Public Private Partnership ? Brand Values

Having been asked to speak at a conference on Public Private Partnerships in Syria, I was intrigued to see how the realities of vested interests would play out with representatives from Government, the World Bank and a range of international consultants and experts from the private sector. My function was to remind all parties about the potentially intangible but critical elements to be addressed in urban development initiatives. Putting on my brand hat, I outlined the need for achieving real added value for any real estate development, which sought to be a first choice for its audiences. The emphasis of the conference in terms of real estate was the need for the development and investment in social housing which every government in developing and developed countries faces. The core issue was how to attract private money and investment in a sector plagued by governmental controls and political sound-bites.

Ultimately there is no such thing as a free lunch – everything needs to be paid for and depending on politics or accounting methods you can argue about what represents good value.

As with any activity looking to compete for the demands of users, stakeholders and investors, I reminded the conference audiences of the wide range of vested interests which need to be addressed and somehow aligned if there was to be any hope of reasonable real success. Creating this concept of 'Brand Equity'- real added value for a housing project, for example, seemed noticeably absent from the conference discussions where there was much talk of finance, risk and contractual issues … the inevitable 'measurable' criteria but little on the 'real value' that needs to be achieved when evaluating society and community benefit, health and wellbeing and the major real costs that follow if these more intangible criteria are not met.

The new values of real sustainability – environmental and social, coupled with the need for more transparent ethical corporate governance adds to the already complicated matrix of political, social and increasingly statutory criteria to be met. The logic of Public Private Partnership is to achieve best value by utilising the management expertise and money of the private sector to deliver public sector services and facilities. However, PPP for many is still a potential oxymoron – how can there be a partnership of two potentially very different vested interests? The contrasting 'values' of each sector are typically defined by their attribute to 'risk'. The government and public bodies are about risk avoidance, protection and control. The private sector is interested in risk management to achieve profit and commerciality.

Ultimately there is no such thing as a free lunch – everything needs to be paid for and depending on politics or accounting methods you can argue about what represents good value. Unfortunately the government, or more accurately the taxpayer, picks up the tab for inefficient government procurement and delivery, or poorly organised PPP ventures like the well publicised London underground Metronet disaster.

The crunch coming out of the conference was that risk can not be offloaded. The more you try and 'hedge' risk and push it onto the other party, the more it will 'cost' – in terms of viability and 'bankability'. The global recession now means the less attractive a project due to potential risks in demand, politics, stability, currency etc, - the more unlikely it will happen. So, each party in a deal needs to understand who is in the best position to deal with a given risk. This means government must take on key issues, maybe on demand, currency stability, etc rather than trying to force counterproductive contractual stipulations.

... all parties have to accept you cannot keep adding to the list and expect someone else to pick up the tab. That's where shared risks means truly shared 'values' and responsibilities.

However, I was fascinated watching the interests of government and public institutions grappling with the realities of free market enterprise and their need to control and direct public services for their key stakeholders – the electorate. We are used to this balancing act in the U.K. with party politics forcing competitive messages on the other party's 'real' values and philosophy – typically who 'cares' more about who and what. In Syria, moving from a centralised economy towards a more free market position is clearly more sensitive in achieving consensus regarding private sector involvement in public services.

It was a reminder that creating successful 'added value' for any destination or place branding initiative will depend on creating the right perceptions, rational and emotional, to attract the target use and audiences. The real challenge is then sustaining and hopefully exceeding these expectations by the reality of the experience in visiting, living, working and investing in the development.

In the U.K., achieving the vital alignment of interests needed is virtually a mission impossible if the 'eco town' initiative is anything to go by. A year ago, the politically packaged 'eco town' was to create fifteen new conurbations in the UK. A year later, just four were in discussion and the designation 'eco town' for limited, relatively small residential developments, seems an unfortunate bit of brand packaging. The label 'eco' seems a classic example of political branding and rhetoric, not recognising the reality of vested interests. Developers assumed a fast track planning process which did not happened and local communities saw nothing eco or advantageous in new housing without facilities taking up the inevitably emotive issue of new building on 'green belt'. However well intentioned, every development must meet social, cultural and economic criteria to address design quality, increase environmental standards, mixed tenures, bio-diversity and somehow match needs for 'lifetime' home adaptability, better space standards and increasing standards of construction and energy consumption.

However, like the need for balancing 'risk', all parties have to accept you cannot keep adding to the list and expect someone else to pick up the tab. That's where shared risks means truly shared 'values' and responsibilities. The lessons of contemporary branding practices, i.e. customer and stakeholder centricity, partnerships and shared values and positive joined-up brand experiences are highly relevant to urban development.

There is no lack of guidance or interested parties to advise on best practice. In the UK we have bodies like CABE, the Commission for Architecture and Built Environment, the Housing Corporation, the Civic Trust, Homes & Community Agency and a plethora of acronym organisations dealing with every aspect of housing. We have global benchmarks like One Planet Living. There are The Equator Principles advising funders on social and environmental benchmarks. We have European Smart Cities defining best practice examples of urban development. Diverse vested interests from politicians to trade unions, the construction industry, transport, charities and environmentalists will lobby and pronounce. A provider like the NHS, the National Health Service, are major influencers on policy. Not forgetting the 'suppliers', such as utilities – water, gas, electricity, sewage whose concerns can be conveniently forgotten when a big picture vision is being unfurled and details like limited water supplies are inconvenient realities to be addressed somewhere in the small print.

But that's the point. You need big visions, but you also need step-by-step careful dialogue and engagement with key parties. Developments for the built environment from planning to architecture, urban design, landscape and infrastructure need to have a clear brand strategy – a clear vision, ethos and attributes – a distinctive differentiated profile – image, name, themes, messages so a real brand identity strategy (not just a logo symbol) can inform every communication and final design solution.

Let's hope the branding of new development strategies will be more than clever labelling and marketing and more about clear differentiated principles, which can better recognise and engage target users and audiences needs, aspirations and values. The aim should be to provide the project brief criteria for everyone involved in planning, funding, designing and managing a vision to reality and achieve ongoing vibrant first choice communities. Private Public Partnership is a great tag line but the test for all parties is ultimately real shared values, 'walking the talk' like any good brand initiative….

Clive Woodger

SCG London

Let's hope the branding of new development strategies will be more than clever labelling and marketing and more about clear differentiated principles.