7 Case Study: Birmingham

7.1 Introduction
Birmingham provides an interesting case study of the activities of the private sector in urban regeneration for two reasons. First, there is an almost bewildering number of initiatives which have some private sector involvement. Second, arguably Birmingham is posed to replicate, in the near future, Glasgow’s urban regeneration success. That this is possible is due to the sheer number of initiatives, now reaching a threshold of ‘synergistic’ activity; to the broad scope of the initiatives addressing the complex issues of urban renewal; a long history of pragmatic partnerships that exist between the private sector and local government in Birmingham; and to a long-term, strategic perspective shared between the alternating Labour and Conservative controlled local councils. These conclusions are substantiated by recent analysis of urban regeneration in Glasgow (Carley, 1990).

Recognition that Birmingham is in such a favoured position does not mean downplaying the enormity of the task remaining, nor the difficult position of the city in the early 1980s. Birmingham, as a major city in the industrial heartland of Britain, suffered substantially from the effects of deindustrialisation and from recession. Many firms went out of business; others, such as the then British Leyland, shed half their staff or more in an effort to remain competitive. In the period between 1979 and 1981 incomes per head in the West Midlands plummeted from being second only to the South East to being the lowest in Britain. A wave of redundancies meant that in 1979 and 1980 alone one quarter of a million jobs were lost, manufacturing output decreased by one quarter, and unemployment trebled.
In addition, the penchant in the 1960s for large-scale urban clearance and reconstruction had left a dramatic mark on Birmingham: a city centre encircled by motorways and bearing witness to many of the design mistakes of the period, and one of the largest house clearance programmes in the country in the immediate inner ring around the city centre, an area now comprising high and low rise council estates, some remaining industry and much derelict industrial land. Generally Birmingham, like Glasgow, not only had many serious problems, but it also had a poor reputation to overcome.

However the seeds of Birmingham’s urban regeneration success were already germinating in the early 1980s, sown by one partnership after another between the City of Birmingham and the private sector. One exercise in partnership, the National Exhibition Centre (NEC), goes back to the late 1960s when the local authority teamed up with the Birmingham Chamber of Industry and Commerce to attract this important national facility to Birmingham. The NEC Ltd. was established in 1970, with the City Council and the Chamber as equal partners. This successful (and now profitable) arrangement continues. As Sir Robert Booth, Director of the Chamber at the time and past Chairman of NEC Ltd. notes:

In retrospect it was an historic occasion. It led to a unique partnership of civic and private enterprise, with bi-partisan support given by the Conservative and Labour leaders.

This tradition of municipal action, partnership, and major flagship projects continues to underpin the local authority’s strategy to promote Birmingham as a centre for financial and service industries, and as centre for leisure and tourism.

Central to that strategy is the new International Convention Centre (ICC), set for completion in April 1991, and developed and managed by NEC. In addition to creating about 2000 jobs and generating spending of about £50 million in the first year, the ICC is a major pump priming exercise in attracting private sector investment into the city, including for example a new £34 million, five star Hyatt Hotel. The ICC development also includes the National Indoor Arena for sporting events and new venue for the acclaimed City of Birmingham Symphony Orchestra. Birmingham’s efforts at cultural regeneration are also apparent from the recent shift from London of both the Sadler’s Wells dance company (now Birmingham Royal Ballet) and the D’Oyly Carte Opera Company to the city.
In addition to direct benefits, the ICC promises to be a further inducement to an initiative of the City Council and the government’s local City Action Team (CAT) to refurbish the city centre generally, called the Highbury Initiative (see section 7.3 below). Although much has been done in the way of environmental improvement, there are major plans within the context of this initiative to tear down the 1960s Bull Ring shopping development and replace it with something more user- and pedestrian-friendly, and to bridge the motorway ring road wherever possible with pedestrian areas.

All this activity is indicative of a major resurgence in the economy of Birmingham, in particular a dramatic growth in the service sector. Between 1980 and 1987 some 17,000 new firms were created, with substantial growth in the service and financial sectors and some more limited recovery in a reduced manufacturing sector.

**Inner city issues**

Clearly this amount of urban regeneration could not occur without substantial activity by the private sector as well as on the part of the local authority. However, it is also necessary to question whether the benefits of this volume of private and public investment and other activity extend to the residents of the inner city of Birmingham as well as the city at large. This important question is hardly a foregone conclusion. For example a recent study of urban renewal, reviewing American efforts at regeneration, noted that inner city residents in US cities were left out of developments and often further marginalised by city centre regeneration (Carley, 1990). It was not possible to answer the question within the confines of the short study reported here, but a necessary beginning has been made in highlighting promising and successful ventures and constraints on good practice.

The focus of this case study is on activities in which the private sector has played a part in the inner city of Birmingham, the ‘doughnut’ as it were around the city centre. This inner city area consists of industrial land, both occupied and derelict, council estates, and just outside the ring of council estates, Victorian neighbourhoods of mainly two storey, terraced housing. These neighbourhoods are now the lively home of many of Birmingham’s ethnic minority residents, for example, Afro-Caribbeans in Handsworth and Sparkbrook, and Asians such as Gujaratis, Punjabis and Bangladeshis in Saltley and Sparkbrook.
Birmingham has the largest ethnic minority population of any district authority in the country, about 150,000 residents from the New Commonwealth, accounting for 15 per cent of the population of the City as a whole, and 43 per cent of the population of the inner city. Overcrowding in housing of ethnic minority residents is a serious problem – 47 per cent of families are overcrowded compared with just 2 per cent of white families. Many ethnic minority residents, particularly Asians, are in business, and of these 80 per cent are in the retail sector and 20 per cent in manufacturing.

It was decided to focus the limited time available in the study to examining private sector involvement in the regeneration of East Birmingham, including the mainly Asian neighbourhood of Saltley, and other initiatives which had mainly an inner city content. In this we benefited from the helpful advice of the City Action Team and the East Birmingham Task Force, which superseded the previous Task Force in Handsworth.

This is therefore an overview of private sector and major public-private partnership initiatives, but it has not been possible to analyse the effectiveness of the contribution of individual firms nor the overall impact of initiatives. Moreover, there are of course many other community initiatives involving public, voluntary and private sector support in the city which we have not been able to include in this account. The research has however resulted in a general model of private sector involvement in urban regeneration, many examples of good practice, and some information on constraints on that good practice.

