

MR WICKS

30 June 1987

PHOENIX AND INNER CITIES

Professor Griffiths mentioned to you our interest in Phoenix and its potential role in the Inner Cities Programme.

The background to this is that we believe the major task that still needs doing is not the detailed co-ordination of existing programmes - or the creation of major new programmes - but rather the direction and focussing of the external "hype" to capture and catalyse the key individuals in each major city who can actually make things happen. If we can get enough bandwagons rolling, they will create their own energy and momentum - stimulating ideas and sucking in investment.

Phoenix - and organisations like it - are a good model for the kind of vehicle needed to make this happen. It is a non-profit making, private sector body with a steering committee comprised of the Chairmen and Chief Executives of major construction and investment companies. Its role is to act as an umbrella organisation that can bring together potential investors, developers, local authorities and government departments in specific areas around a common blueprint. It ultimately works because of the credibility and energy of the Phoenix Chief Executive, Chris Ledger - a secondee from Shell - and because the various parties involved ultimately gain real benefits from working in concert (eg development gains are greater if an individual investment is part of a much larger investment covering a wider area).

Phoenix operates by setting up a local Phoenix board in its target cities, with representatives of local industry, construction companies, financial institutions, the City Council and DoE. It therefore meets an important requirement

of building on local pride and initiative. Such Phoenix initiatives are currently underway in Manchester and Salford, and a new initiative is about to be announced for the Wirral. Phoenix are also talking to business and council representatives in a number of other cities, including Sheffield. Although it has only been going 9 months, the Manchester Phoenix has already identified development plans for 4 major (20/30 acre) sites in the city, and appears to be becoming a focal point for a wide range of other development, employment and cultural initiatives which are now beginning to bubble up as a result of all the publicity.

Phoenix may not be the only organisation that can play this pivotal role between the local community, development opportunities and Government. However, we are convinced that neither central government nor local authorities can make things happen without vehicles such as this.

NRB

NORMAN BLACKWELL

H.B.

HARTLEY BOOTH

THE PHOENIX INITIATIVE

PURPOSE

1. The purpose of the Phoenix Initiative is to promote public and private enterprise in urban renewal and regeneration. This requires a constructive partnership between the public and private sectors both organisational, financial and in the use of public statutory powers. The main, but not only focus of activity is at a local level. The Initiative identifies suitable locations and persuades, brings together and encourages the various sectors involved to take on the task of redevelopment.

WHO SUPPORTS IT

2. The Initiative has a Steering Committee under the Chairmanship of Sir Colin Corness, which is drawn from a broad spectrum of the public and private sectors (see Annex A for the list of members). Phoenix is also supported by the Secretary of State for the Environment and his Ministerial colleagues, and will be a prime source of advice on the practical aspects of the private sector's involvement in urban regeneration.

MAIN ACTIVITIES

3. The prime activity is encouraging the improvement of specific urban areas by the setting up of local organisations, possibly consortia which would tackle a variety of urban renewal objectives in these areas. These consortia will only be set up after a detailed study of the area followed by the development of a suggested solution. The trusts or consortia would comprise the parties who would together carry out the urban renewal task and amongst them would be developers and local authorities. The Initiative itself will be the motivator, facilitator and advisor in the setting up of such local development organisations but would not itself participate in the renewal and development task.

A prime criteria for the Initiative to be involved must be the clearly demonstrated wish of all local sectors for something positive to be done.

4. Because local market conditions and local physical conditions require co-operation from local authorities (for example on physical planning, land assembly, compulsory purchase, and financial assistance, including acting as a channel for existing and possibly new central government grants) there is no point in the Initiative expending time and effort where local authorities and other sectors are hostile.

5. The work of the Phoenix Initiative is not confined to encouraging the setting up of local renewal organisations. In addition and equally important it:-

- (a) has a more general promotional role to encourage private sector involvement in urban renewal.
- (b) seeks to encourage local authorities and local organisations to take the necessary steps to support such private sector initiative and investment.
- (c) provides a range of specialist expertise which can be called upon to help advise solve conflicting interests and generally stimulate local initiative.
- (d) provides a prime source of advice to the Department of the Environment on the practical aspects of the private sector's involvement in urban regeneration. Two senior officials from the Department sit on its Steering Committee.
- (e) proposes measures to help bring schemes to fruition and encourage the starting of others.
- (f) liases and, where necessary, co-operates with other initiatives and organisations. It avoids duplication and seeks to encourage and support initiatives and where necessary is seen as a conduit between them and government.
- (g) it will, for the time being, concentrate its efforts in England, although it will liase closely with the SDA and WDA.

ORGANISATION

6. In line with the main purpose and range of its activities the organisation of the Initiative reflects the harnessing of a broad spectrum of goodwill, expertise and drive. It has also been designed to minimise the bureaucracy and maximise the effectiveness of its activities. The Phoenix Initiative consists of a Steering and an Executive Committee.

7. The Steering Committee consists of the Chairmen/Chief Executives of companies who also represent the various organisations supporting the Initiative. Its main function is to guide, support and where necessary, use individual member's influence on behalf of the Initiative.

8. The Chief Executive, Christopher Ledger (on secondment from Shell) has a small staff consisting of an Information Officer and a secondee from the Department of the Environment. For further information contact:-

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82 New Cavendish Street
London W1M 8AD
01-580-5588 Ext. 418/419/420/421

THE PHOENIX INITIATIVE

THE STEERING COMMITTEE

- | | | |
|------------------------------|---|--|
| Chairman - Sir Colin Corness | - | (President National Council of Building Material Producers) Chairman Redland PLC |
| Bryan Baker | - | (Vice President National Council of Building Materials Producers) Group Managing Director Tarmac PLC |
| John Brown | - | (President British Property Federation) Managing Director Peachey Property Corporation |
| Patrick Dawnay | - | (Member Urban Investment Review Group) Director Pergamon Holdings |
| Tim Melville-Ross | - | (Chairman Urban Investment Review Group) Chief Executive Nationwide Building Society |
| Tony Pelling | - | Under Secretary (Construction Industry) Department of the Environment |
| Peter Simon | - | Deputy Group Chief Executive & General Manager (Investment) Legal & General PLC |
| Eric Sorensen | - | Under Secretary (Inner Cities) Department of the Environment |
| Norman Wakefield | - | (Chairman Working Party of Building Employers Confederation) Chairman and Chief Executive Y J Lovell |
|
<u>Chief Executive</u> | | |
| Christopher Ledger | - | Shell UK |

Urban regeneration project launched

BY ROBIN PAULEY

THE Phoenix Initiative to stimulate urban regeneration was formally launched with Government moral but not financial support yesterday under the chairmanship of Sir Colin Corness, chairman of Redland and president of the National Council of Building Material Producers.

Sir Nigel Broackes, chairman of Trafalgar House, was involved in the planning of the project and was expected to be

its first chairman with Sir Colin as deputy chairman. The fact that neither Sir Nigel nor Trafalgar House now appear among the sponsoring board led to some speculation that he has withdrawn because of the refusal of the Government to inject any financial support.

The group has reverted to its planning title of Phoenix rather than the later idea of calling itself the National Task Force which would have confused it

with the Government's inner city task forces among the plethora of organisations now involved directly or indirectly with urban regeneration.

The Phoenix hopes to promote public and private enterprise in urban renewal and to be the focus of private sector advice to ministers on urban regeneration. It also hopes to become the vehicle for the Government's new urban regeneration grants.

