## WORKING PAPER 96/4

## NEGOTIATING NEW FORMS OF URBAN GOVERNANCE: the Case of Hertfordshire

### *Julie Charlesworth*

## Introduction

*"You could argue, how come TEC, which is training and enterprise, sets up and funds a Development Organisation? In the past that would have been a County Council supported thing ... but TEC does these things now; that's the role of TEC because we have the funding and have the commitment from a large number of major businesses" (interview with private sector TEC director)*

The position of local authorities as the only agencies involved in urban governance can no longer be taken for granted. The role of private sector interests has been well-documented and can include: direct participation as funders of, and partners in, key initiatives; as contractors for local services; but also increasingly regarded as part of the policy-making process on a range of issues. Bringing funding in is important but so too is just having the name of major companies in the list of initiative supporters, thereby providing a kind of legitimacy. Working with the private sector is not necessarily a new phenomenon for public sector agencies in many places and in particular, there is often a tradition of 'partnerships' (however defined) in local economic development initiatives (e.g. Harding 1990, Harloe et al 1990, Bailey 1994).

Much has been speculated on the reasons why disparate agencies might come together to work out policies to counter local economic problems. In recent years, the notion of 'growth coalitions' has been applied to the British context in an attempt to understand how business interests can be mobilised in certain situations (e.g. Lloyd and Newlands 1988, Harding 1991, Barlow 1995). One area sometimes neglected however, is how these coalitions or partnerships work out in practice, how potential sources of conflict are (or are not) resolved and what impact local political traditions and traditional ways of working might have on new partnerships. In the context of the Training and Enterprise Councils, Peck (1995) stresses the importance of geography and local institutional spaces, showing the local variation in experiences of a national initiative.

The launch of the Training and Enterprise Councils (TECs) in England and Wales, and Local Enterprise Companies in Scotland by central government has ensured that all areas have formalised contact with the private sector on employment, training, local economic development, promotion, etc: they are in effect an 'imposed' coalition or partnership. They have increasingly become part of local policy-making on a range of issues, often taking the lead role on initiatives beyond their original remit. Launched at a time of recruitment difficulties and training concerns in the late 1980s, they have increasingly had to focus on developing programmes for the unemployed and inward investment campaigns. Although

theoretically public-private sector organisations, much attention has focused on the role and influence of the private sector members of the boards, many of whom are executives/senior managers of major local companies and perceived as influential. This paper does not provide detail of the rationale and responsibilities of these organisations in their national context as this has been well-documented elsewhere (e.g. Peck and Emmerich 1991, Bennett et al 1994) but instead focuses on the politics of the new relationships between the public and private sector partners in these organisations, illustrated by the example of Hertfordshire. This example identifies various sources of conflict behind the public face of partnership which had to be overcome through a series of negotiations. The tensions emanated from the private sectors' lack of knowledge of wider procedures and constraints, the 'unwritten rules', unspoken agendas, traditional ways of working in the county which had developed from a history of a mostly buoyant local economy, a restrictive stance to development and local government as the key actors in policy-making.

### A County of Contrasts

In order to understand the nature of local politics in Hertfordshire in the 1990s, it is important to examine the county's history of interaction between economic development, state intervention and political traditions. One of the key concerns in Hertfordshire's history is the local authorities' preoccupation with preventing (too much) development; this is perhaps surprising given that the county has a number of planned settlements including two garden cities and four new towns, although of course these were central government initiatives. Few local authority boundaries make much sense economically, socially or culturally and Hertfordshire is no exception. Located just north of London and comprising around 45% green belt-protected land, it is a county of contrasts: between old and new settlements; urban and rural attitudes; traditional manufacturing employment and newer high-tech and service sector employment; and in terms of local political control, has traditionally seen strong support for Labour in the new towns but with strong Conservative support in the more rural and affluent areas (although in common with other local authorities, this situation has changed in recent years, often leading to no overall control).