7.2 Companies and their community links

The contributions of private sector firms to urban regeneration in Birmingham are many and varied. For this reason it was found helpful to devise a framework for understanding these contributions; this was derived from a review of the material generated during the course of interviews with participants and recipients of urban regeneration activities. Like any framework, it is a simplification and there are exceptions, nevertheless it encompasses most of the private sector activities in Birmingham.

We also make use of this general framework in the case studies of Bristol and Manchester below.
Three levels of activity can be identified:

- Level one: direct links between firms and the community
- Level two: multi-firm groupings to address urban regeneration issues
- Level three: partnerships between private, public and/or voluntary sectors

The levels are not mutually exclusive, on the contrary many, mostly larger, firms are involved in all three levels of activity. The benefits to urban regeneration to flow from activity at more than one level is probably more than additive; the complex, multi-sector nature of the task of urban regeneration suggests that multi-firm groupings and partnerships are both necessary and provide ‘symbiotic’ benefits as a result of the interaction (Carley, 1990). As such, levels two and three are valuable complements to activities of the firm at level one.

The remainder of this chapter describes the activities of private sector firms in Birmingham in terms of the model, highlights the good practice of some firms, and draws some general conclusions about constraints on the development of good practice in business involvement.

**Direct links between companies and the community**

The case studies highlighted four areas of activity by firms in Birmingham which are making a particular contribution to urban regeneration and to quality of life in the inner city. These are:

- employment training and youth training, pre-training activities such as basic skills enhancement, basic literacy and numeracy, and English as a second language (ESL) courses for people from ethnic minority groups;
- small business promotion and counselling for prospective entrepreneurs in the inner city;
- building refurbishment in hitherto derelict inner city areas, usually rather than expansion on green field sites;
- urban renewal initiatives involving the reclamation of derelict industrial land into new business or science parks.

**Training**

There is substantial involvement of firms in the direct provision of training in Birmingham, too much to describe in total. One obvious area is the provision of Youth Training, mainly for 16 to 17 year olds,
leading towards job-related qualifications, usually a National Vocational Qualification (NVQ). In the private sector this is usually based on on-the-job training. In Birmingham more than 70 national and local firms offer youth training, and more are involved through their respective industrial training associations, for example, the Construction Industry Training Board.

Fewer firms are involved in Employment Training for 18-59-year old unemployed for more than six months. The Training Agency (1989) lists a number of firms including Comet Group, Dixons, the Football League, Habitat, Herons Service Stations, Mothercare, and the Wimpey Group from among the dozen or so to participate in ET. But many other firms offer their own, often sophisticated, training programmes to suit their needs. For example, the Birmingham-headquartered multinational IMI, whose activities are described in detail in a separate case study in section 7.5 below, offers post-graduate engineering and management training as well as craft and technician apprenticeships and clerical training for 16 and 17 year olds.

Another large firm with a substantial commitment to training is the Rover Group, who are among a number of firms to make a determined, quantified effort to increase the proportion of applications for trainee posts from inner city residents and people from ethnic minority communities. These efforts are described in the section below on multi-firm groups and in a separate case study.

Grand Metropolitan Community Services (GMCS) is involved in support for training initiatives via its local training agency BACTA, which delivers courses in partnership with the East Birmingham Task Force. BACTA is also involved in support for the local GATE initiative (Group for Action in Training and Employment), which seeks to link job seekers from the local ethnic minority communities with job opportunities with major employers in Birmingham which have skill shortages and find it hard to recruit from the ethnic groups.

Smaller firms also participate in training initiatives. Two Saltley-based firms were interviewed for the research. One, a small industrial firm in Saltley since 1985, specialises in training young Asian women to work fairly complex, imported industrial machinery, of a type for which there is no other hands-on training in Birmingham. Apart from the benefits to the community of its location directly in an inner city, largely ethnic minority neighbourhood, the firm has taken careful steps
to arrange its hiring, training, and work practices to be acceptable to the local Muslim population, with assistance from a Muslim community group.

Another firm, an up and coming video production and duplicating company in Saltley, also offers training on sophisticated equipment, in this case a ‘high band’ video editing studio and broadcast specification camera equipment. The training initiative was prompted by the local Task Force, which brought the company together with Birmingham Heartlands, and provided some part funding. The location of the firm in the inner city, and its connections with community groups, means that a high proportion of its trainees are from local ethnic minority backgrounds. The trainees benefit from hands-on experience of sophisticated equipment; the firm benefits, in our informant’s words, from:

the chance to give something back to the community and from finding useful, reliable people who are few and far between.

There are of course constraints on private sector involvement in training, discussed later. In terms of the larger issue of economic regeneration, it is impossible for a small study to assess the effectiveness of observed private sector involvement, or more importantly, whether the magnitude of the training on offer is anywhere near sufficient for the needs of the community.

**Small business promotion**

The growth of new businesses is an important aspect of urban regeneration. These replace industrial firms gone out of business or contracted in size, they provide local employment, and they bring money into local communities and generate multiplier effects. In Birmingham new small businesses are nurtured by a number of enterprise agencies, for example Just for Starters in Saltley, funded in part by the East Birmingham Task Force. Other group efforts include that of the Institute of Asian Businesses, linked to the Chamber of Commerce, and Black Business in Birmingham (3B), funded in part by the Home Office, the CAT and the City Council. Other neighbourhoods in Birmingham have their counterpart to Just for Starters.

The National Westminster Bank in Birmingham is active in providing assistance to prospective entrepreneurs in inner city neighbourhoods. This is part of a broader commitment to local
communities, which is reflected in the company policy that one per cent of bottom line profits should go back into the community. The underlying assumption is one of enlightened self-interest:

...if the local community is thriving the bank must benefit through savings and lending.