FT 31/7/86

Urban Phoenix rises from the ashes

Phoenix, the much heralded private sector development body has finally been given life with the creation of a permanent body to promote private/public sector initiatives.

Chris Ledger, a senior executive at Shell UK, has been seconded as chief executive for the Initiative, which is based at St Katherine's Dock in London.

He will head a team that will advise local authorities, developers and the Department of the Environment, as well as draw together and co-operate with pri-

mate sector initiatives already underway.

The Initiative is a non party body which intends to work with local authorities using their land assembly powers on specific projects, promote initiatives under the new Housing and Planning Bill, and utilise the grant system.

Chairman of the Initiative's sponsoring board is Sir Colin Corness, chairman of Redland plc and president of the National Council of Building Material Producers, whose vice president Bryan Baker, the group

MD of Tarmac plc, is also a board member.

Other board members are John Brown, president of the British Property Federation and MD of Peachey Property Corporation and Norman Wakefield, chairman of the

working party of Building Employers Confederation and the Chairman and chief executive of Y.J. Lovell (Holdings) plc.

The creation of the new body has been welcomed by the Building Employers Confederation.

Action on city revival

By Christopher Warman
Property Correspondent

An initiative to stimulate the regeneration of Britain's cities by promoting public and private enterprise in urban renewal was launched yesterday with the full support of the Department of the Environment.

This private sector move, called the Phoenix Initiative, will also provide a focus of private sector advice to ministers on urban regeneration.

The announcement of the new venture came on a day when figures revealed that building firms in the South were reporting promising order books while firms in the North were at a low ebb.

The sponsoring board of the Phoenix Initiative, under the chairmanship of Sir Colin Corness, president of the National Council of Building Material Producers, aims to promote activity and enthusiasm at a local level, put together schemes and involve local authorities and developers. It will have a representative from the department and leaders from other fields.

It takes as one of its blueprints for action the report *The Phoenix Partnership - Urban regeneration for the 21st century*, published by the National Council of Building Material Producers, which advocates a partnership between public and private sectors, a nationwide programme of urban development action grants and the setting up of urban development corporations on the lines of the London Docklands Development Corporation where necessary.

TIMES 31/7/86

Phoenix takes off

A private sector initiative to stimulate urban regeneration was launched last week.

The announcement came from the National Council of Building Material Producers whose report *The Phoenix Partnership: Urban regeneration for the 21st century*, published last October, is one of the blueprints for action.

The aim is to promote activity

and enthusiasm at local level, help put together schemes and encourage initiatives and advise and stimulate local authorities and developers. It is intended to draw together private sector initiatives already underway and advise the Department of the Environment on the practical aspects of the private sector's involvement in urban regeneration.

Construction News 8/8/86

A catalyst for change

FIVE YEARS after the then Environment Secretary, Mr Michael Heseltine, took a party from the City of London to look at the urban problems of Liverpool, Britain's financial institutions remain the target of criticism for their continued reluctance to become involved in the search for solutions.

For, although big redevelopment schemes are under way in most city centres and on out-of-town sites close to motorway and other important junctions up and down the country, the scale of commercial and industrial, as opposed to retail developments which the institutions have been prepared to back, remains small.

The developments in which the institutions have been prepared to become directly involved have tended to take place, too, in the bigger centres. Many of the trickier problems in inner city suburbs or on more remote locations, such as the south Wales valleys or in the north-east coalfield, are not being tackled.

There has been a reluctance, too, to tackle many of the old industrial sites which have ceased to be required as the traditional manufacturing base of the older regions has changed and shrunk.

Though the institutions can rightly claim they are not primarily in business as risk takers, critics argue that their attitude has been over cautious and that they are missing opportunities to speed up the process of urban renewal.

"They are often more interested in the location of a scheme rather than the rate of return," observes Mr Howard Mallinson, head of the urban renewal consultancy at accountants KMG Thomson McLintock.

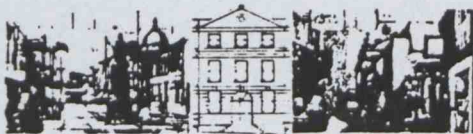
Thus, with the institutions tending to stay clear of investment outside London, except where retailing is involved, it has often been only local developers who have sought out Urban Development Grant or Derelict Land Grant for industrial or commercial schemes in non prime areas.

"Institutional investment in property is governed by rental growth which they are prepared to buy at any price. They will only buy, however, where other institutions are buying. There is nothing you can do to encourage financial institutions to put their money in anything other than shops north of Watford," argues another critic, Nigel Ellis, of surveyors Drivers, Jonas, himself a secondee to the Department of the Environment between 1983 and 1984.

Yet while critics argue not enough is being done, those involved in development point in turn to problems they encounter. Perhaps chief among these is alleged local authority bureaucracy, and in particular delays in obtaining planning permission for schemes.

Land assembly is also cited as a major difficulty in many cases, and there are complaints over the length of time taken by the DoE in processing applications for UDG, without which many schemes are not viable.

It is in untangling some of these knots that a new body, Phoenix, which has just begun operations believes it will have a role. Sponsored by a range of public and private sector bodies from builders, property companies and building societies to merchant banks, Government departments and local authorities, Phoenix draws its inspiration and some of its basic con-



Phoenix, a new organisation which aims to provide the impetus for getting difficult schemes under way has just begun work, as Rhys David reports.

cepts from a report published last year by the National Council of Building Material Producers. This looked at ways in which US experience in reviving rundown areas could be used in the UK.

Under its chief executive, Christopher Ledger (a secondee from Shell) Phoenix will be trying to operate at a local level to identify suitable locations for development and to bring together the relevant parties including the institutions to undertake schemes.

"We intend to act as an independent non-axe-grinding group which can respond to requests for assistance. A local authority might, for example, have a scheme which it cannot get off the ground or a developer may be having difficulty putting a project together. We will help to organise public-private sector partnerships and then we will withdraw," explains Christopher Ledger. The group will not seek to operate in areas where its efforts are not welcomed by all parties concerned.

Implicit in Phoenix's approach is that it will seek to encourage initiatives which extend over a wider scale than individual projects. It will encourage local authorities and developers to think in terms of a strategic plan for a whole area.

"We will say let us look at the jigsaw as a whole before trying to put in the pieces," explains Mr Ledger.

Phoenix will also act as a lobby suggesting possible new approaches or mechanisms to Government where it believes these are necessary. As it happens, one important new instrument, Urban Regeneration Grant, will become available when the Housing and Planning Bill passes into law and should make the wider area based approach to urban renewal which Phoenix is seeking to promote easier to achieve.

UDG, with DLG the main Government funding instrument currently available has, somewhat disappointingly, been used on only four schemes in excess of 15 acres, and is channelled through local authorities which provide 25 per cent of the funding. The new grant, URG, will be paid directly by Government to developers and will it is hoped encourage more larger scale schemes.

Yet, while Phoenix could be the catalyst which will help to get a number of tricky schemes off the ground, whether with or without UDG and URG support, the task in many areas seems likely to require an even wider geographical approach and bodies which can act as prime movers rather than intermediaries.

The major weakness, according to Miles Collinge, development director of the English Tourist Board is the lack of an effective local development agency which can act with speed.

