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Master Degree Project in Innovation and Industrial Management

### Creating Superior Value through Innovative Partnership Solutions

A case study of how a public-private partnership can contribute to increased stakeholder value for the Åby Recreational Area

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# CREATING SUPERIOR VALUE THROUGH INNOVATIVE PARTNERSHIP SOLUTIONS

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# Abstract

Today, cross-border collaborations between governments, companies, civil society and the academia are considered necessary for tackling urban sustainability challenges. Studies have shown that public-private partnerships are an innovative solution for developing public areas, as they allow for enhanced creation of value not only for the partners but also for the public. However, research in the field mainly tends to focus on larger scale matters such as infrastructure development projects. This study thus complements the field of research by giving specific empirical insights to how such partnerships can be applied to a smaller project for which the main purpose is to increase the social benefits accrued to the local community. The main purpose of this qualitative single case study is hence to ascertain the feasibility of developing the focal project, the Åby Recreational Area, with the aid of a publicprivate partnership. This we aim to fulfil by identifying what opportunities for value creation such a partnership would bring.

According to theory public-private partnerships can entail several advantages, but engaging in such collaborations also poses challenges. The findings of this study largely agree with research in the field, and shows that forming a public-private partnership would bring value by helping to significantly enhance the social benefits sought after. However, findings also show that the situation as of now gives rise to a number of significant challenges that must be overcome. Moreover, theory appoints a number of critical success factors that are vital to consider as to ensure the maximum yield from the partnership efforts. The findings show that the Åby project fulfils few of these to date, thus indicating that this is an area at which efforts must be directed. Consequently, the study renders important findings and provides valuable recommendations for how to proceed with the partnership plans, by indicating in which areas capabilities are insufficient and what aspects must be strengthened at this point.

**Keywords**: Public-private partnerships, urban development, social benefits, synergy effects, knowledge sharing, value creation

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### 1. Introduction

This section aims to provide the theoretical background for the study and to introduce the object of research - the Åby Recreational Area. The chapter starts by presenting important background information, and following this the case background and problem statement leads the reader to the purpose and research question. Lastly, delimitations and thesis disposition will be presented.

#### 1.1 Urban Development

In its most basic sense, urban development can be described as the development or improvement of an urban area by building (Collins, 2016). A more inclusive definition states that it is an activity that concerns how to improve public areas and make them work better for the people (Wheeler and Beatley, 2014). Researchers use the term in different ways, and research topics in the area are plentiful. Some aim their main focus at more practical issues such as activities related to the physical development of spaces (Henderson, 1988). Others, however, have their starting point in questions of social change, such as poverty, gentrification or social inclusion (Schneider-Sliwa, 2006; Vreeker, Deakin and Curwell, 2009; Hashim, 2014). In line with this, a more extensive definition of urban development suggests that it, in addition to the physical development of urban areas, also involves social, cultural and economic development, as well as the underlying causes of such processes (Mattingly, 1998). Urban development is thus not merely an activity related to architecture and city planning but its objectives involves societal and cultural aspects relating to such development as well (Carley et al., 2001).

Metropolitan regions are important nodes in an economy characterized by increased competition and deepening globalization, and there is hence a need for urban development for managing this expansion and at the same time fostering innovation, competitiveness and social inclusion (OECD, 2016). The urban population as of today amounts to 3.5 billion people and this is projected to reach 5 billion in 2030, meaning that by then two thirds of the world's total population will live in cities (The World Bank Group, 2016). Such rapid urbanization puts pressure on politicians to up the pace in terms of urban development in order to meet the demands of the growing population and provide them with the infrastructure and services they need. Researchers in urban development are becoming increasingly concerned with matters of sustainability and the role of urbanization in contributing to sustainable growth, both environmentally as well as socially and economically (Wheeler and Beatley, 2014).

#### 1.2 Urban Development and Public-Private Partnerships

A large share of urban land is devoted to public use, and the role of the local government in urban development is critical (Henderson, 1988). However, the fact that problems relating to urban development can no longer be solved through state intervention alone is now widely acknowledged (Newman and Verpraet, 2010). As mentioned above, forces of globalization and economic growth increase competitive pressures and the society experiences growing complexity, something that also applies to issues of urban development. Partnerships are not a new phenomenon here, however as of recently they are increasingly seen as an innovative solution that enables creation of value not only for the partners but also for the public (Cellucci, 2011). The increasingly complex problems of today are indeed need of innovative agencies that have the ability to solve them. Due to their ability to integrate capital with leading sectors and concerned social groups, partnerships have appeared to be an appropriate tool to address such problems (Newman and Verpraet, 2010). As the role of the state in leading urban development is weakening, there is instead an emphasis on combining public intervention with market-driven forces in order to create mutually reinforcing partnerships (Carley et al., 2001). In line with this, public-private partnerships are increasingly seen as key for successful urban development and have been found to be a facilitating factor in urban revitalization projects (Wagner et al., 2000). Such partnerships are a way for the public sector to access the skills of the private sector (Osei-Kyei and Chan, 2015), which can contribute with additional expertise such as alternative management and implementation skills as well as other resources that can strengthen the success of projects (European Commission, 2003).

According to Porter and Kramer (2011) classical economic theory states that in order to achieve societal benefits, firms must put their business objectives aside as profit and social incentives are not compatible. In neoclassical thinking, if the firm is to provide societal benefits then some constraints are imposed and this hampers economic success. However, this view is changing and according to theories of shared value, in the future the most competitively strong firms will realize their economic goals by creating value for the business and the society simultaneously. This is based on the view that not all profit is equal, but profit that involves a societal purpose creates a positive cycle of community and company prosperity and is thus the type that endures. These companies will then create business value by addressing those problems in society that intersect with their business practices.

Businesses and their communities are closely intertwined. Companies are in need of successful communities that provide good infrastructure and supportive environments to operate in, and in turn communities are in need of prospering business climates that provide jobs and creates wealth for citizens (Porter and Kramer, 2011). According to shared value principles, societal gains can be greatly enhanced if joint efforts are taken as businesses often are much more effective at management and marketing activities than non-profit organizations and governments, which helps in motivating people to use products and services that offer social benefits. From a partnership

perspective, the concept of shared value comes with a blurring of the boundaries between non-profit and for-profit organizations and as a result of this, new forms of hybrid organizations are emerging (Porter and Kramer, 2011). In the social sector, thinking in terms of value is uncommon and actors here tend to define success solely in terms of benefits accrued or expenses paid. In order to be as effective as possible these must instead think in terms of value and focus on achieved results instead of costs and effort made. Moreover, it is unimportant where and by whom value is created and instead what matters is that value is created by the actor that is best positioned to maximize impact. If thinking in value terms among these actors increases, their interest for collaboration will also inevitably grow. New and better forms of collaboration will develop as firms will benefit from the skills, resources and insights that are accessed through cutting across private/public and profit/non-profit boundaries (Porter and Kramer, 2011). By partnering with private actors the public sector can thus reach higher efficiency in projects, while enjoying the benefits of shared risks and responsibilities (Hodge, 2004; Cellucci, 2011). The combination of private companies' business acumen and the social incentives of public actors can thereby help reduce costs associated with projects while simultaneously improving the focus on recipients (Teicher et al., 2006).

#### 1.3 Case Background

Health and wellness is an area gaining increasing popularity in society and in line with this, the interest for sports and other health-related activities is increasing as well. Firms have realized the profit potential latent in this sector that sees a steady increase in firms specializing in health-related products and activities (SRI International, 2010). However, not only the private but also the public sector holds an interest in such activities, primarily from a public health perspective. As society becomes more aware of health related issues and partakes in activities that contribute to improved overall public health, the public sector benefits as it is in their interest from a sustainability perspective that communities enjoy better quality of life (Folkhälsomyndigheten, 2016).

This is true also for the city of Mölndal, where the Department of Culture and Leisure has formulated a vision stating that Mölndal should be a sustainable town where people grow and feel well (Mölndal Stad, 2013). The interest for sports and leisure is well developed here; the area is the home of several large and successful sports associations and is perceived by many as a sports city (Mölndals Stad, 2015). Many of these associations reside at the Åby Recreational Area, a 35-hectare territory with easy access from surrounding large roads. The location gives the area a great observation value and is perceived as strategically favourable, however the area and its facilities are significantly run down and have for long been in great need of restoration. The majority of these facilities are built in or before the 1970s and are thus rather out-dated as sports and other physical activities have evolved significantly since then, leading to new and different demands on flexibility of facilities. A detailed site map showing the current layout of the area is found in Appendix A. Moreover, a growing population forecasted to increase with an additional 10 000 people in the next ten years means that the overall demand for exercising opportunities will increase as well (Mölndal Stad, 2015). In light of this, if no actions are taken as to provide better possibilities for the people to exercise, future generations will be faced with even worse conditions, as Åby will not be equipped to accommodate the needs of its visitors. Moreover, the Åby area is badly lit with many dark pathways where people feel unsafe, and as of today the general opinion is that Åby is not a place where people feel comfortable to stay (Mölndals stad, 2013). A vision created for the Åby area in 2013 states that Åby should be an attractive area filled with people and activity, and a natural meeting point for elite athletes as well as everyone that wants to utilize the opportunities for sports and leisure activities on offer (Mölndals Stad, 2013). If this was to be achieved, the Åby area would not only realize its full potential but also contribute to fulfilling the vision of the city as a whole.

The municipality has for long had plans for developing the area and numerous feasibility studies and visions have been created. However, in spite of the city's pronounced sports profile as of today no real effort to execute these plans has been made and many facilities in the area are now in significant need of refurbishment. The municipality acknowledges the area's importance in serving the community and in particular the various sports associations residing there, as these contribute to improved public health, integration and diversity and work against social exclusion (Mölndals Stad, 2013). Nevertheless, little action is taken and there is a consensus around the fact that if the neglect continues the area and its facilities will quite likely be unable to serve their purpose in a near future. If Mölndal wants to maintain its position as a healthy and attractive city to live in, actions of change are vital. Proceeding with and further developing the plans drafted in the Åby vision is hence a matter of high importance.

#### 1.4 The Mölndal Health and Sports Campus

The Gothenburg-based company First to Know, which focuses on business development and growth management, has now shown interest in the Åby area and its potential. Their mission is to help people and organizations reach their full potential, and by their project The()Space they aim to complement the innovation system by bridging the gap between the academia, business and public and cultural institutions, and inviting the people as collaborators in the process (First To Know, 2016). They have set in motion an initiative that seeks to investigate the feasibility of developing the Åby area into what they suggest could be called a Mölndal Health and Sports Campus. The initiative has been set in motion as a direct response to the overall poor conditions of the Åby area, and the slow momentum the various development plans have gained to date. The project aims at involving several stakeholders from both the public, private and academic sectors and have these stakeholders contribute with their particular expertise in creating a vibrant meeting point for themselves and the area. Such a project could create synergy effects for the intended users and help

promote the image of Mölndal as a city that lies in the forefront of health and wellness activities, both in the form of athletic teams as well as related scientific research and education. The company has held discussions with several actors already present in the area as well as other potential stakeholders as to see whether there exists enough interest as to motivate continuation of the plans. They have also involved architecture students from Chalmers University that together with a number of international architecture firms will develop models for how the area could be designed. They now believe that they have a solid enough base of potential stakeholder interest to proceed with the project and set in motion the plans of investigating its feasibility more thoroughly.

#### 1.5 Problem Statement

Wheeler and Beatley (2014) point at different urban sustainability challenges that need to be looked upon with a new sense of urgency, stemming from the aforementioned economic growth but also from increased awareness of questions relating to social sustainability. Matters regarding development of user-friendly public realms and the role of community design in tackling problems with obesity and physical inactivity are becoming increasingly important. In relation to this, there is a need for revitalizing communities and to develop more community-oriented neighbourhoods that ensure that the public realm works better for the people. This is to a high degree true for the city of Mölndal, where the municipality acknowledges that restoring and developing the Åby Recreational Area would lead to social benefits such as improved public health, and help the city fulfil its vision of becoming a sustainable town where people grow and feel well.

Dupont et al. (2015) state that innovative public-private partnerships where stakeholders imagine new solutions and engage in cross-border collaborations between academia, governments, companies and civil society are necessary for tackling urban sustainability challenges. Similarly, in their 2013 vision statement for Åby the municipality expressed an interest in and need for utilizing public-private partnerships for financing, development and operation of the area and state that such partnerships could entail a number of socioeconomic benefits for the involved parties (Mölndals Stad, 2013). This initiative is now acted upon by First to Know who have engaged several local actors and wish to investigate the feasibility of having these collaborate in order to develop the Åby area into a health and sports campus as presented above, that appeals to the community and helps its residents grow and feel well. As the aim is to create a meeting point and a vibrant environment where individuals, associations, and private actors come together and that creates value for all involved parties, an important aspect to examine is how such a partnership could be structured as to ensure the project's' future success. Another significant factor to consider is the motivation of the different stakeholders, and the potential value added created for and by these. This since the feasibility and sustainability of the project will be contingent on such value creation in terms of motivation for continued stakeholder involvement.

#### **1.6 Purpose and Research Question**

Research in the field of public-private partnerships for urban development is mainly concerned with larger scale development projects, and thus evidence for the applicability of such theories on projects of a lesser scope is scarce. This thesis will hence contribute to the research field by explicitly applying theories of public private partnerships on a minor project that specifically aims to generate value and social benefits for the local community. The purpose of this thesis is hence to ascertain the feasibility of the Åby project designed as a public-private partnership, by examining the specific conditions, opinions and contributions of the potential parties that hold a stake in the implementation of the project. As to fulfil this purpose, this thesis aims to answer the following research question:

#### How can a public-private partnership provide value opportunities for the development of the Åby Recreational Area?

The research question will be answered by closely examining the motivations and requirements of the project's potential stakeholders, and with the aid of the following sub-questions:

- What are the advantages of a public-private partnership?
- What are the challenges of a public-private partnership?
- What critical success factors must be met for a public-private partnership to function?

After identifying relevant stakeholders for the project their expectations and motivations as well as the value they will contribute with in fulfilling the overall aim of the development project will be examined. This will help us ascertain the feasibility of the project and specify how the potential structure of a public-private partnership will create value for the development of the Åby Recreational Area, so that it appeals the community and helps residents grow and feel well.

#### **1.7 Delimitations**

Due to constraints in terms of time and resources, and considering the phase in which the Åby project currently is, our focus will be limited to analysing the feasibility of the project during its initial stage (Figure 1.1). Hence, focus will be aimed at the factors affecting the planning phase of a public-private partnership. This thesis will therefore not further investigate aspects that relate to later stages of the partnership and the actual process of developing the Åby area, as this falls outside the scope of the analysis. In line with this, this thesis will neither deal with the financial aspects of the project. As the project's implementation is not yet completely ascertained, no budgets or financial reports exist as of yet. Therefore creating a financial proposal and including a financial analysis would increase the scope of this analysis to an extent that would render it impossible to conduct within the given time frame.

Furthermore, neither will the contractual aspects of public-private partnerships be explicitly addressed as this is a question of importance at a later stage in the development process, when the partnership structure has been clearly established. Literature on public-private partnerships often provides holistic multi-stage models that span the entire partnership process. However, as this particular project is still in its very initial phase and no collaborations have been initiated as of yet, the analysis will make little use of literature and subsequent empirical material that describe later stages of the partnership process. Hence this thesis will principally aim its focus on the share of the literature that focuses on the initial stages of public private partnerships. Finally, this report will nor yet contain any analysis falls outside the scope of this thesis. This will instead be handled by architecture students from Chalmers School of Technology, who are also partaking in investigating the feasibility of the Åby project.

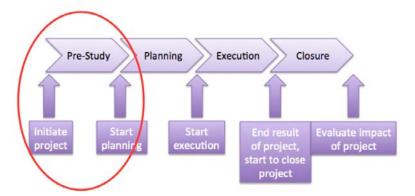


Figure 1.1 Thesis focus. Adapted from: Tonnquist (2012)

#### **1.8 Thesis disposition**

This thesis is structured as follows. First, the methodology applied throughout the study will be presented and set in relation to the case in question. Here, focus lies on describing the research process as well as explaining the logic behind the choices that have been made. This also includes a reflection upon the study's credibility in terms of its reliability and validity. Next, the theoretical framework provides a thorough description of relevant theories and frameworks in the field. This section explains in detail concepts relating to advantages, challenges and critical success factors for public-private partnerships, and will be set in relation to the empirical material as to form the basis for the subsequent analysis.

In the following section, the empirical findings are presented. Here the main focus lies on primary data such as the material obtained during interviews and meetings, but in addition secondary data obtained from the respondents will also be included where it is deemed that this can contribute with valuable insight. Subsequently, the analysis presents the connection between the theoretical framework and the empirical material. This section will shed light on both similarities and differences between theories and the case as such, and is supplemented with a discussion on what implication this has for the Åby project. This discussion will also provide suggestions for partnership structures that could be valuable to consider when deciding on how to proceed with forming a partnership for the Åby project. Finally, the conclusion will present a summary of the most significant findings as derived from the previous analysis. This section thus aims to answer the initially stated research question and also to provide general recommendations for how the stakeholders of the Åby project henceforth should proceed. By providing a comprehensive compilation of the standpoints of different stakeholders', the aim is to provide valid argumentation for participating in and realizing the Åby project.

### 2. Methodology

In the following section, the chosen research strategy and design will be presented and motivated as to provide an understanding of the choices that have been made and how these benefit the purpose of the study. In addition the use of primary as well as secondary data sources will be addressed, as will the reliability and validity of the study.

#### 2.1 Research Strategy

This thesis is designed as an explorative study, as the nature of the topic is such that little can be known of outcomes beforehand and the purpose is to explore what is currently little more than a hypothetical idea. In line with this, it is believed that for the purpose of answering the research question a qualitative research strategy will be most suitable. As the nature of the study is in essence exploratory an inductive approach to the relationship between theory and research will be used. The inductive logic has its starting point in empirical material and the research findings is what generate theories (Bryman and Bell, 2011). The inductive approach thus uses explorative questions and obtains explorative answers. For this particular study and the unique characteristics of the project in question empirical evidence is scarce, and the aim is instead to draw conclusions from the observations made during the research process. This project is intended to create a space where the various stakeholders themselves will not only be contributors but also users. Here, an inductive approach will allow for testing of more general theories' applicability on this particular case. Therefore, it will be appropriate to make use of the material emerging during the course of the thesis process as to theorise our findings.

Empirical evidence on the characteristics of successful public-private partnerships does exist, but each partnership is unique and contingent on the composition of partners and their particular circumstances. Therefore we believe that a too heavy reliance on theories for deducing hypotheses and guiding the research process might limit the ability to objectively interpret the collected material and to draw conclusions from this. By taking an inductive approach we will maintain the ability to gather valuable data that was not anticipated beforehand, and hence allow for a more holistic understanding of the topic in question.

#### 2.2 Research Design

This thesis is designed as a single case study. Such a method aims its interest at the complexity and the unique characteristics of one chosen study object, and is favourable when it is the particular case that is of importance and when its complexity benefits from in-depth clarification (Bryman and Bell, 2011). The case can refer to both a single organization and a single location, and what is of importance is the specific focus on a bounded system or situation in terms of an entity with a specific purpose. In this study the case refers to the entire Åby development project and in particular the potential public-private partnership deemed necessary to ensure the project's feasibility and success. Moreover, a case study aims at generating claims and

is thus in essence exploratory; hence the choice of case study research suits the purpose and nature of this study well. Yin (2003) states that case studies are advantageous as such a method facilitates the gathering of important information regarding both real-life events and organizational processes. As this study aims to unveil the motivations and requirements of the different stakeholders in the project and thus gather information that is quite complex, unstandardized and not readily available, a research design that facilitates the gathering of such data will be very beneficial.

#### 2.3 Research Method

In order to gather the empirical evidence necessary for fulfilling the purpose of the thesis and in line with the choice of a case study method, interviews have been chosen as the primary means of data collection. The qualitative interview incorporates a range of interviewing styles of which unstructured and semi-structured interviewing are two of the more common types (Bryman and Bell, 2011). This thesis makes use of both of these methods, as it is believed that this best serves the purpose of the research. The unstructured interview in its form closely resembles an informal conversation as it allows for spontaneity and lets the respondent speak freely about one or more topics stated by the interviewer (Bryman and Bell, 2011). During the course of the research process, unstructured interviews were mainly employed during the initial phase where the authors met with the initiators of the project to discuss the case. The main body of empirical material however was gathered with the aid of semi-structured interviews that were guided by the research question and thus based on predefined topics derived from the theoretical framework.

A further method for gathering empirical evidence has been to review written material obtained from the municipality of Mölndal, such as feasibility studies and similar reports that analyse the circumstances of the Åby area. This is deemed as beneficial for the subsequent analysis as it helps deepening the understanding of both the case as such as well as the challenges and prerequisites for successful development and subsequently also for a partnership. The reviewed material consists of the outcomes of several workshops held with representatives from concerned departments within the municipality, as well as a survey study conducted among residents of the city of Mölndal. First hand collection of such material would not have been feasible within the scope of this project, and therefore this method suits the purpose of this particular single case study.

In addition to the material obtained from interviews and feasibility studies, in order to fulfil the purpose of this study and hence answer the research question similar development projects in other cities have been studied in a comparative purpose. Although designed as a single case study, it is believed that for the purpose of this study using other both successful and failed projects of the same nature, as benchmarks will help strengthen the arguments for the success of the project in question. By this, aspects that have proven successful in practice can be emphasized

and proven pitfalls can be avoided. Such empirically grounded evidence is deemed as significantly beneficial for motivating stakeholders to participate. In addition, reviewing other successful partnerships and their composition can help generate suggestions for additional partners to include in this project, as to further strengthen its viability. Lastly, although the purpose of this study is to analyse the very initial phase of the project, evidence from practice can also act as guiding principles at later stages in the development process. The selection of appropriate projects to use as benchmarks has partly been made through the authors searching for and evaluating suitable alternatives, however a major decisive factor has been the information obtained during interviews. It has appeared that many of the interviewees have valuable knowledge of other successfully developed recreational areas whose characteristics they wish to partly imitate. By using this information and subsequently examining these projects' suitability for the study in terms of partnership structures, the authors have chosen three different projects to use as benchmarks. These projects are listed in table 2.1 below.

Table 2.1 Benchmark projects

Benchmark projects	City
Arenastaden	Växjö
Rocklunda	Västerås
World Women Sports Village	Malmö

#### 2.4 Data Collection

#### 2.4.1 Primary Data

The material obtained during interviews and discussions as well as observations from study visits has been considered as gathered from sources of primary data. In the following, the process of collecting such data as well as the logic behind the choices made will be described.

#### 2.4.1.1 Unstructured Interviews

By initially meeting with the initiator of the project the authors obtained greater understanding of the arguments for the project, as well as of the different stakeholders that could be interested in partaking. Here, no prior knowledge of the project as such existed and the purpose of these meetings was thus to gain as much knowledge as possible of its antecedents and of the motivations of those initiating it. Following this, participation in initial meetings with several stakeholders provided the authors with valuable information and helped in forming a strategy for the subsequent research process. As little was known about the potential topics that could emerge during the course of these meetings, these conversations most closely resembled interviews held in an unstructured manner. During the meetings it proved important to clearly state the positive externalities and synergy effects a project such as the one in question could entail. Naturally, potential obstacles and risks have also been discussed in order to create a realistic view of the project's' potential. During these meetings, the role of the authors was at first mainly intended to be to present the case and to analyse opinions and potential obstacles as discussed by the participants. However it became evident that stakeholders valued the academic input the authors could contribute with, which resulted in fruitful discussions and provided the authors with valuable empirical material to be used at a later stage.

