critics have mis-understood 'the character of power as it operates in modern societies' (Stone, 1989;220). His alternative model for understanding power, moving away from arguments constructed around elite control of popular consciousness, is based on the argument that society (in terms of its institutions for governance, conceptions of the world, and the norms and values that people use to make sense of their environment) is fragmented. Society is held together by a 'loose network of institutional arrangements' whose maintenance is a 'matter of struggle, with contenders variously accommodating and resisting one another' (p.227). In such a fragmented system, the issue is not about comprehensive control, but about, 'how to bring enough cooperation among disparate community elements to get things done - and to do so in the absence of any overarching command structure or a unifying system of thought' (p.227).

For Stone, 'the capacity to assemble and use needed resources for a policy initiative' is the basis of his conceptualisation of power (p.227). Consequently, in a fragmented world, governance is about bringing together 'essential elements', rather than the task of 'comprehensive control'. Given this situation, co-operative participants do not 'behave as if the underlying structure of the situation is one of polarity between the few who dominate, and the many who are dominated, but as if the capacity to govern is in question' (p.228). The important questions here become who has resources, how can co-operation be achieved, and where can a foundation for that co-operation be placed? As Stone asserts, the most attractive allies in this fragmented 'system' are the organised, the best resourced, and those who can engage in a system of co-operation - in capitalist society such requirements tend to be found mainly within the business or 'investor' class (p.229).

In this model, the analysis of power is not so much about who dominates who and how domination is achieved, but about the development of a capacity to act - 'power to, not power over'. The important issue is 'who can achieve co-ordination of effort among a select few who are strategically placed' (p.229). If we apply this framework to the example of partnership in Sheffield, we can argue that a key reason why the business community became the central allies in partnership with the City Council was not because the business community could axiomatically command local compliance and legitimacy to their involvement, but because the fragmentation of formal government authority in the sphere of economic policy-making

has helped to create a bias towards (particularly) business participation.

Acknowledging this situation goes some way in helping to resolve a paradox in Sheffield's local economic policy referred to in the review section of this conclusion: that the constituency of support for economic policy has revolved around new alliances between the City Council and business community, rather than more traditional alliances between the City Council and the trade union movement. It is the structural characteristic of fragmentation associated with the restructuring of local government, that enables those groups who can act cohesively, are well resourced, and are systemically favoured, to participate in, and influence, the regeneration agenda. In a local government system becoming more diverse and fragmented, the ability to meet these criteria is a key feature of policy development, particularly as governance develops through co-ordinating the efforts of those actors with similar aims, and ability to act. In Sheffield, it has been the local authority (despite the loss of powers and finance), the Development Corporation and the business community (through the Chamber of Commerce) that have primarily fulfilled these requirements in the search for policies for economic regeneration.

## SHEFFIELD, PARTNERSHIP AND LOCAL GOVERNMENT CHANGE

Conflictual relations between central and local government in the 1980s have given rise to a condition, at the local level, that is conducive to public-private co-operation. The restricted financial

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base of local government, falling resources, capital controls, and a welter of legislation have made local authorities more receptive to collaborative working arrangements in the reconstruction of their economies. Government urban policy has consistently sought to increase business involvement in the regeneration process and lever in more private sector investment. Overall the political and ideological climate of urban policy engendered by successive Conservative administrations has helped bring partnerships to the fore. However, these political and ideological dimensions have operated in a wider climate of economic and social change. Without a doubt deindustrialisation and unemployment in Britain's manufacturing cities is the context in which local developments, both in Sheffield and elsewhere, have occurred. Local authorities in inner city and urban areas have had to operate within a policy environment that has drawn them into establishing more formal links with private sector organisations.

The emergence of 'partnership' may well represent an attempt to privatise local economic development policy, but the example of Sheffield illustrates that this is by no means an inevitable outcome. What was important in Sheffield was the ability of various interests to shape the regeneration agenda and construct a mutually agreed policy approach to cope with chaning economic conditions. Clearly, particular partners may recognise the political and ideological nature of their collaboration. However, once a partnership is established there is a tendency for those partners involved to ignore the contentious aspects and concentrate their

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efforts on non-contentious issues. This enables progress to be made but reinforces the notion of dependency; partnerships appear to be the only way to achieve regeneration, rather than as a politically determined option. Within partnerships concerned with economic regeneration, these areas of communality tend to focus on the easily agreed topics of image management and inward investment.