### Economic Identities

Within Hertfordshire, much of the population perceive that the county has a strong economic identity and this is largely constituted by the presence (although now considerably diminished) of defence-related and aerospace companies; a County Council report (published before the wave of redundancies affecting these sectors) claimed that Hertfordshire had the fourth highest concentration of defence firms

3

in Britain (HCC 1990). Relocation of key companies from London during the World Wars had created substantial employment in aerospace/defence and gradually stimulated growth in other companies as suppliers and subcontractors; in the early 1990s, an estimate suggested that up to 6 jobs in other sectors in Hertfordshire were dependent on every 10 jobs in the aerospace/defence sectors (LERU 1991). Although a number of major companies have at some point had divisions in Hertfordshire - including Rolls Royce, GEC-Marconi, Lucas Aerospace, Glaxo - British Aerospace was the biggest employer, with divisions in Stevenage and Hatfield and employing over 15,000 in the mid-1980s. During the late 1980s when Hertfordshire was experiencing labour and skill shortages, other companies 'blamed' British Aerospace for their recruitment difficulties:

*"British Aerospace are all over Stevenage and it's getting worse - taking over newly vacant premises and they're always complaining to the local authority. ... Workers leave here to get jobs at BAe because they hear it's an easy life there ... and it's well-paid. It's difficult for engineering staff to be found in Stevenage due to BAe always recruiting." (manager, manufacturing company)*

Despite the local authorities' perceived preoccupation with British Aerospace, there was also a relative degree of complacency about the future of the company in they expected it to continue to provide employment. This complacency was based on experiences during the early 1980s when, in the face of closures and redundancies in the county's other major manufacturing companies, British Aerospace's employment (and that of other aerospace/defence companies) remained stable and the fact that Hertfordshire generally had recovered well from previous recessions. Some of the local authorities appeared to forget that this company, along with others, was operating in a global market and defence cuts and restructuring, which started in 1989/90, were likely to have considerable knock-on effects. As one local authority officer commented, in criticising his colleagues:

*"[the first wave of redundancies happened] at a time when people were saying the economy was booming. ... I felt sorry for those people made redundant but thought 'told you so'; the whole thing is very fragile"*

Hertfordshire appears to have had three main waves of investment: printing industries; followed by aerospace, engineering, chemicals, pharmaceuticals; and lastly, high-tech industries and a growing service sector. The Hertfordshire local authorities (in common with many others) were keen to promote its concentration of high tech industries and it became the basis of an inward investment campaign launched in 1987. Certainly, studies of concentrations of high tech industries placed Hertfordshire at or near the top in league tables (e.g. Hall et al 1987, Begg and Cameron 1988), even though over a quarter of this concentration was accounted for by aerospace/defence employment, which of course was a traditional source of employment in Hertfordshire. Another traditional employer now classified as high

tech is the pharmaceuticals sector but, in line with other parts of southern England, there was also substantial growth in the county's computing services employment during the 1980s.

*Planning for and against growth*

This account of economic development cannot be divorced from the imprint of central government planning in Hertfordshire. Its proximity to London made it an ideal location for new planned settlements, including two garden cities at Letchworth and Welwyn and four postwar new towns (Stevenage, Hemel Hempstead, Hatfield and Welwyn). Both of these schemes acted as catalysts for new investment and relocations of firms from London. Yet alongside this tradition of planned and unplanned influxes of population and industry, an anti-development ethos has prevailed amongst many local residents and the planning authorities, keen to preserve the countryside, small towns and villages (and a particular lifestyle) outside the main centres of population and employment. Thus, the new towns and established towns such as St Albans and Watford were allowed to grow - but not too much. This anti-growth policy was enshrined in Hertfordshire's Structure Plan of 1976, in its policies of general restraint on new housing, commercial and industrial development, including the encouragement of "the relocation of Hertfordshire firms to areas outside the county" (HCC 1976). The designation of Milton Keynes (the last new town) in neighbouring Buckinghamshire provided the planners with the perfect opportunity to dissuade companies from looking too closely at Hertfordshire; apparently, names of these interested companies were passed 'unofficially' to Milton Keynes Development Corporation.

This situation changed following the recession of the early 1980s which particularly affected the north of the county, and the realisation that a quick return to economic prosperity was not guaranteed led to relaxations in planning restraints and the stirrings of interest in promoting the area in order to attract inward investment. Inspired by ideas proposed by the Chief Executive of the Letchworth Garden City Corporation (effectively a private sector agency), the County Council joined forces with Stevenage Borough Council, North Hertfordshire District Council, Welwyn-Hatfield District Council, the Garden City Corporation and two local firms of estate agents to establish a promotional campaign. Perceiving the importance to Hertfordshire of high-tech industries, economic development generally and successful promotional campaigns at the time, they decided to promote the 'A1 Corridor'.