#### 2.4.1.2 Semi-Structured Interviews

After the initial phase, during which the purpose of meetings was to gather as much information as possible without any preconceptions or expectations, more formal meetings were held with the purpose of gathering information that would help answering the stated research question. The main body of empirical material was thus collected through semi-structured interviews. Such interviews are based on predetermined topics but depending on the direction the interview takes they allow for open discussions with the possibility of asking follow-up questions where deemed necessary (Björklund and Paulsson, 2012). By utilizing this interview technique the authors were able to guide the interviews as to suit the purpose of the study and also the interviewee in question, while at the same time providing the respondent enough freedom to speak freely and thus allowing for the possible emergence of new and potentially significant issues. As the aim was to gain insight into the specific circumstances affecting each stakeholder's motivations and requirements, this interview technique allowed the interviewees enough room to speak freely about the topics that are of particular interest to them and their companies. For the purpose of this study this was deemed as very beneficial, as the stakeholders are fundamentally different in nature. A structured approach would hence not be sufficient for fully capturing the diversity among the stakeholders in question.

The interviews could thus be tailored to suit the stakeholder in question and allowed these to reflect upon the project in general as well as in relation to their specific organization. Maintaining guidelines for the interviews is important as it helps the interviewers ensure that discussions do not stray too far from the intended subject and that the possibility of obtaining relevant answers suiting the purpose of the study is maintained. Semi-structured interview guidelines involve a list of questions on which the interview is based, but the order and importance of questions may vary depending on each specific interview (Saunders et al., 2000). Therefore, no single predetermined interview schedule was designed, but instead predefined topics were used as a basis for creating questions and guidelines aimed specifically at each stakeholder. The topics and general questions used can be found in Appendix B. This approach was necessary also due to the vastly different nature of the interviewees which according to literature meant that they would have significantly different motivations and prerequisites going into the project, thus implying that one joint interview schedule for all respondents would fail to capture the diversity among these. The majority of the interviews were recorded and additionally, notes were taken during the process. Recording instead of solely relying on taking notes allowed both interviewers the ability to ask follow-up questions where necessary, thus stimulating the conversation

further and allowing the authors to obtain richer answers. Also, recording and transcribing the interviews at a later stage allowed the authors to capture every detail and to reflect upon the gathered material again while transcribing, something that is deemed very beneficial as it improves the overall quality of the empirical material.

#### 2.4.1.3 Respondent Selection Criteria

An important aspect to consider in the interviewee selection process has been to ensure that representatives several different stakeholder groups are included, as to obtain as high reliability as possible in this aspect. The selection process was aided by obtaining recommendations from the representative from First to Know who had already established contact with several important stakeholders, both those already active in the Åby area as well as several others deemed to be potentially interesting partners for developing the area further. As the municipality at an early stage expressed an interest in forming a public-private partnership for the development of the site, a further criterion for respondent selection was that people with experience or other insight in such collaborations should be included, as to aid with their expertise. In terms of non-profit organizations, many sports associations of various sizes currently reside at Åby. Here a sample of four have been chosen, of which three are football associations and the fourth is the swimming association. This sample is regarded as representative as these are the largest associations active in Åby, but also since they are those with the most pressing needs in terms of new facilities. This contributes to an enhanced interest in the development plans, something that is deemed as beneficial for this study as it improves the ability to induce fruitful discussions during interview sessions and obtain more valuable answers. Based on these criteria, the respondents in the following figure 2.2 have been selected.

Name	Company	Title	Length of Interview
Municipality			
Annika Stedner	Municipality of Mölndal	Executive Director, Culture and Leisure Department	60 minutes
Mats Nygaard	Municipality of Mölndal	Department Manager, Culture and Leisure Department	75 minutes
Christer Hjort	Municipality of Mölndal	Coordinator, Åby Recreational Area	30 minutes
	Municipality of Mölndal	Meeting with several departments regarding the Åby project	120 minutes
Sports Association	S		
Mats Milsta	Fässbergs IF	Former Chair	60 minutes
Mats Persson	Mölndal Fotboll	Chair	60 minutes
Per Östling	Jitex	Chair	60 minutes
Ingela Qvirist and Dick Johansson	MASS	Chair and club manager	75 minutes
Others			
Claes Bjerkne and Sanja Vujicic	Bjerkne & Co	Founder and Researcher/Project leader	60 minutes
Jörn Engström	VGR	Manager for the project "public transportation in Gothenburg 2035"	40 minutes
Peter Korp and Peo Hillman	Göteborgs Universitet	Deputy Head of the Department of Food and Nutrition and Sport Science	60 minutes
Magnus Karlsteen	Chalmers University of Technology	Associate Professor, Condensed Matter Physics	60 minutes

Table 2.2 List of interviews and meetings

#### 2.4.2 Secondary Data

In addition to the primary data described above, secondary data such as vision statements, feasibility studies, presentations and further material has been obtained from the municipality and other stakeholders. Moreover, the literature used to construct the theoretical framework is to be regarded as secondary data, as this is created by other authors as to suit their specific purposes. Thus, all secondary data has been critically reviewed as to ensure its suitability for the purpose of this particular study. In constructing the theoretical framework, as far as possible academic journal articles have been used. However, during the process of writing this section it appeared that much valuable information regarding the subject was to be found in consultancy reports. Such companies often aid partners in forming public-private partnership, and thus have much empirically grounded first-hand information about the process. Such reports become even more valuable when considering the novelty of the field in general, which means that academic, peer-reviewed literature on the subject is scarce. As previously discussed, public-private partnerships in development projects that aim to deliver social benefits have received recognition as being innovative and successful as they have proven to work in practice. Therefore, it is believed that consultancies that operate close to such projects are to be considered a valuable source of information in the field.

#### 2.4.3 Systematic Literature Review

The theoretical framework is based on a systematic literature review, which enabled the authors to identify and select relevant published and unpublished evidence in the specific field of public-private partnerships in urban development. This has provided a solid foundation to build the theoretical and subsequently also the empirical section on. Initially, the authors aimed most of their efforts on a thorough review of relevant literature in the above-mentioned fields, as to gain a deeper understanding and valuable insight into what commonalities these fields exhibit. By this, the authors were able to connect different theories and find strategies that have been used for urban development through innovative public-private partnerships. It was vital for the upcoming analysis to understand the dynamics in this area, such as antecedents, what has been done and why, and what lies ahead in the field. This created a more profound understanding of the potential implications for the project in question. This also facilitated establishing the connection between theories and the chosen case study object. Gaining a deeper understanding of the field was beneficial also in the sense that it helped the authors to further strengthen the purpose and research question. This benefited the work at later stages as it helped create a solid foundation for the upcoming research process. In performing the literature review, a number of inclusion as well as exclusion criteria that help categorize and sort out relevant material have been used. These criteria, as well as keywords used to facilitate the search for relevant literature, are listed below:

#### 2.4.3.1 Inclusion Criteria

- Literature in which the main focus is social infrastructure development, urban development and sustainable urban development
- ✤ Literature that describe the main theoretical aspects of public-private partnerships and their structure
- Literature describing advantages, challenges and success factors in publicprivate partnerships
- Literature focusing on motivation and requirements of the different actors in a public-private partnership
- Literature that considers the benefits of public-private partnerships in terms of value creation
- Material from less formal sources such as less renowned journals and consultancy reports

#### 2.4.3.2 Exclusion Criteria

- Literature exclusively discussing financial aspects of public-private partnerships
- Literature studying public-private partnerships in industries dissimilar to that of this study
- ✤ Literature discussing contractual aspects of public-private partnerships
- Literature that mainly aims its focus at later stages of the partnership process, such as implementation and evaluation
- Literature that focuses on partnerships for specific purposes not aligned to ours, such as new product development

#### 2.4.3.3 Keywords

Public-private partnerships, innovative partnerships, urban development, synergy effects, social benefits, public health, innovation for urban development

#### 2.5 Data Analysis

In line with the choice of an inductive approach this thesis utilizes grounded theory, in which a tenet is that theory is developed from data. Grounded theory is thus often used when analysing qualitative material and makes use of an iterative strategy in terms of a constant comparative analysis where data analysis and theoretical reflection are conducted simultaneously (Bryman and Bell, 2011). This suits the purpose of this study well since, as previously explained, little is known of outcomes beforehand and the aim is to compare findings to theory. Moreover the chosen interview objects are vastly different in nature but at the same time highly interdependent, in that they are contingent on each other's willingness to contribute. As stated by Bryman and Bell (2011) the iterative process of continuously gathering and analysing data entails that this analysis helps shape subsequent steps in the data gathering process. This is vital for this study as several respondents are contingent on the answers of others, something that naturally has great implications for the ability to obtain valuable answers from these. Thus, using grounded theory as a strategy for data analysis

helped design subsequent interviews in a manner allowing for collection of richer material. This also implies an importance in terms of the sequence of interviews. As far as possible interviews have been held with the stakeholders deemed most influential and crucial for the project first, so that the information obtained during these interviews could help shape subsequent interviews. Nevertheless, due to hectic agendas and rescheduling this proved not entirely possible. However when important information emerged at a later stage in the process the authors maintained the ability to hold follow-up interviews and ask additional questions via e-mail and telephone.

#### 2.6 Research Quality

Reliability, replicability and validity are important concepts used for assessing the credibility of a study and should always be considered in academic material. The researcher should strive towards an as high degree of fulfilment as possible in these three aspects, and should critically evaluate the choice of research design with these in mind (Björklund and Paulsson, 2012). As this study focuses on one single case that in addition is a planned project, the authors have tried to be specific about the research quality and how to proceed in order to maintain high levels in these respects.

#### 2.6.1 Reliability

Reliability concerns the level of consistency and accuracy in measurements, and hence the probability of obtaining similar results if the research was to be conducted again (Bryman and Bell, 2011). Reliability is generally harder to achieve qualitative studies, as they are based on less standardized data than their quantitative counterparts, where credibility can be estimated with numbers (Bryman and Bell, 2011). In this study, the level of reliability has been maintained by ensuring that the theoretical framework is built on well-known and recognized concepts that are consistently used in the literature in the field. In terms of the empirical material, an effort to uphold reliability is done by ensuring that predefined topics are discussed during interviews. The stakeholders have also been given the opportunity to review the material before publication as to ensure that the interpretation of the data collected has been correct. Furthermore, by recording and transcribing the interviews together, coding is made more accurate. Reliability is further upheld by carefully choosing the respondents that are most likely to provide reliable, accurate information. Nevertheless, the majority of the primary data consists of interview material, which is coloured by the respondents' subjective interpretation of the questions as well as about the interviewers' preconceptions, meaning that a high degree of reliability is hard to achieve. As far as possible, critical thinking and objectivity has thus been strived for in the process of interpreting the empirical material.

#### 2.6.2 Replicability

Closely related to reliability, replicability concerns the ease with which a study can be repeated. In general, replicating a study of a qualitative nature can be challenging for other researchers due to the specific circumstances that often surround these, and the difficulty of explaining the procedures in great detail (Bryman and Bell, 2011). In this case, such circumstances mainly refer to the state in which the project currently can

be found and the diversity of the stakeholders. The composition of stakeholders in this stage is contingent on many subjective factors such as personal contacts and proximity to the site, thus entailing that the possibility to replicate the study is reduced. However, the authors have tried to facilitate the replication possibilities by as clearly as possible documenting all procedures and by motivating all choices made. Although semi-structured interviews are generally harder to replicate than structured ones, the interviews have been based on specific areas of discussion as to ensure as high replicability as possible. The coding process of such interviews is also harder, and thus the audio files for each interview were saved so that the material could be reviewed at later stages if necessary.

#### 2.6.3 Validity

Validity concerns to what extent a study measures what it intends to and hence provides the information desired in order to fulfil the stated purpose (Bryman and Bell, 2011). In qualitative research reaching a high level of validity can be a difficult task, but with the aid of a well-formulated research question that successfully guides the subsequent research process and careful selection of interview objects, the authors have attempted to increase the validity of the study. Moreover, both authors have attended all meetings and interviews, and jointly written and reviewed all chapters before approval and publishing, which helps increase validity. In a qualitative study validity can be further increased by a careful choice of research method that is suitable for the study (Björklund and Paulsson, 2012). For this single case study, meetings and interviews were chosen as the primary means of data collection and complemented by a secondary analysis of written material obtained from various stakeholders.

The reference list has been critically reviewed throughout the thesis work in order to ensure high validity. As far as possible peer-reviewed academic journal articles have been used, as these can be considered widely acknowledged theoretical contributions to the subject in question. Nevertheless, as previously discussed the nature of the study entails a necessity of partially relying on consultancy reports. Further, it has been important to consider several different sources of information as this improves the understanding of definitions and problems. This applies to references used in the theoretical section as well as to the empirical section. When evaluating written material, it is important to keep the intention of the authors in mind, in terms of for what purpose the material was written and what they authors may want to convey to the readers. In line with this, non-academic material requires more critical evaluation than do peer-reviewed studies.

### **3. Theoretical Framework**

The purpose of this section is to present the theories and concepts that constitute the theoretical framework for this thesis, and that will serve as a point of origin for the upcoming analysis. The section is divided into six parts, where the first three define and discuss public-private partnerships in general, as well as the advantages and challenges they entail. The fourth part describes and concretizes critical success factors for such partnerships, followed by a section on theories more specifically discussing public-private partnerships in urban development projects. The sixth and final part summarizes this framework into a coherent table with an appurtenant conclusion.

#### 3.1 Public-Private Partnerships

The term public-private partnership (PPP) was coined already in the end of the 1980s and this form of partnership continued to grow in the 1990s as a refinement of private financing initiatives for infrastructure (Grimsey and Lewis, 2005; Kaul, 2006). In recent years, there has been an increase in economic activity between the public and private sector and in partnerships concerning development in infrastructure (European Commission, 2003). The World Bank Group (2015) describes the increased interest in PPP as a consequence of the financial crisis of 2008 onwards, during which public resources and fiscal space were constrained while an understanding of the importance of infrastructure development for economic growth emerged.

The literature offers several definitions of the term PPP, however these definitions can all to some extent be derived from the same root and share many common elements. An inclusive definition is given by Grimsey and Lewis (2004) who describe PPPs as a long-term contractual relationship between two or more actors where at least one actor is a public body, with the purpose of delivering infrastructure-based products, services or offerings. All actors, whether private or public, contribute with resources to the partnership and share risks and responsibilities associated with the project. Moreover, infrastructure can be divided into two different types, economic and social. The former refers to transportation and utility networks essential for day-to-day economic activity. The latter refers to infrastructure vital for the society such as public arenas, schools and hospitals (Yescombe, 2007). Another yet similar definition is provided by the National Council for Public-Private Partnerships (2016) that define PPP as a contractual agreement between a private agency and a public sector entity, such as federal, state or local. This agreement includes sharing of skills and assets, as well as risk and reward between the public and private sectors, and delivers a service or facility for the use of the general public (Cellucci, 2011).

Minow (2003) considers PPPs to be a renewed version of privatization, while others disagree. They instead argue that PPPs are influenced by the direct operational engagement of a government, and therefore cannot be a new version of privatization (Grimsey and Lewis, 2005). Initially PPPs were mainly seen as an alternative to

project constellations used where there were financial shortages in the public sector. However, as of recently PPP has become more acknowledged as an innovative partnership solution that not only allows access to capital but also enables arrangements that foster knowledge sharing and risk allocation between a wide variety of public and private sectors (European Commission, 2003). The public sector has supported PPPs, as a part of efforts to achieve and also institutionalize private sector involvement in cities (Stephenson, 1991). Such partnerships allow the public sector to tap the private sector's expertise and access additional capital, while minimizing the infrastructure deficit (Osei-Kyei and Chan, 2015).

Motives for public sector involvement have differed throughout the history of PPPs. The increased interest in participation from actors such as municipalities and governments can be derived from the fact that joint efforts from different sectors is now seen as a requirement for successfully realizing visions (McKinsey & Co, 2009). However, more specifically the main reasons for PPP formation have been to speed up essential public and urban infrastructure construction, and to support private actors in projects whose purpose is to generate economic and social benefits to communities (Leland and Read, 2012). The latter reason in particular has been a major driving force in PPP involvement for public actors. This form of partnership can, by combining the business sense of private actors and the societal incentives of the government, help reduce costs for providing public goods while simultaneously improving the focus on recipients (Teicher et al., 2006).

#### 3.2 Advantages of Public–Private Partnerships

A substantial amount of research on PPP aims to define the factors that contribute to their success by stating the advantages partners may gain from their involvement. Some studies discuss the entire PPP field in general, while other focus on more specific areas and the advantages they entail, such as partnerships that generate public health benefits for the society (Thomas and Curtis, 2003; Buse, 2007). The European Commission (2003) and Mann et al. (2007) describe the most important advantages as cost and risk sharing, shortened time horizon for implementation, complementarity, knowledge sharing, improved performance, sustainability, enhanced innovation capabilities, legitimacy and improved relationship with the community.

Internationally, the main drivers for PPP are described by the European Commission (2003) as investment in infrastructure, better efficiency in the use of resources and better generation of commercial value from public sector assets. However, these drivers are also applicable to domestic and regional interests in PPP. Increased commercial value from public sector assets is an example of how a municipality can benefit from utilizing private sector expertise, as assets are better exploited and thereby value for the public sector increases. Other advantages here are possibilities of improved management standards, greater efficiency and reduction of costs and risks (Mistrarihi et al., 2013). Further, private partners tend to put more emphasis on economies of scale, successful strategies and efficiency actions which subsequently

means that revenues tend to increase as the private sector is, to a greater extent than the public sector, allowed to be incentivized by profit (European Commission, 2003).

McKinsey & Co (2009) found that the principal advantages of private sector involvement in PPPs are that the private actors help strengthen the governance and management of the partnership and that they contribute with specific knowledge that the public sector lacks (Figure 3.1). PPPs hence help introduce new mind-sets, ideas and approaches to a project, which is especially beneficial for projects that have socially challenging agendas (McKinsey & Co, 2009). Private actors can in turn gain the ability to ensure the survival of the firm by collaborating with the public sector. Here, further increased profitability, spread business risk, a happier workforce as well as decreased costs are additional advantages of PPPs from the private partner's perspective (Mistrarihi et al., 2013).

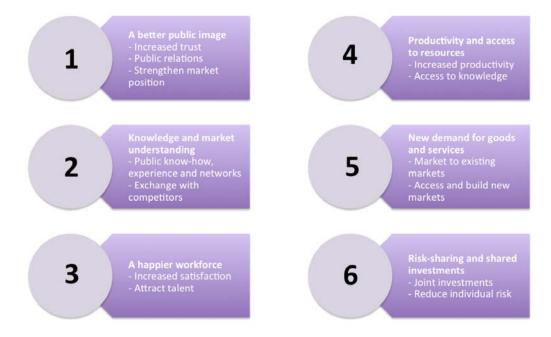


Figure 3.1 Six benefits of private sector involvement in public-private partnerships. Adapted from: McKinsey & Co (2009)

#### 3.3 Challenges of Public–Private Partnerships

The decidedly most common problems the parties encounter when forming PPPs are those of managerial nature (Weihe, 2008). Such problems are often the consequence of poorly stated common objectives, leading to misunderstanding and conflicts. A more detailed description is given by Fox and Butler (2004) who identify several common obstacles for partnerships, which are summarized in figure 3.2. In general, many problems stem from the lack of sufficient knowledge about the project as such. It is vital that partners understand and adhere to the shared vision, and not only the specific actions that can create value for one stakeholder. Further, parties must understand that the value stemming from such projects should not always be measured in terms of economic outcome or over a short time horizon. Unfortunately, accepting such circumstances is a great challenge that in many partnerships can result in lack of trust and conflicts among actors. This then directly affects engagement and performance negatively (Fox and Butler, 2004). If not jointly being able to overcome obstacles such as those defined in figure 3.2, and doing so through the use of a flexible and well-prepared plan, conflicts might arise that could result in termination of the partnership before the project is finished (Siemiatycki, 2010). By thoroughly conducting a cost-benefit analysis partners can of course reduce the risk of such problems occurring, but challenges may still arise as stakeholders value various aspects of the project differently. If challenges do occur, problems tend to become larger and time for planning, implementation and operations in general increases (Flyvbjerg, 2007).

# **Challenges of Public-Private Partnerships**

#### Lack of...

#### ...a shared vision

...appreciation of short, medium and longer-term targets

...balance between internal and external targets

...agreement about risk sharing

....trust management

### Conflicts about...

#### ..finances

...the level of engagement among partners

...poor decision-making

...differences in ideologies between partners

#### Poor...

...governance including lack of clarity around accountability and responsibility

...management and leadership

...performance

Figure 3.2 Challenges of public-private partnerships. Adapted from: Fox and Butler (2004)

When engaging in partnerships for development projects, there is indeed a risk of misinformation about costs and benefits that relate to the high risk of developing an area (Flyvbjerg, 2007). For instance, common for many arena projects is that the estimates for construction costs and the operational budget often prove to be lower than the actual numbers. Such an optimistic approach can easily lead to conflicts over finances as accessing additional capital becomes vital for the continuation of the project (Lerulf, 2011). But, projects such as social infrastructure development initiatives are often large-scale and risky due to their long planning and execution horizons. In combination with a high ambition level and involvement of multiple stakeholders, the projects normally encounter many obstacles leading to cost overruns and benefit shortfalls (Flyvbjerg and COWI, 2004).

Designing PPPs can thus be a difficult task, due to the partnerships' inherent complexity and differences in implementation incitements and management preferences between the partners. This is exemplified by Mann et al. (2007) who state that the private sector tends to complain about the slow progress and high level of bureaucracy that underlie the work of the public sector. PPP as a collaboration form should hence only be considered if it can be shown how superior value will be created through the partnership, compared to other options (European Commission, 2003). When planning a project, analysis and forecasting of not only costs but also benefits and value creation is therefore important in order to ensure acceptance from all parties involved (Tonnqvist, 2012). However, forecast inaccuracy is a common challenge for PPPs and according to Flyvbjerg (2007), such problems can be overcome by better forecasting methods but also improved incentive structures, which in turn relates to another challenge PPPs face. There is an on-going debate about whether private actors and their managers lack the necessary social incentives to encourage them to act in the interest of the public, and not solely be driven by profit incentives (Teicher et al., 2006).

#### **3.4 Critical Success Factors**

The innovation capabilities of private actors together with the social incentives of public actors help in forming innovative partnerships that create "win-win-win" effects, in that they benefit not only the different partners but also the people (Cellucci, 2011). But in order to ensure the success of such partnerships and to fully leverage the expertise and capabilities of the involved parties, it is vital to clearly state the mission and objective of the project in question and to establish an understanding of why the parties are joining together (McKinsey & Co, 2009). This is also emphasized by Spink and Merrill-Sands (1999) who state that for any partnership, the most critical success factor is the ability to ensure a clear understanding of how the partnership will create added value and what role each partner has in this value creation. If the foremost aim of a project is to generate social benefits for the community then a good starting point for evaluating its feasibility and potential success is thus to analyse both the entire project's but also the different partners' ability to create value for the community.

Osei-Kyei and Chan (2015) present a review of 27 publications regarding critical success factors for PPPs published between 1990-2013. In their article, critical success factors are defined as the key activities that need to produce favourable results in order for the managers to reach their goals. The results of their study cohere with the previous mentioned advantages of PPPs in terms of appropriate risk allocation and cost sharing, but add strong private consortium, political support, community/public support and transparent procurement as critical success factors (Rockart, 1982; Osei-Kyei and Chan, 2015).

McKinsey & co (2009) argue that in light of many previous successful experiences, PPP as a collaboration form will continue to increase and become more common across even more sectors. Nevertheless, due to the sheer scope of the collaborative effort PPPs are among the most difficult and complex to manage, and when reviewing such partnerships it becomes clear that there are several elements that ought to be in place in order to ensure success. According to Spink and Merrill-Sands (1999), eleven elements define a successful partnership, and these can in turn be grouped according to foundation and sustaining elements (Figure 3.3). Here, the foundation elements are all vital to establish in the initial phase of the project and can be seen as an investment in the future success of the partnership as they help create a climate of openness and trust. The sustaining elements in turn are critical to establish in order to ensure the long-term sustainability and success of the partnership. These elements are interdependent and together they contribute with energy, commitment and enthusiasm to the partnership.

