

## PUBLIC PRIVATE PARTNERSHIPS

# Fatima Mansions Regeneration

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Caitriona was one of 38 students who graduated from the BSc (Hons) Property Studies degree course on St. Valentine's Day and was the winner of the Anthony O'Neill Memorial Medal for outstanding graduate. This edited version of her dissertation on the current "hot" topic of Public Private Partnerships provides interesting reading.

### Introduction

Public Private Partnerships (PPPs) have been used in Ireland for many years as an effective method of developing the country's infrastructure in sectors such as roads, public transport, water supply, waste and education.

In 2004 the first residential regeneration scheme using a Public Private Partnership began under a partnership between Dublin City Council and MaplewoodElliott JV Ltd. The objective of the regeneration was to physically redevelop the Fatima Mansions and to work with the Fatima Groups United (FGU) and the Fatima Regeneration Board (FRB) to bring about the social regeneration of an area in a state of turmoil.

This dissertation assesses the effectiveness of the PPP in fulfilling this role.

### Public Private Partnerships

The Department of the Environment, Heritage & Local Government defines PPPs as "partnerships between public sector organisations and private sector investors and businesses for the purpose of designing, planning, financing, constructing and/or operating infrastructure projects normally provided through traditional procurement mechanisms by the State" (DoEHLG 2003a, 4).

#### *Why are they necessary?*

The inability of governments to provide large scale public projects/ services for the state within the required budget and time frame led to increased dissatisfaction with government performance (Pongsiri 2002). This resulted in government turning to the private sector to provide assistance in



Fatima Mansions before demolition.



Block B, Northern Elevation, St. James' Walk.

delivering these services in the form of PPPs (Bult-Spiering & Dewulf 2006). The two sectors combine their strengths to deliver superior projects and services in the most economically efficient manner (DoEHLG 2003a).

#### *Advantages & Disadvantages of PPPs*

The advantages of this method of delivering infrastructural projects and facilities to the state are numerous;

- Risk is placed with the party best able to deal with it (primarily the private sector).
- The reduced risk for the public sector allows it to concentrate on other areas.
- Reward is performance based.
- Partners are chosen for their skills and the value for money they can offer.
- Efficiency and quality of the product/service is improved due to the expertise of the private partner.
- The public sector may have the power to streamline and fast track the planning process, resulting in substantial savings in time, cost and effort for both parties.

There are also a number of risks associated with PPPs:

- A reduced level of control over the projects exists for each party.
- The parties are taking a risk that they will be able to trust each other and work together for the benefit of the project.
- Many of the projects requiring PPPs are much larger than private projects so may end up being more time consuming and expensive to get up and running.
- In times of political unrest, public sector parties may be unseated and replaced by parties who do not support the project (Stainback 2000, 23-30).

As a method of development, the benefits of PPPs are being recognised and they are being utilised more frequently in Ireland. This is evident in the National Development Plan 2007 – 13, which has set aside €13.35 billion for PPP funded capital investment over the period (NDP 2007).

## **Fatima Mansions – A Brief History**

The Fatima Mansions flat complex was located in Rialto in the South West of Dublin city, between Dolphin's Barn and Inchicore. It consisted of 15 four-storey blocks of flats and was built in the late 1940s to deal with acute overcrowding and poor sanitary conditions in Dublin city at the time. In the early years the flats were a great improvement in living standards for residents, however through the years an entirely different place came to dominate.

The beginning of the decline for Fatima was in the 1970s when a number of events including the closure/ relocation of local industries, the promotion of home ownership by the government and the decline of the services provided by the Corporation, combined to result in the "undermining of the social fabric [of the area]. The estate became vulnerable to problems of social disorder – vandalism, joyriding and later, drugs" (Corcoran 1998, 8). In 1981 the drug problem became so bad that a "pushers out" campaign evolved to try and tackle it. The situation worsened through the 1980s and into the 1990s.

#### *The Situation in 1998*

A survey carried out by Mary Corcoran in 1998 on behalf of the Fatima Task Force, highlighted a number of issues for residents. These included drugs, vandalism, joyriding, anti-social behaviour, poor living conditions and difficulty in securing employment because of the complex's reputation. Residents felt they were 2<sup>nd</sup> class citizens and two-thirds were on the transfer list out of Fatima.

Despite the hardships the residents believed strong social ties and community spirit within the complex and its central location in the city to be the important positive features.

Corcoran's survey revealed that the vast majority of residents favoured total or partial demolition and redesign of the flats. The report recommended that the Fatima Mansions be a designated priority regeneration area (Corcoran 1998, 45-49).