"Given an effective local development agency rapid progress could be made. We are dealing with the future of our towns and cities and not simply the odd tracts of derelict land," he argues.

Following indications earlier this year that it was considering the idea, the Government is now believed to be close to an announcement of a further batch of development corporations which would seek to repeat the successes achieved by the two existing corporations covering London and Liverpool.

The shape and form which these corporations will take is still to be decided, however, reflecting in part some of the problems which a second generation of such bodies might pose. In the first place, few cities have such concentrated areas of dereliction as London and Liverpool had when their corporations were established, making the problem of the exact

areas to be designated much more difficult.

The Government, too, is likely to want to secure as big an involvement as possible both of the local authorities concerned, in order to minimise conflict, and of the private sector so as to cut down the cost to the public purse.

One possibility canvassed by the Chartered Institute of Public Finance and Administration is a contract system whereby an agency could be appointed for a fixed term with a brief to deal with the problems of an area. The agency could be public, private or joint in nature and would operate to guidelines laid down by the relevant public authorities. It would draw on public and private sector resources.

Hybrid development corporations of a sort have in fact already been set up in some locations and perhaps offer examples to other authorities whether or not Government designation of their areas is obtained.

In Salford, for example, the local council, faced with the prospect of unco-ordinated development taking place in Salford Docks commissioned a firm of consultants with experience of working in London docklands to draw up an overall strategy and this is now being worked to by the private sector.

In other parts of the country major contractors have taken the lead in schemes. They will be encouraged to make use of the existing cocktail of grants available, in particular URG.

In another example of private-public sector co-operation, designed to deal with the problems of a major area, Trafford council has joined forces with a number of manufacturers on the Trafford Park estate, including GEC and Ciba Geigy, to draw up an investment strategy for the area designed to attract £550m of private sector money and create 18,000 jobs.

Whether these or any other similar projects will eventually be favoured by the Government as models remains to be seen. What is true, however, is that the importance of partnership between the public and private sectors in urban regeneration now seems to be widely accepted.

If this produces schemes which appear to be soundly based and which offer the prospect of being well managed this could even unlock the institutional funding which has in many cases been the missing element so far.

31st December 1986

Evening Edition - Front Page Main Story

It's a 1987 super city

By Fred Hackworth
and Michael Duffy

A MASSIVE £100m-plus regeneration project today heralded an exciting New Year for Manchester city centre.

Plans to breathe new life into a huge, run-down area of the city have been aptly titled after the mythical bird which rose from the ashes — the Phoenix.

A powerful alliance of public and private agencies are backing the Phoenix Initiative, which aims to revitalise a mile-long "corridor" from Castlefield to behind Piccadilly Station.

The down-at-heel section of the city that takes in Oxford Road Station, the famous Refuge Building, Whitworth Street and the Rochdale Canal basin is in line for a huge boost.

Planners stress that it is still



The famous Refuge building in Manchester

early days, but the new shot in the arm seems certain to include shops, offices and housing — for which there is already planning permission in a collection of fine old textile warehouses in the district.

Cash

Hopes are high that the ambitious regeneration project will work, because private and public money is set to pour into it.

Leading companies, banks and pension funds, who have been working behind the scenes on the scheme, are believed to be on the

point of unveiling details next month.

A senior Shell executive on secondment to the Phoenix Initiative, Mr Chris Ledger, is understood to have won ministerial approval to pump taxpayers' cash into the project as part of the Government's urban programme.

If the pioneering plan gets off the ground, it would be remarkable in its nature and scale in post-war Britain.

All agencies involved — from boardroom to council chamber — are pulling together and Manchester's assistant city planning chief, Dr Ted Kitchen, said this afternoon "there is a lot of effort being put in to try to make this work."

"Here we have an area with problems but also lots of potential and the study being undertaken asks what we can do about it."

"We are prepared to learn from everyone and North America, where the private sector has been getting together to work with public authorities to launch major recovery programmes in city areas, has things to say to us."

Phoenix rises in Manchester

A one-mile sweep of Manchester's inner city is to get a new lease of life under an urban renewal scheme known as Project Phoenix

This is the first flight of the Phoenix Initiative - a steering committee including contractors, a building society, and building materials producers - which has been set up to counter urban decay.

A string of neglected warehouses, as well as the imposing Refuge Building in Oxford Street, will benefit from the project which will take in an area from Piccadilly to Deansgate, near the Rochdale canal.

The accent will be on refurbishment, land reclamation, building

cleaning and pedestrianisation. But new housing is also proposed, as well as commercial, leisure and community projects.

A Phoenix spokesman told BTJ that a study would be carried out by consultant W J Cairns "to develop an identity for south-east Manchester and to arrive at a development blueprint for the area."

A company called Manchester Phoenix has been set up to manage the project. It is headed by entrepreneur Raymond Gerrard, former chairman of contractor Gerrard. Another key figure is John Lynch, a partner in Manchester architect Fairhurst.

BUILDING TRADES JOURNAL, JANUARY 29, 1987

Phoenix rises in Manchester

THE first summing of the Phoenix public-private investment partnership were left this week as a £100 million pound scheme was launched in Manchester.

The City Council has thrown its weight behind the bid ahead of today's visit by construction minister John Patten.

The scheme involves breathing new life into declining city centre buildings with investment in a corridor 1.5 km long with its spine the old Rochdale Canal.

Central to the scheme is the regeneration of the old Refuge Building, but buildings on each side of the canal could be renovated and improved.

The accountancy and management firm Arthur Young will lead the steering group of industry, commerce, union and professional leaders.

Housing, leisure, community and commercial projects are envisaged as the initiative gathers pace.

Council leader Graham Stinger said: "The City Council has a long standing commitment to the regeneration of the city centre and we are happy to work with organisations or individuals who share the commitment."

The council has promised to throw resources into providing important planning information for developers and by making environmental improvements in the area.

Manchester set to land first Phoenix project

Manchester looks like becoming the first city to fund urban regeneration using the Phoenix Initiative.

Before the end of the month, the promoters of the Phoenix Initiative hope to announce details of a planned £100M rejuvenation programme for the city centre's rundown Castlefield to Piccadilly Station area.

The Phoenix Initiative, launched last July, aims at curing inner city dereliction by attracting a mix of private and public investment. Phoenix is supported by the Building Materials Producers and the building and civil engineering employers federations, BEC and FGEC.

News that Manchester was to be the first to use the Initiative was leaked in an evening newspaper.

Both Manchester City Council and Phoenix's management consultant Arthur Young retort that the 'leak' was a little premature as details of the scheme have yet to be finalised. However, both sides say there has been a continuing dialogue over the planned regeneration programme.

A spokesman for Manchester City Council added that although the final details



Manchester - first to find a roost for Phoenix

have yet to be announced by Phoenix 'no major changes are envisaged' to the council's local strategy plan. The local plan was adopted by the city council in summer 1984.

Management consultant Arthur Young hopes that the professional team, which will put together a detailed study of the area, will start work before the end of January.

The study will take six months to compile and will form the framework for the future planned regeneration of the area. No specific mix of developments are being revealed until the study is

complete but it is likely to include housing, offices and shops.

Arthur Young intends to hold a series of workshops during the study phase so that key public and private concerns can develop and agree the exact form of the regeneration.

The City's strategy plan placed a priority on providing housing and, says a spokesman for Arthur Young, this will be given due recognition in any plan for the area. We are not trying to usurp the Council because the aims of the City and Phoenix are compatible.