# Eleven Elements of Successful Partnerships

#### Foundation

- Compelling Vision
- Strong and shared leadership
- Shared problem definition and approach
- Power Equity
- Interdependency and complementarity
- Mutual Accountability

#### Sustaining

- Attention to process
- Communication linkages
- Explicit decision making process
- Trust and commitment
- Credit and recognition
- Figure 3.3 Eleven elements of successful partnerships. Adapted from: Spink and Merrill-Sands (1999)

Focusing on success factors during the initial stages of a partnership, Fox and Butler (2004) state that a successful PPP must start with an analysis of the local needs that should function as a foundation for the creation of the project. Subsequently, argumentation must be provided with the purpose of establishing why this partnership will make a difference. It is also vital to beforehand develop a throughout plan for the future collaboration, and to identify possible obstacles that the partnership might face. Furthermore, a partnership entails demands on the different partners. Active participation as well as recognition of the objectives and characteristics of all those

involved are vital requirements of a partner in a successful PPP. According to a publication from the European Commission (2003), in order to gain legitimacy the private sector must ensure that the incentives of the public sector are met, as well as ensure that the desired additionalities are produced. However, as the number of partners increases so does complexity in terms of establishing a fair agenda for the project and thus it is vital to clearly define how responsibilities should be allocated. Focusing on the private sector, requirements for participation can be the potential to derive a reasonable profit, as well as establishing clear legal and regulatory structures, potential for future economic growth and reasonable levels of political support and stability (European Commission, 2003). Conversely, the public sector requires efficiency improvements, but with the foremost incentives of promoting equity and well-being among the citizens. Additionally, the public sector is concerned with the overall ease of implementation when utilizing external funds to support projects.

McKinsey & Co (2009) develops a comprehensive model of the characteristics of a successful PPP by defining the nine best practices that help a partnership exploit the added value opportunities stemming from private sector involvement in a project (Figure 3.4). When summarizing the nine practices in the figure below, clear arguments for the importance of working together towards the same goal can be found. The partners should hence state a clear purpose that is equal for everyone involved, including both the overall vision and objectives, as well as the different roles and responsibilities the partners will have. If this can be accomplished the partners will ensure that their respective contributions will be more than purely financial, and this will generate mutual benefits that will help them win (McKinsey & Co, 2009).

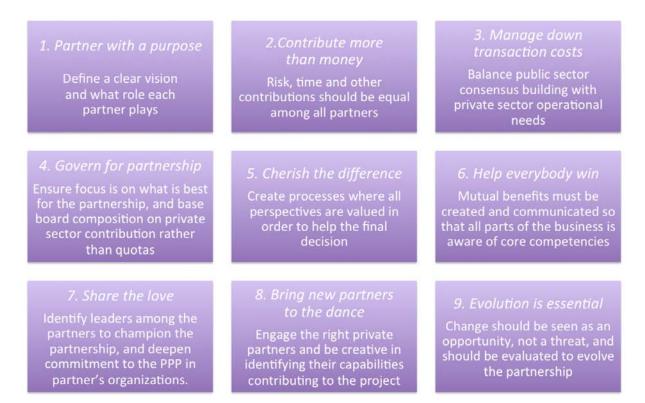


Figure 3.4 Nine best practices for a public-private partnership to maximize added value from the private sector. Adapted from: McKinsey & Co (2009)

#### 3.4.1 Public-Private Partnerships and Urban Development

Today, countries and cities invest in infrastructure, experiences and tourism in order to create economic growth, job growth, and higher standard of living for the inhabitants (Bjerkne & Co, 2016). PPPs in social infrastructure development have been found to deliver value for money, as the private sector has incentives of optimizing construction and on-going management. Their expertise and innovative capabilities thus results in better overall project durability (Morrison & Co and Craigs Investment Partners, 2010). Bjerkne & Co (2016) states that long term projects with sustainable perspectives based on cooperation between the private and the public sector is what creates successful destination development. Important factors for success when developing a destination according to these principles are the need for a professional organization including engaged, creative people with a common vision. These people need to cooperate and have insight into sustainability and long term development, together with sufficient resources and a focus on continuity. In addition, for successful site development the organization needs to show a strong political commitment. Thus, by combining investments from the public sector with ambitious and creative people from the private sector, an organization with the ability to develop areas into long-term sustainable destinations can be created (Bjerkne & Co, 2016).

As for PPP in general, in order to establish the possible best structure for a PPP in urban development and hence create superior customer value, partners should define the project's needs and objectives, as well as decide what partner should own what part of the project (Deloitte, 2010). Structuring of a successful PPP requires allocation components such as capabilities and risk. In terms of capabilities it must be defined in what areas of the project delivery each sector should excel. This concerns mainly design, operations, infrastructure, maintenance and finances. An example could be the municipality having the necessary capabilities for long term asset maintenance, but allowing the private sector to construct the site. The same mind-set applies to risk allocation, mainly concerning management. A project group in itself adds a lot of complexity to an already complex management constellation. If able to assemble an efficient management team for a PPP, risks will undoubtedly decrease (Deloitte, 2010).

#### **3.5 Summary of Theory**

According to theory, engaging in PPPs entails many advantages, the most characteristic being the access to more capital, but also synergy effects such as shared risk and costs as well as increased efficiency and knowledge sharing. However, even though this form of partnership is growing in popularity, several challenges that can affect the probability of their success have been identified. Theory highlights the lack of a shared vision, and trust as important challenges that must be overcome. Moreover, poor management and conflicts are seen as challenges for this form of partnership. In order to overcome such challenges and to fully leverage the advantages of PPPs, theory further presents a number of success factors that must be considered. Of these, the foundational factors are vital to establish initially and in the short term, as these will form the basis for successful continuation of the process. The sustaining factors that follow are important in the long term due to their ability to function as control mechanisms during the on-going process. Nevertheless, all partnerships are naturally unique in their kind, and can thus not all follow the same paths. Therefore, it is important to consider the characteristics of the specific partnership and based on this decide which aspects to focus on. Moreover, in terms of success factors theory presents nine practices that are important in order to enable exploitation of value from private sector involvement in the partnership. Again, these need to be adapted to suit the specific partnership and corresponding project. In sum, the principal findings that constitute the theoretical framework are summarized in figure 3.5 below.

Public-Private Partnership			
Advantages - Cost and risk sharing - Market knowledge - Enhanced innovation and efficiency - Legitimacy - Improved relationships - Improved management standards - Customer service and service quality - Customer service and service quality - Cost and risk sharing, time - Lack of shared vision - Lack of agreements of risk sharing, time - Lack of trust - Financial and managerial conflicts - Poor decision-making - Governance, responsibility, accountability			
Success factorsFoundationSustaining- Compelling Vision- Attention to process- Strong and shared leadership- Attention linkages- Shared problem definition approach- Communication linkages- Power Equity- Trust and commitment- Mutual Accountability- Credit and recognition- Interdependency and complementarity- Credit and recognition			
The nine best practices for success			
1. Partner with a purpose	2. Contribute more that money	n 3. Manage down transaction costs	
4. Govern for partnership	5. Cherish the differenc	e 6. Help everybody win	
7. Share the love	8. Bring new partners to the dance	9. Evolution is essential	

## Figure 3.5 Public-private partnerships - summary of theory

### 4. Empirical Findings

This section starts by presenting the interview material obtained from experts in the field of PPPs, as to provide a deeper understanding of the subject as such. This is followed by a synthesis of the most important results stemming from the previously conducted feasibility studies of the Åby area. Subsequently, the main body of empirical material consists of the data obtained during interviews held with the various stakeholders of the Åby project. This material is grouped according to stakeholder types and thereafter structured in a manner corresponding to the initially stated sub-questions and the theoretical framework, as to provide a logical starting point for the subsequent analysis. Lastly, the empirical findings are concluded with a section on benchmarking, in which similar development projects and their management structures are reviewed.

# 4.1 Bjerkne & Co - Public-Private Partnerships and Destination Development

Bjerkne & Co is a company with long experience in destination development and PPPs on a local, regional as well as on a national scale. The interview was primarily conducted with the founder and president of the company, but complemented with the input of another member of the company, who is also a researcher and project leader within the field.

The founder states that when developing any destination, whether small or large, there are in general three main factors to consider. Firstly, the product, which in this case refers to the destination itself, must be subjected to a situation analysis as a means of determining its potential and possibilities. Such possibilities relate to what the destination currently offers, what could be developed in relation to the area and what needs to be added there in order to enhance the perceived value of the destination. Following this, branding is an important aspect to consider, as competition is fierce among the countless destinations around the world. This since there is little meaning of having a great destination if no one has ever heard of it. The final factor to consider is the destination's accessibility. It is vital that the infrastructure surrounding the site is improved as far as possible, which includes improved public transportation as well as new, smart solutions for reaching the site.

Looking at arena projects from a purely financial perspective, the respondents state that there are barely any examples of profitable constructions that indicates that convincing private actors to participate in such projects can be a difficult task. To motivate investments the respondents instead point at the importance of highlighting the socio-economic profit and subsequent long-term benefits that can be gained. Despite this, it can be hard to convince private actors to invest as they are often hesitant towards projects with no apparent financial profitability. But as exemplified by the interviewees this potential obstacle can be overcome by letting private actors invest in larger construction projects that include several commercial premises but for which a prerequisite is that of the contracted facilities is an arena. Moreover there are several successful examples of public actors selling off land to private investors in order to access capital, and furthermore also contracting private partners to invest in the surrounding area.

In terms of developing the Åby area, the very key aspect to consider at this stage is first and foremost what they want to create but also for whom they are creating this, why there is a demand for the final product, and how this should be executed. In order to ensure that there is a target group with sufficient interest, the process must start by adopting an outside perspective. By this Bjerkne & Co means that you should start by defining the needs of the intended target group and ensure that these needs will be satisfied by the project. If this can be done, the following discussion should focus on how to finance the project, and subsequently also on how it could be executed. A disadvantage of the Åby area and of Mölndal in general is that there are no top-level sports or elite programs based there. According to Bjerkne & Co it is vital for a venture such as the one visualized in Åby to incorporate some form of elite program as this acts as a drawing card for the public, mainly in terms of spectators, which is a prerequisite for attracting private sector attention. If lacking such elite teams and instead relying solely on sports arenas for the public and local teams, difficulties with enticing private partners as investors can arise. This in turn complicates formation of PPPs for further development of the area, as there is little inherent commercial value immediately evident for private actors and thus they must be won over using different arguments. Such argumentation is vastly more complicated than if commercial value can be displayed. If not being able to form such relationships the municipality will instead be forced to finance any initiatives alone using public funds. However, the challenges with attracting private investors could be overcome if the municipality broadens their vision and aims at creating an area comprising more than the various sports present there as of today. By constructing a district for wellness related activities and including commercial activities that generate profits, attracting private actors and thus forming PPPs could be an easier task. This since in reality it is not the arenas per se that generate financial profits, but rather the commercial activities surrounding these.

Bjerkne & Co also mentions the importance of creating an event portfolio with a unique selling point that attracts visitors and differentiates the destination from others. Such a portfolio should consist of a range of events of different sizes, and thus local events of lesser scope should not be disregarded as unimportant but rather form the base of the pyramid that constitutes a successful event portfolio. As of today, Bjerkne & Co believes that Åby lacks the necessary management capabilities needed to create a good enough event portfolio, which could complicate formation of a PPP. In general, there is a need for adopting a holistic perspective of the area as such and this is where the development of Åby must have its starting point. In order to succeed there must be a clear profile both visually within the area as well as for what they

wish to achieve with their efforts. This can relate to detailed plans for which parts should be demolished, which should be refurbished and what new facilities should be constructed, and also if there are some parts of the venture that are better suited for PPPs than others. As both respondents state, it is not the politicians per se that hinder fulfilment of the Åby vision but rather their foundational ideas regarding the area. Hence the most important aspect at this stage is for the municipality to thoroughly do their homework and to create a realistic plan for Åby with clearly stated goals, as this is vital in order to attract private investors. The project management must thus make sure that there is a clear plan for how the area should be developed, and after this also determine what actors could bring additional value and thus are favourable to collaborate with. The actions taken should clearly display how value will be created both in the short and long term as well as in a social, economic, physical and cultural respect. Consequently, arguments for developing the area and raise additional funds will become significantly clearer.

The respondents believe that the above discussion regarding value will create better prerequisites for establishing PPPs. In addition, it is of utmost importance that the public side shows respect for the private actors, and make sure that they feel appreciation for participating. Quite simply private actors can otherwise claim that they contribute equally by paying corporate taxes. Here, it becomes vital for the public actors to prove the attractiveness of the investment by being tactical in demonstrating the value the project will entail. This could for instance refer to presenting different solutions for the project, such as sequencing of investments and construction of different venues for different purposes. For Åby this also means thinking outside the health and sports box and including solutions for commercial sites and areas that draw visitors from other competitive destinations. In sum, Bjerkne & Co believe that PPPs could be an effective tool in developing areas such as Åby. Nevertheless, in light of the particular circumstances Åby offers as of today, engaging private actors may not be that easy. Although not impossible, the ability to attract private investors is contingent on that the municipality first of all thoroughly does their homework and creates a realistic plan with clearly stated goals that are well connected to the corresponding efforts. This will require the municipality to summon up courage and leave the rut that they for long have been in.

#### 4.2 Pre-study of the Åby Recreational Area

As previously mentioned, on the initiative of the municipality numerous feasibility studies that aim to investigate and clarify the conditions of developing the Åby Recreational Area have been conducted. Subsequently, in March 2015 a new vision for the Åby area was presented in which the foremost goal was that Åby should be an attractive place where people feel welcomed and have the ability to practice sports. In this vision statement, the municipality stresses the importance of democratic values and social benefits, as research shows that sports and similar activities contribute to increased health and wellness in society. In addition, sports contribute to social integration and fosters diversity which is socially beneficial in the sense that sports hence creates good prerequisites for a city or region such as Mölndal to flourish.

As a basis for this vision statement lies one of the more thoroughly conducted studies of the area. In 2012, the municipality procured services from WSP Sverige AB with the aim of pursuing the development project and providing data necessary for project implementation. Several workshops were held as to capture the expertise and knowledge already existing within the working group, which among other things resulted in a SWOT analysis of the area (Figure 4.1). This was subsequently accompanied by a survey study aiming to anchor the initiatives among the inhabitants in the region. The results of both these activities are presented below, and the complete documents can be found in Appendix C.

#### 4.2.1 SWOT Analysis

In 2012, a SWOT analysis was performed with the aim of clarifying both the possibilities and challenges offered by the Åby area and a potential development project (Figure 4.1). The analysis of strengths and weaknesses was summarized and the results were grouped according to the three overall themes; accessibility to and from the location, public perception, and ground conditions. Identified strengths were the nearby parking area and the ease of access by car, the large amount of people living and working in the area, as well as the diversity in terms of the users' aims and needs in relation to the Åby area. Moreover, the flexibility offered by the area's large size, the attractiveness of certain facilities such as the bath and the potential for commerce were highlighted as strengths. On the other hand, several weaknesses were expressed in terms of poor public transportation, hidden entrances and illogical structure of the area in general, as well as a low level of perceived safety. There was a consensus around the fact that there is a need for change, both in terms of safety and communication possibilities and also regarding restoration of facilities, which is an acute need that must be considered. Furthermore, participants of the workshop highlighted bad flexibility of existing facilities as a major weakness, as this limits the ability to utilize these for new purposes, which is something that could mean cost savings and ability to broaden the range of offerings. Lastly, the as of now nonexisting possibilities for eating in connection to the area is pointed out as a significant weakness limiting the area's attractiveness.

Opportunities and threats were clustered according to demand, climate, finances, planning and flexibility. Looking at opportunities, the favourable location is appointed as a major advantage for Åby, both on a regional as well as a national scale. Other opportunities include the already ascertained political intentions of refurbishing the area, and the high level of support such initiatives enjoy from residents of nearby areas. Moreover, the presence of experienced sports associations and subsequently also practitioners that can contribute with valuable expertise is seen as a major opportunity that will contribute to successful development. Nevertheless, despite these valuable opportunities several threats against successful development of the

Åby area were identified. In terms of finances, threats relate to the ability of ensuring approval from politicians at higher levels and the risk of losing parts of the land in favour of other projects. Participants of the workshop also express concerns about conflicts of interest between public users and the sports associations and their athletes, as well as potential conflicts between different associations. Lastly, the foremost threat against the development project as expressed during the workshop is the risk of leading the project along the wrong path. This since it is hard to forecast what users will demand in the future, which entails a risk of investing in activities where future demand will be insufficient.



Figure 4.1 SWOT analysis of the Åby area. Source: WSP (2012)

#### 4.2.2 Survey Study

The success of a development project such as the one envisioned in the Åby Recreational Area is contingent on the ability to generate value for the investing partners but also for the society. As to analyse public demand and anchor the initiative among the residents of the municipality, a survey was handed out in Mölndal in 2013. The aim was to create a more holistic understanding of the current perceptions of the Åby area both in terms of positive and negative aspects, and to let the public contribute with their views and suggestions for improvement. This could identify the aspects important to emphasize in order to motivate people to visit the area more frequently. 279 answers were obtained and the results were summarized and grouped according to three main areas of improvement that are presented in the following.

# 4.2.2.1 Accessibility and Orientation

Many people state that it would be beneficial for the area to offer better public transportation solutions, including both local bus routes as well as better communication with larger nodes surrounding the city. In addition to improved bus services, wishes for accessing the area by tram are expressed, preferably by

connecting the services currently operating in Mölndal and Frölunda. Improved public transportation would mean easier access for young people, which would have positive impact on visiting frequency. In terms of car traffic and parking facilities most respondents appear satisfied with the parking area. However, respondents disagree over the location of the parking lot, as some find having to cross a large road in order to reach the sports facilities to be a major disadvantage. In relation to orientation, difficulties in finding the area from the main road as well as orienting oneself within the area are expressed together with a wish for better signage.

#### 4.2.2.2 Additional Activities

The respondents agree that there is a great need for refurbishing the public bath. If opening hours were longer and additional services such as longer lanes, a larger aqua park and an outdoor bath with a diving tower were offered, more people would visit. The respondents also wish for indoor facilities that could cater for a wider range of sports activities such as ball sports but also for athletics, climbing, bowling and such. In addition an area for health and medical activities such as massage, physiotherapy and spa treatments is requested, which possibly could be combined with a gym, a dance hall and yoga studios. In terms of outdoor areas there is a consensus around the fact that the existing fields are in need of refurbishment. Here the respondents also express a wish for a running track stretching across the area, which preferably could be complemented with equipment for strength training and be converted to a cross-country skiing track during the winter. In relation to this the importance of improved lighting is also emphasized. Other suggestions for activities include an obstacle course, boule lanes, a skate park, beach volley courts, Frisbee golf and such.

Moreover, the respondents stress the importance of providing more opportunities for social activities such as eating and playing, both for exercisers but also for those accompanying them. Cafés, hot dog stands and restaurants are requested by adults, and for the children themed playgrounds would be a welcomed feature. Also, in order to maximize utilization of the area and the facilities and attract more visitors that otherwise might not seek the area out, holding events such as concerts, exhibitions, circuses and fairs would be beneficial. In general, there is a consensus around the fact that Åby should be a meeting point for people with an interest in sports and leisure. It should also be a place that the residents of Mölndal are proud of and want to show to those visiting the city.

#### 4.2.2.3 Environment

Many respondents, those frequently visiting the area in particular, state that it is imperative that the existing facilities are refurbished since the condition of these is what contributes most to the overall poor impression of the area. The facilities and the surrounding areas would benefit from giving a more uniform and modern impression. Moreover, the surrounding areas are as of now badly lit and generally perceived as unsafe, something that could be remedied by improving the roads and equipping these with city lights, as the environment needs to be safer, lighter and friendlier. The currently dark conditions around the road, the parking lot and the crossings are considered to be very dangerous. If more lighting is provided and the pathways are made more accessible from different directions as well as nicely decorated, more people would consider walking in the area. Furthermore, respondents point at problems with orientation within the area and the lack of maps and sufficient signage to inform visitors where they are and how to reach other facilities and parts of the area.

## 4.3 Public Partners

The municipality of Mölndal owns the Åby area and is thus the relevant public partner in a potential partnership. The approval of an investment of this size is the ultimate responsibility of the executive board, however the Åby area as such is administered by the culture and leisure department. Therefore this section presents the department's views of the development project and the possibility of executing it through forming a PPP.

## 4.3.1 Advantages

When discussing advantages of the Åby project and a potential partnership, the respondents state that the most important advantages from the municipality's perspective are the social benefits that stem from investing in health related activities. These benefits are mainly described in terms of the positive effects on areas such as integration and equality. The culture and leisure department engages in what they call promotional activities that can help save money for the city in the long term, as they entail better public health and lifelong learning. Here, collaborating with sports associations that engage in activities beneficial to the community is of high interest. The municipality believes that the sports associations are valuable partners in the actual process of developing sports facilities, as they undoubtedly are the actors possessing the best knowledge of the circumstances relating to their specific sports. When building such facilities relevant rules and regulations relating to the sport in question must naturally be followed. Furthermore it is also important to ensure that the facilities are constructed so that the final product serves the users' needs in a satisfactory manner. Here the associations serve as a very valuable non-profit workforce, and the ability to utilize such expertise during planning and execution of a development project is hence considered a significant advantage for Åby.

Another advantage of the Åby area as such is that the municipality owns all land, and that this is earmarked and thus intended solely for sports and leisure activities. This means that the culture and leisure department does not have to compete with others over the use of the land but are guaranteed right of usage. Hence, they can aim their efforts at arguing for their case in terms of investment funds for new facilities instead of first having to compete over ownership of the land, as would be the case with many other areas in the municipality that are potentially interesting sites for leisure activities. Moreover, a great advantage of the area is that it is perceived as having a strategically favourable location and is in many respects unique in western Sweden. One respondent states that Åby plays a vital role as a destination within Mölndal and thus has a clear value potential for external actors and for the city as such. Even now 1,5 million people a year visit the area and with the acute need for refurbishment in mind, it is believed that the value of investing should be evident as this would contribute to a significant increase in visitor numbers. Moreover, an area that offers such a wide range of sports activities in close proximity to each other, in combination with the commercial value of the nearby racecourse and their expansion plans, is something that is deemed to provide vast opportunities.

In terms of partnering with the private sector the municipality sees plenty immediate advantages. First and foremost, such a partnership would of course enable access to more capital, which due to the strained investment budget of the municipality is very desirable. This would mean a significantly improved ability to realize not only those investments deemed absolutely necessary but also those considered beneficial for transforming the area into a better place. Hence investments from the private sector would provide more leeway to apply a holistic approach to the development process, and thus increase the possibility of utilizing the full potential of the Åby area. Moreover, collaborating with sports associations and their respective sponsors can entail challenges in terms of conflicts over usage right of facilities and regarding contracts. An advantage of instead collaborating directly with private actors as sponsors is that such a structure is significantly simpler and does not entail as much risk of one single actor claiming precedency over others for the use of facilities. This the respondent exemplifies by describing co-financing of larger arena projects. Here, responsibility is shared between the public and the private partner, with clearer reasoning around the conditions of the sponsoring and the expectations of the partnership. The added value for the sponsor then principally consists of the commercial value of having their name on the arena and the ability to build relations with potential customers in their local community.

#### 4.3.2 Challenges

In terms of partnering with non-profit organizations such as sports associations, the respondents know from experience that this is associated with a number of opportunities but also challenges. Generally such actors focus on direct needs in terms of new facilities and such, which they then present to the municipality with argumentation for benefits such as promoting health, integration, equality or encouraging activity among the youth. However, a problem lies in that the culture and leisure department must present exactly the same reasoning to the municipal executive board as an argument for prioritization of public funds. The department constantly competes for investment funds with other areas of municipal responsibility such as schools and welfare where needs are endless. Therefore, they must be able to argue for the value added possibilities their investments would entail, which due to the intangible nature of such value is not an easy task. Investments in culture is a promotion activity in the sense that an investment made now only provides returns in the long term, such as cost savings due to better public health, integration and lifelong

learning which is very difficult to measure. Moreover, for the Åby area the competition with investments in the rest of the municipality also manifests itself in the question of whether or not to sell land as a means for raising investment funds. One subdivided property unit exists in the area that could be sold to private actors in order to raise funds for financing the investment and thus strengthen the municipality's investment budget. Here, a challenge lies in persuading the executive board not to use these funds elsewhere in the community but to instead reinvest them in Åby.