Although Natwest’s community policy goes back a decade, it was the inner city disturbances of 1984-85 which prompted a new focus on the specific problems of the inner city districts. In Birmingham this focus was naturally on racially-troubled area of Handsworth, but the company’s activity has now broadened across the inner city. Natwest’s direct involvement is threefold. First, a Natwest manager has been seconded to the important regeneration initiative Birmingham Heartlands, described below, as its commercial manager. Second, there is a secondee from Natwest to the Women’s Enterprise Development Agency. Third, Natwest has designated a Business Development Manager (BDM) to work directly in inner city areas and on urban regeneration tasks in Birmingham. These three people are among 27 Natwest staff nationwide seconded to urban regeneration tasks. Six of these are Business Development Managers for inner city areas.

In terms of the work of the BDM for Birmingham, Natwest’s corporate expectation is of the possibility of profits in the long term, but there are no targets associated with this work and there is, as the BDM says, ‘lots of freedom to get involved in the inner city’. The BDM’s remit is threefold. First, he offers free business start-up advice, in the community, and in sessions ‘not the usual one-half an hour, but for 3–4 hours at a go if necessary, and at 8 o’clock at night in block of council flats if required’. This advice may include financial packaging of bank funds, grant aid, soft loans and Task Force monies as required. Here simply knowing what is available is helpful to the entrepreneur. Regular counselling sessions are also offered at agencies such as Just for Starters. Second, the BDM offers financial expertise to voluntary organisations active in the inner city, for example, to the Handsworth Employment Scheme. Finally, the BDM has an education and community liaison role, speaking in schools and at Enterprise Agencies, and working with the CAT, the Task Force, the TEC and with the Enterprise Allowance Scheme.

The BDM scheme would seem to merit close study by other cities and by other companies with expertise to offer. It provides a flexible
form of support to inner city areas and draws on the company’s core skills and knowledge to make a well focussed contribution to local activity.

**Inner city building refurbishment**

Turning from human resource development to bricks and mortar, some companies in Birmingham have recognised that the inner city offers the possibility of the imaginative renovation of derelict buildings into business premises. One company which has relocated to a renovated building in the inner city is Bucknall Austin, a quantity surveying and project management practice, with 17 offices in Britain and elsewhere in Europe. In 1985, having outgrown its premises, it decided to look for a property suitable for refurbishment and settled on a derelict Victorian glass factory. The building had been empty for seven years and was in a very derelict state, with only the external walls sound. Nevertheless, the partners decided to pass up safer options, and to gamble on a canalside location in an area ripe for entry by business. The chairman of the firm is quoted in *Business West Midlands*:

> With the current trend in green issues, I would like to see more companies take a creative stance and consider renovation of older properties as a viable alternative to green field sites.

**Urban renewal initiatives**

Very few individual firms are directly involved in the regeneration of derelict inner city areas on their own. As might be expected, this typically involves some partnership effort, for example, partnerships between the City of Birmingham and private firms in Birmingham Heartlands or in the development of the Aston Science Park. These partnerships are discussed in section 7.3 below.

One firm that has undertaken what is virtually its own urban renewal programme is the multinational IMI, probably the largest company headquartered in Birmingham. On 110 acres of their own surplus industrial land they have created a landscaped business park and an ecological reserve in the inner city, adjacent to the Heartlands development area. This interesting long-term project is described in the separate company case study in section 7.5.
7.3 Partnerships and networks

*Multi-firm partnerships for community action*

In a number of innovative ways firms in Birmingham have joined together to tackle the complex challenges of urban regeneration. Three are described here.

**Birmingham Chamber of Industry and Commerce**

Birmingham is fortunate in having what has been described as ‘one of the most active Chambers of Commerce in the country’.

An examination of its activities with an urban regeneration focus, on behalf of its 4,400 members, bears out this contention, and suggests that, with the Local Authority, the Chamber is a major force in regeneration in Birmingham. In the space available here it is only possible to outline some of its work. In addition to its pivotal role in the NEC and Heartlands, and management role in the new Convention Centre, the Chamber:

- has established Local Employer Networks (LENs) which link education and training establishments with manufacturing and service industries, on a 12-sector basis, to match training provision with employers’ needs. LENs are providing a basis for organisation of the grassroots operations of the new Birmingham TEC;
- has established its own ‘community programme’ to provide employment for the skilled and unskilled long-term unemployed, for example landscape refurbishment in association with Cadburys;
- through Birmingham Chamber Training Ltd, provides work experience and training for young people (325 places) and the unemployed (275 places);
- houses an enterprise agency, Birmingham Venture, which provides assistance to new entrepreneurs. This is funded 100 per cent by private firms, relying on them for donations and secondments;
- is working with Inner City Partnership to establish an Industrial Crime Watch scheme similar to Neighbourhood Watch;
- has established the Institute of Asian Business, with pump-priming funds from the City Action Team, to encourage Birmingham’s more than 4000 Asian businesses to become more involved in the...
development of the local economy, local employment, training, and to do more in the way of charitable giving.

The Chamber has also been instrumental in the establishment of Birmingham’s first Schools Compact, in conjunction with Birmingham Heartlands. This has now broadened into a formal Education – Business Partnership in which a task group of 20 key employers under Sir Adrian Cadbury is linked to 500 schools through the Local Education Authority. The Chamber is also the contract holder with the Department of Trade and Industry for providing advisers who assess suitability of firms for participation in Compact, for work experience placement, and for two-week teacher placements in companies.

**Birmingham Business Action Team**

The Business Action Team (BAT) has a highly distinctive niche in the spectrum of urban regeneration efforts – their focus is on assisting inner city firms with up to 200 employees in imminent danger of going out of business, thus resulting in a loss of employment and local income. The idea originated in one of the city’s business enterprise centres, and initial three year funding has been provided by the CAT. The Business Action Team in turn makes use of management and financial expertise from mid-career secondees from private firms, which have included British Telecom, Cadburys, British Gas, Ansell, Glynwed, Foseco, Tarmac, Streetley and British Rail.

BAT reckons that it has saved more than 350 inner city jobs, at a cost considerably less than the going rate for job creation by public funding. Its three years of public funding concludes in 1990-91 and the BAT is intended to become a self-funded company, in essence a non-profit management consultancy. In the absence of sufficient funds from the private sector, BAT will have to start charging some, mainly non-inner city, clients commercial rates. There is concern that this will dilute both its inner city focus and its charitable orientation.