The partnership in Sheffield is no exception. The majority of all Sheffield's partnership initiative efforts have been directed towards boosting confidence internally, improving the city's image, and developing a long-term strategy for economic regeneration. Achieving consensus on these issues was not difficult as all partners could agree that such issues were important to the regeneration of the city's economy. Diversification of the economic base of the city has also been an easy target for consensus generation. All partners could agree that there were potential gains to be had from moving away from a reliance on single industry employment, particularly as that industry had collapsed!

Although consensus can be established however, the problem is to maintain it. Certainly no two partners ever approach the partnership with the same values, objectives, or criteria for evaluation. The views of the partners may differ markedly in how they assess the impact of partnership initiatives and how they judge its success. In Sheffield, the differing conceptions of regeneration were most evident in the way in which SERC dealt with the issue of social regeneration. In the committee it was not

difficult to get agreement on the economic issues that needed to be addressed: when the social dimension reared its head the consensus was threatened. However, it was not so much the nature of the social problem or the need to have a social dimension incorporated into the regeneration agenda that threatened the consensus, as the means of how social regeneration could be achieved. The prescriptive social and employment policies of the Sheffield Charter were unacceptable to the wider membership of the Chamber of Commerce and were abandoned by SERC. When social issues were reintroduced with the Sheffield 2000 strategy, they were incorporated into the regeneration agenda in a diffuse and unintegrated way. Indeed, similar struggles over how to achieve particular aims also emerged within the management of the partnership and its institutions. Differences in managerial styles, working methods and notions of accountability in SERC, Universiade (GB) Ltd., and the Development Corporation, demonstrated that going beyond the identification of 'what you want to do', towards a co-operative system that required the reconciliation of public responsibility with quasi-private management was problematic, and has been difficult to reconcile.

In conclusion, then, the example of Sheffield illustrates some general characteristics about partnerships for economic regeneration, whilst also displaying features unique to its own political and economic circumstances. It demonstrates that partnership working is primarily concerned with the management of change in the face of widespread structural economic transformation.

However, in contrast to the forays of other cities into partnership, such as Birmingham (Birmingham Heartlands), Leeds (Leeds Development Company), and Salford (Salford Quays) where co-operation has been tightly focused on property development schemes (CLES, 1990; 48-51), Sheffield's approach has been less property oriented. Sheffield's partnership has typically focused on image, inward investment and the development of a strategic plan for regeneration, seeking economic diversification through the identification of new and existing areas of strength. A concentration on image and inward investment are characteristic features of public-private partnerships, whilst the creation of a strategic plan reflects changing preoccupations within economic development policy within the local authority. This long term strategy has some resonance with Aberdeen's 'Beyond 2000' strategy for the development of its economy, although the composition of the coalition that produced this plan is different from that in Sheffield (Lloyd and Newlands, 1988;35-37).

Partnerships are also part of an urban policy climate that has brought about an increased role for non-governmental actors and institutions in the process of local economic regeneration. One result of this is an increasingly fragmented system of local government, in which the formal authority of elected officials and state institutions is being challenged by a range of functional and sectional interests. Within the sphere of local economic policy this 'fragmented' environment has brought to the fore the issue of the manner in which local authorities intervene in the management of

their local economies. Partnership is one of the main ways in which 'intervention' has been attempted through the construction of local public-private networks for regeneration.

In some urban areas, such networks have been led by private sector organisations such as the CBI (Newcastle and Bradford), the Phoenix Initiative (Manchester, Salford, and Bristol), and BiC (Calderdale-Halifax and Blackburn), the resources of which have been mobilised to generate locally based business support for regeneration schemes to work in tandem with the public sector (see Wade, 1990). In other areas, such as Birmingham (Birmingham Heartlands) and Glasgow (Glasgow Action) there has been greater leadership from the public sector to create co-operative working between local and regional authorities (the Scottish Development Agency in Glasgow) and local private sector organisations (Harding, 1989a;14-15; Boyle, 1990). In Sheffield, the process has involved establishing indigenous informal channels of communication and the institutionalisation of those channels within formal partnership organisations. Organisationally, the partnership is diffuse with a large number of 'partnership' institutions working 'independently' through the co-ordinating mechanism of SERC. The majority of participants within Sheffield's regeneration network are indigenous to the city, even within SERC the umbrella partnership organisation, few nationally based public or private sector actors have been incorporated.