It would have been politically unacceptable for the local authorities to engage in anything more substantial than a small-scale promotional campaign and in reality economically unnecessary; although *within* the county the economic problems were perceived as highly significant, when compared with

other parts of the UK, Hertfordshire was relatively unscathed. For a county with a limited history of local economic development initiatives and very little contact between local authorities, this initiative signalled a change of attitude towards restrictive planning policies and an increasing recognition that it was important for the local authorities to be seen to be 'doing something'. More importantly (and with hindsight) it was a first step on the path towards bigger and more organised partnership and facilitated the building of relationships with the new TEC.

## Origins of the Hertfordshire TEC

In order to appreciate the wider context for the formation of the TEC, it is useful to consider the position and role of the various actors (public and private sector) in Hertfordshire. This is important as central government explicitly wanted the private sector to take the leading role in generating support for the embryonic TECs. It was anticipated that many areas would lack a strong Chamber of Commerce movement and a "solid and existing employer base" to form the TEC (Main 1989 p.17) and if this were the case, then it was hoped that a "highly motivated individual" would take the initiative (Peck and Emmerich 1991). It is not always a straightforward matter to identify local business interests (Charlesworth and Cochrane 1995) and this particularly applies to Hertfordshire with its limited history of private sector involvement in initiatives. Although a senior manager at British Aerospace ultimately became a key actor, this was not a foregone conclusion: even in making assumptions about which companies (if there are no easily identifiable individuals) might be influential, it is likely that larger companies would be approached but, in reality, it is often difficult to gain more than just general support and limited funding.

The idea of a TEC for Hertfordshire was greeted with enthusiasm amongst the local authorities as it was a time of increasing concern about skill shortages and training issues were high on the local political agenda. Ways of dealing with these issues were proposed by the coalition of local authorities in 1989 when they decided their inward investment campaign was no longer needed: the problem was no longer how to attract new firms but how to retain them in the face of perceived recruitment difficulties, high labour turnover, high house prices, etc. The coalition became split between those authorities who wanted to see a wider role for the local authorities and those who felt they had 'done enough' but there was also an increasing concern to retreat behind district boundaries to deal with localised issues. Furthermore, the new Conservative administration at the County Council had even less enthusiasm for any new initiatives:

*"the term 'local economic development' is an anathema to Hertfordshire County Council and should never be recorded at any time" (local authority officer)*

Therefore, any wider role for the local authorities was largely deemed unacceptable and unnecessary; subsequently, support gathered for the TEC - regarded as the 'legitimate' body to co-ordinate such activities - given that it was a central government initiative, involved the private sector and was expected to have considerable resources.

With a few exceptions (some pro-active estate agents and Letchworth Garden City Corporation), the private sector has not traditionally played a very active role in local economic development initiatives in the county. According to one local authority officer, it was difficult to get individual firms or Chambers along to meetings on local government policy and building school-industry links had also been an "uphill struggle". The disparate Chambers of Commerce were not generally regarded as significant players in the local economy:

*"Think of the unco-ordinated actions of the Chambers, with very local policy like parish councils. ... They [don't] do a lot themselves or have a unified organisational presence and no real presence in the business community. ... I expect the Masons have more influence than the Chambers!" (private sector TEC director)*

Another TEC director had previously been very involved with the Chamber but had become disillusioned:

*"I became frustrated as there was a lack of money and a stifling element. ... It's very amateurish"*

In any discussion of leading private sector players in Hertfordshire, the role of British Aerospace cannot be ignored. It traditionally provided a major source of employment both directly at its sites but also indirectly through subcontractors and suppliers. The local authorities had a history of maintaining a close relationship with the company in order to monitor potential changes in its employment levels:

*"I don't think the importance of BAe was under or over-estimated. It was right that everyone looked at them so much as they've played a dominant role in everything especially with Stevenage and Welwyn-Hatfield District Councils - they seemed to think it controlled the world but I think with hindsight it was right they did. They probably should have thought it more" (private sector TEC director)*

Clearly, there had been no real need for large scale partnerships with the private sector previously owing to the buoyancy of the local economy. Therefore, it was perhaps quite an achievement for there to be so much enthusiasm for the TEC and public-private sector working but it seems that perceptions of an 'overheated' local economy were sufficient to prompt the private sector to act: skill and labour shortages were perceived to be directly affecting firms and the TEC was presented as the means to resolve this crisis in Hertfordshire.