The BAT is a venture which deserves study by other cities, given the vulnerability of many start-up firms in the inner city districts and the urgent need for follow-up support once small firms have been established with the help of enterprise agencies and public bodies such as the Task Forces. The BAT provides a model which City Action Teams and Task Forces elsewhere could use in putting together plans for private sector involvement in their districts.
The Ten Company Group Equal Opportunity Project

A major multi-firm initiative is the Ten Company Group Equal Opportunity Project. This began in 1988 when research by the Training Agency revealed that, although 17 per cent of Birmingham’s school leavers are from ethnic minority backgrounds, only an average of 4 per cent were being recruited as trainees by major firms. Ten of these firms decided to band together to alter the situation, by a series of regular, monthly meetings to review progress and good practice. The companies are the Rover Group, Bromwich Catering, Central Midland Co-operative Society, Construction Industry Training Board, Hardy Spicer, Land Rover, Lucas Industries, Nigel Carter, Sainsbury’s and TSB Bank. These original ten members were joined by a further twelve firms in 1989 and by ten more in 1990.

Two project workers were hired, with funding for salaries from the City Action Team and for interim salary costs and overheads by the Rover Group, to act as facilitators, do research, and to assist with ethnic monitoring in firms and advise on possible changes in company policy. In addition the companies themselves committed substantial staff time of their representatives to the workings of the group.

The main aims of the Ten Company Group are:

• helping member companies identify and implement good equal opportunities practices;
• disseminating these good practices to other training providers;
• establishing links with ethnic minority communities in Birmingham, and with schools and other employer-led training schemes;
• providing for continuity of emphasis on equal opportunities amongst employers.

The companies involved in the original project are still active and continue to work together; funding from the CAT and the TEC for a project worker was agreed in early 1991 for a further year. Through this project worker the Group’s initiatives will be disseminated via the TEC’s emerging sector compacts. As noted above, two more groups of companies, attracted by good publicity of the initiative, formed in 1989 and 1990. Between them they have a substantial proportion of the Youth Trainees and of the employed status trainees in the city.

The record of success of the Groups is notable. The number and proportion of trainees from ethnic minority backgrounds has trebled...
among the original Group and doubled for the new companies who linked up in 1989. As one company representative noted:

   Equal opportunity policy isn’t altruistic, it’s just good business sense. Without it we’d be missing out on mountains of talent in Birmingham’s ethnic communities.

The Group has also established new links with schools and non-employer led training schemes. Three excellent publications have been developed:

- *Saying Yes*, a guide to good practice written for employers;
- *Working Together*, practical cases studies of the efforts of companies;
- *Action Handbook*, a directory of company and non-employer led training schemes for Birmingham.

All these were formally launched, with high profile media coverage, at appropriate locations such as the Handsworth Employment Scheme (a major inner city training centre), and a number of national presentations have been made. As many as 5000 copies of *Saying Yes* have been distributed to firms and agencies in Birmingham’s inner city. This widespread publicity on equal opportunity good practice has generated enough interest locally for a third group to form, and similar groups are also being established in other cities in England based on this model. The initiative clearly has made a valuable contribution and its lead is being followed up elsewhere. The development of locally focussed handbooks as listed above is especially useful and worth emulation by similar initiatives in other cities in order to improve information exchange.

*Multi-sector partnerships for community regeneration*

Efforts to contribute to urban regeneration by firms and groups of firms in Birmingham are complemented by partnerships which link the private sector with central and local government and with voluntary organisations. There are a number of good examples.

*Birmingham Heartlands*

Birmingham Heartlands is a substantial, long-term urban regeneration partnership of Birmingham City Council, the Birmingham Chamber of Industry and Commerce, and five major development companies: Bryants, R M Douglas, Gallifords, Tarmac and Wimpey. The former
three are Birmingham-based, while the latter two are national companies. The partners have formed themselves into an non-statutory urban development agency which is probably unique in scale and organisation in the UK.

The Heartlands area begins just to the east of the city centre and covers 2,350 acres, including the Spaghetti Junction motorway intersection on the M6. In the area there are 650 existing companies, mostly small and medium-sized enterprises but also including such well-known names as DAF/Freight Rover, Jaguar, Rover Group and Metro-Cammell. There are also 12,900 residents of Heartlands, 81 per cent of whom are tenants of the local authority. More than 32 per cent of the residents are unemployed.

At the start of the Heartlands initiative the area was characterised by classic features of decline and decay:
- a declining economy attributable to traditional firms closing or contracting;
- more than 700 acres of derelict land, much of it consisting of contaminated ground or that with heavy foundations intact, and in scattered pockets unsuitable for assembly;
- a severe concentration of social and economic deprivation in the resident population, with Nechells ward among the most deprived 10 per cent in the country; and
- inadequate investment in the economic, physical and social assets of the area in spite of a number of public sector programmes aimed at regeneration.

In 1987, mindful of the scale of the problem and that its already stretched housing investment programme alone could not turn the area around, and of the prospect of the imposition of a statutory central government-controlled Urban Development Corporation for the area, Birmingham City Council began putting out feelers to the private sector about creating a partnership. The Chamber of Commerce offered to act as a go-between to local development companies, and subsequently to the big national partners of Wimpey and Tarmac.

The first task of the fledgling partnership was to commission a report by Roger Tym and Partners, which reviewed the existing constraints and potential for development, and proposed an overall strategy for this area of East Birmingham. The study was paid for jointly by the City Council, the developers and the Department of the Environment. The study argued that a piecemeal approach was flawed
by a lack of overall strategy and that a ‘radical restructuring’ was required. Following three months of public consultation by the City Council, this gave rise to an East Birmingham strategy and the Heartlands Partnership.

The Partnership is led by Birmingham Heartlands Limited (BHL), a private sector company, 65 per cent of which is owned by the five developers and 35 per cent of which is owned by the City Council. The aims of the company are to provide a strategic framework which coordinates activity within Heartlands, to market and promote the area, to aid the assembly of land and development packages, to promote new development projects, and to support training and community development efforts. The City Council in turn retains its statutory powers including considering planning applications, the construction of highways, and the compulsory acquisition of land. The City Council has also embarked on a major programme of housing refurbishment within the Heartlands area.