The example of Sheffield demonstrates that local authorities can have a key part to play in developing regeneration networks by

establishing both informal and formal co-operative relationships with local functional and sectional interests. Sheffield, like many other industrial cities, has sought to combat its economic problems through the creation of mechanisms and institutions for co-operative action. The framework that emerged was one which provided for the enhanced role of business interests in economic regeneration policy, but that also allowed the local authority a central position in the mediation of local interests. The political implication for local authorities is that as they widen (through force, inclination or necessity) their constituency of support for local economic policy, a politics develops that is about the way in which the public and private sectors seek actively to resolve their differences, establish mechanisms for co-operative action, and produce programmes and strategies for regeneration.

## THE POLITICS OF PARTNERSHIP

This concluding section seeks to set the thesis within the broader context of the politics of public-private cooperation and the changing nature of local governance in Britain. The focus is on the type of partnership or civic cooperation that has emerged in Sheffield over the 1980s and early 1990s; how this compares to other cities; some of the contributions and benefits of being in partnership for its participants; and locating Sheffield's partnership in its local historical context.

### Partnership and Urban Regime Formation

One way of considering issues such as the type of partnership in

Sheffield and how the city's experience compares to other cities, is to examine where Sheffield falls within pre-existing typologies of local political cooperation. A number of studies have already begun to 'map' such typologies for **urban regimes** in an attempt to analyse the variety of civic responses to urban economic change and local state restructuring (Keating, 1991; Digaetano and Klemanski, 1993; Stoker and Mossberger, 1994). The typologies of these authors emerge from their respective attempts to develop regime theory in comparative contexts, moving away from its original US orientation (Elkin, 1987; Stone and Sanders, 1987; Stone, 1989) towards wider international insights into the variety of city response to urban change.

The typology developed by Digaetano and Klemanski (1993) identifies five types of regime with differing political orientations: a market pro-growth regime that facilitates development by relying less on the powers of the state and more on market forces; a government-led pro-growth regime that uses public sector finance to lever in private sector investment to effect development; a growth management regime that seeks to moderate development by the use of state powers; a social reform regime that focuses on community rather than business development and redevelopment issues; and a caretaker regime that tends to act minimally, performing routine tasks of service provision (pp.59-60).

In their analysis, Digaetano and Klemanski relate this typology to regimes in Birmingham and Bristol, concluding that the former has a

government-led pro-growth coalition whilst the latter has a mixed pro-growth/growth management regime (p.78). Such 'types' of governing strategies have also developed in other cities in response to economic change and state restructuring over the 1980s and early 1990s (Brindley et al, 1989; Cooke, 1989, Harloe et al, 1990). For example, the city of Lancaster developed a pro-growth strategy focused on small firms and tourism to cope with economic decline (Bagguley et al, 1989; Urry, 1990). In Liverpool, however, despite similar problems of unemployment and economic change, the city's recent history of economic decline, social unrest and political confusion produced a weakly articulated strategy focused on social reform (Parkinson, 1990). In the south, Swindon has produced a growth management strategy based on a council-led cross class alliance of local traders, unions, defence industry employers, and British Rail, to harness the effects of rapid growth (Bassett and Harloe, 1990). Whilst a little further west in Cheltenham, a pro-growth/growth management strategy has been fashioned around an anti-industrial pro-professional middle class image for the town (Cowen, 1990). However, applying this typology to Sheffield is problematic and, ultimately, not particularly satisfying. This is because it is difficult to locate the city's experience in any particular regime category. It appears that Sheffield's regime, as currently constituted, falls between a mixed pro-growth and a growth management orientation with elements of the social reform paradigm emerging periodically.

A more revealing model for explaining Sheffield's regime is that found in the typology offered by Stoker and Mossberger (1994).[1] Their typology identifies three core regime forms - organic regimes; instrumental regimes; and symbolic regimes. Each core form has an 'illustrative' sub-type associated with it. For example, maintenance and caretaker regimes are sub-types of organic cooperation; economic development regimes and land and property regimes are sub-types of instrumental cooperation; and progressive or revitalising regimes are sub-types of symbolic cooperation. The typology also identifies four key characteristics of the process of regime formation which apply to each core regime type. These are the motivation for participation; the development of a sense of common purpose; the congruence of coalition interests; and the regime's relationship with its wider political environment (p.9). Table (11) provides a matrix of regime type against the defining characteristics of regime formation.