The respondents also state that when initiating collaborations between partners that have different aims and time horizons over which their intentions span, tensions can arise. The municipality are mainly concerned with longer-term issues while sports associations often see acute needs, which means that these are often reluctant to wait for realization of the municipality's long-term plans. For a project such as Åby, if the municipality was to own the entire project implementation would undoubtedly take more time, but in turn they would maintain the ability to keep control and to budget for operation and staff, as well as to ensure that the facility is used as fair as possible. Here one respondent says that something that is often overlooked when evaluating investment opportunities is that when the municipality invests using public funds they must ensure that not only the associations but also the public and schools are able to utilize the facilities. Difficulties could arise if one association was to be appointed a major partner and thus could claim precedence over others. This could also be the case if the collaborating partner included their sponsors in the project, as such an actor could be prone to claim prioritised usage rights. Another challenge relating to ownership of facilities is that non-profit actors seldom possess any funds of significance themselves. This means that the municipality often has to be the sole financier, which raises questions as to how the subsequent responsibility should be structured. Another aspect that needs consideration is that in terms of operating costs such as rent, the associations do not pay the full cost but instead the charges imposed are highly subsidized. Generally associations pay around 25% of the actual costs, which means that the more investments in favour of the associations are made, the more expensive it becomes for the municipality as they need to cover the remaining share. Therefore, in order to justify such investments it is imperative that at least a part of the remaining 75% can be raised elsewhere.

The vision of developing the Åby area is very important for the culture and leisure department. In light of the financial situation of the associations and the problems with raising enough public funds, identifying other partners that are willing to collaborate and thus hurry up the process is regarded as very desirable. Nevertheless, the respondents state that in order to access such capital the department must be ready to relinquish some responsibility, such as for operation of facilities. If not prepared to do so, they must simply be prepared to raise all funds and handle the investment alone. Here one respondent identifies a potential obstacle in the sense that the municipality has little history of such collaborations, and thus they must be willing to learn and to try new courses of actions. For the culture and leisure department the ability to show how such collaborations can create added value becomes vital, as to convince the executive board to contribute with their share. In relation to this the respondent also emphasizes the importance of clarifying how value can be created for private actors, as it is imperative to create incentives for these to join in. This could relate to selling land or forming lease contracts, which is also something that the city of Mölndal has little experience from and thus must be willing to investigate further in order to succeed. A problem with Mölndal is that they for long have been content with their current situation and thus have not taken many initiatives to explore new courses of actions, which is something that the respondent believes has to change if the city wants to safeguard their competitiveness.

One respondent also states that a problem with Åby is that as of now, many of the facilities are closed to the public. This not only complicates justification of setting aside public funds for investing in these facilities, but it also has a negative effect on public demand and the overall attractiveness of the area. This could partly be a result of letting some associations keep full responsibility for the operation of facilities, as this entails a contingency on the associations' respective wishes and requirements. Furthermore, a problem is that there is little continuity in how agreements with the different associations are structured, which is why they are currently in the process of reviewing all these agreements. Another major problem is appointed as the overall poor public perception that limits its attractiveness. People perceive the area as dark and unpleasant, which results in little incentives for others than members of the associations to reside there. Problems in terms of attractiveness can also be attributed to the range of activities offered, where there is a consensus around the fact that the area must offer more activities in order to appeal to more people.

According to one respondent, one of the foremost reasons for the problems experienced at Åby is related to the way in which the city as a whole is organized. The municipality is divided into several different departments that each have different areas of responsibility. For Åby, this manifests itself in that the area is the joint responsibility of five such departments that each have equal amount of influence over the operation of the area. This is pointed out as a weakness contributing to the continuous stagnation of the various plans that have been developed over the previous decades, as no single responsible party has existed up to this point. This has also meant that each investment made has been evaluated and made in isolation, which has resulted in an overall fragmented impression of the area. On one hand this means that there is no leader or site manager with enough authority to make decisions regarding issues relating to the future of Åby and thus making sure that the right actions are really taken. On the other hand, neither is there any single actor liable for the effects that follow from the neglect of the area, which results in a situation characterized by confusion and limited capacity to act. Nevertheless, negotiations are underway and hopefully the culture and leisure department will be given authority over the other

departments. They can thus act as a leader in the development process, which will help in ensuring a more vigorous approach and that actions are taken in a unified manner.

One of the respondents has participated in study visits to other large sports areas together with the executive board. The purpose of these visits was to gain inspiration for Åby to create an understanding of how such development projects could be executed. After a visit to Rocklunda in Västerås, the common opinion was that this was a bad example and that such a way of organizing was not an option for Mölndal and Åby. In essence, what deterred the politicians was the structure of the PPP and the potential conflicts that can arise if the partnership is governed by underlying economic interests of the private actors. In Rocklunda, a wealthy private constructor owned and developed the area as the municipality considered themselves unable to afford such a heavy investment. After negotiations amongst the parties the structure of the partnership was such that the constructor owns the land and the premises, which are rented to the municipality that also are responsible for daily operation. Here, the representatives from Mölndal saw several disadvantages. Firstly, even if the investment is made by another party the fact that the municipality holds the ultimate responsibility is inevitable. Such an area is developed solely for municipal interests and activities and thus if there appears to be little or no demand at a later stage, the municipality bears the risk as no one else has much use of such facilities. Secondly, in the case of Rocklunda the contract between the constructor and the municipality was regarded as highly unfavourable and quite fragile. The contract was mutually beneficial over the first five years, but then perceived as skewed in favour of the constructor. It was believed that the constructor simply aimed to quickly recoup his investment and thus cared little for the on-going operation of the area. This is expressed by the respondent as being another challenge with collaborations between the private and public sectors, as it is often so that these parties have different time horizons and aims that are difficult to harmonize. Lastly, the respondent also describes the situation at Rocklunda as characterized by problems in terms of a democratic deficit. When a private actor owns the premises the municipality risks experiencing limited freedom in utilization of these facilities. Private ownership entails having to account for private interests, which can complicate or even obstruct municipal operation. A fear in this respect is that the municipality due to private ownership would not be able to operate the facilities as they wish but instead have to fold to private interests.

#### **4.3.3 Critical Success Factors**

Establishing a partnership with other actors is deemed as vital for finally succeeding with putting the development plans at Åby into action, and to do so in a good manner. This since, as repeatedly stated, the municipality would not by themselves be able to provide enough funds to finance the full length of necessary and desired measures. The respondents state that it is important to prove to the executive board that by investing their share in Åby they can access funds from other parties as well and that

this will help increase the total value accrued to the community. As part of this effort it is also vital to provide the board with as much ideas and initiatives as possible as to convince them of the benefits of the project, with the hope that some of these ideas may actually be realized.

In order to improve the chances of success the respondents from the municipality state that it is important to harness the expertise latent in the area. As mentioned earlier Åby accommodates several large sports associations, something that offers vast opportunities for collaboration and subsequently also knowledge sharing. In order to maximise the success of the development project it is vital to utilize the strengths offered by the sports associations and let them contribute with their knowledge of their respective areas. Combining such expertise with the municipality's competencies in terms of for instance building and ground conditions will thus help leverage the effects of any efforts taken and thus improve chances of success. In terms of the relation with the sports associations, the respondents also state that it is vital to beforehand clarify the rules and conditions of the project in order to minimize the risk of tensions due to misunderstandings and unclear roles and expectations. The parties will have different time horizons for their respective goals and expectations and therefore laying all cards on the table initially is imperative, as to create the best possible basis for the future collaboration. Conflicts of interest and tensions are inevitable and have been quite evident in Åby, and therefore the culture and leisure department expresses a need for mutual understanding as to minimize the occurrence of such problems. Also, if associations express a wish to deepen the collaboration and increase their contribution, both in terms of investment and the subsequent operation, they must state clearly how they can contribute to making it cheaper, faster or how they generally can conduct it in a better way than if the municipality would accept all responsibility themselves.

If aiming at developing Åby into a more vibrant area the respondents state that it becomes important to increase occupancy of facilities and other areas, so that more people visit the area during more hours of the day. A crucial aspect here is to make sure that there are incitements for the general public to even go there as this is considered to be a weakness today. Firstly there is the issue of limited public access to several parts of the Åby area. If aiming at increasing visitor numbers it is imperative that the as of now closed facilities at least to some extent are opened up to the community. Secondly, the area must be attractive enough so that people feel inclined to go there. To succeed with this, not only the facilities but also the surrounding areas must be refurbished and given a welcoming, unified and visually appealing appearance. As a part of this, it is vital to as soon as possible take measures to improve the currently inferior lighting and signing in the area. And finally, the area must offer more activities that appeal to a broader crowd, as to attract more visitors and in particular those that previously have had no reasons to visit Åby. Suggestions from the municipality includes converting areas that are not suitable for heavy construction into arenas for what they call spontaneous sports, such as Frisbee golf, an outdoor gym and a skate park.

The respondents also emphasize the importance of clarifying who should have the primary responsibility for the area as a whole. As a major problem has been the lack of clear leadership and equal division of responsibility between five different departments, straightening this situation out is a prerequisite for moving forward. They express a strong wish for developing a more explicit management structure in the form of a full-time project group and preferably appointing some form of site manager that should have ultimate responsibility and authority regarding decisions relating to Åby. The project group would then be able to prioritize among different actions and the order in which they should be executed. By this, not only will they become much more efficient but they could also ensure that a silver thread runs through the area, which they believe to be very beneficial. As five different departments are currently involved in the daily operation of Åby, such a structure might pose a problem if the others feel overridden. Therefore, the respondents state that it is important for the culture and leisure department to clearly show the other departments the superiority of such a way of organizing.

The respondent with experience from study visits discusses Rocklunda in particular and state that such contractual agreements are not suitable for Åby, but sees plenty of other ways in which PPPs can be used successfully. It is stressed that the municipality does not have any difficulties obtaining money for investments as such, but is instead regarded as a highly favourable customer in the eyes of the bank. The problem lies in the ability to motivate such investments by showing the long-term value they entail. As the daily operation of sports facilities is in the vast majority of cases gives rise to losses, such value is often purely social and thus motivating earmarking of funds in favour of such investments is a difficult task. Hence, the municipality has to explore alternative financing models and here PPP is considered a highly topical alternative. A model that has been up for discussion before involves selling attractive land areas to private actors in exchange for construction of arenas. If a suitable constructor shows interest in certain pieces of land then a possibility lies in establishing a contract where land is partly traded for construction of arenas for the municipality. This the respondent states is purely a political issue that is contingent on the ability to form mutually beneficial purchasing contracts, and viewed as a very good alternative. An important aspect in this case, as opposed to the structure of Rocklunda, is also that the municipality would still be the owner of the building instead of merely a tenant. Moreover, the respondent suggests that another attractive form of PPP could be sponsoring. More specifically this refers to selling naming rights of arenas for marketing purposes in exchange for investment in the facilities, permanently or contracted for limited time periods. When discussing what the value of this would be for the private actor, in light of the fact that there are no elite teams at Åby and the limited sponsor value this entails, the respondent states that in reality this does not

pose any major problem. Rather, there are many private firms that wish to participate in social sponsoring and do something for their community, and this is actually becoming an integral part of many companies' CSR policies.

A final suggestion for the development of the Åby area as stated by the respondent would be to change the zoning plan for certain land parts such as the old camping ground. By this various Swedish sports confederations could be invited to participate and utilize the grounds for their activities. This has previously been successfully done in Kviberg. In relation to this, the worst decision made for the Åby area was to refuse the plans of the beach volley club that wanted to place their activities at there. They could display a well-crafted financing plan and simply needed the municipality to issue guarantee for the project. However the municipality declined this proposal and the beach volley club now resides in Kviberg, where it is immensely popular and one of the most successful of its kind in Scandinavia. A lesson to be learned here is according to the respondent that unfamiliar modes of organizing should not be discarded too easily, instead the municipality must be open to new ideas in order to make progress. A final note given in relation to this is that the most vital prerequisite of success for a development project in Åby is that there really is a strong, anchored interest for forming PPPs. In line with this, it is also imperative that the municipality summons up enough courage to proceed with such plans, which is something that they themselves admit to lack as of today.

# 4.4 Sports Associations

This section presents the empirical material obtained from interviews with stakeholders already active in the Åby area. These consist of the sports associations, from which four of the largest have been chosen as respondents. Three of these are football associations, and due to the similarity of these interviews and of the answers obtained these have been grouped together and are presented jointly. The fourth and final association included is the swimming club, which is one of the most influential actors in the area and whose answers thus will be presented individually.

# 4.4.1 Football Associations

In the Åby area, three different football associations are active. Interviews have been held with the chairs of two of these, and the former chair of the third. As with the municipality the empirical findings from the interviews are structured according to perceived advantages, challenges and success factors of the Åby area in general, and the possibility of developing the area through a PPP in particular.

# 4.4.1.1 Advantages

When discussing the potential of forming a PPP in Åby with the football associations, similar projects such as Rocklunda in Västerås and Arenastaden in Växjö are brought up. They believe that such partnerships could definitely work and entail benefits for all stakeholders, and therefore they are interested in finding out how such a solution could be applied to Åby. As of today the relationship with the municipality is

admittedly not always problem free as the parties have different priorities and time perspectives to consider, and therefore the associations believe that a more structured way of collaborating between the parties would be beneficial. By partnering with other actors and thus sharing costs and risks, the football associations hope to be able to invest in new facilities that better cater for their current needs, but also allow for better flexibility in the sense that they could be of use for activities beyond those purely football related. Such activities could include the ability for young members to do homework in the facilities prior to training, hosting of events and celebrations in the meeting rooms, as well as serving as a natural meeting point for parents during the children's practices. From their perspective this is a decisive factor in creating a more vibrant Åby where people actually want to dwell. As of now the football associations all have their respective facilities but are more or less all in acute need of new solutions. In line with this they do have quite well-crafted plans of together building a pavilion functioning as a meeting point for them all. Such a collocation solution is believed to entail synergy effects such as long and short term cost advantages as well as better unity among the different associations, that as of now do not socialize with each other to any greater extent.

While one football association is more concerned with the advantages brought to the specific association, the other two are very enthusiastic about the possibility of reconstructing the Åby area and making it more vibrant and appealing to their members as well as the general public. As they from experience know that obtaining money from the municipality for more than the most pressing refurbishment needs can be a difficult task, they are very intrigued by the possibility of forming partnerships to accelerate the process. They hope that a common action towards a better Åby would result in improved overall performance and shared benefits, as well as improved relationships among the actors in general but with the municipality in particular. When discussing the possibility of collaborating with other stakeholders such as actors from the academia and sports science, they state that this would of course be a matter of great interest. Collaborating with others that pursue related activities could be value creating as it entails opportunities for learning across the boundaries and creating a consolidated and overall more appealing and competitive offering. As of now they do collaborate with schools, and are glad to see this part of their activities be developed further. They therefore hope that other areas of fruitful collaboration can be generated by bringing more actors into the Åby area.

#### 4.4.1.2 Challenges

There is an apparent lack of trust among the different stakeholders. According to the football associations, the foremost problem they perceive with the municipality is that they claim for Mölndal to be a sports city, but in reality they do not care for their associations to the same extent as do other municipalities. In some cities, such as Gothenburg, sports are considered part of the area's identity but as stated by the football associations this is not true for Mölndal, even though there is a vision of being a city with a clear sports profile where people feel well and are healthy. The

associations residing at Åby instead feel somewhat neglected and not supported enough by the municipality. In addition, one respondent states that they feel that the municipality does not fully value their effort and the voluntary work they put in. Instead, they at times feel that even though the municipality constantly talks about and promotes equality, when it counts they do not live up to their own words. This they believe will pose a challenge for a future partnership. In relation to this, the football associations also claim to experience difficulties with fully understanding the municipality's actions and vision. For instance, the associations argue that they should not be obliged to pay rent, as the amount they pay is much more than what they receive in state aid. As a result of this imbalance, the respondents express that they experience feelings of disappointment towards the municipality that instead should value the non-profit efforts the associations contribute with.

The football associations have great visions for the future of Åby, but what primarily obstructs realization of their plans is the lack of sufficient finances. The most pressing need facility-wise is a new and preferably joint pavilion as the current ones were built in the 1930s and are in great need of refurbishment, mainly due to problems with mould. The football associations are contingent on the municipality to act as a cofinancer for the construction of their new facilities, which has appeared to be problematic as the municipality seem rather unwilling to contribute with the desired amount. A further problem with the pavilion construction is that some associations have less capital than others, leading to further internal financial problems. Also, they do acknowledge that satisfying the needs of all associations is challenging as they all want their own needs to be prioritized, leading to a risk of inequality and tensions amongst themselves. That being said, the respondents do not believe that the financial situation is merely a challenge that must be overcome for their own reconstruction efforts, but rather for the Åby area as a whole. Even if they were to finance their own projects in full, they do not believe that the municipality would fully finance the other larger restoration projects in the surrounding areas that are also so very needed. Moreover, the football associations strongly believe that the municipality will not be able nor willing to launch such a project such as the one envisioned in Åby by themselves but that it is imperative to include private capital as to enable this. As support for this argumentation they also mention the success of the Åby horse race track and the related development plans, as this is privately owned and operated and shows clear profitability and commercial possibilities. However, they do question the willingness of private investors to get involved as businesses are driven by profit incentives, something that Åby has limited ability to offer today.

#### 4.4.1.3 Critical Success Factors

The football associations state that they do not feel prioritized by the municipality, and that this is a problem that is not connected to the current political situation per se but rather embedded in the mentality of the municipality and irrespective of the political regime. They believe that little change will happen before the municipality understands their situation, and revises how they consider them. In line with this, they

wish that the municipality would view them more as customers and not only as a necessary evil, which is often the case as of now. Moreover, all associations express a need and a wish for collaborating with each other, an area in which they admit to currently lack competencies. As mentioned earlier, their most pressing need in terms of facilities is new clubhouses as these are currently quite run down. Here they want to collaborate and build a joint pavilion as this would entail several benefits. They have developed a shared vision in which they state the most important advantages of such a collaborative effort, such as shared costs but also opportunities for learning over the boundaries that is made possible when the members of the different associations are allowed to interact on a regular basis. In addition to this, included in their shared vision is a stated importance of the associations being active in other areas than football. This includes collaborating with schools in the Mölndal area, as well as potentially also with universities. They further claim that they do have the funds to alone construct the necessary facilities, but in order to build a better pavilion that can cater for more activities and create synergy effects such as knowledge sharing and cost advantages they need additional financial contributions, preferably from the municipality. As to fulfil these high aims and bring about such increased value creation, collaborations is thus of essence.

The football associations adopt slightly different perspectives when discussing the Åby vision. One of these mainly refer to the construction of the new pavilion whereas the other two adopt a more holistic view of the Åby area and emphasizes the importance of not working in isolation. They state that in order to succeed, the actors involved in a potential development project cannot have their own, completely separate visions but must be somewhat synchronized and work towards the same goal, something that also applies to them and their plans. Moreover, since all concerned parties naturally wish for their own projects to be the first priority, one interviewee expresses concerns about the municipality not being able to handle all financing alone and simultaneously satisfying all parties involved. Here the need of partnering with other actors as investors is again acknowledged, but also the potential for the municipality to sell off land in order to finance construction efforts. This, they believe, might be a necessary course of action to pursue if the municipality wishes to finance everything in full. Also, the associations agree on the importance of applying a more holistic approach to a potential development project and ensure that the entire area is made better and safer. First of all, it is important to renovate facilities as there is a vital for this due to mould in more than one facility. Second, the safety aspect must be considered, and here simple measures such as improved lighting and signing within and around the area could have significant positive effects. Finally, the parking situation has become an issue and the payment system creates irritation. This is mainly due to the fact that leaders are now obliged to pay for parking, which is viewed as unreasonable as they engage in voluntary work.

#### 4.4.2 MASS

Mölndals Allmänna SimSällskap, MASS, is the largest non-profit association in Åby and they conduct their activities in the public pool. The interview was held with the general manager and the chair of the association jointly. Their relation to the municipality and the contract between the parties differs slightly from that of the other associations, and thus the results of this interview is presented separately in the following as this is deemed as beneficial for the subsequent analysis.

#### 4.4.2.1 Advantages

The bath is the only facility in Åby always open for the public, and is thus home for many visitors such as schools, companies, and members of the public. It is primarily municipally driven but the swimming association handles activities such as the swimming school, and they uphold a good relationship with the municipality and consider their collaboration fruitful. According to the respondents the association's size and importance for the public could be a contributing factor to their good relationship with the municipality, as it gives more substance to their cause and facilitates collaboration.

When discussing the possibility of utilizing PPPs for developing Åby, the respondents state that one significant advantage would be the possibility to improve the overall impression of the Åby area by means of a cooperative effort. They state that it is understandable that the municipality will not be able to finance any larger refurbishment effort themselves, and thus cooperating with external actors would be a good way to achieve this. This could also mean that projects of a larger scope would be made possible. As an example, even though they wish for an outdoor bath that they believe would increase occupancy during the summer season, they understand that the municipality might not comply with such an investment. This since the investments in the area must be more equally distributed and an outdoor pool might not be the most important project at the moment. Moreover, there is a lot to be done in the area in general and some actions will require more effort, while others are more easily solved. For instance, they consider the bicycle paths as already being good, but stress the need for making the area feel safer. However, they believe that this can be arranged at a relatively small cost, such as by simply improving lighting in the area. In addition to this not only the public bath must be rebuilt, but refurbishment needs for other facilities in the area are in general acute. The respondents state that common for all these issues is that collaborating with private actors could help accelerate the process and ensure that more and better actions are taken.

The respondents state that forming a PPP entails an importance of being professional. Since MASS is the largest non-profit organization in the area and upholds a good relationship with the municipality, they believe they can lead by example in this process, which is an advantage for Åby. The smaller associations that as of now have less well developed relationships with other parties could be inspired by them and understand that by collaborating with the municipality and external actors, possibilities for more comprehensive changes increase. In line with this, they wish to show other associations that there is no need for being fretful, as this will only create problems in a partnership. In general, the swimming association immediately sees a lot of advantages with PPPs as a collaboration form when developing Åby. They are very willing to collaborate and are eager to discuss how the area can be developed as a whole, as they realize that they cannot act in isolation but are affected by the surrounding circumstances. They are, for example, very interested in deepening the collaboration with the other stakeholders in order to create synergies such as knowledge sharing and increased occupancy. Moreover, the operations of research institutes such as Chalmers harmonizes well with their vision and such collaborations can help in their strive towards being in the forefront of sports knowledge. Here, they also believe that the presence of students and a possible student housing area would be positive for Åby.

#### 4.4.2.2 Challenges

One challenge for MASS is to collaborate in a PPP without being too greedy. They know that they are in great need of a new pool, as the current is significantly run down and deemed to only be fit for use for another four years. The bath is municipally owned and operated, and here their concern is whether a new public bath will be constructed soon enough as they know from experience that planning and budgeting for such a construction always takes a long time. This somewhat worries MASS, as they do not know what priority the public bath has for the municipality. Another apparent problem with the current situation as such is the capacity of the public bath, which is deemed as insufficient. In terms of possible collaborations the association are definitely interested engaging in corporate healthcare and other activities, but the available pool hours are not enough. They have the ambition of offering more pool hours to people but maximum capacity is already reached, especially during rush hours when MASS have priority due to their training sessions.