The Board of BHL includes 7 members from the private sector and 4 representatives of the local authority. The strength of the BHL board and the commitment of its member partners is indicated by the fact that four of the five developers are represented by main board members of their respective firms. The City Council in turn is represented by equally authoritative figures including the Council Leader, the Chairman of its Economic Development Committee, and a senior opposition councillor. The Chief Executive of Heartlands is on long-term secondment from the main board of Tarmac, the Finance Director and Company Secretary is provided by the City of Birmingham.

Birmingham Heartlands Limited has set up a sophisticated management structure to promote development, to realise the objectives of its private and public sector members, and to accommodate central government restrictions on local authority participation in private sector activities. BHL provides a strategic planning framework for the whole area, and this embraces social and economic initiatives as well as environmental improvement and property development. It operates on an annual budget of about £0.6 million provided proportionally by its member firms and the City Council. It commissions studies as required and also coordinates the activities of a number of topic working parties including: housing, roads/infrastructure, environment and building refurbishment,
training, land pooling and community trust development. There is also a committee to promote the Heartlands Education Compact, which covers private companies and eight local schools, and aims to provide job opportunities for school-leavers.

Each Heartlands working party is chaired by an appropriate board member, with secondees from member companies and the local authority, and feeds information and advice into the overall strategy and to the on-site development activities. In addition there are area working parties to oversee five major development projects within Heartlands. These are: a high tech and service area called Waterlinks, housing at Bordesley Village, an industrial area called Heartlands Industrial, offices, hotels, shops and a major art gallery at Star Site, and a large mixed development project at Fort Dunlop.

Originally it was thought that BHL itself would engage in development activities, but it became clear that this method of operation would fall foul of government restrictions on local authority participation. Now, in a more suitable arrangement, BHL provides the strategic planning framework, land pooling and other assistance to separate development consortia which in turn carry out development for each of the five main projects. Membership in these consortia is not confined to the partner-developers, although they have first option on participation. Other developers participate in the consortia and in other developments which they themselves may propose. Other joint venture partners are also consortia members, for example housing associations and building societies in Bordesley Village.

The Heartlands Initiative is now two years into a long-term strategic plan which looks ahead to the year 2000. Approximately £900 million worth of expenditure is earmarked for the five main developments. In addition another £280 million is budgeted for expenditure on Local Authority housing, roads and other infrastructure and land reclamation and business relocation expenses. A final financial arrangement within Heartlands also needs to be mentioned. This is the commitment of each development consortium to recycle ten per cent of profits back into BHL for its continuing operation, when profits begin to flow.

In conclusion, Heartlands is a unique, sophisticated vehicle for linking public and private sector interests in area-based regeneration. It is by no means a wholly property-led initiative: community regeneration schemes are established in the overall strategy. For the
private sector it provides an opportunity to help shape the strategic vision and plans within which development projects will occur, and to help foster the marketability of those projects by area-wide improvements. The initial cost to the partner firms is a relatively minor annual cash contribution to BHL and a more substantial commitment of the seconded time of board members and other executives.

For the City of Birmingham Council, it achieves a working partnership, both management and financial, with the private sector towards shared urban regeneration goals, and an appropriate major role in the strategic planning for the area. It taps into major development expertise in the private sector, and is in a position to ensure local community participation in major development initiatives, and to supplement its own investment programme in housing and environmental improvement.

The partnership works because private and public sector partners have made very substantial commitments of top level management expertise, and because the large-area approach is likely to foster a critical mass of development activity and investor confidence in the longer term. There are lessons in good practice here for other cities where relations between city councils and conventional urban development corporations have been strained or antagonistic: development initiatives are likely to take off most effectively where there is genuine partnership between the private and public sector and local authorities are included in the relationship.

**Case study: Birmingham**

**The Highbury Initiative and Birmingham City 2000**

A three-way partnership between the City Council, central government’s City Action Team (CAT), and the private sector is examining the role of the city centre in Birmingham’s regeneration process. In 1988 the city council and the CAT organised an international symposium at a venue called Highbury on the link between the redevelopment of the city centre and the long-term economic prosperity of the wider city (Simms, 1989). Participants were asked to look beyond the immediate benefit of construction jobs for inner city residents to wider issues of robust, long-term prosperity and the quality of life for the hundreds of thousands of residents who visited the city centre for working or shopping.

In 1989 a second symposium was held, again organised by the City and the CAT, to take forward the initiative. Thirty-three Birmingham
businesses attended. It was decided that instead of a general forum for promoting the city centre, a series of ‘quarters’ would be identified, for example the Jewellery Quarter and the Financial Quarter and relevant fora would be encouraged to develop on the basis of these designated areas.

Out of the Highbury Initiative there emerged Birmingham City 2000, a private sector-led initiative to boost Birminghams’s image as financial centre, to broaden the skills base and ethnic background of support staff, to promote graduate recruitment, to lobby for environmental improvements and to assist in attracting venture capital to Birmingham. Within a few months of its inception 135 firms had paid the £100 entrance fee to Birmingham City 2000, which is managed by a small steering group of representatives of 12 firms, and chaired by a partner of KPMG Peat Marwick. City 2000 has also attracted further public funding from the CAT for a range of projects. One of the early projects of Birmingham City 2000 was to commission a research study to examine local, national and international perceptions of Birmingham.

Aston Science Park
One of the pioneering multi-sector partnerships has been the establishment of the Aston Science Park, opened in 1983. The Park is located on a 22 acre landscaped site in East Birmingham, adjacent to the Heartlands. The objective of the Science Park is to promote the development of high technology/knowledge based companies and to redevelop a hitherto derelict area of East Birmingham. In both areas the Science Park is successful, and around 1,000 employees now work in 65 companies in 220,000 sq ft of new office space. The proportion of employees from ethnic minorities exceeds that of Birmingham generally, although there are no quotas.

The corporate structure of Aston Science Park is based on Birmingham Technology Limited (BTL), a managing company for the Science Park. BTL is jointly owned by the City of Birmingham, Aston University and Lloyds Bank. The company has set up a venture capital subsidiary, BT (venture capital) Limited with an initial fund of £2 million, from equal contributions of the City and Lloyds. The Science Park provides both property and business development advice to companies. The property consists of fully fitted incubator units for new companies, and larger ‘venture units’ for expanding companies.
Advice comes from a multidisciplinary management team at BTL and from technical experts on the University faculty.