The evidence of the Sheffield case study suggests that its partnership exhibits tendencies of a **symbolic revitalising regime.** Indeed, if we over-lay Sheffield's experience onto this typology of regimes, there is a significant degree of congruence with the symbolic regime. If we consider the 'motivation to participate', it is clear that non-material factors were important in establishing cooperation between the city's public and private sectors. This is not to deny the existence of a material basis for cooperation, indeed, such a basis was present. For example, both the public and

## TABLE (11)    A TYPOLOGY OF URBAN REGIMES

| Defining Characteristics<br><br>Illustrative Sub-Types | REGIME   TYPES | | |
|---|---|---|---|
| | Organic<br><br>Caretaker, Exclusive, Traditional | Instrumental<br><br>Downtown , Industrial, Other Economic Development | Symbolic<br><br>Progressive, Urban Revitalization |
| Purpose | Maintenance of status quo | Project realisation | Redirection of ideology or image |
| Main participation drive | Local dependency | Tangible results | Expressive concerns |
| Basis for sense of common purpose | Tradition and social cohesion | Selective Incentives | Strategic use of symbols |
| Quality of coalition (congruence of interests) | Political Communion | Political Partnership | Competitive agreement |
| Relationship with environment:<br><br>Local<br><br>Non-local | <br><br>Exclusive orientation<br><br>Independent | <br><br>Exclusive orientation<br><br>Dependent | <br><br>Inclusive orientation<br><br>Dependent |

Source:  Stoker, G., and Mossberger, K. (1994)  'Urban regimes
         in comparative perspective', Environment and Planning
         C: Government and Policy, Vol.12.

private sectors sought economic benefits for the city in terms of increased levels of investment, more physical developments, and reduction of unemployment. And certainly, in the case of business, a strong rationale for involvement was the interlinking of the success of their companies with the success of the local economy in general. However, this motive for participation was not the sole characteristic of business involvement. Indeed, the fact is that there were motivations to participation which cannot be reduced to a material base such as the 'pull' of local economic dependency or the 'push' for tangible results.

As a way of explaining this non-material basis for participation the notion of **expressive politics** - a way of 'communicating values, intentions and symbolic rewards' (p.14) - is particularly relevant in the Sheffield case study. For example, local political leaders saw partnership with the private sector as a way to invigorate Sheffield's flagging economy, by drawing into the city both state and private sources of finance. Also, Sheffield's business leaders had a genuine concern for the success of the city, as well as promoting ideas about corporate social responsibility. Notions of civic pride also underpinned much of the private and public sectors' attempts to establish a 'feel good' city, able to stamp its name on the world again, and to promote itself proudly as England's 'fourth largest city'.

Similarly, in terms of developing a 'common sense of purpose' within the regime, non-material factors are also evident. Indeed,

Sheffield is a good example of the 'strategic use of symbols' as a mechanism for purpose generation. The reconstruction of Sheffield's image has been as much, if not more of a concern, as the regeneration of the local economy within the partnership. The process of image building has unified the city's public and private sectors from the partnership's earliest informal incarnations to its more formal and institutionalised expressions. The 'Success in Sheffield' campaign was as much about the communication of the discourse of partnership to a wider populace, as it was about searching for sources of external finance. 'Talking-up' the city provided a basis for coalition building and consensus construction.

This 'symbolic' process of regime formation resembles that experienced in Glasgow (Boyle, 1990). Here, the creation of new urban symbols appropriate for the city's post-industrial future demonstrated the 'psychological, political, and economic benefits of manipulating urban imagery' (Boyle, 1990;109). The Glasgow Garden Festival and the designation of Glasgow as the European City of Culture in 1990, were symbolic representations of the repositioning of the city to attract mobile capital. Similarly, Sheffield sought to use partnership and its associated symbols to stake a claim for its position in a changing national and international economic order. In both cities, the search for new urban imagery underpinned the formation of new consensual coalitions.