The respondents discuss the condition of the Åby area in general and state that if you want to appeal to the public, you need an area that is enjoyable and actually allows the public to visit, which is the one of the foremost problems with Åby today. The bath is the only facility always open to the public, whereas the football fields, athletics area, hockey hall and other facilities are primarily available to the associations. They believe that this must change if the aim is to attract more people to the area as a whole, as a significant problem is that the general public has little incentives to even go there. Therefore they argue that the amount of money spent on refurbishment matters little if the way of operating the facilities is not altered. If not attracting more people they will not yield any more profit or become more fruitful and sustainably successful in the long run anyway. The current way of operating the area also contradicts the very purpose of both Åby and Mölndal that aim to signal openness and to provide activities for the entire community. A related problem can also be seen in the approach of the different stakeholders. MASS means that the smaller associations

engaging in matters regarding Åby as a whole. This they believe to be a problem as engaging in a partnership would require all stakeholders to be willing to open up for activities outside their core and work in the best interest of the project.

## 4.4.2.3 Critical Success Factors

The respondents clearly state the importance of providing the residents of Mölndal and other surrounding areas with more and better reasons for visiting the Åby area. If occupancy is to increase, the area must undergo significant change and become more attractive to more people. The chair states that different areas within the city of Mölndal are growing independently, and that it is important to finds way of connecting them to each other to prevent them from becoming separate nodes. Integrating these areas will have implications for Åby in terms of better connection to other, as of now remote parts of the city and thus Åby would no longer be an isolated and somewhat hopeless area. This could be done by improving the infrastructure and public transportation solutions in and around the area, and by connecting the different parts through attractive bicycle and walking paths. The latter suggestion has been proven to work in Kungsbacka, where the city centre is now well connected to Kungsmässan in this manner, thus encouraging people to walk and cycle.

MASS further discusses how a PPP would help in creating an area that attracts the greater public. The most crucial part in achieving this goal is not to act against the fact that the area is currently shady and unsafe, as this affects the views of current visitors more. Of course, this is an important aspect to consider and can be easily remedied by better lighting and clearing up of the area, combined with restored greenery areas. This has implications for the first impression of new visitors, and is thus an important part in making the area feel welcoming. However both old and new visitors need better reasons for going there and not somewhere else, and here the key lies in transforming the area from being generally closed to an area that offers a range of activities to many different target groups. The primary focus should be on children and teenagers, and MASS exemplifies this by suggesting new areas for sports activities including skateboard ramps, obstacle tracks, parkour facilities among others. Nevertheless, as to work against age segregation activities such as boule lanes that appeal to larger, primarily senior age groups could well be included. They further believe that it is wise to invest in such activities that are relatively cheap and attracts visitors throughout the day, and that entice these to stay longer. Such activities also tend to attract spectators not primarily there for practicing sports, which is a vital part in making the area more vibrant and in transforming it into a meeting place for more people. In sum, the representatives from MASS believe that in order to perform all actions that are demanded in order to achieve the above mentioned goals, while simultaneously refurbishing the existing facilities and constructing new where needed, the municipality and associations need the aid of private companies. Therefore, they believe that forming PPPs will be necessary and help develop Åby into an area that is more appealing to the community.

Finally, the respondents state that in order to succeed with any collaborative effort it is important to acquaint oneself with the municipality's role in the partnership and not only demand financial aid, but rather see the wider potential of collaborating. This of course applies to all stakeholders. Even though MASS claims to uphold a good relation to the municipality, they believe that the engagement could always be increased. As to succeed with a PPP for this project it is important to connect all stakeholders and if necessary try to change their opinion of what the municipality actually does to improve the area. Conversely, the municipality must be more open about what they aim to do and what will actually happen as there often is a lack of clarity, which contributes to tensions between the actors. In relation to this, a main concern and success factor for any efforts of developing Åby as proposed by MASS is to have a clear leadership that facilitates such collaboration, and that clarifies roles and responsibilities so that tensions and conflicts are less likely to occur.

#### 4.5 Additional Stakeholders

This section presents the empirical findings from additional actors considered to be interesting stakeholders for a potential PPP in Åby. The Region Västra Götaland, VGR, is responsible for the public transportation solutions around Åby, and here discussions were held with the investigator-in-charge for public transportation as to clarify the future plans for solutions surrounding Åby. Further, Chalmers University and the University of Gothenburg are two other important actors to discuss potential collaborations with, as they have already been approached by the initiators of the project and have shown interest in participating. Here, discussions around the conditions for participating were held with those responsible for the relevant departments. Moreover, securing these actors, as partners could be an important step in the process of attracting other, private actors.

#### 4.5.1 Region Västra Götaland

According to a declaration of intent created by the four governmental parties in 2015, a target for year 2035 is to increase the share of people using public transportation in the Mölndal region by 15-20%. The respondent explains that this action is of national interest as the main road near Åby, Söderleden, is under severe pressure and must henceforth be relieved. The representative from VGR confirms that actions plans for the area in general exist. However, the various roads fall under the responsibility of different authorities and are thus partly administered by The Swedish Transport Administration, and partly by the Municipality of Mölndal. This entails a need for cooperation and these two actors work together with the Municipality of Gothenburg and VGR in order to establish what actions to take with regards to the land use in the area. As a result of this extended collaboration all initiatives tend to take more time, and thus any more in-depth plans have not been developed as of yet. Nevertheless, the respondent does state that as Åby is located within the focal area, meaning that any decisions with regards to public transportation will apply there as well, meaning that Åby's accessibility will be positively affected. In line with this the respondent further states that public transportation is an important aspect to consider in increasing the

attractiveness and accessibility of the larger area of Mölndal, and thereby also the Åby Recreational Area.

The plans in their current form stretch over 20 years, which according to the respondent clearly shows that the responsible organizations acknowledge the importance of maintaining a long-term approach to the issue of the city's future accessibility, and to offer sustainable transportation options. As this part of Mölndal is expanding and more people tends to move there, additional transportation solutions must be offered and thereby public transportation becomes an important issue to address. However, as of today there is a problem relating to the low usage that characterizes many bus routes. This indicates that increasing the number of routes would not be a profitable solution, but as the area grows so will the number of inhabitants, visitors and workers, meaning that more people will demand such services.

# 4.5.2 Gothenburg University and Chalmers University Of Technology

Chalmers and Gothenburg University (GU) have recently been appointed the National Sports Universities in Sweden, a venture aiming at strengthening the connection between sports and science. Since then, their efforts for improving their qualifications as universities in this respect have been intensified, and today they engage in both education as well as scientific research within the field. For the Åby project, the departments relevant for collaboration are GU's sports coaching section and Chalmers' sports research.

The respondents from GU state that they, as well as their students, consider GU to be an inner city university and that they wish for it to remain so. However, when presented the opportunity to partake in a potential development project in Åby and thus undertake parts of their activities there, they express a clear interest since they lack a permanent base for the practical aspects of their educations. By providing better opportunities for students to practice their knowledge the representatives from GU hope to increase the students' contact networks and thereby improve their chances of employment. They have experienced a decline in the admission of new students, which they believe to be the result of difficulties with finding employment within the sector.

The representative from Chalmers is immediately enticed by the idea of relocating certain parts of their activities to Åby. They are in need of a permanent hub where they can base their sports science operations, and here Åby is considered to be a very good alternative. This since the university conducts much research within the fields of water resistance and horse racing, areas that are very relevant for Åby. Chalmers do see plenty of synergy effects arising from partaking in the Åby project, as they would be allowed the opportunity to have a permanent base for their research and science operations within sports located where the actual activities are performed. The

respondent also believes that their research operations and the more pedagogical activities pursued by GU would be very beneficial for Åby in general, and help the various teams evolve. Their presence could be of value for other stakeholders mainly since partaking in the results of such research could mean performance improvements for athletes and hence be very advantageous for the various sports associations. Also, if the Åby area in addition would offer student housing and commercial activities, they believe that the movement of people would increase during the whole day.

Both the representatives from Chalmers and GU mention the importance of improving the site's accessibility. If aiming at becoming a more attractive area for universities and their students, public transportation solutions must be significantly improved. This since it will be vital to provide easy access from the Gothenburg city center but also from other regional centers nearby. Moreover, if student housing was to be considered this becomes an even more important issue as this form of transportation is vital for students and will be a prerequisite for these to even consider moving to the area.

The respondents from GU state that public health is often considered to be an area of governmental responsibility alone. However they do believe that on the contrary plenty of other actors, not least universities as themselves, hold a stake in public health issues and can contribute significantly in such questions. For Åby, which in itself is a great example showing the importance and the benefits of investments in public health related issues, they believe that in order to make any progress at all there is a need for additional actors. The non-profit associations are already in place but private investors must be attracted, and here they emphasize the need for the public actors to realize the importance of their contribution and of the project as such. The respondent from Chalmers discuss the topic in a similar manner, and means that there are tremendous synergy effects to be gained from a partnership of which the main intention is to improve public health.

# 4.6 Benchmarking

In order to provide a more holistic overview of the potential of the development project in Åby, a benchmark has been performed. The aim is to gain deeper knowledge of similar projects being initiated in Sweden, and to understand the similarities and differences in relation to the project in Åby. By doing a benchmark, challenges and pitfalls can be avoided and suggestions for partnership structures to use in Åby can be gained.

# 4.6.1 Arenastaden

Arenastaden in Växjö is the largest construction project in the history of the city with an investment cost estimated to about 600 million SEK (Fehrm, 2014). It was initiated in 2010 with an ambition of having the area fully completed by 2017. Arenastaden aims to be a center for sports, education, leadership and events that acts as a meeting place for the people (Växjö Kommun, 2013). The initiators of the project refer to it as

an American style project, where needs of different actors can be combined and synergy effects can be created. A goal of the project is to improve long-term development opportunities and to increase the attractiveness of Växjö in general (Fehrm, 2014). In line with this, the aim is that the area should be characterized by external openness and internal security, with good conditions for collaboration across sectors. What differentiates the area and makes it unique in Sweden is that the social benefits brought forth by increased possibilities for health activities is combined with commercial potential, the academia and business sector, which among other things leads to higher occupancy throughout the day. This also results in improved possibilities for integrating sports into the various sectors represented in the area. In addition the uniqueness is, according to the organization, further increased as the different sports associations cooperate and strive towards the same vision in a novel way (Växjö Kommun, 2009).

Another factor contributing to the uniqueness of Arenastaden is the financial structure of the project. The municipality of Växjö is the principal investor, however the different sports associations operating in the area are owners of their respective arenas. Such an arrangement is enabled by the municipality serving as an investment bank, lending money to the associations as to finance their respective investments in new facilities. The sports associations in turn have founded their own real estate companies that answer for construction but also ownership and operation of the arenas, while aided by the municipality that contributes with additional funds for capital and operating costs. Such a partnership enables the municipality to focus their efforts on developing the areas surrounding the arenas and on construction of additional facilities, while the sports associations are responsible for the existing facilities (Växjö Kommun, 2009a; Växjö Kommun, 2010).

As stated above, Arenastaden is developed and operated through a form of partnership between the municipality and the different sports associations. In addition, incorporating housing and office spaces into the area entails a wider form of collaboration that includes the academia and the private sector and lets sports and wellness activities be joined with these sectors, all of which has been an important part of the project's vision from the start. Naturally, all stakeholders have different requirements and aims that affect their definition of success. An important prerequisite is that the ability to independently construct facilities must be in place, an aspect that is catered for by the financial arrangements between the municipality and the different sports associations. This creates opportunities for both the business sector as well as various other stakeholders to participate (Växjö Kommun, 2010). Needless to say, the sports associations ability to develop their core activities is important, but the collaboration among the different stakeholders, both active and passive is seen as a key factor and integral to the entire project's strategy. This includes agreements regarding the division of usage of the facilities between sports and other events (Växjö Kommun, 2009b).

#### 4.6.2 Rocklunda

In Västerås, the privately owned Rocklunda Sports Area is currently undergoing major development with the aim of creating an even more attractive destination, with a focus on sports tourism. The owner, Rocklunda Real Estate, has initiated the development project in which focus lies on refurbishing the existing sports facilities as well as on building new ones. The investment is part of the company's vision for the year 2026, which includes providing the people with better ability to participate in sports and recreational activities at all levels (Sweco, 2011).

With approximately two million visitors a year, Rocklunda is the most visited place in the county, and thus already also a natural choice for visitors in terms of sports and sports tourism (Idrottens Affärer, 2015; Rocklunda Fastigheter AB, 2016). There are several existing facilities within the area that still serve their purpose fairly well, but by refurbishing these it is believed that they will be better equipped to accommodate future needs, and become even more attractive for visitors. Increased attraction of visitors is further reinforced by the plans of constructing additional facilities such as hotels and restaurants. Many of the arenas also serve as multi-purpose facilities, as is the case with ABB Arena Nord that primarily serves as a venue for ice hockey, but quickly can be converted to an exhibition or concert hall (Rocklunda Fastigheter AB, 2016). By utilizing such flexible solutions, and incorporating other types of businesses into the area, tenants will be able to run operations that technically fall outside their core business but do not entail any cannibalization effects, thus creating synergy effects and increasing occupancy of the area as a whole. Furthermore, the ownership structure of this area differs from both that of Åby and Arenastaden. As mentioned above Rocklunda is owned by the private actor Rocklunda Real Estate, who rents the entire area to the municipality on a long-term basis, and the municipality in turn lets the sports associations rent and operate the various facilities. Moreover, several of the different arenas are sponsored by major private actors that reside in the Västerås area (3P Arkitektur, 2014).

#### 4.6.3 World Village of Women's Sports

Another example of an initiative for creating an integrated area and a meeting place where sports and various other sectors join together and benefit from each other's expertise was taken in Malmö in 2008. At a projected cost of approximately  $\notin$ 200 million, the World Village of Women's Sports (WVWS) would focus on providing female athletes with the same conditions for development and progress as males and to significantly advance the position of women's sports (SISU, 2014; Architecture News Plus, 2016). This would be achieved by constructing a center where sports associations, academia, research and development activities and sports related services such as nutrition, medicine and sports equipment would all reside. Plans also included building of residential, commercial and office premises. The project thus aimed at serving as a one-stop for the international study and science of women's sports and sports practice (SISU, 2014).

The project was privately initiated and owned and the organization behind the project has since 2008 made heavy investments into various projects aimed at improving equality in women's sports and health. They were prepared to help the various partners in funding parts of their operations, as to ensure the success of the project as such. In spite of these promising efforts, the project was abandoned in 2013 primarily as a result of lost negotiations regarding procurement of new facilities for sports science (Nylund, 2013). This since it was deemed that the project's feasibility was contingent on participation from Malmö högskola, who are responsible for these activities and would have been one of the main partners of the WVWS.

As for Arenastaden in Västerås, private actors initiated the WVWS project. The vision was to connect sports, academia and the business sector in one single place and by this create synergy effects among the actors such as the benefits of knowledge sharing, and hence promote the status of women's sports in society. However, the project was criticized for being too focused on one group of users as well as being overly dependent on a small number of actors (Brackenridge, 2010). Furthermore, as opposed to both Rocklunda and Arenastaden the area did not possess any existing facilities for sports, leading to heavy investment costs. This together with major actors choosing to locate their operations elsewhere led to abandonment of the project and phasing out of the already made investments (Nylund, 2013).

# 5. Analysis and discussion

This section analyses the empirical material in relation to the theoretical framework as presented earlier in this report. In line with fulfilling the purpose of this thesis and to answer the research question, the aim of this section is to ascertain how PPP can provide value opportunities for the Åby project. This will be done by firstly presenting a comparison of the theoretical framework and the empirical findings in a table format, as to provide a lucid overview of the connection between these. Secondly, an analysis of the various stakeholders' views on strengths, drawbacks and requirements in relation to the Åby area as such is provided, followed by a review of specific advantages, challenges and success factors applicable to a PPP for the project. Lastly, a discussion regarding suitable structures for PPPs in Åby will be provided with respect to the specific circumstances derived from the collection of empirical data.

## 5.1 Introduction

Table 5.1, 5.2 and 5.3 provide a comparison between the theoretical framework of this study and the findings generated from the empirical material. The advantages, challenges and critical success factors of PPPs discussed throughout this thesis are all induced by theory and hence the following tables help clarify how theory and empirical findings come together. This aids in making any connections between earlier research and the case as such explicit and thus strengthens the subsequent analysis. The tables list all advantages, challenges and critical success factors referred to in this study. Moreover it shows whether the specific topic is mentioned in theory, in the empirical findings or in both, thus clearly showing where theory and empirical findings are aligned and where they diverge. Lastly, focusing specifically on critical success factors, table 5.3 shows that several concepts derived from theory can be linked to the empirical findings. Nevertheless, while these factors' relevance for the Åby project is ascertained, their establishment at this point is not. This will be discussed in more detail further on in this report.

# Table 5.1 Advantages

Advantages	Theory	<b>Empirical Material</b>
Increased investment budget	×	V
Public health benefits for the society	<b>√</b>	V
Knowledge sharing and improved market understanding	<b>√</b>	V
Improved performance and efficiency	<b>√</b>	V
Cost and risk sharing	V	V
Better generation of commercial value from public sector assets	V	V
Ability to collaborate directly with sponsors instead of using intermediators	×	V
Legitimacy and improved relationship with the community	<b>√</b>	V
Shortened time horizon for implementation	<b>√</b>	V
Better efficiency in the use of resources	<b>√</b>	V
Improved relationships between actors	×	V
Increased revenue and profitability	V	V
Better ability to realize individual stakeholder goals	×	V
Complementarity	٧	×
Sustainability	٧	×
Enhanced innovation capabilities	٧	×
Improved governance and management standards	V	×
Happier workforce	٧	×

# Table 5.2 Challenges

Challenges	Theory	Emprical Material
Attracting private sector attention	V	V
Display value creation in other terms than economical outcome	V	V
Management and leadership	V	V
Miscommunication and lack of trust	V	V
Poor relationships among existing actors	×	V
Structuring contracts and sequencing investments as to satisfy everyone involved	×	V
Level of engagement and performance	V	V
Inbalance between internal and external targets	V	V
Differences in time horizon	V	V
Differences in ideologies	V	V
Gaining support from leading politicians	×	V
Lack of vision, mission and objectives	V	V
Measure outcomes of the investment	×	V
Cost and risk allocation	V	V
Lack of previous experience of partnerships	×	V
Lack of willingness to learn and try new courses of action	×	V
High level of bureaucracy	V	V
Governance and accountability	V	V
Poor decision-making	V	V
Private actors claiming precedence over others	×	V
Forecast inaccuracy leading to termination of project	٧	×

Critical Success Factors	Theory	<b>Emprical Material</b>
Analysis of local needs	V	V
Clearly state the mission, vision and objectives	V	V
Clearly determin what is to be created	×	V
Ensure a clear understanding of how the partnership will create added value	V	V
Clearly state the roles of each partner	V	V
Analyse each partner's ability to create value for the community	V	V
Political and public support	V	V
Strong private consortium	V	×
Establish a clear action plan	V	V
Resolving tensions between existing actors	×	V
Interdependency and complementarity	V	V
Mutual accountability and cherishing differences	V	V
Identfy and overcome obstacles	V	V
Clear management with a strong and shared leadership	V	V
Ensuring clarity and openness in the different contracts	×	V
Power equity	V	V
Trust and commitment	V	V
Shared problem definition and approach	V	×
Attention to process	٧	V
Transparent procurement	٧	×
Credit and recognition	٧	٧
Communication linkages	٧	×
Explicit decision making process	V	×

Table 5.3 Critical Success Factors

# 5.2 Stakeholder Analysis

This section provides a discussion on how different stakeholders perceive the Åby recreational area as of today. During the course of the interview process several strengths, drawbacks and requirements relating to the Åby area as such were expressed. These discussions do not explicitly relate to the theoretical framework on PPPs, but it has become evident that the characteristics of the area that is to be developed among other things has important implications for the ability of such a partnership to create value. These findings thus form the prerequisites for several of the critical success factors as presented in the subsequent analysis of how a PPP would function in Åby, and will be presented in the following.

# 5.2.1 Strengths

According to theories of urban development, sustainability and social benefits are becoming an increasingly important aspect to consider in development initiatives (Wheeler and Beatley, 2014). Further, it has been shown that this is best achieved by forming innovative partnerships that help enhance value creation for all involved stakeholders (European Commission, 2003; Newman and Verpraet, 2010; Wagner et al, 2010; Osei-Kyei and Chan, 2015). As a part of motivating participation in such initiatives, it is important to beforehand state what value the project will bring, both to the intended public and to the investing parties. In terms of Åby, the actors present there as of today all see several strengths that contribute to the overall ability of the area to deliver value. These strengths mainly relate to the social benefits offered by the activities conducted there, but also to the favourable location and the unique colocation of such a large amount of different activities. The area is already an important destination within the city and offers advantages such as ease of access by car, a large catchment area and potential for commerce and other additional services. As stated by MASS, the city of Mölndal is growing and previously separated districts are becoming more integrated, which for Åby is very beneficial as it means improved connection to more parts of the city. Also, from a political perspective the land is earmarked for sports activities, and some level of development is already ascertained and anchored in the community. This is important to have in place when arguing for the value opportunities of the project to potential stakeholders. Sports areas such as Åby can contribute to increased health and wellness in society and foster social integration and diversity, which is an important prerequisite for a city or region such as Mölndal to flourish. From a municipal perspective, advantages stemming from investments in health related activities more specifically manifest themselves in the form of long-term cost savings. Such promotional activities save money for the city over time as they entail better public health, integration and lifelong learning, an aspect that is crucial to emphasize when raising investment funds from the public side. Moreover, a major strength of the Åby area as expressed by the majority of the stakeholders is the presence of experienced sports associations and subsequently also practitioners that can contribute with valuable expertise. This can be very helpful in both development of new facilities as well as in operation of the area as such, where the municipality has the ability to utilize the specific knowledge of the non-profit workforce that is constituted of the sports associations.

#### 5.2.2 Drawbacks

In order to successfully form a PPP and facilitate proceeding with the development efforts, theory states that it is imperative to overcome any obstacles that can be identified (Fox and Butler, 2004; Siemiatycki, 2010). Even though the empirical material presents a lot of positive aspects of the Åby area as such, several drawbacks relating to the current setup of the area are also expressed. According to the SWOT analysis, the survey, and the active stakeholders interviewed, the characteristics of the area in general show significant negative features that are believed to contribute to the low occupancy level throughout the day. Issues such as bad lighting and poor visual impression contribute to the perception of Åby as an unsafe area. Also, the fact that there are practically no other activities offered other than those conducted by the sports associations for their respective members means that there are little incentives for staying within the area longer than necessary, or for non-members to visit at all. Moreover the respondents, and the sports associations in particular, point at the

condition of the facilities as a major issue in need of immediate measures. They express that the functions of these facilities fail to meet the demand they actually face. The existing facilities are significantly run down and affected by mould and thus risk to soon be unusable. Also, from the municipality's perspective it has been challenging to ensure equality among the sports associations priorities in this respect, as similar problems apply to several actors in the area that all urge for immediate action.

In relation to this, another significant problem as expressed by both the municipality and the sports associations, is that the relationships between the actors are to be considered quite bad and characterized by miscommunication and lack of trust. This, they believe, contributes to the tense situation as of today and will aggravate any efforts to develop the area further. The football associations all agree that trust for the municipality is low, which mainly is a result of unfulfilled promises of refurbishment of their facilities in spite of their pressing needs. According to one football association this has led to a serious lack of trust as the associations now feel that the municipality does not value the effort they put in. Conversely, the municipality expresses that the relationship problems stem from differences in ideologies between them and the nonprofit organizations, where the associations tend to engage in more short-term thinking. The municipality states that they aid the associations financially, as nonprofit actors seldom possess any funds of significance themselves, but also that they generally do not receive facility maintenance good enough in exchange. Also, while admitting to the need for new pavilions for the football associations they state that they can invest in construction of basic facilities, but that they cannot help finance more customized facilities, as it is not their place. This since the municipality should support a broad range of activities instead of a few elite initiatives, and due to principles of justice they thus cannot help finance special efforts of single associations.