The pioneering success of Aston Science Park has meant that it has been adopted as a model for similar developments in Europe and North America. In particular the Director of BTL attributes its contribution to urban regeneration as a result of:

the private sector ethos of BTL combined with the long-term perspective provided by the City of Birmingham Council.

**Birmingham Training and Enterprise Council (TEC)**

One further fledgling partnership needs to be mentioned. This is the Birmingham TEC, which in its own words:

...is a partnership of all organisations in Birmingham concerned with training, education and enterprise to drive a market led system which will furnish employers, providers and employees with training and support...

The TEC, which began operations in late 1990, has established 12 major Sector Compacts between employers and providers of training. These will build on the Local Employer Networks already established by the Chamber of Commerce, and their purpose is to develop relevant training targets for particular industry groups (such as engineering, construction, clerical etc) and relating skill developments to needs and the provision of common quality standards and programme criteria for Youth Training and Employment Training. The sector compacts will be linked to the initiatives of the Ten Company Group described above through a project worker funded by the CAT and TEC. In addition to the sector compacts the TEC has set up five generic sub-groups: equal opportunities, education, ethnic issues, women’s issues and issues relevant to disabled people. The TEC also intends to set up in future an ‘enterprise forum’ to assist in small business development.

The Board of the TEC consists of eleven representatives from the private sector and other representatives from trade unions, education and the City of Birmingham. As well as the sector work, the TEC intends to operate as a strong lobby group for the needs of training. Three years of support from the Employment Department is guaranteed, and a secondment from the Rover Group has been announced.
Training in the inner city

Finally, mention should be made of a partnership venture in training for inner city residents, which provides an example of a project developed using the resources of public, voluntary and private sector organisations. The Handsworth Skills Partnership is an initiative involving a variety of organisations in funding and running a targeted management training programme for members of the black community in Handsworth. Set up in 1989, the Partnership delivers an accredited course leading to a Certificate in Management Studies. The Partnership’s course is staffed by tutors at Matthew Boulton College; the project is managed by Action Resource Centre’s Birmingham office; and the initiative has been funded by a combination of charitable foundations, two companies (British Telecom and IBM), and the Government’s East Birmingham Task Force.

7.4 Overcoming constraints on good practice

During the course of this research a number of constraints on good practice of private sector involvement in urban regeneration were identified by respondents. These are reviewed briefly below.

Communication and coordination

Many firms expressed the view that their individual efforts should be all ‘pulling in the same direction’ towards some overall regeneration goals for Birmingham. There was concern that without better communication and coordination there would be duplication of effort and inefficiency among what was described as a ‘mishmash and web of organisations’. As one respondent said:

A critical issue for (our firm) is what are the needs of Birmingham’s inner city and best to meet them. It’s hard to assess this because there is no forum for considering overall needs and how different firms can contribute most cost-effectively.

The great majority of interviewees from private firms contacted expressed concern about their lack of knowledge of other urban regeneration initiatives in Birmingham.

There are many networks and initiatives in Birmingham involving the private sector in community investment, but no focus for coordination, debate at strategic level and information exchange. The gap could be filled by the development of a city-wide partnership
forum, involving bodies such as the City Council, the new TEC, the CAT and the Chamber of Commerce. This should be relatively simple given the good networking already established between these bodies and others, especially through partnership ventures such as Heartlands. The forum could then form the kind of strategic ‘overseer’ body which many of our respondents would like to see. Moreover, on the Manchester model established in the Moss Side district, the forum could ‘spin off’ a business support group with a remit to coordinate business action and involvement in partnerships in Birmingham’s inner city districts.

Such a development at the strategic level could be further complemented at the operational level by a local Per Cent Club to promote business contributions to the community; and by a ‘funding forum’ of the kind being developed in Bristol and Sheffield, bringing together voluntary sector umbrella groups, community trusts, local authority funding departments and business representatives to exchange information and coordinate action on particular projects. A Common Purpose programme was set up in Birmingham in 1990, and this should strengthen networking between key agencies in the city.

**Secondments**

One of the most important types of private sector contribution to urban regeneration in Birmingham is the seconding of experienced mid-career staff to urban initiatives, and a number described here are only made viable by secondments. However, there is serious concern that the supply of secondees is vulnerable to economic downturn, which is the very situation in which many projects particularly need the assistance and knowledge provided by secondees. There was also concern expressed by the Chamber of Commerce that the usual one-year secondments provided by firms were often too short, as the learning curve for secondees was very steep in the first year.

Secondees themselves confirmed that they and their firms often considerably underestimated the challenge of a posting to an urban regeneration programme, and that it was only after the first year that they felt they were ‘starting to know the ropes’ and beginning to make a substantial contribution. But a number of secondees said that at the very point when they started to make a substantial contribution, their position as a secondee also became tenuous because their companies viewed secondments as assignments of one year duration.
Government funding
Central government funding is clearly essential to many of the urban renewal initiatives described here. Many of the respondents expressed appreciation for that funding, for example through the CAT and Task Force, and its role in allowing initiatives to get off the ground. But equally there was widespread concern that, in an effort to transfer more responsibility to the private sector, the tapering of funding to what is usually a complete cut-off after three years was too restrictive a policy:

Initiatives barely get off the ground before expensive staff time must be devoted, not to urban renewal, but to raising funds in a desperate attempt to stay in business.

That urban regeneration may benefit from a long-term commitment to funding is suggested by the case of Glasgow, where the Scottish Office, through the Scottish Development Agency and the Housing Corporation in Scotland (now Scottish Homes), has steadily funded urban initiatives for more than a decade.

Respondents also referred to limitations on training provision stemming from restrictions on public funds. Representatives from smaller firms felt that the resources available for training purposes were insufficient, and that in the event of the current economic downturn becoming worse they were likely to go out of government sponsored training altogether. One said training ‘could go by the board because of the meagre resources’. Another manager from a firm training many residents from ethnic minorities commented:

Our commercial training rate is £450 per day for equipment and operator. For government sponsored training we get £130 per day. It doesn’t pay but we’re giving something back to the community. But I don’t know for how much longer. It’s sad really, we could do so much more.