Although heavily involved with the Chamber of Commerce, the enthusiasm for the possibility of a Hertfordshire TEC came initially from a local businessman, acting independently. After attending the meeting in December 1988 where the idea of TECs was outlined by central government, he contacted a senior officer with the local Training Agency office; during interview this officer was keen to attribute credit:

*"Initial credit goes principally to [private sector TEC director] and me as supporting player. I handled the government end. We were a good partnership. He rallied round a core group of major employers as an 'unofficial' steering group. ... He's a great opportunist"*

The first meeting with the business community was apparently well-attended and claimed a major success "in Hertfordshire terms", given its previous apathy for public-private sector links. The speaker who allegedly had the biggest impact was a senior manager at British Aerospace who outlined the serious problems faced by his company due to skills shortages. Subsequently the key actors were able to secure commitment from major businesses in the county, including Glaxo, Wellcome and British Aerospace. The County Council also had a major input as a result of its education and planning responsibilities. The first TECs were launched in April 1990, which included Hertfordshire, clearly keen to be one of the first:

*"There was a very macho thing, no an element of that ... we wanted to be there at the start of it. The pace was crazy" (TEC officer)*

Despite the local authorities' initial enthusiasm for the TEC, the realities of how (or indeed if) they would be represented in its policy making eventually caused considerable friction. According to one private sector TEC director, he felt that the County Council's view of the TEC was always positive "but guarded" but he detected animosity initially from the district councils:

*"I again chaired a meeting - called by the local authority chief executives - I had a hard time to be honest...some were for it [the TEC] and some were very against it. ... Pure politics ... different colours of councils; those who thought the money would be better spent on other things".*

Furthermore:

*"[the district councils] had a difficult history, basically spending a lot of time saying 'why are we here?' It took a while to get that together ... but we've moved away from the desperate clamour to have a seat on the Board table" (TEC officer)*

Although there was a recognition that it would be impossible for all district councils to be represented, one local authority chief executive expressed the view that they were deliberately excluded:

*"The TEC from the outset ... kept the local authorities, particularly the district councils, at arm's length ... I don't think those who were instrumental in setting up the TEC were as sensitive as they might have*

*been to the feelings of the district councils nor I think did they recognise the contribution the districts might have made to the shaping of their programmes ..."*

It is evident that a degree of tension and conflict existed from the beginning between the public and private sector actors involved in setting up the TEC. This was not confined to Hertfordshire, and, nationally there was inevitably a degree of uncertainty as people were unsure of the initiative, being particularly concerned that, by limiting the proportion of public sector TEC directors, central government was trying to limit local authority involvement in this important local initiative. Evans (1991) reported that various stances were adopted, ranging from direct involvement to 'non-co-operation', claiming that early successful relationships were more noticeable in areas with a history of public-private partnerships and pro-active Chambers. A source of conflict specific to Hertfordshire has concerned activities on the 'enterprise' side of the TEC's role which persisted as the county was transformed rapidly from an overheated economy to one facing extensive redundancies and closures of traditional employers.

### *From boom to bust in Hertfordshire*

In the first year of its operation, the TEC's enterprise activities were structured towards prosperous and expanding small businesses requiring training, and the launching of new businesses, based on the assumption that small businesses were having recruitment problems and lacked a culture of training provision. A local authority officer involved the TEC Strategy Group was surprised at the lack of experience in strategic planning of the private sector members who appeared to be "floundering". In spite of (or perhaps due to) a lack of experience in local economic planning, it seems that the private sector members had some 'fanciful' ideas of the types of issues they wanted the TEC to address:

*"[they] suddenly launched into a discussion of the inadequacy of transport in Hertfordshire and the South East ... and gave the impression that the TEC should get in there. ... This was discouraging - spreading their wings before they knew what they were doing. There were a few flights of fancy but they mostly knew what they were doing" (public sector TEC director)*

Towards the end of 1990 and particularly into 1991, the notion of Hertfordshire as a prosperous county began to alter considerably: the local effects of international defence expenditure cuts, general restructuring of major defence/aerospace companies and the beginnings of national recession, resulted in established companies such as GEC, Rolls Royce and British Aerospace announcing major redundancies and closures. This clearly warranted a change in policy direction and a new economic development initiative from the TEC and the local authorities:

