PRIVATE SECTOR INVOLVEMENT IN URBAN GOVERNANCE:

The case of Business Improvement Districts and Town Centre Management partnerships

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1. Urban governance and business elites

- Pluralisation of the local state

- Businesses and business elites increasingly involved in governing, delivering and financing 'public' policies

- How do we conceptualise the introduction and presence of private sector elites into urban governance arenas?
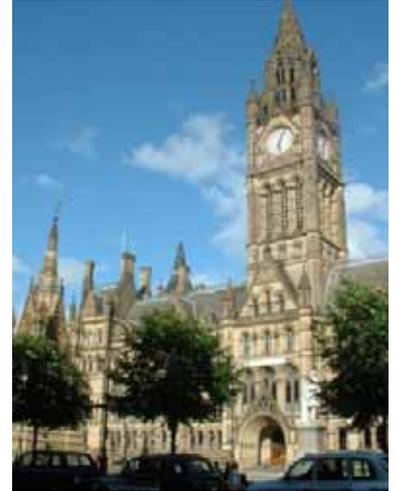
A. State centric approach

- Key advocates: Peck, Tickell

- The rise of the 'Manchester Men' under Thatcher's centralising government

- Opposes excessive localism and voluntarism of regime theory

- Focus on the creation of 'institutional space' by the state and the structural constraints shaping the elites and *not* on the attributes of the business elites

- Moving not shaking, lacking autonomy or coherent agenda

- Influence: widespread

B. Business (association) centric approach

- Key advocates: Wood, Valler, North, Raco

- The role of business associations in declining areas of Mansfield, Barnsley and Accrington

- Opposing 'state centric' or rational choice theory-based accounts

- State centric approach ignores three questions (Wood, 2004):
  1. Why do business elites sign up in absence of compulsion?
  2. What is "the difference between the scripted role for business interests and their actual performance"?
 3. How do business elites influence governance structures?

- Empirical focus on "the nature of local business interests, their translation into and through specific discourses and institutional forms, and the motivations underlying particular patterns of business representation" (Wood *et al*, 1998: 11-12)

- Unclear empirically how business agendas are institutionalised or how it is applicable to businesses outside business association circles

- Influence: limited

- OK, but surely the focus should be on the intersection of structure and agency, business and state?

- Need to understand the roles, motivations, agendas and powers of businesses within urban governance...

2. Governing urban centres

- Town Centre Management (TCM) schemes
  - Emerged in England from late 1980s to enhance the competitiveness of CBDs
  - PPPs financed by voluntary private sector contributions
  - Focus on cleaning, security and marketing

- Business Improvement Districts (BIDs)
  - First UK BID in 2005, 67 by April 2008
  - *Often extensions of TCM schemes*
  - Financed by mandatory taxation on business occupiers (England and Wales)
  - BID Ballot: 50% of businesses in number and 50% of rateable value must say 'yes'
  - Focus on cleaning, security and marketing

- Case studies: Coventry, Plymouth, Reading

feel shopping
Coventry 2005
Your guide to over 400 shops in the city centre
where Senses come alive
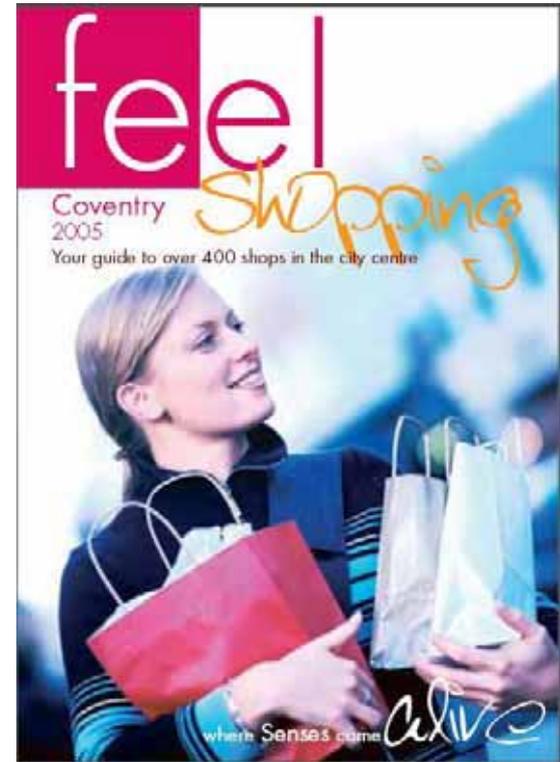
- Discursively promoted as being 'for business' and 'by business'