Infrastructure policy
A number of respondents from major firms involved in urban renewal initiatives expressed almost vehement concern that central government did not appreciate fully the potential benefits to be derived from coordination of major infrastructure investments, mainly in road and rail transport, towards urban regeneration objectives, particularly if these could be assessed in a national and regional development framework. A few respondents mentioned that they where worried that without such a strategic perspective the potential benefits for
Birmingham from developments such as the Channel Tunnel would be lost.

The key point raised by these and similar comments is the need to see inner city problems and renewal initiatives in a holistic way and not cut them off from broader strategic considerations of city-wide issues. Urban renewal needs to be about initiatives for the whole city and programmes targeted on inner city districts are best developed within a wider strategic framework.

The role of local government
A number of respondents expressed concern at the growing constraints on the freedom of action of the City of Birmingham Council. They noted that many of the partnership initiatives which were proving so instrumental in Birmingham’s recovery would now be impossible, such as the Aston Science Park initiative and the development of the NEC. In particular, constraints on local government capital expenditure, and the ability to spend capital receipts, were seen as obstacles to renewal efforts in the inner city. One respondent from a major UK developer suggested a special inner city development zone, similar to a simplified planning zone, in which local government and business would be freed from the financial constraints on partnerships imposed by central government and particularly the Treasury.

Conclusion
The sheer number of initiatives in Birmingham with some form of business involvement suggest that the private sector is making a substantial contribution to urban regeneration. A number of these initiatives, such as IMI’s Holford Estate, the Ten Company Group and the Aston Science Park are already providing a model for initiatives in other cities in Britain. Other initiatives, such as Birmingham Heartlands, could also provide a model of the kind of sophisticated organisational arrangements necessary to make a substantial and lasting contribution to the needs of urban regeneration in inner cities, and to the means for successfully marrying private initiative to public reponsibility.

It is also obvious that much of Birmingham’s success in urban regeneration is neither private-led nor public-led, but is the result of partnerships between the public sector, with the City Council especially prominent, and the private sector, often led by the Chamber
of Commerce. It is unlikely that many of the initiatives described here would have come into being or succeeded without this partnership approach and without the commitment of leading organisations in the public and private sectors.

Most of the constraints on urban regeneration described by interviewees, and listed above, fall within the responsibility of central government and require no further comment. However, two areas for action involving the private sector stand out. First, companies should recognise that secondments are a substantial contribution to urban regeneration but may require a two to three year commitment to realise maximum benefit, and that they can gain from this as well as the agencies and groups to which their staff are assigned. Second, the City Council, the TEC, the Chamber of Commerce and other key agencies such as the CAT could join in setting up the high level forum for strategic coordination which many companies would like to see. From this other regular fora could be established to help coordinate local operations, especially for the inner areas outside the city centre, and to assist communication. Many firms and other agencies would appreciate developments of this kind.

7.5 Selected case studies
The following section offers two detailed case studies of firms in Birmingham, IMI and the Rover Group, both of which have extensive involvement in urban regeneration efforts. A number of other good practice case studies for the West Midlands are available in a report prepared for DTI by Ernst and Young (1990).

**IMI plc**
IMI is a major international group of 80 firms with a turnover in excess on £1 billion, headquartered at a 220 acre site at Witton in Birmingham. IMI develops and manufactures a wide range of advanced materials and high technology products. In addition to a extensive plant in Birmingham’s inner area, it has subsidiary companies worldwide and major plants elsewhere in the UK, North and South America, Continental Europe and Australia. IMI’s companies operate in five main areas: building products, fluid power, special engineering, drinks dispensing, and refined and wrought metals, such as titanium alloys. Operations in Birmingham include IMI Group Headquarters, IMI Components, IMI Titanium, Eley, Eley
Hawk, Holford Estates, Witton Estates Management Services and IMI Computing, all at the company’s Witton location near the Aston Villa football ground and adjacent to the Birmingham Heartlands area. IMI has also acquired the Birmingham Mint near the Witton site.

IMI’s corporate policies relevant to urban regeneration in Birmingham fall into two areas of activity: education, training and social policy; and derelict land and economic regeneration.

Education, training and social policy
IMI’s corporate policy is intended to give a high priority to education and training to ensure competitiveness. They run a training unit, IMI Training Services, and an Engineering Training Centre, both in Birmingham. IMI also gives high priority to the economic regeneration of local areas and communities around their plants to ensure a supply of skilled employees. Both aspects of policy are viewed in terms of enlightened self-interest, and good longer term business sense. An IMI Managing Director makes the point:

The training and development of employees at all levels are major factors affecting a company’s ability to adapt and respond effectively to changes in its business environment. Training is an important investment activity in which Britain lags behind its international competitors.

IMI Training Services offers 67 courses in management, manufacturing, communications, marketing, computing, finance, office skills and project control to IMI employees and to other customers of their services. Residents from local ethnic minority communities, reached via IMI activities in local schools, in careers work, at mosques and churches, and at job clubs and community centres, are particularly encouraged to take part in clerical, administrative and engineering training schemes offered by IMI.

The IMI Engineering Training Centre trains apprentices, craftsmen, technicians and graduate engineers. The Centre is designated an approved training organisation by the Employment Department. IMI makes particular effort to recruit Afro-Caribbean and Asian trainees. This commitment is also reflected in their training manager’s participation in the Extended Group of Ten Companies, described above. Similar commitment is also reflected in the fact that an IMI main board director is a member of the board of the new
Birmingham TEC, and that a managing director of an operating unit sits on the Wolverhampton TEC board.

Finally, IMI in Birmingham also has a particular commitment to the disabled, and has provided free premises for special training programmes for disabled people.

Derelict land and economic regeneration

In discussing what amounts to IMI’s one company urban regeneration programme, their training manager noted that:

The most understated asset in Birmingham is a skilled manufacturing workforce close by in the inner city.

To take advantage of this under-utilised asset, and to make use of a large parcel of land in Witton surplus to their needs due to manufacturing rationalisation, IMI decided to embark on a long-term plan to develop a high quality landscaped business park from a heavily polluted 110 acre site. The three fold objective of the company set up to do the work, Holford Estates Ltd., was to reclaim derelict land, adjacent to the Heartlands area described above, for the most appropriate economic use; to provide a source of employment in the local community; and in the medium to long term to generate income from the new asset.