*"... space was opening up and attitudes were beginning to change. With the [Hatfield BAe] site, the attitude had been let it rot, turn it into green land or an amusement park! Hertfordshire didn't need it or the work. And that was the local council attitude. They've changed now!" (private sector TEC director)*

This interviewee was referring to the 1989 announcement of the closure of one of the British Aerospace sites in Hatfield. However, this is a slight misconception of the district council's stance; their concern at the time was to provide manufacturing employment rather than see the site turned over to office or warehouse use. Despite the gradual build-up of redundancies, it was the announcement of the loss of 1,400 jobs at the remaining British Aerospace division in Hatfield that provided the catalyst for serious discussions on the need for a new local economic development initiative that could involve all partners.

A series of meetings took place during 1991 to bring together interested local actors and thereby stimulate discussion on the scale of the problem and possible solutions. However, it was clear that there were variations in the degree to which each agency perceived its commitment, particularly to the notion of a Development Organisation which was proposed at an early stage by a private sector TEC director. This uncertainty clearly emanated from the history of economic intervention in Hertfordshire which, with the exception of the garden cities and new towns, has been small-scale and often cautious, so that a Development Organisation was regarded as politically sensitive in Hertfordshire. Following some smaller-scale meetings, a conference was hosted by the County Council and was attended by a wide range of public and private sector representatives where consensus was sought on the best solution. The TEC and the County Council clearly emerged as the leading actors in the discussions, although the position of the County Council completely changed during the year from one of opposition to a Development Organisation to one of support.

The County Council found itself in an ambiguous position: on the one hand, it had spent the previous two years claiming to have 'abolished' local economic development activity and politically did not want to have a leading role in a major initiative but, on the other hand, the negotiations on local government re-organisation meant there was a need for it to promote itself and its services. Ultimately the dilemma on its role in the Development Organisation was resolved through pushing for the TEC to take the lead and to provide the funding; thus, the County Council could have a presence in the initiative, which was important in self-promotion terms but it also enabled it to exert influence over the TEC's plans but without the political problem of committing finance to it. For the TEC, this presented an ideal opportunity to demonstrate that it could contribute to initiatives wider than its statutory responsibilities and, more importantly, play the leading role.

*Complex Negotiations*

The major conference on the future of Hertfordshire in the wake of the restructuring of its defence and aerospace companies pulled together key players in the county, including local authorities, Chambers, the TEC and employers. Interviewees agreed that a key role was played by the Chairman of the TEC, who, as mentioned above, was also a British Aerospace senior manager in that he alerted people to the scale of the problem. From the outset, the TEC appeared to see itself taking a leading role in the discussions on the new initiative but there was some disgruntlement with this new-found role:

*"[there was] a bit of argy-bargy between the Chambers, local authorities and TEC about who was top-dog" (private sector TEC director)*

Contradicting this view, one of the TEC officers claimed that people were "delighted" for the TEC to take the lead and that this was a result of the TEC's approach:

*"We were very careful ... not to ruffle feathers or damage sensitivities. ... We were not there to supplant or displace others. We were there to collect together and make something out of a disparate package".*

According to one of the local authority officers interviewed, it was immaterial who took the leading role but saw it as limited politically and financially for the local authorities:

*"The County Council stance was [that] the market has got to sort it out ... and the same was true for some of the districts but others of us [districts] were much more anxious to be interventionist but also recognised quite a limited role at the end of the day for the district councils. ... I think the readiness to see the TEC take a leading role ... was partly a recognition that they had some money".*

Therefore, irrespective of whether local actors felt the TEC was the most suitable agency for taking the lead role in the initiative it was, in fact, the only one financially capable of doing so. Moreover, as it was perceived to be a (quasi-)private sector agency, it was considered 'legitimate' in the eyes of many of the Conservative controlled authorities. Furthermore, although a Development Organisation had been suggested at this early stage, commitment to the idea was still not forthcoming from all the local authorities:

*"There was some sensitivity about the notion of a development agency and the County Council could not commit itself to taking the leading role in that kind of approach" (p.3, unpublished notes from a meeting of TEC and local authorities, 3.6.91).*

This view was reiterated by a County Council officer who stated that someone "had misjudged the political situation" by suggesting a Development Organisation which was not on the County Council's 'agenda' of local economic development options. However, discussions did continue on this suggestion, involving a 'taskforce' of both public and private sector representatives.