Moreover, some stakeholders try to understand the municipality's situation while others instead seem to take for granted that the municipality should be liable for all costs. MASS states that it is vital to put individual priorities aside and instead value the common priorities, as a joint effort for developing Åby will ultimately benefit each individual actor even more and hence many personal priorities will be met sooner or later. This they exemplify by their decision of not insisting on building an outdoor public bath, something they believe would be of great value for their visitors, as they realize that there are other matters that must be prioritized first. Furthermore the sport associations question the municipality's willingness to even invest in the surrounding area. They state that even if they themselves could finance any necessary construction efforts relating to their own facilities, they doubt that the municipality would do the same for the rest of the area. This they fear could result in that the current problems with the fragmented overall impression of the area would remain. Focusing on the area and the location as such, all stakeholders interviewed mention the accessibility in general and the public transportation situation in particular as being a vital drawback to consider. This issue is also raised in the survey, where respondents state that better public transportation solutions would mean easier access for young people and thus also have positive impact on visiting frequency. VGR does state that they forecast public transportation services in the region to increase by 15-20% by 2035, indicating that improvement efforts in the area will be made. When instead discussing the accessibility more in terms of on-site logistics, all respondents express several concerns. Here, signing, lighting and the orientation structure in general must be improved. If not, there will be challenges with attracting people to the site, as it today is considered unsafe and rather dull. Following this, the matter of the closed facilities also obstructs any effort to position Åby as an open area where activities are offered to the community during the whole day. Here, MASS means that in order to appeal to more visitors, the area must be fully enjoyable for the public. Moreover, the fact that many facilities are not open to the public complicates justification of setting aside public funds for investing in these, as the municipality states that their purpose is to invest in activities for the broader public. For this to change, the respondents state that there must be a clear plan for how to increase the number of activities offered in the area so that more incentives for visiting are given to the general public. This also includes a plan for what activities are beneficial and necessary in order to achieve this.

Lastly, the respondents from the municipality see the current administrative structure as a significant drawback, due to the lack of any clear management. As of now, five different municipal departments handle individual shares of the operation of the area. This division of responsibilities has resulted in that investments have been made in isolation, which has contributed to the fragmented and overall visually unappealing impression of the area. Therefore the culture and leisure department wishes to appoint a responsible management team and be the department that obtains the largest decision mandate for Åby. This they believe would be beneficial, as it would help them operate the entire site in a better, more coherent manner.

#### 5.2.3 Requirements

As have been clear throughout the empirical material there is a strong wish for creating a better Åby that gives a more uniform impression and offers better possibilities for sports and health related activities. This the respondents state would improve the area's ability to deliver value, something that according to theory is crucial to be able to demonstrate in the process of attracting private investors (Morrison & Co and Craigs Investment Partners, 2010; Bjerkne & Co, 2016). For Åby this includes improving incentives for visiting the area, something that all stakeholders agree upon as being a vital aspect to consider. The municipality of Mölndal has conducted several feasibility studies that aim to investigate this aspect, and as can be seen in the results from the survey study there is a demand for a more well developed sports area that offers a wider range of activities that appeal to more

people. This is also proposed by the various sports associations, as they deem this to be vital in order to attract more visitors. Here, several suggestions for improvement are given, and these viewpoints are very valuable for creating an end product that appeals to the intended public. The respondents suggest outdoor activities such as obstacle courses, beach volley fields, running tracks, skateboard ramps and a park as interesting to include in Åby. Further, they believe that it would be beneficial to transform some of the existing facilities into multi-purpose arenas where additional indoor sports and activities can be performed, thus enhancing flexibility of the entire area. Cafés, commercial areas and other social venues are also mentioned as interesting investment objects deemed as beneficial for the area's attraction value, as this would create incentives for more people to visit but also for staying in the area longer. Furthermore, requirements for creating a safer area that feels welcoming and pleasant are expressed, which will make people stay longer and hence increase occupancy throughout the day. Here, Bjerkne & Co states that when developing a destination, accessibility is one of the primary factors to consider as this has direct effects on visitor frequency. This is also expressed by the majority of the respondents as something that would increase the perceived value of the area significantly, as better public transportation possibilities would not only improve the ability to reach the site but also allow for more spontaneity in terms of visiting.

#### 5.2.4 Summary of Stakeholder Analysis

After interviewing the different stakeholders it has become evident that they all see several strengths with Åby that all help promote the value of investing and developing the area further. Nevertheless, several problems are also highlighted that must be rectified as to ensure maximum yield from any development efforts. Lastly, the stakeholders also present their suggestions for improvement efforts in terms of what they believe is required for the area to become more appealing to present as well as future visitors. These different aspects lay the foundation for any further development efforts and must thus all be considered in the process of forming a PPP. As to provide a holistic overview of these strengths, drawbacks and requirements the abovediscussed findings are summarized in figure 5.1.



Figure 5.1 Summary of stakeholder analysis

# 5.3 Public-Private Partnership Analysis

The main focus of the interviews was aimed at discussing different aspects of PPPs and how these stand in relation to the Åby project. The aim of this was to unravel the various stakeholders' opinions of using such an approach to the development of Åby and thereby generate insights into what value opportunities this could entail. Here, the main focus was on establishing what advantages, challenges and critical success factors such a partnership would face in Åby, thus largely following the structure of the theoretical framework. The findings generated from the different interviews have been compiled and are in the following presented jointly.

# 5.3.1 Advantages

The foremost advantage of partnering with private actors for the development of Åby is according to the majority of the respondents that the joint efforts taken can help strengthen any efforts made, mainly as a result of the increased investment budget. Accessing more funds and private actor expertise will enable application of a more holistic approach to the development project and help fulfil the ultimate goal of the Åby area as such, that is improved social benefits for the community. This is also stated as an advantage of a PPP in theory (Thomas and Curtis, 2003; Buse, 2007). Furthermore, theories of PPPs point at several advantages, of which knowledge sharing and improved market understanding are two important benefits that could be offered at Åby (European Commission, 2003; Mann et al., 2007; McKinsey & Co, 2009). As stated by the municipality, the presence of experienced sports associations and subsequently also practitioners that can contribute with valuable expertise enables such knowledge sharing and can thus contribute to successful development. This will

mean better overall performance which is also an advantage of PPPs (Morrison & Co and Craigs Investment Partners, 2010), as facilities will as far as possible be developed to suit the needs of the intended users. Such performance advantages also stem from the ability to utilize the non-profit workforce that is constituted by the sports associations. As of today the bath is an excellent example of how market knowledge can be used to improve performance. The manager employed by the municipality has previously been active in the swimming association and thus understands their needs while simultaneously understanding the needs of the municipality. However MASS runs the swimming school, as they are deemed as more capable to handle those activities. Having such an organization in place is an advantage for Åby as it provides an opportunity to learn from existing examples when deciding on how to best structure future contracts in order to leverage the knowledge sharing opportunities. Also, by being brave and adopting innovative partnership solutions, the municipality will simultaneously manage to keep costs and risks down (European Commission, 2003; Mann et al., 2007; Mistrarihi et al., 2013).

The municipality is attracted by the ability of raising more capital through partnering with private actors. The investment budget is strained and by accessing more capital, the joint efforts would enable them to develop the area further and not only taking the most urgent measures. This would result in ability to apply a more holistic approach to the development process and change the current fragmented impression of the area. Adding private funds thus leverages the effort of the public investment and enables better construction of the area as a whole. This harmonizes well with what is stated in theories of PPP, that appoint better generation of commercial value from public sector assets as one of the most important advantages (European Commission, 2003; Mistrarihi et al., 2013). Another advantage of PPPs as stated by the municipality is that of collaborating directly with private actors as sponsors, instead of having various associations as intermediaries. Such a structure is significantly simpler and does not entail as much risk of one single actor claiming precedence over other users of facilities. For the public side sponsoring principally means access to more capital and as is confirmed by literature on the subject, for the private actor benefits can involve better anchoring in the local community, a better public image and legitimacy, and the sheer commercial value of having their name on the arena (Spink and Merrill-Sands, 1999; Osei-Kyei and Chan, 2015).

The interviewed associations firmly believe that a public private partnership would be very beneficial for the development of the Åby area, mainly since this would contribute to speeding up the process. This is also mentioned in theory as being a significant advantage of PPPs (EU Commission, 2003; McKinsey & Co, 2009; Mistrarihi et al., 2013). Also, they see clear advantages in terms of the ability to share costs and risks, which could mean higher probability of realizing their wish for better facilities that allow for increased usage during more hours of the day (Mann et al., 2007; Mistrarihi et al., 2013). They believe that offering facilities where members and their close ones can and want to stay outside practice hours will be an important

contributing factor in creating an overall attractive area. In general, the ability to cooperate in order to improve the overall impression of Åby is seen as one of the major advantages a PPP would entail. This also relates to advantages in terms of better efficiency in the use of resources as described in the literature (European Commission, 2003), as it can lead to better use of the facilities. Common actions towards a better area would not only improve overall performance but also improve the relationships among the actors in general, and with the community and the municipality in particular.

In sum, the advantages of developing Åby through a PPP largely agree with what can be found in the literature. By inviting private actors to partake in this project, it is believed that costs and risks can be shared while additional knowledge and market understanding is gained. This then could result in better overall performance due to greater efficiency and shortened time horizon for project implementation, as capital will be available for investment more quickly. Also, the facilities owned by the municipality will be optimized as a result of the combination of private sector funds and the expertise of the concerned associations. Nevertheless, the literature lists a number of advantages with PPPs of which there is little evidence to be found in the Åby project. Advantages such as happier workforce, enhanced innovation capabilities and better investment in infrastructure are not directly visible here. This however is not that remarkable as theories mainly describe general findings of which not all are applicable on each partnership. Yet the empirical material clearly shows that in terms of a PPP for a development project aimed to generate social value, the majority of the advantages as described in the literature applies.

#### **5.3.2** Challenges

Bjerkne & Co state that it is very rare for arena projects to be financially profitable, meaning that it can be hard to attract private investors if not explicitly pointing at the socio-economic advantages that can be gained. In line with this, theory mentions a challenge relating to the problems with finding ways to show how value can be created in other terms than economic outcome (European Commission, 2003; Teicher et al., 2006; Tonnqvist, 2012). The municipality of Mölndal however believes that private actors today do have incentives for investing in such projects, as social sponsoring is increasingly becoming a valuable part of companies CSR policies. Moreover, Bjerkne & Co (2016) expresses the importance of uniqueness when developing a destination, such as elite programs that attract sponsoring or other investments. Here Bjerkne & Co sees a challenge specifically for Åby as they lack elite level sports. However, the municipality believes that the area's uniqueness in terms of its location and wide supply of sports for the whole society acts as compensation for the current lack of elite initiatives.

A major challenge for a potential PPP in the Åby area relates to the composition of a project management team. Theory mentions the lack of a clear management as a great challenge, as it often results in miscommunication and lack of trust (Fox and Butler,

2004; Weihe, 2008). The sport associations in the Åby area all state that faith in the municipality is low, mainly stemming from the fact that they all have been promised help with refurbishment and construction efforts that have never come about. This, according to one football association, has led to feelings of disappointment as they feel that the municipality does not value their effort. Also, from the municipality's point of view, there is a lack of trust, as ideologies between them and the non-profit organizations tend to differ. The municipality gives financial contributions and subsidized rent, as non-profit actors seldom possess any funds of significance themselves. In return they expect associations to operate and maintain the facilities in a sustainable way, but this they claim in general not to be the case but instead they experience a certain amount of neglect in this area. Another challenge in terms of the relationship with the associations is how to structure contracts and sequence investments so that all actors are content and treated fairly. Both the associations and the municipality elucidate the importance of involving other actors to speed up the process in this respect. This since the municipality will not be able to finance such a large investment effort themselves but will have to portion investments over a longer period of time, which can lead to indignation and conflicts. In relation to this, MASS emphasizes that it is important to be able to collaborate and push for your cause without being too greedy.

The level of engagement differs substantially among the different stakeholders. Some actors appear to assume that everything will be handled at the expense of the municipality, while others try to understand the situation from their perspective. Overall, there is a clear imbalance between the different stakeholders' interpretations of the situation. According to theory, to able to initiate a PPP partners must decide upon how the project should be managed, and clearly decide what role each stakeholder should have (Fox and Butler, 2004). Bjerkne & Co sees little coherence among the actors in the Åby area as of now, and if bringing in private investors this will pose a serious problem. Moreover, the football associations are doubtful about actions to be taken by the municipality. Even if the associations were to finance restoration of their own facilities they question whether the municipality would invest in the surrounding areas, which would be crucial in order to achieve the much-needed coherence in the area. This since they claim that not much has happened as of yet. However, the municipality views this problem from a different perspective, relating to the situation that arises when not all stakeholders understand the time-horizon of the project. The public side is mainly concerned with longer-term matters while the sports associations often see acute needs, which entails a reluctance of waiting for the municipality's long-term plans to be realized. Here, clear connections to theory can be made. According to Fox and Butler (2004) differences in ideologies and lack of appreciation of the time-horizons of the different partners' goals are challenges PPPs often are faced with. If partners do not understand each other's' perspectives and incentives, succeeding with the partnership will be a difficult task. Hence actors must understand that it is important to put personal priorities aside, and instead value common priorities first. In doing so, the common good is strived for and as a part of

this personal priorities will be addressed and fulfilled at a later stage. MASS, for example, have decided not to push for an outdoor public bath even though they believe that this would be of great value for them, as they know that this would most likely be a subordinated priority.

At first glance a main challenge the project faces appears to be how to convince the leading politicians that the area should be prioritized and invested in. Already in 2012, the SWOT analysis highlighted challenges in terms of finances. This pointed at the fear of not being able to ensure approval from politicians, and hence not have sufficient funds as to implement the necessary measures. However, as can be discerned from the interviews with both the municipality, the actors present in the area and experts within the field of PPPs in destination development, it has become clear that this might not be what has ultimately hindered realization of previous plans. Bjerkne & Co believe that past failures do not depend on the hesitation of the politicians per se, but rather on the persistent lack of a shared vision. According to theory, it is imperative to create a shared vision where all partners see and appreciate the full potential of the project (Fox and Butler, 2004). For Åby, several visions have been created from the perspectives of different stakeholders, but as of yet none of these has been very explicit. The municipality, MASS and one football association visualize a form of integrated campus for health and sports, while another association mainly refers to construction of new changing rooms and a pavilion when discussing the vision for Åby. The differences in opinion regarding what the project should focus on has its roots in what theory describes as miscommunication and lack of mutual understanding among the stakeholders (Weihe, 2008).

An important step in realizing the project is thus to clearly determine what should be achieved. Several visions, roadmaps and analyses of the area have been made that all offer valuable suggestions for improvement efforts. However, little clear argumentation is provided as for what makes Åby unique and attractive, and how these improvement efforts are thought to contribute to this. It is obvious that many facilities are run down and need to be refurbished or completely rebuilt, and the visions all point at the importance of proceeding with this and thus creating a more attractive area characterized by sports and health. Yet, no detailed financial budgets have been created, and little examples of how the project will be financed are presented. Nevertheless, at this stage Bjerkne & Co argue that emphasis should be on presenting the core intentions behind the project and how value is to be created, both in the short and long term and with respect to social, cultural and physical aspects. Here, the municipality and Bjerne & Co both state that a challenge of PPPs focusing on public health is the difficulty of measuring the outcomes of investments as these are not primarily economic, something that is also addressed in theory (European Commission, 2003; Teicher et al., 2006). However, as stated by Bjerkne & Co and Chalmers, measuring value of a more intangible nature is admittedly more complicated but not at all impossible.

In terms of facilities the existing ones are run down and severely affected by mould, and thus risk being unable to serve their purpose in the near future. Similar problems apply to several actors in the area that all urge for immediate measures, and it has thus been challenging for the municipality to ensure equality among the sports associations priorities. However, as to succeed with a future PPP the actors must establish better coherence among priorities and create an understanding of the logic behind this. Poor decision-making is according to Fox and Butler (2004) a challenge often leading to conflicts, and this is clearly evident in the Åby area where the managerial situation is characterized by confusion. Also, theory connects such problems to the lack of an understanding of internal as well as external goals (Fox and Butler, 2004). In relation to this, the respondents from MASS claim that some associations seem to face problems with engaging in activities that fall outside their core. As previously discussed, it is vital that external targets are strived towards jointly and by all partners as this will be beneficial in a long-term perspective and thus lead to fulfilment of their respective goals at a later stage. This will be even more important if they aim to rebuild certain facilities as to suit multi purposes, as this would mean increased interaction with other associations and activities and thus entail an importance of collaborative skills and flexibility.

The respondents from the municipality see challenges with structuring the administration of Åby. Today, five different departments are responsible for operating the area, but no single management team in charge of making decisions exists. Instead these departments do as they deem to be best for their individual areas of responsibility, which has contributed to the lack of coherence experienced at Åby as of today. The representatives from the culture and leisure department see a vital need for appointing a site manager and a full time project group for Åby, and they strive towards themselves being the department with the largest decision mandate as this would help them operate the area in a better way. Having a team with ultimate responsibility and authority regarding decisions would help in becoming more efficient, and prioritizing among different actions and the order in which they should be executed. This also corresponds to theory that states that poor management and leadership often is a challenge faced by PPP projects (Fox and Butler, 2004). However, as to achieve this goal it is important to clearly state the superiority of such a way of organizing to the other departments, as to limit the risk of conflicts.

Moreover, the public side has further internal challenges to overcome. The ability to raise funds internally does exist, but the culture and leisure department competes with other departments and projects, such as investments in schools and welfare. It is thus clear that a PPP would be beneficial for this project due to its ability to solve such financing problems. However it is not enough to simply state that a PPP would be a good solution, especially as no private partners are secured as of yet, but also to prove the added value possibilities investing would entail. As previously discussed, the municipality sees a challenge in demonstrating the benefits that private stakeholders can gain from their participation, something that is also confirmed by theory

(European Commission, 2003). However, they also state that relatively simple efforts can be made as part of the process of convincing these. This could for instance involve developing a new site map where land is offered for commercial industries to purchase, or marketing Åby through its unique selling point and thus emphasizing its favourable location and ability to offer a superior range of sports and activities for the community. Such measures are also discussed by Bjerkne & Co who states that Åby needs either a stronger unique selling point or a higher commercial value which can be achieved by incorporating a wider range of health related activities into the area, either by selling land or forming lease agreements. However, if selling off land to private actors the purchase agreement must, according to one respondent from the municipality, be structured in a way that ensures that the profit earned is reinvested in the Åby area and not used elsewhere.

Another factor highlighted in theory as a challenge for PPPs is that of how to allocate risks when sharing responsibilities (Fox and Butler, 2004). When collaborating in projects that primarily offer social benefits, equally dividing risks becomes difficult. Åby is developed for the community and thus primarily for municipal interests and activities and as stated by the respondents from the culture and leisure department, if demand proves to be insufficient the municipality will bear the risk as the facilities are of little use for others. Equal allocation of risks can subsequently be a difficult challenge to overcome. This was also expressed as a major threat to Åby in the SWOT analysis where concerns regarding the risk of uncertainty in demand forecasts were discussed. In relation to this Bjerkne & Co discuss the importance of explicitly determining the structure of the partnership and the investments beforehand as to avoid unpleasant surprises and conflicts at later stages. Further complicating this matter is the municipality's lack of previous experience of such collaborations and contracts. It is hence of utmost importance to show commitment to the project and aim full efforts at analysing how to best structure partnerships.

The process of forming partnerships entails another challenge for Åby, in terms of partners not being willing to learn and try new courses of action. The city of Mölndal's ambition is to be a brave city, but historically they have shown little such tendencies. The challenges this poses for contractual matters is discussed by one respondent from the culture and leisure department, who highlights the possibility of selling land to private partners under certain purchase agreements, such as in exchange for facility investments. By doing so, the partners could overcome some of the challenges relating to contractual matters, as the partnership would only apply to the construction process. After this ownership of the facility would be fully accrued to the municipality. In the case of Mölndal the municipality would strongly prefer to maintain full responsibility for the area, claiming that this will enable them to ensure that the facilities are used as fairly as possible and to budget for operation and staff as they wish. However, they do admit that public funds are insufficient and that they therefore must invite private investors, hence relinquishing some responsibility. Lastly, inviting private actors can also entail challenges if these claim the right to

control parts of the operation of the facilitates and if this is not in line with the aims of the municipality. In particular, if private investors act as sponsors they might feel entitled to claim prioritized usage rights of the facilities they sponsor. This could according to the municipality lead to conflicts of interests and challenges with securing the flexible usage of the area that they emphasize as crucial.

### **5.3.3 Critical Success Factors**

The theoretical framework for this report provides two holistic models of success factors for PPPs (Figure 3.3; Figure 3.4) in addition to evidence from the literature in general. These factors are all vital to consider in order to maximise the likelihood of forming a fruitful partnership. However, all partnerships are naturally unique in their kind and can thus not all follow the exact same framework, and instead these factors should act as guiding principles for partnership formation. As explained earlier the Åby project is in its very initial phase and therefore evaluating every aspect of the future partnership with the aid of these models is not entirely feasible. Instead, analysing the current situation at Åby in relation to these success factors can give indications as to what the prerequisites of Åby actually are, where they already now lack in capabilities and to which areas efforts should be aimed as to facilitate future collaborations. Analysing how the Åby project stands in relation to this context can then facilitate the setup of a successful strategy for the progress of a PPP.

Theory states several prerequisites for successful formation of PPPs, both in terms of aspects to consider before initiating projects, and aspects that are more important at later stages in the process (Spink and Merrill-Sands, 1999). As the Åby project is in the planning stage and no real efforts to raise private funds have as of yet been made, the most important success factors to consider at this stage are those regarding establishing the foundation for successful collaboration. An aspect emphasized in theory that is also mentioned by Bjerkne & Co is the importance of letting an analysis of the local needs function as a foundation for the creation of the project (Fox and Butler, 2004). Today, there are little incentives for people to visit Åby. The municipality of Mölndal has conducted several feasibility studies that aim to investigate this aspect, and as can be seen in the results from the survey study as well as the stakeholder analysis there is a demand for a more well developed sports area that offers a wider range of activities, appealing to more people. Here, several suggestions for improvement are given, and these viewpoints are very valuable for creating a product that appeals to the intended public.

As to lay the foundation for creating a successful partnership and subsequently also a successful end product, before proceeding with any plans the initiators must clearly state the mission and objective of the project as such (Spink and Merrill-Sands, 1999; McKinsey & Co, 2009). As the empirical material shows, one of the foremost problems with Åby has been the lack of a unified vision and little consistency in investments, which has resulted in a fragmented and rather unappealing impression of the area as a whole. As stated by Bjerkne & Co the most pressing need for Åby is for

those in charge to do their homework and clearly establish what it is that they aim to create. Bjerkne & Co state that this can be done by asking a few basic questions, such as for whom they are doing this and why. This in order to understand what local needs there are, to create a holistic view and to develop a clear profile for the project and what it aims to achieve. A basis for such an effort has actually already been created and much valuable material exists in both the SWOT-analysis and the survey study. Furthermore, Bjerkne & Co state that developing the profile for Åby should be done in collaboration between the municipality and the active sports associations as to utilize as much of the available competences as possible. As confirmed both the associations and the municipality, the associations and their members undoubtedly have the best knowledge of their requirements and therefore utilizing their input in the development process is to be considered as very advantageous.