#### *Post 1998*

Following Corcoran's report, Fatima Groups United (FGU) and DCC worked together to establish what was required for a successful regeneration. The overriding factor was; if the regeneration was to succeed, the social regeneration would be just as important as the physical regeneration.

In 2001 the Fatima Regeneration Board (FRB) was established as an independently chaired body to oversee an integrated regeneration programme for Fatima and; to "implement a progressive social agenda to address the key ... issues of significance to the local community" (FRB 2005).

#### *The Master Plan for Fatima's Regeneration*

In October 2001 the master plan for Fatima's regeneration was agreed between FGU and DCC. Its aim was to achieve a "gold standard" regenerated Fatima and to promote social integration through physical design

and quality of facilities. This included 150 quality public housing units, 70 affordable units, community enterprise units; a purpose built neighbourhood centre and crèche, a leisure centre with gym and swimming pool, an all weather playing pitch and retail units (Donohue & Dorman 2006).

### *The Decision to carry out the Regeneration as a PPP*

DCC approached the FRB in January 2003 proposing the regeneration be carried out through a PPP. The FRB accepted it only on the basis that it would deliver the master plan or better to the community. The master plan was presented to candidates tendering for the developer's role in the PPP and formed the basis of their tender for the position.

On Friday 6<sup>th</sup> May 2004 an agreement for the social and physical regeneration of Fatima Mansions was signed. It marked the end of the long and turbulent history of the estate and a new beginning for the residents.

## Case Study – The Regeneration of Fatima

### *The Physical Regeneration*

#### Phase 1

In 2003 the first of the 15 tower blocks in Fatima was demolished and construction commenced on Phase One in September 2004. This phase comprised 110 social units made up of two and three bedroom apartments, duplexes and townhouses, all with private entrances and private gardens or terraces.

#### Phase 2

Phase Two comprises 505 residential apartments, 2,910 square metres of commercial retail space, community centre, leisure centre with gym and swimming pool, crèche, an all weather playing pitch and underground car parking. Construction commenced in 2005 and the entire physical redevelopment is anticipated to be complete by Summer 2009.

### *The Social Regeneration*

It is believed that earlier attempts to regenerate Fatima failed because the social problems were not addressed in tandem with the physical. When sitting down to tackle the regeneration again the community, according to John Whyte, Chief Executive of the FRB, were of the view "that if it was going to be done it had to be done properly ... under formal structures."

There are eight key areas being addressed in the social regeneration plan for the area as set out by the FRB. These are:

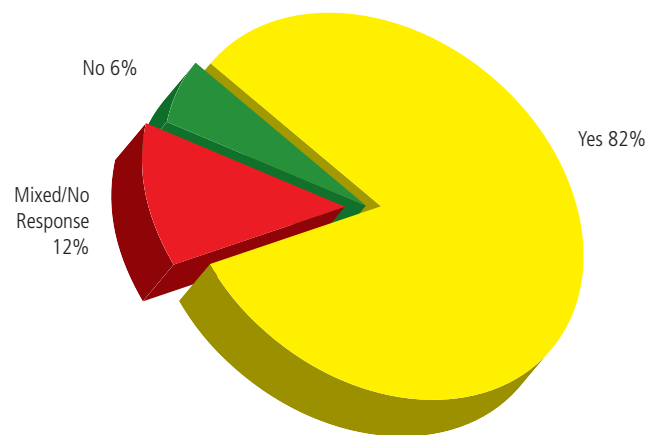
1. Safe & Sustainable Community
2. Education
3. Health & Wellbeing
4. Employment Training and Enterprise
5. Arts & Culture
6. Sports & Recreation
7. Environment
8. Planning & Design of Community Facilities

To aid their successful implementation, part of the PPP agreement includes a cash injection from the developer for the social regeneration. This has aided the set up and implementation of these social projects.

### *Stakeholders Views on the Regeneration through the PPP*

Based on the response from questionnaires distributed to residents in Phase One, the overwhelming majority of the residents were happy to have the flats knocked down (Figure 1).