IMI was able to take the long-term view necessary, particularly to ride through periods of depressed property prices, but as for most derelict industrial land, a measure of subsidy was necessary for land reclamation and economic viability. IMI therefore negotiated £5.8 million of DoE Urban Development Grant funding towards a £28 million investment programme for what was to be known as Holford Estates. The intention was to develop an extensively landscaped, high quality estate at rents higher than normal speculative developments in the area, thus securing tenants likely to remain for long periods. In this IMI has been successful: 665,000 square feet of developments have been constructed or reserved for tenants and over 1,450 jobs created by firms, some not previously located in the West Midlands or even in Britain.

A second phase covering 37 acres has been planned and negotiations are in hand with the DoE to secure the necessary grant aid to make the development viable. Another 1,500 jobs are expected to result. At the same time some of the remaining low grade industrial
buildings at Holford are being let to small or start-up businesses such as joiners and pipefitters on renewable short-term arrangements.

In an effort to link new job availability with local community needs, IMI also links its training programme to the requirements of incoming employers to Holford. Also part of the Holford development is a three acre plot of land situated by the River Tame which has been set aside as an ecology area to create an urban woodland. The success of the Holford landscaping programme is such that local people use the area as parkland.

Finally, there is one other facet of IMI’s urban regeneration commitment which should be touched upon. This is the transfer of urban regeneration skills into and out of what is first and foremost a manufacturing company. IMI’s Corporate Services Manager was on the board of the Black Country Development Corporation, and some current staff at the nearby Birmingham Heartlands venture have previously benefited from working for IMI at the Holford development.

IMI is clearly a firm which takes a very broad perspective on what constitutes enlightened self interest. In particular their efforts at Holford combined with their commitment to community training provides an unusual example of an urban regeneration effort undertaken by a single firm. What stands out in particular is IMI’s understanding of enlightened self interest in a long-term, strategic perspective, of substantial benefit to the wider community, the economy of the city and themselves. IMI’s experience also underlines the point that grant subsidy for derelict land reclamation is essential to private sector development, and that central government has an important support role here.

The Rover Group

In the discussion above of the pioneering work of the Ten Company Group, and the extension of this concept, mention was made of the important role of The Rover Group in this inter-firm partnership effort, not least its commitment to fund a portion of the initiative. This is one example of Rover’s corporate policy, which is committed to increasing the training and employment opportunities of Birmingham’s ethnic minority residents.

The Rover Group initiated an equal opportunities review in 1987 by growing internal recognition of the importance of youth training
and after a review revealed that only about 9 per cent of Rover’s trainees at their Longbridge and Drews Lane plants in Birmingham were from ethnic minorities. The company looked closely at its trainee applications and rejections. This showed that 8 per cent of the applications were from ethnic minorities, and a slightly higher number, 9 per cent, were taken on as trainees. The problem was not that ethnic minority applicants were disadvantaged once in the system, but that they were not applying in sufficient numbers. Rover decided to take action through the Ten Company Group with the result that the proportion of ethnic minority trainees has increased to over 20 per cent in three years.

In particular Rover questioned its recruitment and selection practices and found that tradition and word of mouth recruiting restricted recruitment to the mainly white neighbourhoods in the vicinity of the very large Longbridge plant, with 18,000 employees, which takes the vast majority of Rover’s trainees in Birmingham. Rover therefore revised its recruitment policy towards one of positive action, based on the perception that it was part of a larger urban community which included other, more distant neighbourhoods with high proportions of ethnic minority residents.

Virtually every secondary school in Birmingham was targeted for recruitment. Equally important, Rover drew on the advice of ethnic minority representatives on the Ten Company Group to revise its whole application, interviewing and selection procedures to make them more ‘user friendly’ to potential applicants from ethnic minorities. As Rover’s Training Administration Manager puts it:

This was not just a marketing exercise, it was also an exercise in building up relationships with the ethnic minority communities.

This was done by giving talks at schools, and sponsoring Careers Conventions, including at the Birmingham Central Mosque and other locations relevant to Asian and Afro-Caribbean residents. A key to the whole initiative was the establishment of a programme of systematic ethnic monitoring to enable Rover to assess its performance. Finally much of these initiatives were carried out within the framework of the Ten Company Group and Rover’s policy has been to contribute, along with its partner firms, substantially to the Group’s initiatives. The contribution has included overhead costs, secondment time, and support for the printing of the books that resulted, for example, 5,000 copies of *Saying Yes*. 
Such community linkages are just one part of Rover’s community policy, which also includes:

- Education Partnerships including students on work experience, teachers on secondment to Rover, the provision of industrial tutors to schools, encouragement to Rover employees to become school governors, work with Careers Services, and direct investment of matching funds annually into a number of ‘Rover Rooms’ in schools, which may be for library facilities, computing facilities, computer design and technology or for other purposes (two schools in 1990).

- Charitable donations both by the company directly to community groups, for example for playground facilities for handicapped children, and also by a 3 pence deduction weekly from the pay packet of every employee, administered by a Charity Committee, mainly composed of shop stewards.

- Voluntary activities and secondment of staff, for example encouragement of employees to become involved in activities such as Meals on Wheels or other activities which they may suggest.

Finally, during the early 1990s, Rover is extending its policy of community linkages, from a focus mainly on young people, to adults requiring pre-entry training, and to the opportunities of improving the career progression of ethnic minority employees into management.

**Messages on good practice**
Rover’s range of activities covers not only traditional ‘charitable giving’ but also extends into areas of mainstream commercial activity such as training, where the company’s policy links its own recruitment needs and procedures with the interests of local ethnic minority communities. This is a good example of a company building up a varied but coherent portfolio of community investment activities which integrate ‘community affairs’ with mainstream business strategy. The overall policy also exemplifies good practice in that it involves employees at all levels, and reaches out to other firms and agencies to form partnerships which add value to the company’s own activities. The involvement with the Ten Company Group is a striking example of innovative inter-firm partnership which provides a framework for changes in in-house procedures and new community initiatives by the individual company.