According to theory, other critical success factors at the initial stage of a development project are the ability to ensure a clear understanding of how the partnership will make a difference and create added value, and what role each partner has in this value creation (Spink and Merrill-Sands, 1999). This is vital for a potential partnership in Åby as the participation of private actors is contingent on the ability to demonstrate how they benefit from collaborating. As explained by Bjerkne & Co, Åby hosts no elite programs and therefore offers little opportunities for commercial value in terms of sponsorship benefits or larger events, which can affect the ability to attract private actors negatively. Private actors are drawn to investment opportunities that stand out and thus raising private funds for public sports facilities is a difficult task. When instead focusing on offering a broader range of sports activities the value opportunities manifests themselves in terms of social benefits that span over a longer time horizon and are of a more intangible nature. As stated by the municipality such value is harder to argue for as the discussion regards future benefits that cannot easily be quantified. What complicates matters further is that such argumentation always entails a competition over investment funds with other areas of municipal responsibility, such as schools and welfare. Nevertheless, Bjerkne & Co state that this should not intimidate you but instead as clearly as possible state these benefits and the implications they have for all potential stakeholders. Otherwise these are given little incentives for participating apart from pure charity reasons. This is seldom enough, and a danger here is that companies can disregard such proposals, arguing that they contribute to financing culture and leisure activities for the community by paying corporate tax. Moreover, as to attract investors Bjerkne & Co emphasizes the importance of being tactical in demonstrating the value their participation can entail. This could be done by presenting attractive solutions for the project such as construction of multipurpose arenas, inclusion of commercial premises and logical sequencing of investments.

Moreover, theory states that it is important to not only analyse the entire projects but also the different partners' ability to create value for the community (Spink and Merrill-Sands, 1999). A PPP for the Åby project would involve several different stakeholders, of which many are active in the area as of today. It is important to specify the role each partner has in this value creation, and by this define how responsibilities should be allocated so that the common goal is met (Deloitte, 2010). This also relates to the importance of governing for the partnership, by beforehand developing a clear plan and by clarifying the rules of the future collaboration (McKinsey & Co, 2009; Deloitte, 2010). Doing so will also contribute to minimizing the risk of confusion and subsequent conflicts. After interviewing the different stakeholders active within the area today it becomes evident that such problems already characterize many present relationships, and that this is a situation that must be resolved if any successful joint efforts are to be taken. For instance, some associations feel neglected and misunderstood by the municipality, whereas the municipality in turn feel that the associations are unwilling to see things from a wider perspective. Nevertheless, MASS claims to uphold an in their opinion good relationship with the municipality and they emphasize the need for all stakeholders to understand and respect each other's circumstances. This they believe will be imperative for collaborating and successfully developing Åby.

After a clear vision for the Åby project has been created a prerequisite for realizing this vision through successful collaborations is that the different actors understand and appreciate how utilizing the diversity and wider knowledge base can create value. This corresponds to another foundation element for successful partnerships as described in the literature, namely that of ensuring interdependency and complementarity between the different actors (Spink and Merrill-Sands, 1999). The various actors at Åby experience difficulties in understanding each other's situations and seeing each other's strengths, and therefore it has been hard to create a strong relationship among them. If this could be overcome, as described by Spink and Merrill-Sands (1999) instead an air of mutual accountability would be established, where the partners can trust others to uphold their end of the contract and that they work towards the common goal by acting in the best interest of the project. Mutual understanding and appreciation also lies at the core of another success factor discussed in the literature, namely the importance of cherishing each other's differences (McKinsey & Co, 2009). All stakeholders contribute with their specific knowledge to a project, knowledge that is uniquely shaped by their circumstances. For Åby this not only relates to overcoming dissensions in the present relationships, but the existing stakeholders also need to make any private partners understand that their contribution is cherished. As stated by Bjerkne & Co, showing appreciation for private contribution is of essence especially when the project you promote has limited ability to display immediate financial advantages for investors and instead promotes social benefits.

Highly relevant for Åby is also to identify and overcome potential obstacles that the partnership might face, as described in theory by Fox and Butler (2004). As already discussed, several issues are evident that affect the possibility of creating value and of even forming a PPP for the project. Solutions must be provided for measuring and

showing the value offered by the social benefits a well-developed Åby area can entail, as this affects the ability to raise funds from external partners. Here, a potential obstacle also lies in the limited ability to attract private investors as sponsors by arguing for the commercial value of being seen at Åby, as explained by Bjerkne & Co. Nevertheless, the municipality does not see this as a major obstacle as they are firmly convinced that there are private actors that wish to engage in social sponsoring and doing something for their community as part of their CSR efforts. Moreover, the tensions between actors are to be regarded as one of the foremost obstacles for successful development of the Åby area. As described by MASS, resolving this issue will be imperative for collaborating and succeeding with developing a good product. MASS is to be regarded as a quite influential actor in the area. Thus, as they understand the importance of mutual understanding they could be of help in acting as mediator between the municipality and the other associations, as they are acquainted with both sides' situations.

A factor contributing to many obstacles that are apparent at Åby as of today is the lack of a strong leadership in charge of the area as such. Having a strong and shared leadership in place is stated in theory as a vital foundation element that must be in place in order to succeed with a PPP (Spink and Merrill-Sands, 1999). Today, the area is the responsibility of five different departments within the municipality that each handles different parts of daily operation and maintenance. Consequently there is no single management in charge, which according to several respondents has contributed to the history of irregular investment efforts and overall fragmented impression of the area. Also, contracts with the various associations are quite differently structured and there are consequently a lot of different opinions regarding what should be prioritized and at what cost. As previously discussed, the relationships among the current stakeholders are characterized by confusion and mistrust, something that potentially could be partly counteracted by forming a strong and just leadership with the authority to develop a clear profile for the area. A strong and shared leadership also means that all partners should be actively involved and motivated in forming a joint management. Naturally, the current phase of the project complicates provision of any clear definition of such leadership, mainly since private partners have yet not been contracted and these should also partake in the leadership composition. A relating aspect to consider here is also the issue of power equity as described by Spink and Merrill-Sands (1999), which in a partnership is vital to establish from the very start as to ensure that the relationships are characterized by mutual trust and appreciation. Although the Åby project still is in its very initial stage and such matters mainly is an issue when the partnership structure is clearly established, the relationships that exist as of today will lay the foundation for future collaborations. Therefore, as discussed above, establishing these foundations as soon as possible is highly desirable.

When analysing the Åby project in relation to theories of success factors for partnerships, it becomes obvious that most of the foundational elements of success are lacking as of now. Naturally, having all these in place is of essence first when a partnership is more developed, but for Åby even establishing these under the current conditions might be a difficult task. Regardless of the structure of a potential partnership, the success of any development project as such is as previously explained contingent on creation of a compelling vision (Spink and Merrill-Sands, 1999). This discussion is in essence the same as the above argumentation regarding clearly stating the project's mission and objective. As is evident throughout the empirical material, although many vision statements in various forms have been presented there is as of now no detailed vision that clearly describes what Åby should become. As stated by Bjerkne & Co, this is the absolutely most important factor to have in place when pursuing the plans of forming a PPP, as such a vision must be presented to potential investors and collaborators. Here the municipality must also understand that it might not be the political aspects per se that repeatedly hinders realization of the plans, but rather the lack of a vigorous effort to create a clear vision of what they really want to accomplish. If, as Bjerkne & Co expressed, managing to clearly show what contribution developing Åby gives to the region, why this is important and how it is to be accomplished, attracting private capital becomes easier and thus the municipal executive board is also more likely to accept the project and contribute their share. In essence this all comes down to the importance of clearly stating the project's unique selling points and ability to create superior value, by presenting the project in a unique way that shows how private actors will create benefits for themselves as well as societal, cultural, physical and economic value for the region. This then facilitates establishment of partnerships. If gaining acceptance from private investors, the respondents from the culture and leisure department also believe that it will be easier to prove the importance of allocating resources for this project from the municipality's side. Subsequently, the project would become better anchored in the society, as fewer investments would be made with tax money, which many people believe should be used to finance other sectors, such as schools and welfare.

According to the eleven elements of successful partnerships, after establishing the foundation elements partners should continue with securing the sustaining elements that help ensure the long-term success of the partnership (Spink and Merrill-Sands, 1999). Here, the hardest element for Åby to secure appears to be that of establishing trust and commitment among all stakeholders. The public actors express that they must allow themselves to trust in private investors and in PPP as a collaboration form in general. As of today, they see the non-profit associations as private actors in a potential partnership, but as stated by Bjerkne & Co this does not hold as they do not have sufficient funds for financing any larger refurbishment efforts. Reversely, the non-profit associations need to gain trust for the municipality. Due to past experiences, they lack trust in the municipality and their priorities. As described by Spink and Merrill-Sands (1999) a potential PPP effort must involve giving attention to the process of collaboration as to be able to mitigate conflicts and power differentials that may arise along the way. The associations know that different visions for developing the area have existed for almost 40 years and yet few real efforts have been made to improve the area to any greater extent, which they state

results in scepticism towards any new development initiatives. In relation to this, there is a great importance of developing a clear action plan for the process, starting with the vision and a description of the planned efforts. This should also include a definition of the needs that lay as a foundation for these efforts, followed by a clear description of how to attract investors and other stakeholders. As stated by several respondents the existing roadmaps are not enough, but these should instead be developed to show a more explicit decision making process, budgets, priorities, and time plans. And, in order to reach this the stakeholders must establish trust and commitment from the beginning.

### 5.3.4 Summary of Public-private Partnership Analysis

As has been made evident, the empirical material shows many similarities to what theory states as important advantages and challenges for PPPs, whereas little evidence is found with regard to fulfilment of critical success factors. However, as previously stated every partnership is unique and analysis of any project must be done with respect to the project's specific circumstances. For the Åby project, focus currently lies on highlighting the value added the project can entail and to create a strong and shared vision, as to attract private partners to a potential PPP. Hence, it has become clear that some of the advantages, challenges and critical success factors as described in theory correspond better to the specific situation of Åby than others, and these have been summarized in figure 5.2.

	ant		

- Access to more capital

- Knowledge sharing

- Improved market understanding
- Cost and risk sharing
- Better generation of commercial value from
- public sector assets
- Ability to speed up the process
- Greater efficiency in the use of resources
- Improved relationships

#### Challenges

- Demonstrate value creation ability and benefits to private partners
- Lack of a clear management and leadership
- Miscommunication and lack of trust - Differences in priorities and ideologies
- Differences in priorities and
- Lack of a shared vision
- Risk and cost allocation
- Poor decision-making
- Understanding of internal and external goals

## **Critical Success factors**

- Define and analyse local needs
- Specify the roles
- Prove uniqueness and value created
- Develop a clear action plan
- Mutual accountability
- Trust creation
- Power equity
- Strong and anchored interest in PPP
- Clearly state the mission and objective
- Strong and shared leadership
- Govern for partnership
- Interdependency and complementarity
- Cherish the differences
- Identify potential obstacles
- Compelling vision

Figure 5.2 Summary of advantages, challenges and critical success factors

### 5.4 Discussion

There is an acute need for action in Åby, especially in light of the persistent lack of serious action that has been evident throughout the area's history. Many facilities risk not being able to serve their purpose in the near future and are thus in great need of refurbishment, and simply continuing to address the most acute needs in essence only acts as a short term solution. Instead, adopting a more long-term perspective could be done by pursuing a holistic approach and transforming the Åby area into a vibrant venue for sports and health related activities that better cater for the needs of the community. The municipality wishes for Åby to attract more visitors and to serve as a meeting point for the people of Mölndal, but financing such an initiative solely with public funds would be a quite difficult task. In line with this, developing the Åby area through a PPP is expressed by the municipality as a very interesting and desirable solution. This is also expressed by the different sports associations active at Åby as of today. Raising private funds would thus entail the possibility to take more than just the most urgent measures and is a decisive factor in being able to achieve a higher attraction value. As has been made evident throughout the prior analysis, achieving this would entail several benefits and synergy effects such as opportunities for knowledge sharing and efficiency improvements. All of this helps in achieving the ultimate goal of a sports and health venue, that is better social benefits for the people.

### **5.4.1 Value Creation**

The benefits of attracting private investors are inarguable, however the ability to attract such investors is less evident. When analysing the situation at Åby in relation to theories of PPPs, what appears to be most pressing is to establish a solid foundation to subsequently base such a partnership on. Theory points at a number of critical success factors that must be in place in order to maximise the value creation of a partnership, and although no partnership is initiated as of now and not all these success factors can be directly applicable to Åby, it is evident that the prerequisites for even establishing them are lacking. The most vital aspect to consider before moving on towards forming a PPP in Åby is therefore to clearly state the value added by this form of partnership and the project as such, as this is crucial to present to those private actors they wish to involve. Private actors must be made aware of what the intentions with the initiative really are and how such a partnership can create value, both in the short and long term, and in terms of social, cultural and physical value for the community. Moreover, such value creation is contingent on the area's ability to attract more visitors, and thus this is an important aspect to emphasize.

The municipality has created numerous visions of what they wish for Åby to become, however few clear arguments are provided as for what makes Åby unique and attractive, and how any improvement efforts are thought to contribute to strengthening Åby's value as a sports and health area. However, the empirical findings have provided us with valuable information about the current situation in Åby, and of how the relationships among the existing partners are. There are several stakeholders active in Åby as of today, and at a first glance they all seem to strive towards the same goals. However, there is undoubtedly a lack of coherence among these and many relationships are characterized by miscommunication and lack of trust. For a PPP to create value, we consider it to be important that the partners initiating the project can see and argue for the synergy effects such a partnership will bring. As for this to happen, it is important to as a next step clearly state a common vision for the project and ensure that this is anchored with everyone involved. Therefore, this should be done in collaboration between the public sector and the active sports associations in the area and should lay as a foundation for attracting private partners to the project. Here, the empirical material provides valuable input that can be used for creating a sound plan and vision for the area as a whole, not least in terms of suggestions for what has to be done in order to increase Åby's attraction value. For instance, the survey study unveils detailed information of the demand on Åby as described by the intended users, the community. Here, visitors demand longer opening hours, more flexibility in the use of facilities, a wider supply of sports and similar activities, and more social areas including restaurants and cafes. In general, the community agrees with the vision of the municipality saying that Åby should be a vibrant meeting point for the people of Mölndal. In order to strengthen their argumentation, we believe that the actors of Åby should use the aid of the public as fulfilling the community's wishes will be a significant step in the right direction.

One significant matter that affects the ability to draw visitors and that corresponds well to both the community's opinion and to theory, is the issue of the site as of now is poor accessibility. Virtually all stakeholder groups have raised this concern, especially since it is currently quite laborious for younger practitioners to access the area. Nevertheless possibilities for improvement in this aspect are good, as VGR does have plans for expanding the public transportation solutions in the overall Mölndal area and thus integrating the various districts of the city even more. This is crucial for the Åby project as it both simplifies the act of visiting and enables access to an even broader catchment area. This naturally affects the project's ability to deliver value and is further beneficial in light of the fact that the capacity for car traffic is already at its maximum. This is confirmed by several of the actors who believe that this would help create openness in the area and attract more visitors throughout the day. For instance, MASS believes that creating easier access will be the key in transforming the area from being rather isolated to an area that appeals to and offers a broad range of activities to many different target groups. This would also open up for better opportunities for securing collaborations with educational bodies, such as the research and sports science operations of Chalmers and GU. As can be discerned from the empirical material their interest in possibly placing parts of their activities at Åby is ascertained. Their presence in the area could also create synergy effects, mainly for the associations and their members as they can partake in the results of these educational efforts. Chalmers and their research programs can contribute to performance improvements for participants in different sports, while GU can contribute from a coaching and health perspective and also practice this on members

of the associations. This would then also help promote the image of Mölndal as being in the forefront of science and research related to health and wellness activities.

Although the municipal interest in developing the area through utilization of PPPs is ascertained, the success of the project is contingent on that the culture and leisure department manages to convince the executive board to invest their share as well. Here, the efforts initiated by First To Know as described in the introductory section can be of help, as this includes suggestions for involving more collaborators and can serve as persuasion with regard to the feasibility of the project. Moreover, the models and ideas created by the architecture students from Chalmers will offer a great contribution in that they will present many different solutions for the area that are backed by well experienced international architectural bureaus. This will hopefully contribute to increased interest from the leading politicians. Moreover, we do see certain obstacles for forming a PPP from a purely political perspective. One drawback from the private sector's point of view, which is also confirmed by the sports associations, is that they claim to experience slow progress in projects due to the high level of bureaucracy that the public sector deals with. Therefore it is of utmost importance for the municipality to erase the image of being burdened by bureaucracy and to show that they are open for innovative solutions for how to proceed with the project. This would also be in line with their ambition of being a brave city. However, even though a partnership would benefit from a lower degree of bureaucracy, it is a theoretically grounded fact that the partnership benefits from ensuring a strong political commitment. In this project, it is beneficial that the concerned departments at the municipality have good relationships with the top politicians and that they have previous experience of collaborating with them. This would mean that the innovative and creative ideas that arise from the partnership would be more easily channelled through the public sector to the responsible politicians, thus creating a project that is both economically and politically sound.

Further, by showing other stakeholders that the municipality is willing to adopt a more innovative strategy for proceeding with the Åby vision, they will hopefully gain more public support as this would signal that the municipality wishes to utilize other sources of funding than tax money alone. This would also show that they have learnt from previous mistakes such as the lost contract for a beach volley arena as discussed during the interviews. Nevertheless, in order to succeed with more innovative forms of partnering, it is imperative that there within the municipality actually exists a strong, anchored interest for forming PPPs in order to finance the Åby project. This is also important especially in light of the fact that there are additional obstacles for raising public funds in terms of fierce competition regarding political priorities. This project competes with projects in areas such as education, healthcare and immigration, among other very important sectors. Looking at the societal situation of today, immigration might be seen as a far more important sector to invest in, but in reality this must not be seen a competing situation. Health and sports related activities are one of the most effective means by which people can be integrated into society.

Mölndal wants to be a sustainable town where people grow and feel well, and by integrating newly arrived people into the community through sports, a lot of positive synergy effects could be gained.

### 5.4.2 Partnership Structures

Theory states that one of the most important success factors for PPPs is to clearly specify the roles of each involved party beforehand. This is a significant question of issue for Åby, where existing contracts are quite unevenly structured and no best practices for partnership structures exist as of today. Specifically for this project, the issue concerns how to collaborate over matters such as construction, operation and maintenance of facilities. As previously discussed, the municipality does understand that private partners as collaborators are crucial for this project, not least in terms of finances as there will be no such contributions covering all expenses from the leading politicians. All respondents agree on the importance of accessing these funds, as this project from a political point of view competes with other municipal priorities. According to the municipality, an example of how to structure collaboration over the aforementioned matters would be for the private sector to contribute during the constructing phase but to let long term asset maintenance and operation be the responsibility of the public sector. This since the municipality is deemed to have the best capabilities for this.

The municipality has expressed a wish of being in charge of all operations, something that intuitively appears contradictory but is actually achievable. However, for this to function the municipality must relinquish their narrow-mindedness and understand that involvement from private actors cannot only take the form of financial contributions for construction projects. As stated by Bjerkne & Co there is almost no evidence of profitable arena projects, and thus private actors are given little incentives for investing this way. Sponsoring is a collaboration form that entails better incentives for private sector involvement in the form of the commercial value gained, however some respondents have questioned the commercial value of being visible at Åby. Furthermore, letting private actors sponsor arenas might entail problems relating to the municipality's wish of maintaining full control, if private actors start interfering with the daily operations of the said facilities. As discussed earlier collaborations can instead be structured by establishing purchase agreements that entail benefits for both sides. A subdivided property unit exists in the far end of the Åby area, which can be sold to private actors as to raise money for investments elsewhere in Åby. Another solution, which is also recommended by experts in the field of PPPs, is to let private actors purchase and develop municipal land in the surrounding areas in exchange for also building certain facilities at Åby. Here it is also worth noting that private actors, as well as non-profit actors such as the sports associations, all possess valuable tacit knowledge that can be very beneficial to utilize in the development process.

Although the circumstances surrounding Åby are argued for as unique of their kind, the idea of a sports and health campus involving several types of actors is not. As has

become evident after the interviews, several areas with similar characteristics exist in the country. However, looking at the examples included in the benchmarking study it becomes clear that similar projects have used vastly different financial models for their projects. Firstly, WVWS is considered a bad example since the project was never finalized and thus the soundness of the specific partnership structure utilized there cannot be fully ascertained. The combination of different actors does bear many similarities to that which is aimed for in Åby, but as the project was privately owned and initiated, this would not be feasible in Åby where the municipality has clearly stated that they wish to keep full responsibility. Secondly, both Rocklunda and Arenastaden have used innovative financial models that could serve as inspiration for Åby. But as with WVWS, the Rocklunda project is in essence privately run and the municipality instead rents the facilities from the private constructor. As has become clear from the interviews with the municipality, the ownership structure and financial model used in Rocklunda is not desirable.

Arenastaden on the other hand is developed on the basis of similar visions as those desired for Åby and is characterized by openness and collaboration and aiming at reaching synergy effects and long-term improvements where needed. Here it is stated that that the social benefits brought forth by improved possibilities for health activities is combined with commercial potential, the academia and business sector, which among other things leads to higher occupancy throughout the day. In addition, the uniqueness is, according to the organization, further reinforced as the different sports associations cooperate and strive towards the same vision in a novel way. This harmonizes well with what is aimed to be achieved in Åby, and hence we believe this project and its various relationships to be a good benchmark for a partnership in Åby, especially with regards to their shared vision and views on how added value is created. However, we do not believe that their financial structure per se is to recommend for Åby, as the municipality clearly state that they wish to be the owner of the facilities. In Arenastaden the municipality serves as an investment bank, lending money to the associations who have formed their own companies and thus handle construction of their respective facilities. Maintaining ownership of facilities is vital for the municipality of Mölndal as it allows them to secure satisfactory long-term maintenance of facilities as well as a coherent overall impression of construction efforts. And, most importantly, by owning and operating the facilities the municipality can ensure that they are used for their principal purpose, that is offering a wide range of activities for the entire community and not only a few elite teams, thus harmonizing well with the vision of Mölndal as a whole.

### 5.5 Summary of Analysis and Discussion

The empirical findings show that many of the stakeholders active in Åby today express similar opinions when it comes to wishes, drawbacks and requirements of the Åby area as such. The analysis of these aspects, as summarized in figure 5.1, is important in order to create a solid understanding of the present situation, as this is what lays the foundation for any further development initiatives. The importance of

this is further emphasized in light of the fact that what appears to be most important for the Åby project as of now is to clearly state the value added and to create a strong vision for the project. Here, the results of the stakeholder analysis constitute the most important prerequisites for any such efforts. Further, when analysing the empirical material specifically in relation to theories on advantages, challenges and success factors for PPPs, it soon becomes evident which of these factors are applicable and should be prioritized at this point (Figure 5.2). In order present all of these results in a perspicuous manner, these findings are summarized in figure 5.3. This clarifies how the different stakeholders' wishes, drawbacks and requirements relate to the ability to form a public private partnership for the development of the Åby recreational area, with respect to the advantages, challenges and critical success factors such a collaboration will face.