CONSTRUCTION NEWS

JANUARY 29, 1987

City bursting out all over

A REBORN Manchester fit for the 21st century, is forecast by building chiefs.

The city is poised for spectacular expansion, according to Mr John Crothers, chairman of the North-West Group of Eight, the region's leading construction industry representatives.

He said at the opening of a building exhibition in the New Century Hall "There is a marvellous opportunity here. Not the mad, giddy expansion of the 1960s which only benefited a few people, but a reasoned, environmentally-controlled expansion starting in the Whitworth Street area of the city and spreading throughout the region."

High hopes are based on the work of the Manchester Phoenix Initiative, launched last year in a bold bid to revitalise key areas of the city centre in which the private sector and public sector work closely together.

Mr Crothers said the regeneration would come with the minimum of Government help, but

By Ray King

would give the people of the North West great satisfaction to say "What we have done we did largely by our own efforts."

The exhibition, Building Information exchange '87, was formally opened by Mr Chris Ledger, chief executive of the National Phoenix Initiative.

He said the £550m to be spent over the next seven years by the Trafford Park Urban Development Corporation, at least £250m by the Manchester Phoenix, and more still by a similar initiative in Salford, would together provide a dynamic power house for regional renaissance.

Mr Ledger urged building suppliers whose wares were on display to make sure that when the millions were spent it was contractors from the North West which became involved.

MANCHESTER PICKED FOR FIRST INNER-CITY REGENERATION PLAN

An American-style initiative has been launched to regenerate a large area involving a partnership between the public and private sector. The Phoenix Partnership launched in 1986 by organisations from construction and other industries, chose Manchester for its first scheme. Its backers on a national basis include the Building Employers Confederation, the National Council of Building Material Producers, the Association of British Insurers and building societies. In Manchester the project is being co-ordinated by Rick Parry of Arthur Young. In addition to commercial projects, Parry said Phoenix's main aim would be to reintroduce housing to the area together with leisure and recreational uses. An architect has yet to be chosen. The area Phoenix has chosen to focus on runs between Deansgate and Piccadilly station. Landowners and current projects are being identified, and Phoenix is finding out why improvement is not taking place of its own accord. The next step, said Parry, will be to ensure that Phoenix becomes a focus for all the community, so there is grass roots support for its proposals. Then there will be a big campaign to launch the initiative. Funding will come from the DoE, the city council and the private sector.

L. Mallett *Building Design* 20/2

Manchester Evening News 18/2/87

Manchester site for first Phoenix

The Phoenix Initiative's first project will be located in a run down part of Manchester city centre. The news was announced on 26 January.

A partnership consisting of the City Council, industry, commerce, trade unions and the professions has been formed with the objective of regenerating an area in the centre of the town between Deansgate and Piccadilly Station.

BMIP

6 February 1987

Multi-million blueprint for an exciting new look

Capital idea in the super city

By Michael Duffy and Fred Hackworth

AN EXCITING new redevelopment in the heart of Manchester could make the city the leisure capital of Western Europe.

The multi-million-pound renewal along Deansgate and Peter Street could be one of the most spectacular redevelopment success stories since the war.

An exciting new brief for a plum 20-acre site next to the city's G-Mex Centre will be going out to developers any time now.

But the project — which will include the Greater Northern warehouse conversion — is linked to the massive Phoenix redevelopment

plan for Manchester involving up to 60 acres of rundown land running into hundreds of millions of pounds.

The Deansgate scheme is the idea of Central Station Properties — the consortium which controls the new G-Mex exhibition centre — but it is seen as a springboard for major city centre renewal under the Phoenix Initiative.

Government ministers are set to press the "go" button on Phoenix and Manchester Council has pledged its wholehearted support for the ambitious regeneration drive covering a huge sward of the city centre.

Developers will soon be invited to pitch for the lucrative Central Station Properties scheme and company secretary

Mr Jonathan Diggins said: "We have spent the past six weeks putting together a development brief for the site.

"We could be talking about a range of redevelopment including offices, leisure facilities, retail and residential. We have been approaching various people to hear their ideas about possible projects."

But Phoenix experts — charged with launching a hugely ambitious scheme to renew a mile-long crescent of down-at-heel Manchester — see the Deansgate scheme as the catalyst for the development of other key sites.

These include vacant land at Lower Moseley Street — which has vast leisure potential — and major plots on the city centre fringe at Gaythorn and All Saints.

The chief executive of the national Phoenix Initiative, Mr

Chris Ledger, said: "If all these schemes come off the ground — and we are confident they will — then central Manchester will be completely transformed."

But a Phoenix spokesman in Manchester went further, saying: "Looking at the potential for sites in key areas Manchester could become the leisure capital of Western Europe."

Government cash is waiting in the wings too. A senior spokesman for the Environment Department in Manchester said: "We are looking favourably on a number of schemes which we hope will form a major plank in the regeneration of the South East section of the city."

"Housing Minister Mr John Patten is very keen to see results from the Phoenix Initiative and the one in Manchester is a very exciting prospect."

Manchester Evening News 13/3/87

Manchester Phoenix takes off

THE Manchester Phoenix has taken off at last, and even if it isn't soaring high at least its feet are off the ground.

The Phoenix Initiative a private sector project aimed at bringing together both the public and

private sectors to regenerate areas of the inner city, announced its first success this week, as the big institutions brought out their cheque books.

Money raised will go towards a target

of £100,000 which in turn will pay for feasibility studies of plans to transform a vast tract of inner-city Manchester.

The idea is that a four mile corridor along the Rochdale canal will be revitalised as land owners

and potential developers are brought together.

Phoenix which is currently operating from the Manchester Building Centre hopes that the success of this type of idea in the United

States can be mirrored in England.

Refuge Assurance have already contributed £10,000 and this week brought the news that two other financial institutions had done the same.

However, there re-

mains a long way to go before the £100,000 target and the additional £100,000 worth of Government grants this would bring is reached. But at least the feasibility studies now look feasible.

Rising from the ashes

EVER since the early Seventies the problem of the inner-cities and their slow drift into dereliction has been at the forefront of political debate.

The proposals put forward by the Left and Right have been linked only by their failure to achieve any retardation of the rate of decline. In that respect the present Government is no different from its pre-

decessors.

The perception today, shared by almost all those concerned with the problem, is that the scale of finance required is now so great that no single central body could hope to solve it alone.

This is where the Phoenix Initiative becomes so important. The idea of trying to join the unlimited finances of the

private sector with the power of government for a common goal is the only road to a solution.

Manchester has been chosen as the first site of the Phoenix Initiative and already a number of financial institutions had put up the hard cash necessary to fund wide ranging feasibility studies.

If the scheme is successful then Man-

chester will find itself transformed within quite a short period of time. It would then be possible to apply this blueprint to Birmingham, Liverpool and all the other cities with similar problems.

The potential is staggering and it is to be hoped that the first cheques signed for Phoenix mark a new beginning in the fight to turn back the tide of despair.

Face-lifts for inner cities start this year

By Richard Evans
Political Correspondent

A multi-million pound American-style partnership between the Government and the private sector, aimed at tackling dereliction in Britain's inner cities, will begin work after the general election.

After two years of talks between ministers and leading construction firms, three consortia have been formed with the aim of regenerating the nation's most run down areas.