- Roles of businesses in TCM/BID partnerships

  - *External recipients*   Service users
    Representees
    Beneficiaries

  - *External facilitators*   Voters
    Funders
    Consultees
    Lobbyists

  - *Internal facilitators*   Creators
    Governors
    Service providers

3. Voters

BID ballots

- Businesses voting for the first time (except for City of London)

- Multiples: Head office decision

  Independents: Owner/manager decision

- All 3 voted in (over 50% by number and rateable value). Coventry BID re-elected in 2008. Re-elections forthcoming in Plymouth and Reading

- Sustained canvassing and consultation by partnerships but no organised opposition

- A "clear business mandate"?

Legend: ■ Yes ■ No ■ Did not vote

	Yes	No	Did not vote
Coventry (2005)	29	8	63
Coventry re-election (2008)	30	6	64
Plymouth (2005)	45	13	42
Reading (2006)	26	12	62
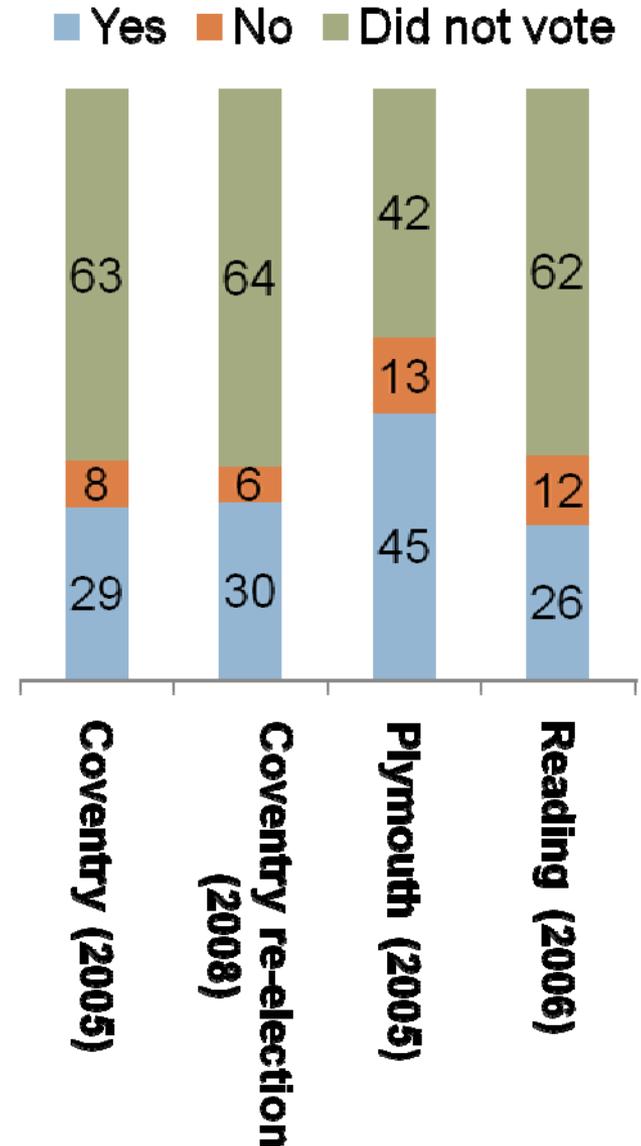
- Why yes?
  - A return on investment through increased custom
  - Raises property prices
  - Increases value of sunk costs/less likely to have to move
  - Services were necessary, business-led and ring-fenced
  - Not philanthropic decision

- Why no?
  - Not responsible for council-like services
  - Unnecessary taxation
  - Unproven impact on profitability

- Why apathy?
  - Disillusionment
  - Lack of information or interest
  - Little difference either way to profits
  - Individual vote makes little difference

4. Creators/Governors

- Council rather than business decision to create TCM schemes.
  - No coherent 'business agenda' out there, weak local business representation (especially for retailers), not used to being involved

- Businesses increasingly involved in introduction of BIDs through involvement on TCM boards, steering group and consultation

- TCM board/BID committee in Coventry and Reading, combined TCM/BID board in Plymouth

- Tables dominated by private elites
  - Minority representation from public sector (council, police, university)
  - Retailers heavily represented Reading BID committee and Plymouth board
  - Low representation of property owners, industry, workers, trade unions, community groups
  - Overwhelmingly middle-class, middle-aged, white, male