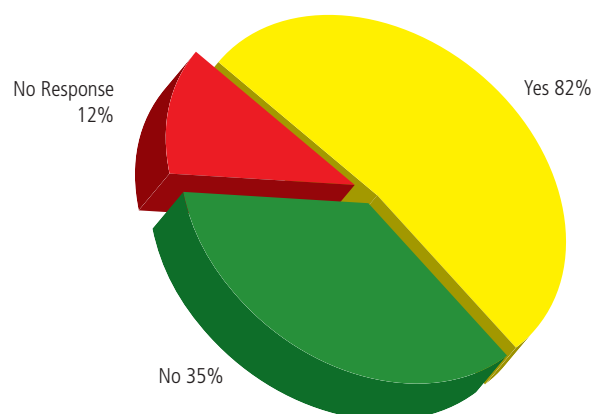
**Figure 1: Were residents happy to demolish the flats?**



Source: Residents' Questionnaire

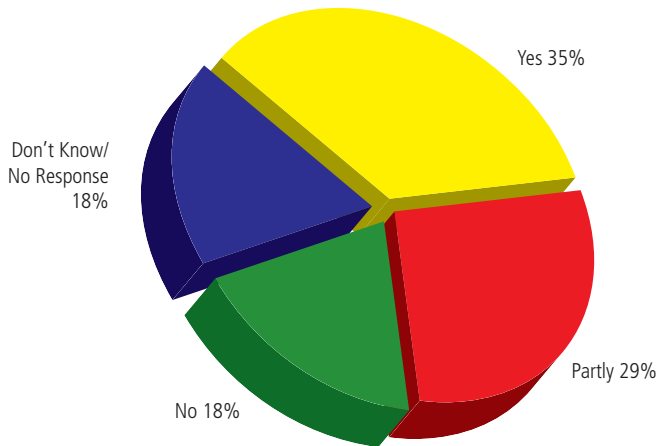
As the regeneration is in its early stages, it is difficult to ascertain its level of success so far. Of those who responded to the questionnaires, 53 per cent were happy with the regeneration so far, while 64 per cent believed it was either fully or partly meeting the needs of the community (Figures 2 & 3).

**Figure 2: Are residents happy with the regeneration so far?**



Source: Residents' Questionnaire

**Figure 3: Is the regeneration meeting the needs of the community?**



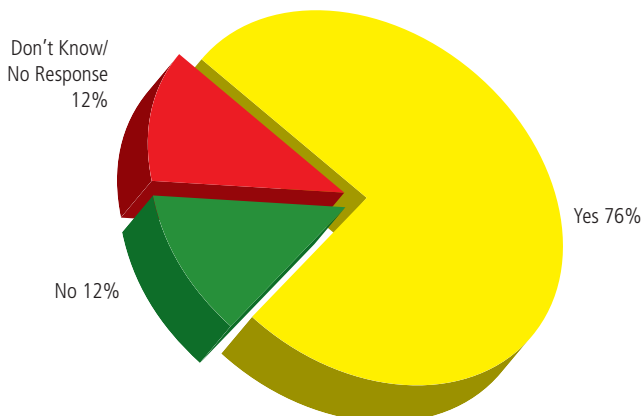
Source: Residents' Questionnaire

Some points of frustration for many respondents are the timing of delivery of the different elements of the regeneration and the reduction in open space. Many feel the community facilities should have been delivered along with the residential units.

In a group interview with the author, one resident, Vicky White, commented "in terms of play areas and spaces to walk [they had] lost a lot of space". Rhona McCarthy, another resident, also said, "It was ridiculous to build any of these [units] before they built the facilities for the kids".

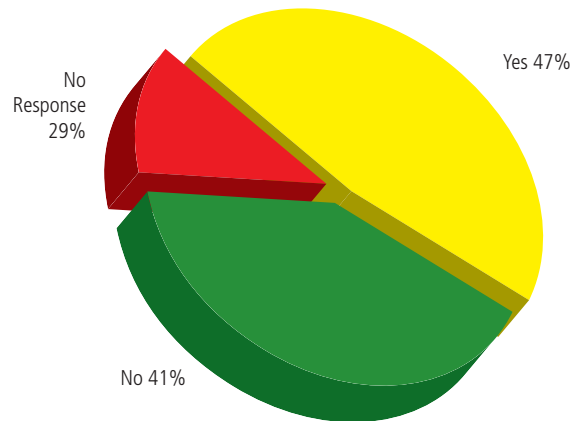
In addition to waiting for all the elements of the regeneration to be complete, the general consensus is that it will take time for the regenerated area to lose the stigma attached to the old Fatima. People say, "It's still Fatima", according to Rhona.

**Figure 4: Do residents plan to continue to live in the regenerated Fatima?**



Despite this, one key finding from the questionnaires was the marked increase in people who now plan to continue living in Fatima as a result of its regeneration. Seventy six per cent plan to continue living there compared to 47 per cent had it not been regenerated (Figures 4 & 5).