With the help of "pump-priming" grants, the trio are expected to start work this year on building thousands of homes, factories and retail

centres in Manchester, Sheffield, Nottingham, Leicester and the West Midlands.

The next phase of the Government's urban policy, mapped out by Mr John Patten, Minister for Housing, Urban Affairs and Construction, is based on the successful United States experiment which brought private companies and the government together to work closely on inner city projects.

British construction firms were initially cautious about becoming involved in developing some of the most run down sites, mainly because of doubts over the financial return. But those reservations

appear to have evaporated and the companies are hoping for substantial profits.

Ministers believe their attitude represents a growing indication of confidence in the state of the economy. Wood MacKenzie, the leading construction industry stockbrokers and forecasters, recently suggested a 5 per cent growth rate in the construction industry during the next year.

The three consortia formed to redevelop inner city sites are Phoenix Partnership, led by Sir Colin Corness, chairman of Redland; PROBE, led by Mr Norman Wakefield, chairman of Y J Lovell; and the Group of Eleven, which consists of Britain's biggest

construction companies with leading figures including Mr Clifford Chetwood, chairman of Wimpey, and Mr Philip Beck, chairman of Mowlem.

At least two of the consortia are known to have applied for urban regeneration cash which is expected to be granted shortly and work is likely to start by the end of the year.

Mr Patten said yesterday: "The Government is looking increasingly to the private sector to take a lead in the development of inner city areas with the Government providing the framework and pump-priming money.

"This is something I have been working on for the past 18 months, in order to try to

bring the construction industry and the Government Urban Policy much closer together".

A recent survey disclosed the only age group not moving out of the inner cities is the 18-24 category and ministers believe this will help bring economic success back to such areas.

Mr Patten added: "Housing-led regeneration of our inner cities is critical, and the young are going to play a vital role in their social and political regeneration.

"At the moment the inner cities are still losing their brightest and their best and we hope this partnership will turn the tide."

Phoenix Initiative to rise in Salford

A NEW Phoenix initiative will be launched in Salford next week, which it is hoped will help create at least £250 million of construction work over the next five years.

Details of the sites have yet to be ironed out by Phoenix — the organisation set up last year with Government and private support — and Labour-led Salford City Council.

But no problems are envisaged, and work should start in September on the first three housing projects.

To organise the development a company has been set up by Phoenix, the Salford City Council and Probe (Partnership Renewal of the Built Environment), the body set up by Lovell and the Halifax and Nationwide building societies.

The company — called the Salford Phoenix Initiative — will not act as a developer itself but as a "facilitator", said Probe's David Hinton. It would organise developers, land, and money.

The idea is that the bulk of the development work should go to local companies, he added.

The formation of the company has been welcomed by the council's assistant chief executive, Peter Henry. "We recognise the need to regenerate the city and this is one situation where a partnership between public and private sectors can bring regeneration," he said.

The organisers say they will be disappointed if Phoenix's work fails to produce under £50 million worth of redevelopment in each

of the next five years.

Most of that redevelopment will be housing, although there will be some industrial and commercial work.

Any profits made by the Salford Phoenix Initiative company will be put at the disposal of the council.

The company will be applying for Government grants and a civil servant from the Department of the Environment will sit on the board.

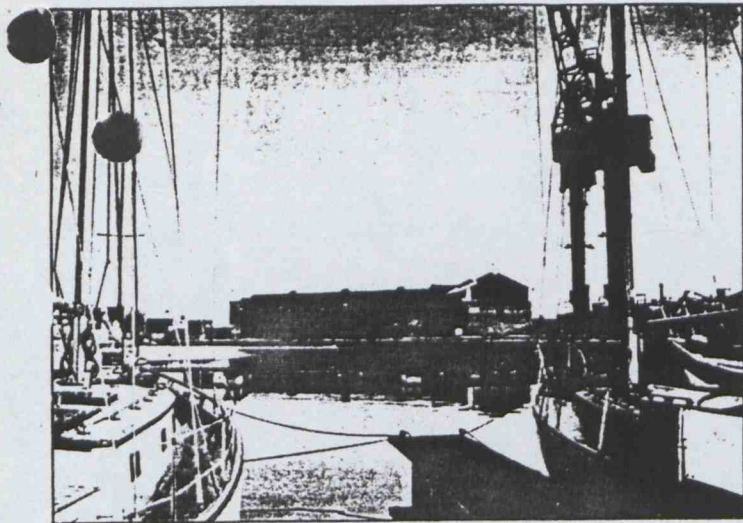
But how much Government money will be applied for — and how much will be granted — has yet to be decided.

The work of Phoenix seems to be expanding rapidly after the organisation's stuttering start. Talks are underway — albeit in an informal capacity in most cases — in Newcastle, Stoke, Sheffield, the Wirral and Wolverhampton.

Earlier this year the City of Manchester was chosen as the site for the first Phoenix Initiative which is intended to stimulate private and public sector developments in the city to the value of £1 billion.

●At the end of last week, Prime Minister Margaret Thatcher said that a five year plan to regenerate Britain's urban areas would be a central part of the Conservative Party's manifesto for the General Election.

She told the *Manchester Evening News* that she had asked her ministers to produce a package of policies to attack dereliction and improve infrastructure.



Salford Quays: its success launches a Phoenix

Salford's Phoenix takes off at last

After weeks of hesitation, Salford's Phoenix initiative took off last week to help regenerate the district's run-down areas, building on the success of the city council's Salford Quays project.

The council, Phoenix and third partner, PROBE (Partnership Renewal of the Built Environment) are now working up two initial projects: a housing development at Acme Mill, Swinton, and the refurbishment of medium- and high-rise flats at Kersal to provide student accommodation for Salford University.

The Salford-Phoenix Initiative, which will work with the council in trying to draw private sector interest, has been welcomed by Housing Minister, John Patten and by Peter Hadfield who chairs the neighbouring Trafford Park Development Corporation.

Although the partnership will focus most of its effort on the eastern side of the district, the Irlam steelworks to the west (now under the wing of the UDC) is one of the major sites for redevelopment and Peter Hadfield may join the present eight-man Salford-Phoenix board. This is chaired by financier,

Geoffrey Wilson and includes PROBE chairman, David Hinton; Phoenix chief executive, Christopher Ledger; Salford's chief executive, Roger Rees; Nigel Eldred, managing director of Salford University's advisory unit, Business Services Ltd; and DoE regional controller, John Glester. John Morgan of PROBE is the initiative's general manager.

A charitable trust is to be set up to put any surplus funds to community use.

According to Ian Smith of Phoenix (whose similar Manchester partnership was launched in January) the initiative will encourage local construction jobs.

'What we've done in Manchester is to set up a computer system - like a computerised Yellow Pages but more sophisticated.

'This gives contractors all the information they need about local firms without any arm-twisting,' he says.

Phoenix chief executive, Christopher Ledger says that the Manchester and Salford initiatives could each generate 'a minimum of £50M pa over the next three or four years and probably more.'

Robert Bond

Salford to get inner city renewal help

SALFORD is the second city which will benefit from a private urban renewal and regeneration scheme, the Phoenix Initiative, it was announced last week.

The "Salford Initiative" has been formed by Salford council, the Phoenix Initiative and Probe - the Partnership Renewal of the Built Environment.