#### **Stakeholders** Requirements Strengths - Existing expertise and knowledge - Uniform impression - Ease of access by car - Welcoming, nice and - Potential for commerce pleasant atmosphere - Large catchment area - Multi-functional facilities - Range of activities - Broader range of sports and - Location activities - Ability to create social benefits - Safer area where people feel - Long-term cost savings for welcomed the city - Increased occupancy Drawbacks - Improved accessibility - Little incentives for staying - Emphasis on individual priorities Lack of a clear management team - Closed facilities - Differences in ideologies - Bad accessibility - Condition of the facilities - Stakeholder relationships - Unsafe

### Project

#### Advantages

- Access to more capital
- Knowledge sharing
- Improved market understanding
- Cost and risk sharing
- Better generation of commercial value from public sector assets
- Ability to speed up the process
- Greater efficiency in the use of resources
- Improved relationships

#### Challenges

- Demonstrate value creation ability and benefits to private partners
  Lack of a clear management and leadership
  Miscommunication and lack of trust
- Differences in priorities and ideologies
- Lack of a shared vision
- Risk and cost allocation
- Poor decision-making
- Understanding of internal and external goals

## **Critical Success factors**

- Define and analyse local needs
- Specify the roles
- Prove uniqueness and value created
- Develop a clear action plan
- Mutual accountability
- Trust creation
- Power equity
- Strong and anchored interest in PPP
- Clearly state the mission and objective
- Strong and shared leadership
- Govern for partnership
- Interdependency and complementarity
- Cherish the differences
- Identify potential obstacles
- Compelling vision

Figure 5.3 Summary of analysis and discussion

# 6. Conclusion

As stated in the introductory section of this report, research on public-private partnerships mainly focuses on larger urban development projects. Hence, our aim was to examine to what extent such theories are applicable to smaller projects, and more specifically to projects that aim to create social benefits such as better public health. The purpose of this thesis was thus to investigate this by ascertaining the feasibility of the Åby project designed as a public-private partnership. This we aimed to fulfil by focusing on the project's ability to create value and through examining the specific opinions, conditions and contributions of the potential parties that hold a stake in the implementation of the project. In line with this, this thesis has been guided by the following research question:

### How can a public-private partnership provide value opportunities for the development of the Åby Recreational Area?

As summarized in figure 5.3, this study clearly shows that private sector involvement entails a significant number of advantages and potential synergy effects for the Åby project that all indicate several opportunities for value creation. Launching any larger scale development project will be contingent on the ability to secure some form of private sector contribution, as it is clearly stated by the municipality that they alone cannot provide sufficient funds to manage any more than the most pressing refurbishment needs. Moreover, the ability to attract private capital could be used as argumentation in the process of persuading the municipal executive board to increase their contribution, with the motivation that access to private funds will help leverage the efforts put in by the municipality. In line with this, with access to more capital comes the ability to apply a more holistic approach to the development process. This is vital especially in light of the history of failed and fragmented investment efforts, that has contributed to the general perception of the area as visually unattractive, dull and rather unsafe. As this has entailed a reluctance to visit the area as expressed by several respondents, a more coherent investment effort will undoubtedly prove to be very beneficial and help in enhancing the Åby area's attraction value.

A larger investment budget will also enable construction of new facilities that are better equipped to cater for the needs of both current and future users, thus giving the associations room to evolve and grow. This together with the ability to create a venue for additional activities as well as for commercial purposes will contribute to making the area more attractive for visitors and increase the overall occupancy. Value creation is contingent on the ability to achieve a higher attraction value as this is deemed as vital for achieving the social benefits sought after in the project. Moreover, the opportunities for knowledge sharing and efficiency improvements that appear when private business acumen is combined with the targeted expertise of the sports associations and the social incentives of the public sector are also valuable for developing the area further. This since the combined efforts and the complementarity of the different actors strengthen the overall development effort and enables achievement of a better result than any efforts that would have been made individually.

In sum, the foremost advantage of a public private partnership is that the access to more capital would enable a more comprehensive development of the Åby area into a vibrant health and sports campus that better cater for the needs of its intended public. By giving the ultimate target group, the community, access to an area that offers vast opportunities for health and sports activities more value will be created for the society, which is stated by the municipality as being the foremost aim of areas such as Åby. The value accrued by such initiatives more specifically manifests itself in terms of societal benefits, such as improved public health and the subsequent long term cost savings this means for the city as such. In the same sense, engaging more people in such activities can have positive effects on areas of municipal interest such as integration, diversity and gender equality. Nevertheless, the study shows that although these value opportunities are clearly evident, in order to succeed with formation of a public-private partnership and thus enable this superior value creation, several measures have to be taken. The situation as of today, mainly with respect to the characteristics of the area and the relationships between the actors present there, does not provide a good enough foundation to build a subsequent partnership on. As discussed throughout the analysis it is therefore vital to account for and resolve any challenges posed and to establish the critical success factors as to ensure both the short and long-term sustainability of the project and the partnership.

### 6.1 Recommendations

As has been evident throughout this thesis and as clearly stated in the previous section, a public-private partnership would entail many value opportunities and synergy effects for the Åby project. However, before proceeding with such plans there are some important aspects to emphasize in order to enhance the potential advantages, but also to diminish any problems posed. First and foremost, we believe that it is imperative to clearly state the value added by the project as such but also by each stakeholder, as this will be a decisive factor in attempting to attract private partners. By creating a clear vision and plan for the project, the short and long term value opportunities it entails can be communicated to external actors as to gain their interest. Also, describing value in relation to social, cultural and physical aspects is necessary as the foremost aim of the project and the partnership is to enhance social benefits, and hence indications of goal achievement in this area must be provided.

Moreover, we believe that elucidation of value is contingent on that the current actors join together and develop a sound plan for the area and agree on the objectives they want to achieve. This means that the municipality and the sports associations must establish better relationships among themselves and together elaborate on a common, strong vision, otherwise their individual development efforts risk being made in vain. We recommend for such a vision to show a coherent plan for the entire area and to include a clear definition of objectives and target groups, as well as of the process through which these objectives will be reached. Moreover, in order to act as a basis for attracting private actors argumentation must be provided for what makes the project unique and hence also for why the project is worth investing in. In line with this, the vision should also point at the implications the project have for the society, foremost in terms of the possibility of creating long-term sustainable health benefits among the people of Mölndal.

Furthermore we find it important for the stakeholders, and the municipality in particular, to scrutinize their own motives and ascertain that they really have a strong, well-anchored interest for forming a public-private partnership. By signalling to other stakeholders that they are brave and willing to try innovative forms of partnering, they will appear less burdened by bureaucracy and hence also more attractive for private actors. Overall, the stakeholders of this project must be able to show that they cherish the differences that collaboration entails, and that they understand the power of sharing knowledge and combining competences in order to reach higher levels in the development of Åby. As to facilitate collaboration relationships must be characterized by openness, trust and cooperativeness, and by being open-minded and honest about opinions we believe that the as of now poor relationships will become significantly better. This will lead to a better ability to prioritize and to strive for achieving the synergy effects that help create the long-term societal benefits sought after.

As to lay the best possible foundation for the subsequent development project, another issue we find vital to address at this stage is the question of the area's overall management structure. The lack of a strong leadership has proven clearly detrimental for Åby and thus creating a better management solution is to be regarded as an urgent measure. This will have positive effects both on the ability to form a partnership but also on the development efforts as such, as a management team with a clear decision mandate will be better equipped to take and implement initiatives in the best interest of Åby. This also relates to clearly establishing the roles of each partner, which will facilitate the process of collaboration and improve the likelihood of forming a sustainable partnership.

In terms of partnership structures we recommend the stakeholders to examine the design of the Arenastaden project more closely. Although the financial structure per se will not be directly applicable to Åby, the project as such and the relationships between actors bears many similarities to that what is strived for in the Åby project and can thus serve as valuable inspiration. Furthermore, we believe that in light of the information unveiled by this study, the best way of proceeding with the more technical aspects of the partnership structures is to investigate the feasibility of forming purchase contracts with private actors. As discussed in the previous chapter, trading land for construction of facilities for the public has been proven successful in many public-private partnerships, and hence we believe this to be a good starting point for the Åby project. This would also mean that the municipality maintains ownership of the facilities so that these are used for their principal purpose, sports for

the public. Moreover, as to increase the area's attraction value we believe that it would be advantageous to involve commercial venues in the area, in addition to the sheer sports activities. Here, private actors can be allowed to run their own operations, such as restaurants, commercial shops and health care as this entails little risk for the municipality. Lastly, the municipality has stated that they believe they can find private actors that wish to engage in social sponsoring and thus invest in Åby for that reason, even though the sheer commercial value of the area is less outspoken. Based on this we recommend the municipality to initiate an effort of finding such companies, and as a suggestion this could involve local actors that wish to support their community and thus invest in Åby for this reason. For instance, the privately owned horse race track nearby are currently proceeding with major development plans and could be a valuable partner to involve if given the proper incentives.

Finally, returning to the discussion on critical success factors for public private partnerships, the analysis and discussion of this report clearly show which of these are applicable and highlighted as most important for this project, with respect to its current state. Using the model provided by Spink and Merrill-Sands (1999), the foundational elements are vital to establish as to enable formation of the partnership whereas the sustaining elements aim at ensuring the partnership's long-term success, thus indicating that these are important at a later stage in the partnership. This is largely true also for the Åby project, however we believe that the very first element to establish here is that of creating trust and commitment among the current actors, that is, the sports associations and the municipality. This since the ability to follow our stated recommendations will be contingent on establishment of a good relationship among the initiators of the project. Hence, with regards to the discussion on critical success factors we believe that the subsequent process of developing Åby through a public-private partnership, in order to create a vibrant meeting point for all that hold a stake in health related activities, could benefit from following the steps shown in figure 6.1.

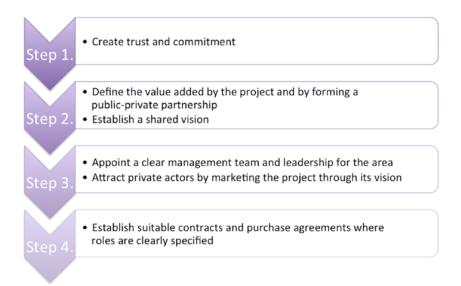


Figure 6.1 Next steps for initiating a public-private partnership in Åby

### 6.2 Suggestions For Further Research

The focus of this thesis has been aimed at factors affecting the planning stage of a potential public-private partnership in Åby, as this is the phase in which the project currently can be found. This has entailed limitations in terms of the scope of the study performed, and we have thus made a number of observations during the process of writing this thesis that indicates possible areas suitable for further research.

Firstly, we believe that an interesting area to conduct further research on would be the financial aspects of this form of partnership, that involves a governmental partner that strive for maintaining as much ownership as possible while simultaneously receiving financial aid from private investors. From a theoretical perspective such an analysis would also touch upon the problem of allocating costs and risks in a partnership, something that our study finds to be an important issue to resolve. Focusing on the financial aspects of public private partnerships would also complement the theoretical contribution provided by this thesis as it would provide a more holistic analysis of the subsequent steps in the partnership process. As to contribute to theory we further consider it beneficial to continue where this thesis ends by focusing on the forthcoming steps in the partnership process. Here, we specifically emphasise partnership structures and contractual aspects as important to analyse further. As was stated in the introduction of this thesis such an analysis requires the partnership to already be somewhat established, which is not the case in Åby as of today. Here, the sustaining elements for successful partnerships as described in theory could well be used as a foundation for the analysis. This together with a more in-depth benchmark study on purchase agreements we believe could constitute a very interesting field of further research.

Another suggestion for further research within this field is to further follow and analyse the progress of this particular project, and build on our analysis of the project's ability to create value. If the current stakeholders of the Åby Recreational Area were able to attract private investors and thus initiate a public-private partnership, an interesting topic for research would hence be to conduct a performance analysis of the project with respect to value creation. This to analyse whether the project and the partnership really can deliver the value intended. Also, in order to ascertain the soundness of the results generated by this thesis we consider it interesting to attempt to replicate the study, as to determine whether our findings are applicable to other, similar studies. Finally, a next step in validating the results of this specific study would be to apply these to other settings and to organizations and projects larger than the one in question.

Lastly, theory states that there are several elements for success in public-private partnerships that together contribute to sustainable, fruitful partnerships. Here, the foundational elements are vital to establish first as to create an air of trust and build a strong base for the collaboration, whereas the sustaining elements after this help ensure the partnership's long-term sustainability. Nevertheless, the results of our study indicate that these elements may be even more intertwined than as is suggested by theory. Instead of being a sustaining element developed over time, our study shows that trust and commitment is vital to establish from the very beginning as to create the best foundation possible for the partnership. In light of this we believe that an interesting area for further research would be to specifically focus on the relationship aspect of partnerships and thus test whether this holds for more than just this particular case.

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# Appendix

Appendix A. Map of the Åby Recreational Area



### Appendix B. Interview guidelines – general areas of discussion

Initially, the Åby project and the purpose of the study is introduced to the stakeholders.

#### General information

What stakeholder group do you represent? What is your title and your connection to Åby? What is your general impression and views of the Åby area?

### The Åby Recreational Area

<u>Strengths</u> What is good about the area as such? What affects the attraction value positively?

### Drawbacks

What is considered to be challenging with the area's current structure and operation? What affects the attraction value negatively?

#### Requirements

What has to change in order for the attraction value to be improved? What areas of focus are suggested by the interviewee?

#### **Relationships among existing stakeholders**

How have relationships among the stakeholders been historically? How are the relationships with the other associations in the area currently? How is the relationship with the municipality? What needs to change? What functions well? What does the financial situation look like? Are there any suggestions in relation to this?

### A potential public-private partnership in Åby

General information regarding PPPs is provided, and set in relation to the Åby project.

<u>Advantages</u>

What advantages do you believe a PPP would give a development project in Åby? How do you believe that a PPP could create added value? What synergy effects could be gained?

#### Challenges

What challenges do you believe this form of partnership would pose? How do relationships between the actors affect a potential PPP?

<u>Critical Success factors</u> What do the existing\_actors need to do in order to facilitate formation of a PPP? What should be focused on at this stage? What is most critical to do or to have in place for a PPP to succeed in the long term? What must be done in terms of relationships for a PPP to succeed? How can private actors be attracted? Are there any suggestions for how a PPP could be structured?

# **BILAGA 1 SWOT-ANALYS**

I arbetet med Målbild och Gestaltning har två workshops hållits i arbetsgruppen. Den första hölls den 31 oktober 2012 och genomfördes som en SWOT-analys för området. SWOT är en förkortning för Strengths, Weaknesses, Opportunities, Threats.

Områdets interna styrkor och svagheter, såsom befintliga verksamheter, dagens användning av området, markens beskaffenhet med mera diskuterades. I arbetet analyserades även områdets externa hot och möjligheter baserat på områdets lokalisering, omkringliggande verksamheter, närhet till

Styrkor och Svagheter			
Tillgänglighet			
<ul> <li>Bra med många parkeringsplatser (som staden dock inte har rådighet över</li> <li>Bra bilförbindelser</li> <li>Ovisst hur bra och attraktiv kollektiv- trafiken är</li> <li>Många boende och arbetande i närområdet</li> <li>Befintliga hotell för övernattande besökare</li> <li>Dolda entréer och ologisk uppbyggnad</li> <li>Dålig säkerhet vid hämtning och lämning</li> <li>Dåliga gång- och cykelanslutningar till och inom området</li> </ul>			
Rykte			
<ul> <li>Många nyttjare redan för olika ändamål</li> <li>Bra dragplåster (Åby och simhall), men svårt att samutnyttja</li> <li>Behov av att ändra Mölndalsbons syn på området</li> <li>Otrygg känsla i stora delar</li> <li>Bilburen besökarkrets</li> </ul>			
Fysiska förutsättningar			
<ul> <li>Stora ytor för flexibilitet och nytillskott</li> <li>Stora ån som attraktion</li> <li>Bullervall för mountainbike (risk?)</li> <li>Potential för handel (är det önskvärt?)</li> <li>Dålig geoteknik, svårt och dyrt att bygga</li> <li>Slitna anläggningar, renoveringsbehov</li> <li>Traditionella anläggningar med liten flexibilitet för nya användningsområden</li> <li>Inga fika/äta-ställen</li> </ul>			

Göteborg, politisk vilja, ekonomiska förutsättningar med mera.

I SWOT-analysen framkom det att områdets styrkor och svagheter kunde sammanfattas under tre områden, Tillgänglighet till och inom området, Omgivningens uppfattning om området och Markförutsättningarna inom området. Under Möjligheter och Hot samlades resultatet i fyra grupperingar, Klimat, Ekonomi, Planering/Flexibilitet och Opinion/Efterfrågan.

Möjligheter och Hot
Klimat
<ul> <li>- Ökade vattennivåer som kan leda till översvämning</li> <li>- Blåsigt och regnigt. Påverkar använd ning av idrottsanläggningar över året och ger svårigheter att exempelvis få is på bandyarenan. Påverkar också attraktiviteten för besökare till olika utomhusarrangemang.</li> <li>Ekonomi</li> </ul>
<ul> <li>Risk för att politiker bantar projekten.</li> <li>Risk för ekonomisk kris</li> <li>Planering/Flexibilitet</li> </ul>
<ul> <li>Nya krav från kan komma från lag stiftare vad gäller exempelvis risker (farligt gods), geoteknik, dagvatten med mera.</li> <li>Intressekonflikter mellan bredd och elit samt olika idrotter</li> <li>Svårt att veta vad brukare kommer att efterfråga i framtiden inom området</li> <li>Bra läge i landet och i regionen</li> </ul>
Opinion/Efterfrågan
<ul> <li>Andra attraktioner i närområdet som konkurerar</li> <li>Politisk vilja att förbättra</li> <li>Bra tryck från medborgare</li> <li>Risk för att markbehov för andra ändamål "stjäl" mark.</li> <li>Luttrade föreningar/brukare</li> </ul>

#### Sammanfattning

I denna sammanfattning har bara de skriftliga svar som angetts under frågan "Vad skulle få dig att använda Åby Fritidscentrum ui större utsträckning" tagits med. Svaren är sammanfattade och i texten anges det om det är en ofta förekommande synpunkt eller om det bara är någon enstaka som har angett förslaget.

Totalt har 279 svar inkommit, där dock inte alla har fyllt i ett svar på ovan fråga, utan bara kryssat för ett alternativ utan att precisera. Dessa svar redovisas därmed inte i denna sammanfattning.

#### Lättare att ta sig dit och runt inom området:

#### TRAFIK

Väldigt många har angett att det hade varit en stor fördel om fler direktlinjer med buss passerade området. En rundlinje till Rävekärr Hulelyckan Kvarnbyn Glasberget och Ekebacken och sen tillbaka till Åby föreslås, samt täta och snabba förbindelser med Mölndals C. En bättre förbindelse till Frölunda samt till radiomotet har också efterfrågats, samt en spårvagnslinje från Mölndals bro, längs med Söderleden, till Åby -Eklanda och Högsbo.

Bättre kollektivtrafikförbindelser gör att ungdomar enklare kan ta sig till området på egen hand och att de därmed får en bättre tillgänglighet till området. Det framkom även ett önskemål om att skolor borde ha enklare förbindelser för att mer frekvent använda området.

#### PARKERING

Gällande parkeringsytorna har de inkomna svaren varit mer delade i sina åsikter. Många tycker att det är positivt med många och billiga parkeringsplatser, medan andra anser att ytan kan minskas då det viktigaste är att den rustas upp. Ett stort plus hade varit om parkeringen inte avgränsas av en väg mot aktivitetsytorna, utan att vägen hade letts om upp mot travbanan.

Väldigt många synpunkter har inkommit som anger att Idrottsvägen måste rustas upp och bli mer bearbetad. Belysningen på parkeringsytan men framförallt vid övergångsställena är mycket viktigt att prioritera. Den befintliga situationen med otydlighet om var man får köra och mörker vid övergångsställen uppfattas som en livsfara främst för de barn som springer till sina aktiviteter utan att tänka på att de rör sig över en väg eller köryta. Platser för avlämning av barn utmed de olika idrottsanläggningarna hade varit positivt.

Någon har även angett att det är viktigt med bra parkeringar för bussar.

#### Stråk

Det har uppfattats viktigt att stråk upprättas som gör det enkelt att ta sig till och från området, vilka ska uppfattas vackra och inbjudande. Hela området bör bli mer inbjudande att röra sig i genom att trevligare och attraktivare stråk och grönområden tillskapas. Promenadstråk med bra underlag och god ljussättning gör området mer inbjudande.

#### ORIENTERBARHET

Många har pekat på den undermåliga orienterbarheten både till och inom området. Det lyfts fram ett behov av att lättare hitta till området från leden. Även inom området saknas bra skyltar som leder besökare rätt.

#### Möjligheter till fler sport-, motions-, lek- och umgängesaktiviteter:

I denna kategori har det kommit in många synpunkter på vilka aktiviteter som skulle locka besökarna att komma till Åby Fritidscentrum mer frekvent.

#### MOTIONS- OCH SPORTHALLAR

En större hall för inomhusbollsporter är efterfrågad av många. Hallen bör innehålla bra planer för handboll, innebandy, basket, badminton m.m. Även en inomhusarena för friidrott efterfrågas samt ytor för andra inomhusaktiviteter såsom gym, bowlinghall, klätterväggar och inomhusbangolf.

Även ytor för ett friskvårdscenter med massage, sjukgymnastik, hälsokost och spa efterfrågas. Detta kan enligt förslag kombineras med ytor för gruppträning såsom gympa, dansunder-

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visning, yoga, aerobic m.m.

Ett mycket stort antal personer har angett att Åbybadet behöver byggas till och fräschas upp. En ny 25 meters bassäng är efterfrågat men även ett större äventyrsbad och större ytor generellt för att öka kapaciteten. Utökade öppettider efterfrågas också samt att badet bör kompletteras med en utomhusdel med hopptorn och en 50-metersbasäng.

För issporter efterfrågas både större ytor så att en curlinghall kan anläggas, att allmänhetens tillgång till skriskoåkning blir bättre och att fler träningstider för konståkning tillskapas. Ett exempel som många specificerat är att bandybanan bör få tak. En helt ny ishall hade också varit bra för att lösa dessa problem.

#### UTOMHUSYTOR

Det har inkommit förslag på att med isen som blir över från ishallen och bandybanan göra ett kort längdskidspår vintertid. På vintern borde även andra ytor kunna spolas och användas för skridskoåkning.

Nya tennisplaner har efterfrågats, liksom en upprustning av de befintliga fotbollsplanerna. Förslag har inkommit på att det bör anläggas boulebanor, en skatepark, beachvolleyplaner och minigolfbanor. Ett förslag har inkommit om att bågskyttebanor som finns på andra håll i Mölndal bör flyttas till Åby Fritidscentrum.

Synpunkter har inkommit om att friidrottsanläggningen bör göras tillgänglig för allmänheten och att det bör förläggas fler friidrottstävlingar till området. Någon anger också att friidrottsträning bör göras tillgänglig för yngre barn.

Ett flertal har påpekat behov av stora ytor för utomhusträning sommartid och någon har även föreslagit att dessa ytor kan användas för frisbeegolf.

Ett genomgående motionsspår efterfrågas av väldigt många. Detta stråk bör göras attraktivt både för joggare och löpträning och får gärna kombineras med stationer för styrketräning. Bra skyltning av stigarna bedöms vara viktigt för att hitta och att få veta avstånd. Belysning hade gjort stråket mer frekvent använt på kvällstid. Tillgång till bastu och utomhusbad hade avlastat badet vilket bedöms behövas på sikt.

Kan slingan även användas för cykling och rullskidor hade det varit ett stort tillskott. Även en byggd mountainbikebana hade tillfört området mycket och avlastat Ängårdbergens naturområden.

#### Mat och umgänge

Att det är viktigt att tillskapa fler aktiviteter för umgänge och lek har framkommit mycket tydligt ur enkätsvaren. Café, korvkiosk och/eller restaurang i området efterfrågas av många både motionärer och medföljande.

För barnen efterfrågas stora lekytor och nya lekplatser. Ett specifikt förslag om temalekplatser, gärna i anslutning till vatten har också inkommit. Det hade också varit positivt om mindre kullar för pulkaåkning under vintern hade funnits. En person har angett att lekaktiviteter i form av spel, TV och tidningar bör finnas vid umgängesytor exempelvis vid café.

Vuxna har mer efterfrågat utegym och hinderbanor i området. Även fina promenadstråk, gärna placerade utmed vattnet efterfrågas. Det anses viktigt att vattenstråket rustas upp och att fina sittplatser anordnas. Detta stråk kan med fördel kopplas ihop med andra promenadstråk i staden så att det blir en mysig slinga att gå och använda för utflykter med picknick eller bara för att sola.

Inom- eller utomhusytor för kulturevenemang såsom konserter, konst- och djurutställningar, cirkus, loppis med mera är eftertraktat av många. En prson har angett att en liten tatoo för musiker hade uppskattats. Det har också framkommit att några anser att det hade varit bra med nya evenemang för barnfamiljer och för andra besökare som inte främst kommer för motion.

Tydligt är att många anser att hela området bör vara en mötesplats för folk med idrotts- och motionsintresse och vara utgöra plats att vara stolt över som kommuninvånare och kunna visa upp för kommunbesökare.