- Roles of members:
  - Design and rubber stamp new projects
  - Service and budget supervisors
  - The 'representatives' of business

- Limited day-to-day involvement, delegate responsibility to staff

- Sizeable powers but restricted/shaped by:
  - Funding requirements, regulations, legislation (e.g. Companies Act)
  - Limited budgets
  - Requests from host companies and 'juggling' work commitments
  - Cultural norms, discourses and tacit understandings

- Involvement dependent on personal motivation and decisions by employer/partnership

- Choosing the right person:
  - Financers and familiar faces
  - Wide(ish) diversity of businesses representation
  - Important elites from flagship stores and key institutions
  - Knowledgeable about local business environment, needs of business and attracting customers

"[H]e is considered to be a heavy-weight player within Plymouth so he is aware of a lot of things that are going on at a very small level. He has relationships which are strong with the local authority, the Chief Executive and so on and so forth. And he is a credible businessman... He is somebody who is quite balanced and sure-footed which what you need."

Senior official, Plymouth City Centre Company

(interview, 3 October 2006)

- Personal motivations:
  - Encouraged to by partnership/business, part of job description
  - Influence the 'inner circle' to improve profitability of own business
  - Services will increase profitability
  - Partnership successful, services necessary, 'business-led'
  - Opportunity to make contacts and 'do deals'
  - Desire to help community (not altruism)
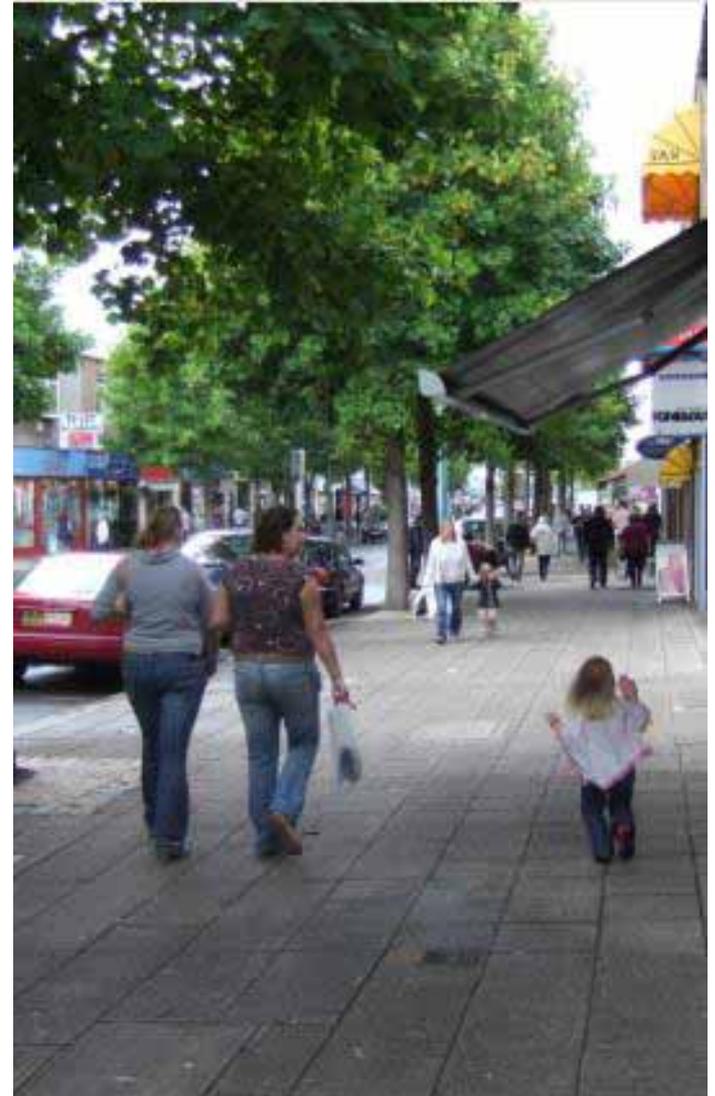
5. Conclusions

- Addressed a lacuna within urban governance research: *how and why do business elites get involved in urban governance?*

- Little consensus amongst businesses situated in the three centres

- Business involvement is diverse and highly uneven

- Partnerships selective in who they listen to, who they include/exclude, and the communication channels they operate

- Above all, business involvement is a 'business decision': Will it enhance the profit margin of my business?

- Involvement is based on the complex relationship between (a) personal/corporate motivations and (b) the partnerships and state structures