Running parallel with the theme of expressive politics as a unifying force is, paradoxically, evidence of a strong sense of 'organic

localism as a mechanism for developing a sense of common purpose. This organic localism is most clearly expressed in the 'Sheffield knows best' mentality and the city's tradition of parochialism and self-reliance amongst its public and private sector institutions. This is an attribute grounded in the success of the city's industrial past, one that produced a wealthy, self-confident and self-reliant homogenous community. With the collapse of the steel and engineering industries in the late 1970s and early 1980s this sense of local pride, success and self-belief was weakened, but did not fade completely. By the middle of the 1980s this localism surfaced within the emerging partnership, providing a unique mixture of traditional self-sufficiency with the need for the symbolic regeneration of the city's pride, and its place in a changing economic order.

What this combination of expressive politics and organic localism suggests, is the extent to which a non-material base was important for establishing a purpose within the partnership. Indeed, it is difficult to find many examples of 'small opportunities' or 'selective incentives' (Stone, 1989;189) to adequately explain participation and purpose generation in Sheffield's regime. This is particularly the case with the business community, where selective incentives to participation have to be seen either in terms of personal aggrandisement through civic affairs, or in the context of local dependency theory where the imperative to participation is the interlinking of the success of local capital with the success of the local economy. With the City Council, the notion of material

incentives is perhaps more relevant. For example, the City Council sought to win favour with central government departments and attract greater sources of funding to the city. Equally, it saw the partnership model as a way to continue employment generating projects such as the cultural industries quarter, by using collaborative arrangements to attract funding once public sources of finance had dwindled. Overall, neither 'small opportunities' nor 'selective incentives' are fully satisfactory as explanations for participation or purpose generation. However, in other places, a material basis to regime participation – in the form of tangible results and selective incentives – has been more in evidence. For example, property based development coalitions such as those found in Birmingham (Harding, 1991; Digaetano and Klemanski, 1993), Cheltenham (Cowen, 1990), Kirklees (Kirklees MBC, 1990), Leeds and Salford (CLES, 1990), and Wakefield (Askew, 1990) have tended to be more **instrumental** in nature with short term goals based around specific objectives and easily identifiable projects.

In terms of the 'congruence of coalition interests' Sheffield's partnership illustrates the tendency for it to accord with the notion of 'competing agreement' (Stoker and Mossberger, 1994;20), or as identified here, continual compromise. Although in Sheffield the 'big idea' was based on the need to regenerate the local economy, around which an informal, then formal regeneration network emerged, that idea did not prevent the existence of conflict and the need for compromise and conflict resolution. In SERC, once the focus moved away from the regeneration of the Lower Don Valley towards more

specific employment related issues and the notion of social regeneration, conflict and competing agendas came to the fore resulting in extensive bargaining and compromise. Similarly, problems over the management of partnership institutions with executant powers, such as Universiade (GB) Ltd., and the SDC, reveal a regime in constant struggle and continual compromise.

In comparison, in Bristol, struggles over regime formation have been more overt and frequent where the variety of political perspectives in the ruling Labour Group has produced a fragmented coalition unable to establish a lasting consensus (Digaetano and Klemanski, 1993). Similarly, in Liverpool, social conflict and political division prevented any sustainable regime from developing over the 1980s (Parkinson, 1990). In contrast, Birmingham's instrumental regime, consisting of local political leaders, local authority officers and local business people, has produced a political partnership where negotiation and bargaining worked to clarify the shared interests of the participants in the redevelopment of the city centre (Harding, 1991; Digaetano and Klemanski, 1993).

Turning to the 'relationship of a regime to its wider political environment', locally Sheffield developed a strategy that actively sought to incorporate a wide range of participants. As has been suggested, Sheffield's regime has not been able to draw on a particularly strong material base for securing consensual participation, and has been unable to offer material reward incentives to encourage participation. Its greater reliance on non-

material mechanisms, together with its focus on revitalisation, has meant that it has had to seek wide support for its strategy for regeneration, pursuing a policy of inclusion rather than one of exclusion. The burgeoning growth of SERC and concomitant criticisms of its cumbersomeness, bears witness to the continual symbolic importance of this organisation within the partnership and the necessity for it to be seen to be speaking for all interests in the city, despite its limited powers of decision-making.