A key role in discussions and negotiating the process towards universal local authority acceptance of the Development Organisation was taken by the new chief executive of the County Council. Rather than correspondence and meetings simply being channelled through the planning department, he became personally involved and it was suggested by interviewees that he was the catalyst in persuading the County Council and its more conservative members to accept the notion of the Development Organisation. This was partly achieved through his suggestion of holding the major conference. The term 'manage' was used rather than regenerate, as he was keen not to give the impression that the county was "in deep trouble" and it was a matter of "enabling a process of adjustment rather than wholesale reconstruction of an economy in decline" (letter from chief executive to all district council chief executives and TEC, 12.6.91). The 'Partnership for Prosperity' conference was held at the end of 1991, although even at this stage some of the district councils were still not committed. Whilst not considered overtly in these terms at the time, this conference appeared to be the means of encouraging the private and public sector to reach a decision:

*"[Everyone] knew about the long history of resistance to economic development in the county and the conference was signalling that there was a fundamental change in our economic circumstances and therefore there should be a fundamental change in political attitudes" (local authority officer);*

and more explicitly, *"[to] decide what a smaller group of people had been plotting for some time ... and give the formal blessing on the Development Organisation" (local authority officer).*

The mechanics of holding this conference ensured several achievements: firstly, it was hosted by the County Council and therefore gave them publicity and profile in an important local initiative, helping to detract from an image of a "crumbling County Hall" (as described by one interviewee) in the face of local government re-organisation. However, this was not to the advantage of the district councils:

*"it might have stuck in [the district councils'] throat a bit that it was held at County Hall" (local authority officer]*

Secondly, this made it a conference that leading actors could not miss, and having ensured they were all present,

*"No-one was going to stand up and say I don't agree! ... The way it was put [by the County Council chief executive] meant that everybody morally had to support the aims and objectives and it gave the TEC a vote of sorts to go ahead and set up a Development Organisation with the blessing of the local authorities" [local authority officer]*

This leads on to a further achievement of the conference - that the TEC was formally attributed the leading role, albeit still within a partnership. The interviewees all stated that the support of the local authorities, particularly as planning authorities, was crucial to the Development Organisation's future activities of marketing the county. It is difficult to judge precisely the degree of influence exerted on

the council by the chief executive but two of the interviewees suggested that as a former planning officer, he was more sympathetic to the need for a local economic development initiative and was therefore also able to convince the elected members. However, this may be attributing too much emphasis to his role in the process as the economic problems faced by Hertfordshire in the 1990s are perceived as the most severe the county has witnessed and perhaps the Council would have supported the initiative eventually, irrespective of who was chief executive. Although it was suggested that the former chief executive had always adopted an anti-economic development stance which he might have maintained (if still in post) despite the rising unemployment and redundancies. As an example of this type of 'conservative' view:

*"The danger is that the problems at the moment could push the County Council and the TEC too far in promoting lots of development - a bit of space is no big thing. It depends on what unemployment level is acceptable. There's been a lot of talk in absurdly dire terms...It's a simplistic view - we're losing employment in Hertfordshire, so we must do something about it and attract more industry. The county is already too full to provide a pleasant quality of life" (public sector TEC director)*

Once the Development Organisation had been agreed in principle, various working groups (involving local authority and TEC officers, TEC directors, the Employment Service, property agents) were set the task of developing aims and responsibilities; it was agreed at an early stage that the organisation's main function was to promote the county to the 'outside' business world and Coopers Lybrand Deloitte produced a broad promotional strategy. The Development Organisation was launched in September 1992 as an independent organisation but funded and supported by the TEC, the County Council and the districts and the local business community; funding was also secured from European sources (PERIFRA - for regions with declining defence industries).