It will form a charitable foundation whose primary aim is to organise land development and funding. It is hoped to create £250 million of construction work over the next five years. Any surplus funds will be channelled back to the people of Salford.

The first project will be a residential development on the Acme Mill site, Swinton. There are also plans to work with Salford University to refurbish a multi-storey accommodation block at Kersal for student accommodation. This venture will be self-funding.

The initiative will be managed by Probe, an "enabling" partnership between Y J Lovell and the Halifax and Nationwide building societies.

The board will include representatives from the city council, the Phoenix Initiative, the regional office of the DoE and financial institutions.

BUILDING DESIGN, May 15, 1987

Cash crusade of Salford reborn

By Chris Stewart

AN AMBITIOUS plan to put a smile on the face of Salford and cut dole queues by thousands was revealed today.

As much as £50m a year could be invested to turn the dowdy city into a glitzy centre of business and industry.

Said one of the men at the head of the crusade: "We don't intend to hang about. We want to see all this happening by the end of the decade."

The plan has been drawn up by the Phoenix Initiative — the group which welcomed the New Year with a £100m regeneration programme for the rundown Rochdale Canal area of Manchester's city centre.

Phoenix — a private company with a high-



Peter Henry: It's going to be big.



Counc Wallsworth: We need every help.

powered board of directors — was launched last year with Government support to help the North-West's ailing economy.

Said Department of Environment official Ian Smith, who has been drafted into the Phoenix Salford: "What we have set up in effect is a private sector Urban Development Corpora-

tion, and it will take off. "Salford City Council approached us initially and although it has done very well with the Salford Quays development much more can be done.

"We can attract the money from private investors and, while they will want a return, our main philosophy is to benefit the people of Salford.

"So far, Salford has been synonymous with grime. But we will restore civic pride, and in 10 years people will look back and say 'Wasn't that tremendous!'"

The team wants to turn ugly, derelict sites into lush business and retail parks — and replace rundown estates with smart new housing.

Two projects have already been earmarked. The derelict Acme Mill site at Swinton, until a week ago an unofficial gipsy camp, will be used for housing development.

And tatty multi-storey flats at Kersal will provide student accommodation in a scheme drawn up with Salford University.

Mr Smith added: "There will be substan-

tial investment — £50m a year has been quoted.

"The Initiative will go on for as long as it takes and until the need for us has disappeared."

Members of the team are already touring Salford, picking out rundown areas and deciding what to do with them.

Phoenix intends to use a computer to match employers' needs with the available workforce, to make sure local people get the jobs.

Salford council's economic development chief, Peter Henry, said: "A lot has got to be worked out, but this is going to be very big."

And planning chairman Coun Ben Wallsworth said: "We need all the help we can get. We will do all we can to smooth the path of people prepared to invest in the city."

Phoenix aims to rise from urban ashes

THERE WAS full backing this week for a major new plan to bring life back to Wirral's decaying areas.

Wirral Chamber of Commerce gave its support

to Wallasey MP Lynda Chalker's call for a Think Tank group to be set up to stimulate interest and bring in outside investment to give the area a facelift.

High on Mrs Chalker's priority list for a shot-in-the-arm are rundown areas of New Brighton and Birkenhead docks.

The idea for a Phoenix Think Tank was first mooted in March, when Mrs Chalker asked Wirral industrialists to help formulate action plans similar to other Phoenix schemes that are proving successful in Manchester and Salford.

Christopher Ledger, the Phoenix chief executive, has been in Wirral to prepare the way ahead.

Mrs Chalker told the Wirral chamber that the

Think Tank would gather together all the plans, ideas and possibilities for regenerating the area in good time for discussion with councillors, businessmen, investors and community groups.

Chairman of the chamber Alf Gibbs said: "I welcome this real step forward and the chamber will do all it can to help in the regeneration plans for Wirral, and especially for New Brighton."

The first stages of research by the Think Tank

will be backed by Government cash.

The national Phoenix Initiative is supported by all political parties, banks, building and insurance industries and building societies.

It seeks to create a business complementing efforts by Government, local groups, and private organisations to meet public needs by providing financial and technical resources.

Mrs Chalker heralded the Think Tank idea as "the

best combination of potential for the regeneration of our area."

She praised Dave Carter, chairman of New Brighton Traders' Group, for his involvement in the scheme, and said she hoped other people would come forward with suggestions and help.

"As soon as the Think Tank work is proceeding, Phoenix will set up a Wirral Phoenix Board with its own office and staff," said Mrs Chalker. "I welcome the positive response, especially from the chamber."

THE NEWS, 13 May, 1987

Phoenix group aims to breathe life into Wirral's 'decayed' areas

WIRRAL'S Chamber of Commerce has given full backing to a major new initiative to bring back life to decaying areas in the borough, such as New Brighton.

Wirral Phoenix Partnership aims to stimulate widespread interest and bring in outside investment for the redevelopment of older areas in the peninsula.

Wallasey's MP, Mrs. Lynda Chalker, who is strongly involved with the initiative, said this week that regeneration of New Brighton was a top priority, closely followed by Wirral's docklands.

Phoenix chief executive, Christopher Ledger has been in the area to prepare the way ahead.

by Carmel Townsend

He has met banking and housing personnel and representatives of Wallasey Civic Society, the CVS and traders from New Brighton at a special meeting called by Wirral Chamber of Commerce.

The chamber has given full support to Mrs. Chalker's proposals for a Phoenix "think tank" to be set up to study ideas for revitalisation.

Mrs. Chalker said the results would be thrown open for wider discussion with local groups, councillors, business investors and the community.

Brighton plan

THE redevelopment of the New Brighton sea front seems the most likely aim of the Phoenix Initiative which is soon to be set up on the Wirral.

Phoenix are be-

lieved to have interested a number of development companies in pumping cash into the seafront area and an announcement is expected shortly.

CONSTRUCTION PROMOTER
NW EDITION 5/6/87

WIRRAL GLOBE 13/5/87

New Phoenix for the Wirral

A third Phoenix initiative should soon be announced for the Wirral area of Cheshire, bringing hope of up to £150 million worth of construction work over the next five years.

Discussions have been proceeding smoothly between Phoenix chief executive Chris Ledger, local MP Lynda Chalker, councillors, business investors and representatives of the local community. Although nothing has yet been signed, all parties involved are confident that an initiative can be launched to breathe life back into the Wirral's decaying areas.

Regeneration of New Brighton is seen as a top priority by Phoenix. Outline planning permission already exists for a £65 million scheme assembled two years ago by Transworld Leisure, the company that went into liquidation earlier this year owing A Monk over £1 million. The proposals included a 15ha seafront theme park, hotels, and shopping complexes.

Wirral's docklands are also seen as offering scope for potential

developers.

Alf Gibbs, chairman of the local chamber of commerce, which has given its full backing to the Wirral Phoenix, says discussions will continue in earnest when political calm resumes after the election. He is confident that three or four projects can be launched simultaneously.

This further evidence that the Phoenix initiative is gathering momentum comes as the two existing Phoenixes battle between themselves to break ground on the first project. At Salford, where the second Phoenix was officially launched in April, a residential development at the Acme Mill, Swinton and a multi-storey refurbishment at Salford University, are near to tender stage. And at Manchester, the original Phoenix, four schemes are well advanced, with Wimpey leading the way as one of the interested developer-contractors.

Both Phoenixes, and in due course Wirral, will be applying for urban regeneration grants from

the Government.