For both the public and private sectors in the city there were considerable limitations to the amount of local political and economic autonomy at their discretion - as a consequence of the centralisation of state powers and because of the weak structural position of much of the city's business activity in the hierarchy of economic power. Thus, in both a public and private sense, Sheffield's regime has had to turn to central government sources of funding and seek to attract private development interests in effecting change. In terms of its ability to lever such resources, Sheffield's regime has a checkered history. It failed to persuade central government of the viability of its partnership plan for the Lower Don Valley, receiving an Urban Development Corporation instead. Similarly, its scheme for a locally based training strategy was by-passed by the introduction of the Sheffield TEC, and its bids for City Challenge funding (developed on a partnership basis) were rejected in both bidding rounds. The partnership also failed to convince the private sector of the merits of funding the WSG, a key symbol of regeneration, whilst Hallamshire Investments -

the partnership's venture capital company - has had to rely more heavily on non-local sources of investment than it would have wished.

On the other had, despite the imposition of the SDC and the TEC, these organisations have largely been incorporated into pre-existing partnership arrangements. However, at the same time, there have been serious problems over the level of discretion that local leaders, particularly from the business community, have been able to exercise in the UDC and the TEC. There is a clear belief in the leadership of both organisations that each is hamstrung by the political and organisational dictates of Whitehall. Overall, in both public and private spheres, Sheffield's regime has been in a largely dependent relationship with its non-local political environment.

## After Steel: Sheffield's Partnership in Historical Context

A considerable amount of effort has been devoted to coping with the problems of structural economic change and industrial decline in Sheffield over the 1980s and early 1990s. Much has been made of the differing strategies for regeneration adopted between the early and latter parts of this period, with the movement being couched in terms of shifts form 'radicalism to entrepreneurialism' (Lawless, 1990; Seyd, 1990). Certainly, there are marked differences in the two approaches over these years. However, despite different methods, both approaches sought to shepherd the city through considerable socio-economic change - the former in a more overtly

ideological manner, where economic growth was subordinated to wider political and social objectives; and the latter in a way that stressed the importance of both image, and private sector over public sector investment. With hindsight, it is understandable why there was a need to change the specific forms that these coping procedures took over the 1980s, given the political and economic restructuring that took place in the local state over the same period. What is interesting however, is the contention that the radicalism of the early 1980s was an aberration in the city's politics and history of public-private relations.

Very simply, Sheffield has been, historically, a city of labour both politically and industrially (Hampton, 1970; Seyd, 1990;335) with a close association between the local authority and local trades union movement. In general, the city's socialism has been of a paternalistic and welfarist kind, whilst labour/capital relations have been relatively free from conflict. Similarly, despite the relationship between the local authority and local capitalist being at 'arms length', it has not been one of constant distrust and antagonism. This political accommodation worked well for much of the post-1945 period when Sheffield's economic growth and stability was based on the success of the steel and engineering industries (Warren, 1986). Such economic success and prosperity brought with it a strong sense of localism, self-confidence and self-reliance amongst a community whose internal differences often amounted to much less than those with the outside world.

As the economic base of the city began to crumble in the late 1970s and early 1980s, this political and economic accommodation broke down. With the collapse of the steel and engineering industries unemployment rose and the city found itself adrift in a rough and unpredictable economic sea. The need to find a strategy to address the economic uncertainties of the early 1980s, coupled with the rise of more radical councillors in the ruling Labour Group – dedicated to combatting both the paternalism of the Labour Party and the market philosophy of a right-wing Conservative government – led to a search for alternative economic and political solutions and the emergence of the city's 'local socialist' period of politics. However, the radicalism of the early 1980s never played out to its conclusion – it created too many political tensions, both internally and externally; and was damaging to the economic and political stability of the city.

By the mid-1980s, a partnership approach emerged in the form of a revitalising regime centred on the local authority and the local business community. This regime focused on consensus construction and image building within the community in its attempt to attract inward investment and stem economic decline. Such collaboration was not a return to that which went before 'local socialism', but the growth of greater civic cooperation did mark a return to a more stable and less antagonistic set of relationships between the city's public and private sectors. More saliently, a new set of locally based institutional arrangements for coping with industrial decline and structural economic change emerged, in a period where economic

and political restructuring made it necessary for cities to mobilise

and coordinate their disparate and finite resources in an

increasingly fragmented urban political system.

## NOTES

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