However, the path leading to the launch was far from smooth: there were inevitable sources of conflict between actors from the outset, particularly over planning, re-developing and marketing sites. There were still limited sites for large developments and, despite wanting to rid themselves of their long-standing restrictive planning policy image, the concern to preserve the green belt had to be paramount. There were clearly difficulties in working out the terms of reference for the group, particularly if a situation arose whereby a firm wanted a larger site. As one of the local authority officers on this group explained:

*"I found myself holding the ring at times ... there were private sector people on the Taskforce who were making statements ... outside the context of a long-standing planning programme. Even senior officials of the TEC were getting a little bit carried away, perhaps wanting to be seen to be closely allied to the private sector! ... Certainly, we put the mockers on an unrestrained growth type of approach"*

The operation of the strategy was accepted as impossible without the local authorities' input because of their knowledge and information on planning and sites and their responsibility for the actual planning process but the Development Organisation still had to operate within the confines of the bureaucracy which "kind of undermines the razzmatazz of the Development Organisation" (local authority officer). As potential sources of conflict were identified from the beginning, the actors were able to spend time discussing problems in detail and eventually produced a document to clarify roles and responsibilities of the Development Organisation and the planning authorities, in order to "ensure a high degree of understanding, co-operation and effectiveness" (Key Sites Group 1992, p.1) and obviously to demarcate each other's territory. Although agreeing the Development Organisation's responsibilities caused conflict, there appeared to have been greater consultation between partners:

*"The TEC ... for the first time developed a well-focused programme in consultation with the local authorities and the fact that the local authorities felt themselves 'stroked' by the TEC and that their activity was actively being sought ... contrasted dramatically with what hadn't happened when the TEC was set up, I think helped overcome [the possibility of] a degree of resistance" (chief executive, district council)*

According to one of the TEC officers and one of the private sector TEC directors, the Development Organisation and the TEC wanted to keep elected members out of the new policy-making because "politics hindered discussions". Taking into consideration the (increasing) amount of money being committed to local economic development by all partners during the 1990s in Hertfordshire, these concerns about local accountability are inevitable:

*"[elected members] feel at leadership level there is a politician's voice that ought to be heard somewhere and there is no table around which they can express this. ... Amongst politicians across parties there is still a feeling that the TEC and potentially the Development Organisation are freezing out a legitimate political point of view" (chief executive, district council)*

Although this remains a on-going concern, there was less friction between partners working on the next big initiative: developing a programme to become a 'one stop shop'. Another central government initiative, one stop shops or 'Business Link' as they are now known, aim to provide one main point of contact for business services and are funded and supported by a range of sources, including the DTI, TEC, local authorities and business community. A combination of a commitment to partnership and a worsening local economic situation meant Hertfordshire was successful in its bid to be one of the first seven pilots. Launched in 1993, Business Link Hertfordshire is effectively a partnership between the TEC, County Council, district councils, property agents, Chambers, enterprise agencies, local businesses, Institute of Directors and the University of Hertfordshire (Business Link 1993, Herts TEC 1995). The role of 'partner' varies from providing funding (in addition to central government and

European funding), premises, information, personnel or locating its services in one of the satellite offices. Partnership in Hertfordshire has clearly progressed substantially in ten years - from a small-scale joint local authority initiative in the mid-1980s to several initiatives involving a range of partners from the public and private sector. However, the situation is not just one about partnership for the sake of it: the rate of local economic decline was the catalyst.

*Conclusion*

How can the example of Hertfordshire inform debate on the reasons why and how partnerships between public and private sector actors emerge? This paper has focused on two different but interrelated examples: the formation of the TEC; and of a development organisation. The path to successful partnership was in effect a learning curve and relationships between partners improved as sources of conflict were thrashed out; certainly it cannot be assumed that local business interests automatically want to get involved in any initiatives or that, where they do, the path will run smoothly. The idea of the TEC appealed to many business interests in Hertfordshire as it was a high profile central government initiative and focus was placed on the role it could play in solving recruitment problems and skill shortages. The Development Organisation was proposed at a time when the TEC had gained confidence and status and had the money to fulfil its promises: there was effectively a political shift - to the limited extent that there had been a need for local economic initiatives in Hertfordshire, this had tended to be a role for the County Council, but now it was the TEC that was increasingly becoming a key player in a range of governance issues. Furthermore, support would also have been forthcoming from local firms dependent on business from the disappearing large companies such as British Aerospace and high-spending local residents (many of whom were also being made redundant from their jobs in London and other parts of the south east).