With the North-West becoming firmly established as a strongly self-generating area for Phoenix, Ledger is keen to extend the approach to other depressed areas he has been visiting including Newcastle, Stoke, Sheffield and Wolverhampton.

Established in August 1986, Phoenix acts as a catalyst in bringing together local authorities and developers.



CONTRACT JOURNAL

11/6/87

New partnership will boost job prospects

THE Building Employers Federation has pledged support for the Phoenix Initiative — the urban regeneration scheme for New Brighton and Wirral's rundown dockland.

The Federation is the latest in the growing list of business groups eager to help the Phoenix project get under way.

Lynda Chalker, who set up the initial talks with Phoenix, said: "The positive response from industry and the local community has been tremendous.

"Support for the partnership between the private and public sectors,

in urban renewal, has proved in Wallasey to be alive and well — and will, no doubt, increase job prospects in the town.

"It is the sort of partnership where everyone — business, local authority and local people — gains."

LIVERPOOL ECHO

28/5/87

MEAD WOMAN

Bid failure and arrests hit firm

West Sussex builder Mead Woman suffered a double blow last week when police arrested three men following investigations and London builder Lelliott abandoned a rescue bid for the ailing group.

Last Tuesday's arrests follow a police investigation mounted some months ago following complaints from subcontractors. A police spokesman said last week that those arrested had been released without charge but enquiries will continue under the direction of the Crown Prosecution Service. The names of those arrested have not been released.

Mead Woman is rumoured to be under increasing pressure from its banking partners and recently contacted major creditors asking them to extend the company's credit.

Subsequently, Lelliott entered into discussions with a view to a possible takeover. Company chief

accountant Bob Brown says its withdrawal had nothing to do with the arrests.

'We just did not consider the group's problems were ones we could take on,' he says.

Lelliott is still interested in acquiring 'suitable' companies, but despite expressing admiration for the Worman side of the group, it will not be returning to the negotiations.

Mead Woman hit the headlines in February over subcontractors' allegations of non-payment of bills and excessive countercharging. One firm, Wickham Plasterers, claimed it was still owed £14,000 on a Portsmouth housing contract completed last October.

Another, Morgan Waterman, threatened to take out a writ against the firm for £2,800 which it claimed was owed for a painting contract at Marchwood Gate in Chichester.

At the time, Mead Woman

denied the allegations and in a written statement said that very few of its subcontractors were involved in counter charges. 'Over the past 12 months, out of approximately 322 subcontractors who have completed work for the group - 311 had their accounts paid in full without deduction.'

A call last week to Tony Evans, managing director of Mead Woman, was met with a 'no comment' response.

The Mead Woman group, which operates in the Southampton area, also trades under the names of John Worman, Mead Developments and Worman Electrical/Plant/Lyncrete.

A former subsidiary, Mead Construction, underwent several changes of name and ownership last year.

It finally went into liquidation as Harborough Construction, under the sole directorship of 'strip-gram' girl Jacqueline King.



From 'old bangers graveyard' to £75 million shopping and leisure complex

PRIORITY PARK

Bovis starts £75m job

Bovis Construction is about to start work on the £75 million 'Priority Park' shopping and leisure development, planned for a 10ha site at Colliers Wood, in the London Borough of Merton.

The £40 million contract

awarded to Bovis by SavaCentre, developer of the whole scheme, will provide six main elements on what is described as an ancient and historic part of the borough: a hypermarket, leisure complex, prestige headquarters office build-

ing, housing, extensive riverside landscaping with picnic areas, and a museum.

The hypermarket will be operated by SavaCentre, the joint Sainsbury and British Home Stores company, which has a number of hypermarkets throughout the country.

The SavaCentre will be clad in metal and glass to blend in with the surrounding buildings. A covered walkway and an extensive glazed front to a restaurant will face the River Wandle and the High Street. The headquarters will be a modern, low-rise building, again clad in glass and metal, with extensive landscaping, and car parking will be completely hidden beneath the offices. The houses and flats will be on a triangular site.

In the south-west corner of the site, a group of buildings which were originally part of the Liberty silk printing works will form part of the new leisure centre comprising multi-purpose hall, squash courts and swimming pool. The pool will have a glass and timber facade overlooking the River Wandle and its parkland. The historic buildings will contain a restaurant, cafe, museum, recreational and other leisure facilities. Car parking for the leisure centre will be at surface level.

When completed in 1988, the development will provide up to 2,000 new jobs. The architect is Chapman Taylor and Partners.

ANALYSIS

A VIABLE APPROACH TO URBAN RENEWAL

Support for tax-exempt bonds (TEBs) as the Economics article in *Contract Journal* June 11 points out, stems from lessons to be learnt from America.

The 'Phoenix Partnership', published by BMP in October 1985, analysed its success in regenerating some of its most rundown older cities such as Baltimore and St. Louis.

Report pinpointed public-private partnerships financed through tax-exempt bonds and a more flexible system of urban development grants as the most important ingredients in its success.

You argue that TEBs, 'like many other fads from across the pond' are 'unlikely to take root over here'. This overlooks the fact that the main thrust of government policy here, namely Urban Development Corporations, is directly modelled on Baltimore. Since the Phoenix Report, HMG has produced the revamped Urban Regeneration Grants, launched a new series of Urban Development Corporations and given support to the Phoenix Initiative, which has already spawned new public-private partnerships in Manchester and Salford.

These initiatives are giant strides in the right direction. But they will not (without tax-exempt bonds) create the same impact as the widespread regeneration in the USA. These bonds provide a huge pool - a one trillion dollar tax-exempt bond market - which is still growing at a rate of \$100-150 billion per annum in spite of the significant moves by the US towards a low-rate minimum exemption tax

code.

Your correspondent argues that a similar system in Britain would be an expensive way for the Treasury to pay for infrastructure-related investment. Not so. Even if all the finance came from the highest tax payers the Exchequer subsidy would be only £60 million per £1 billion capital raised. Clearly this system is much cheaper to the Treasury than financing, say, a building improvement through the Urban Programme at £12,000 per job or even a training scheme at £6,000 per job. The equivalent cost (based on Jackman's Employment Institute Study) would be £1,400 per job for a building improvement programme financed by way of tax-exempt bonds.

It is obviously cheaper when you think about it. The tax-exempt bonds are subscribed to by private investors and institutions in the knowledge that they can get the tax exemptions on the interest and can sell their holdings in the huge secondary market at any time. They are prepared, therefore, to invest in bonds with maturities of as much as 40 years - the time it will take to rebuild our inner cities.

The cost is much less to the US Treasury than if it financed the programme directly through the British system of urban grants. Your correspondent seems to prefer the UK system which, he says, is financed through progressive income tax. Hasn't he heard of the increasing proportion of revenue raised (with more to come) through VAT and poll taxes? By the way, does he also oppose the Business Expansion Scheme which benefits the higher tax rate

saver and, incidentally, represents a much larger subsidy by making the whole investment, rather than just the interest, a tax write-off?

But your correspondent above all fails to appreciate that through tax-exempt bonds, the US government gets the banks to do their job of urban renewal for them. Redland's corporate treasurer Gareth Jones was persuaded by the simplicity and flexibility of the TEBs. For instead of going round several government departments,

as would happen in the UK, and suffering the consequent bureaucratic delays, he found that finance was available from a one-stop private bank which not only provided long-term finance with a low interest rate, but also advised on the best possible package to suit his particular need.