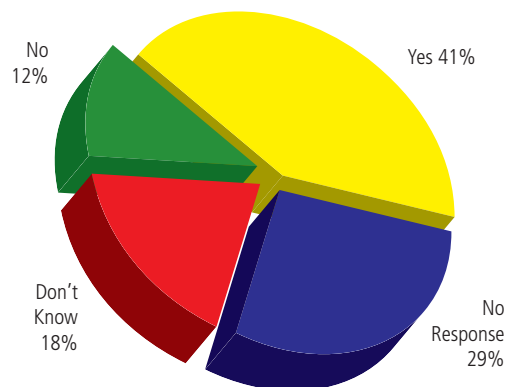
**Figure 5: Would residents have continued to live in Fatima without the regeneration?**



Source: Residents' Questionnaire

Asked whether they believe PPPs are an effective way of regenerating an area, the response from residents was mixed. Forty one per cent believe it is, while a non-response level of 29 per cent and 18 per cent stating they "Don't Know", suggests residents may not be fully informed on how the process works (Figure 6).

**Figure 6: Are PPPs an effective way of regenerating an area?**



Source: Residents' Questionnaire

Gemma McKenna, a 3<sup>rd</sup> resident interviewed, believed the exchequer would have had the money to regenerate the area and there is an air of suspicion among the residents on whether or not they are getting a good deal through this method.

As a "community that has generally been beaten down over time and has lost any sense of hope or optimism that things could be radically different" (Whyte 2007) it is easy to understand why communities such as Fatima would feel distrustful of local authorities or developers redeveloping their area. Jerry Byrne, Fatima Mansions Project Manager for DCC, remembered that "people hadn't been talking to DCC for over a year before ... they were just fed up" (Byrne 2007).

The main issue with the PPP for John Whyte is accountability. The question of who's in charge with PPPs is more complicated than the traditional method. Both the developer and DCC "have joint responsibility ... so it can get kind of complicated." He doesn't believe it's a "weakness, just a different way of doing it and slightly more sophisticated or complicated" (Whyte 2007).

Gary Talbot, Project Manager for MaplewoodElliott JV Ltd, also commented that the progress of the regeneration could be slowed somewhat due to conflicting views and ideas among the many stakeholders who have an input into the regeneration (Talbot 2007).

Despite the concerns, both John Whyte and Jerry Byrne believed the following were important advantages that the PPP offered over the exchequer:

- Speed of delivery; the exchequer funded route would involve a number of phases and different contracts, whereas the PPP was awarded to one developer to deliver the entire development.
- Community facilities; it would have been more difficult to get funding from the exchequer for elements such as community facilities and implementation of the social regeneration plan.
- Risk; the developer would carry the risk and cost of the development of Phase One of the regeneration; this would not have been the case for the exchequer.
- Control; as the master plan was agreed before the PPP both DCC and the FRB have more control over the delivery of the different elements of the redevelopment; e.g. Phase One was required to be practically complete before work could commence on Phase Two. In addition "only a certain amount of market units can be sold before [the JV] are obliged to hand up the rest of the community take" (Talbot 2007).

When asked if they would recommend a PPP as a method of residential regeneration, the views of the key stakeholders were mixed again. The three residents interviewed were united in their belief that it would not be their preferred option.

However, DCC, the FRB and the developer all believe PPPs are a very strong method of tackling regeneration. Jerry Byrne commented that it is DCC's best way of tackling regeneration when the circumstances are right, as was the case with Fatima (Byrne 2007).

John Whyte was of the same opinion but added; communities need to be very clear about what they want from the arrangement as often they can be the weak player in the partnership.

## Conclusions

### The Positive Elements

#### *The Fatima Regeneration Board*

The formation of the independent Fatima Regeneration Board is a key element of this regeneration. Due to all the individual vested interests from DCC, the residents and the developer; the presence of the FRB, to oversee the regeneration and ensure that the master plan is being fully implemented, is a vital component of this regeneration project.

#### *Master Plan*

Another key element to this regeneration is having a master plan in place prior to the appointment of the developer to the PPP. It outlines the goals of the stakeholders and sets the boundaries, within which the PPP has to work to deliver the end result.

#### *Value for Money*

Even though some of the residents believe the exchequer would have had the money to carry out this regeneration, this is not the most important factor. The PPP was chosen over the exchequer, in the case of Fatima, because it offered more, in terms of quality of the physical and social regeneration, to the stakeholders.

#### *Social Regeneration*

The PPP has made substantial investment into the social regeneration of Fatima both physically, in the form of the community centre and leisure facilities, and monetarily, in the form of cash injection to assist the social projects put in place for the community. This type of investment would have been difficult to obtain from the exchequer.