In common with the examples outlined by Peck (1995), the local political structures in Hertfordshire proved important in determining the pace of developing relationships. The history of restraining growth in Hertfordshire was a key stumbling block to overcome: although the scale of local economic decline was recognised by traditional actors in the county, old attitudes were hard to throw off and, at times, it seems that negotiations had to proceed through a number of steps and with acknowledgement of old ways of working before new ways could be accepted. In other words, there was often a clash between many of the 'old guard' local authority actors who still wanted to proceed cautiously and the 'new' actors on the scene - TEC directors and increasingly TEC officers - who wanted to forget the past and forge ahead with a more gung ho and macho attitude, not wanting to be burdened by the bureaucracy of local

planning and political traditions. One point often neglected is that bigger partnership does not necessarily lead to better results: the imagery of 'big' partnerships appears to be equated with success. Obviously, the more partners involved, the more funding and other resources might become available but involving the private sector is often presented as the (only) means to success (Charlesworth and Cochrane 1994). Even within the private sector, once large local firms become involved in initiatives it seems to encourage others to join in. Even though the business voice is rarely unified (and there are frequently differences of opinion between large and small firms), the support of large firms appears to provide clout and legitimacy.

Equally, spending more money does not necessarily lead to success and this might hold true for promotional initiatives: does spending vast sums lead to greater numbers of new jobs? In the case of Hertfordshire, spending more on promotion is frequently cited as its way to success (Financial Times 28.4.93, Hart and Doak 1993), ignoring the fact that most places now commit substantial resources to promotion and are all chasing the same few firms.

So, much of building partnerships is about imagery: in Hertfordshire, setting up the TEC and progressing to larger-scale local economic initiatives produced the imagery of something new and exciting, less bureaucratic and involving less local politics (i.e. councillors) and substantial funding which appeared to suggest success. However, as building partnerships for local economic policy-making becomes a major preoccupation of many agencies, there are likely to be increasing concerns about local accountability beyond satisfying the needs of local business.

## References

Bailey, N (1994) 'Towards a research agenda for public-private partnerships in the 1990s', *Local Economy*, 8.4, pp 292-306

Barlow, J (1995) 'The politics of urban growth: 'boosterism' and 'nimbyism' in European boom regions', *International Journal of Urban and Regional Research*, 19, 1 pp 129-144

Bennett, R J, Wicks, P and McCoshan, A (1994) *Local Empowerment and Business Services: Britain's Experiment with Training and Enterprise Councils*, London: UCL Press

Business Link Hertfordshire (1993) 'Fit for business', Network Magazines

Charlesworth, J and Cochrane, A (1994) 'Tales of the suburbs: the local politics of growth in the south east of England', *Urban Studies*, 31.10, pp 1723-1738

Charlesworth, J and Cochrane, A (1995) 'The local politics of growth: building the enterprise state', paper presented at Institute of British Geographers Annual Conference

Evans, R (1991) 'TECs: an initial assessment', *Regional Studies*, 25.2 pp 173-184

Financial Times, 28.4.93, survey on Hertfordshire

Harding, A (1990) 'Public-private sector partnerships in urban regeneration' in Campbell, M (Ed) *Local Economic Policy*, London: Cassell

Harding, A (1991) 'The rise of urban growth coalitions, UK-style?, *Environment and Planning C* 9, pp 295-317

Harloe, M, Pickvance, C and Urry, J (Eds) *Place, Policy and Politics. Do Localities Matter?* London: Unwin Hyman

Hart, D A and Doak, A J (1993) 'Economic restructuring and planned restraint policy in south east England: lessons from Hertfordshire', *Regional Studies*, 28.2, pp 215-219

Hertfordshire County Council (1976) *Hertfordshire County Structure Plan: Written Statement*

Hertfordshire County Council (1990) *Hertfordshire County Handbook*

Hertfordshire TEC (1995) *Key Facts Bulletin* Issue 29 Jan/Feb

Lloyd, G and Newlands, D (1988) 'The growth coalition and urban economic development', *Local Economy*, 3.1 pp 31-39

Local Economy Research Unit (1991) *The Impact of Job Losses in the Aerospace and Defence Industries on the Hertfordshire Local Economy*, Report for Hertfordshire Training and Enterprise Council

Main, D (1989) 'Training and Enterprise Councils: an agenda for action' in *TECs and VET: Conference Papers*, London: LSE Research Papers

Peck, J (1995) 'Geographies of governance: TECs and the remaking of 'community interests', paper presented at Institute of British Geographers Annual Conference

Peck, J and Emmerich, M (1991) *Challenging the TECs*, Manchester: CLES

Views expressed in Working Papers
are those of the author(s) and not
necessarily those of The School of
Geography