Your correspondent says that the advocates of these bonds in Britain seem to have conflicting objectives and at the same time suggests that in the US 60% of proceeds were used to finance 'private purpose' rather than public infrastructure. It is true that 60% of these bonds are known as industrial revenue bonds (IRBs), ie they are paid off directly by the proceeds of a particular project. The other 40% are general obligation

bonds, backed by the taxing powers of individual states.

Some states have used IRBs to finance turnpikes, airports and high technology as well as public infrastructure. To argue, as does your correspondent, that they have resulted in a wave of subsidised McDonalds is to belittle the very important role IRBs have played in transforming high unemployment states such as Massachusetts into hi-tech success stories.

Of course there are some American examples of schemes that might have been financed without IRBs. We can learn from their mistakes. Almost certainly any British equivalent would be subject to an upper cash limit in borrowing powers. We would also want to delineate the objectives

more clearly. The bonds should be available for both public and public-private partnership developments which will contribute to urban regeneration but which otherwise would not get the necessary finance.

The British Treasury would no doubt oppose these bonds on the thin edge of the wedge on its ability to decide what money goes where. Mrs Thatcher should oppose this 'Treasury mentality' which overlooks the enormous advantage of getting the private sector rather than the public purse to pay for the regeneration of our inner cities.

Harry Cowie is director of the BMP's Policy Forecasting Unit and author of *The Phoenix Partnership*.

LETTER

A THREAT TO THE FUTURE

Sir, Ten years ago there were 6,000 applications a year from school leavers for 2,000 places on civil engineering degree courses. Last year there were only 3,000 applications for the same number of places. In 1985 applications sank by 17%, and in 1986 by 20%.

Despite Lighthill's pointing out the need for building graduates, the Ad Hoc Committee's attempts to attract more 6th formers to building by means of special careers conferences, and the CIOB/UMIST Committee's aims to show 6th form students, through a national competition, that building offers a professional career, places on university and polytechnic degree courses remain unfilled because not enough good candidates come forward. Go to a careers evening at an independent school and it looks as if the construction

stand has the 'Black Death'.

For those who do enter the industry with high hopes of glittering prizes, what then happens when the building and civil engineering students come to the end of their hard-fought degree?

This year more than 50% of those graduating from one of the better-known civil engineering universities will not enter the construction industry. This, you will say, has been happening now for several years. But what has made me stop, think and put pen to paper is when I am told by a polytechnic student that 50% of his graduating class are actually looking for jobs outside the industry.

Last year *Building* ran an article on graduate-level salaries - the front page cover stated £9,000 for a graduate joining a High Street store and £5,000 for a building graduate.

In the most recent issue of the *Institute of Personnel Management* monthly magazine, a chart of aver-

age salaries of 1987 graduates shows the construction industry bottom of the list.

Disillusionment with the industry is rife, as I discovered during a recent visit to a university. Final-year students spoke of poor salaries, poor opportunities, and the length of time it takes to reach ICE Chartered Status.

With reference to the latter point, graduate engineers are without doubt increasingly perturbed by the two-part Chilver Scheme. While the ICE may recommend a four-year minimum period to PE2, the actuality of costs to employers extends that period by several years. There is discussion at this time as to whether BE2 should stay - the longer that discussion takes, the more civil engineers will turn their backs on the industry.

As for quantity surveyors, why can the industry not get its fair share of good graduates? In the first place students are directed by schools and literature to apply to private practices. Then when

graduation comes, some academic institutions, with the erroneous idea that only private practices are capable of providing the necessary experience to satisfy the requirements of the Test of Professional Competence, direct their graduates towards such employment.

These are the warning signs which we must heed. The decline has coincided with the period of time when the industry has been subject to very low margins. The excellent graduate is looking towards a professional career which reimburses him or her for the effort shown and the potential available. To compete, the industry must be able to afford such people. Surely it is only by absorbing these brains and intellect into the industry that we will be in a position to improve the whole status and profitability of construction.

K J Hayzelden
Manager, Group Training Services
Robert M Douglas Holdings plc
395 George Road
Birmingham

INDUSTRY WELCOMES INNER CITY PLEDGE

Margaret Thatcher's pledge to make the regeneration of the inner cities a priority for her third term in office has been greeted with mixed reactions. Russell Steadman reports.

One of the most significant early moves of the new administration was the Prime Minister's decision to transfer responsibility for urban renewal to the Department of Trade and Industry.

Action to rebuild the inner cities is to be led by Lord Young, the new Secretary of State for Trade and Industry. Details of how the Department of Environment or Department of Employment will be involved in the campaign have not yet been announced.

The Tories' third successive win was described by Lovell group chairman Norman Wakefield as an "excellent result. It is very good news for the construction industry. If one of the other parties had won, the industry would have been in severe danger of overheating."

Wakefield warned, however, that the government would have to make a tremendous effort to reduce the North-South divide. He predicted that more money would be available for partnership schemes.

"The Conservatives are much more confident about putting money into partnership schemes now than they were a few years ago," he said.

A spokesman for the House-Builders Federation welcomed the election result. "We see a lot to encourage us in the inner city policies."

The Building Employers' Confederation welcomed the Conservatives' win but said it would be making urgent representations to the new government to seek action on inner city regeneration. The employers also called for improved housing provision and contract compliance law.

Chris Ledger, chief executive of Phoenix, the private sector enabling agency, was concerned that partnership schemes with Labour local authorities could be jeopardised by "party politics". "It would be most unfortunate if there were any words or actions by the government that dissuaded local authorities from taking up partnership schemes."

There is concern among opposition MPs representing inner city constituencies about the impact of the government's urban policies. Sheffield city council leader and newly elected MP for Sheffield Brightside, David Blunkett, is concerned that local efforts to regenerate the area will be overridden by the government. "Will the government be prepared to be sensitive and responsive to areas such as ours and help us with our own solution or will it only be interested in imposing a single solution across the whole country?"

RIBA president-elect Rod Hackney also wants a more co-ordinated government approach to urban renewal and calls for a minister for the inner cities to be appointed.

Hackney is concerned that the government may become involved in confrontation with local authorities.

The Association of Metropolitan Authorities rejects the government's argument that regeneration in the inner cities has been hampered by local councils.

A spokesman for the AMA said: "Local authorities have been seeking to reinvest and redevelop the inner cities but since 1979 they have lost £15bn from the Housing Investment Programme, had the rate support grant slashed and been prevented from spending £8bn of their capital receipts."

Government aid grants are "peanuts" compared with these amounts, he said.

- Ministerial changes: page 8
- Regenerating cities: page 11

file DTS

1. MR NORGROVE
2. MR BEARPARK

cc Mr Blackwell
Mr Booth

PHOENIX AND INNER CITIES

I attach a note by Norman Blackwell and Hartley Booth about the Phoenix initiative and its potential role in the Inner Cities Programme.

It occurs to me that, if the Prime Minister goes to Manchester and Salford during her Inner Cities visits, a call on the local Phoenix initiative, as an example of co-operation between local community developers and the Government, might be worthwhile. Could I leave you to follow this up please in your planning of these Inner City visits?

I suggest too that we remember the initiative, and particularly its Chief Executive, Chris Ledger, if we are arranging any seminars/dinners on this topic.

N L WICKS
1 July 1987