#### *Timing & Risk*

As the PPP contract was awarded to a single developer, the redevelopment of the area will overlap from one phase to the next until the entire is complete rather than tendering and awarding contracts to different companies for different phases.

In addition, DCC have been able to transfer the risk to the developer. The developer has funded the project to date with little income thus far; the exchequer would not have had the ability to carry out the regeneration in this way.

#### *The Stigma of an Area in need of Regeneration*

Where residential areas need to be regenerated it is often because they have become outdated and marginalised within society, leading to a breakdown in social order. In such instances the stigma, which becomes associated with the area is very hard to shake. The regeneration through the

PPP redevelops the area and mixes the private and social units, thereby reducing risk that the regeneration will not succeed.

### *Confidence among the Community*

If the requirements of the community are being met the regeneration is succeeding. The PPP appears to be on target for meeting those requirements. One indicator of this is the increase in the number of people who want to stay on in Fatima as a result of the regeneration.

### The Negative Elements

#### *Who is in charge?*

The PPP is a partnership between the local authority and the developer. No one partner has authority over the other. The risk is if there are too many “cooks in the kitchen” decision-making can be slowed down to the detriment of the regeneration.

#### *Timing of Delivery of the Different Elements*

It is difficult for a PPP to strike the balance and meet all parties’ needs. In the case of Fatima, the residents from Phase One urgently need the community facilities. However, the developer, who has been funding the project for nearly three years, would only increase their debt and risk by delivering the community facilities at the start of Phase Two.

#### *Communication with Residents*

The questionnaires and interviews indicate that not all residents in Fatima are fully aware of how the regeneration through the PPP works, this leads to lack of trust in the PPP and a concern that they are not getting the best deal possible. They will continue to believe this until they are fully informed on how the regeneration works through this method. Having said that, it is difficult to keep those residents who are not interested in the regeneration informed and up to date with progress.

#### *Sale of Private Units*

Areas such as Fatima, in need of residential regeneration are often centrally located close to amenities, employment and transport, so there is generally good demand from investors. Fatima residents fear investors, who may not be too concerned about the quality of the tenant they rent to, may re-introduce unwanted problems back into the area.

There is also the concern that owner-occupiers who buy the private units may not be interested in integrating with the existing residents, which will defeat the purpose of the regeneration through the PPP and leave the amenities and facilities unsustainable.

## Recommendations

There are a number of different parties involved in a residential regeneration through a PPP, each with their own agenda. To ensure the focus remains on the regeneration, an independent board such as the FRB should be

considered for future PPP regeneration projects.

A master plan for the regeneration should be agreed between the stakeholders to confirm the needs for the area prior to deciding to go the PPP route. This will allow developers to put forward a more informed bid for the developer’s role and reduce the risk of unforeseen costs for all parties.

The blueprint for the redevelopment should ensure the end result is future proof and sustainable. It should be flexible to cater for as many requirements as possible, i.e. open plan commercial spaces, adequate ceiling heights, storage areas, services etc. This will allow for change of use as requirements change and evolve.

A PPP is a partnership where neither the local authority nor the developer is in charge of the other. To ensure this does not hinder the success of the regeneration, greater transparency and communication among the parties is important. This will serve to combine ideas and explain misunderstandings. It will also help residents feel the PPP is providing them with the best deal.

For future PPP projects the timing of delivery of the different elements of the regeneration should be carefully planned. The plan should aim to deliver the community elements in tandem with the residential units. This will allow the social regeneration to gain momentum early on. The risk to the developer however, must also be considered and a balance struck between the two.

The introduction of private units into the area is a major element of the PPP. In relation to those bought for investment, the PPP should promote a strict approach, in conjunction with the management company and local authority, to ensure rules within the estate are adhered to. This will ensure that troublesome tenants are monitored and brought to account.

Finally, the importance of the views of the residents cannot be underestimated. They are the ultimate end users of the regeneration. A PPP may have grand ideas for the regeneration of an area but if the finished product does not meet the needs of the end user it will ultimately fail.

The author does not believe that Fatima will suffer this fate. The determination and dedication of the stakeholders in this regeneration should serve as an example for future PPP regeneration projects. This determination has been evident through all the interviews carried out and publications reviewed by the author in the course of this dissertation and is neatly summed up by Fatima Groups United (Donohue & Dorman 2006, 46) below:

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***“We must ensure that regeneration  
will never be needed again.  
Failure is not an option!”*** ■

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