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Business Network



# PARTNERSHIPS IN PLACE

## The Business of Levelling Up



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# THANK YOU

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The Business of Levelling Up

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# ABOUT BITC



Business in the community is the oldest and largest business-led membership organisation dedicated to responsible business.

We were created nearly 40 years ago by HRH The Prince of Wales to champion responsible business.

We inspire, engage and challenge members and we mobilise that collective strength as a force for good in society to:

- **Develop a skilled and inclusive workforce for today and tomorrow**
- **Build thriving communities where people want to live and work**
- **Innovate to sustain and repair our planet**

# FOREWORD

Lord Steve Bassam, Place Taskforce Chair

**WHILST OUR LARGEST CITIES HAVE BECOME ECONOMIC POWER HOUSES, THEIR NEAR NEIGHBOURS HAVE MISSED OUT IN THE PROSPERITY THEY GENERATE.**

In recent years a debate has re-emerged about the fate and the future of many of the UK's often badged 'left behind' communities. A number of reports have focused on the two-speed nature of the economies of our urban centre. Whilst our largest cities have become economic power houses, their near neighbours – the towns that make up a large part of urban Britain - have missed out in the prosperity they generate.

Our successful cities draw in talent, provide social and cultural excitement and employment that is both interesting, varied and well-paid. A digital divide has developed with cities generating opportunities through a new and emerging digital economy. The old towns, particularly in parts of the north, the west, and east midlands were often important parts of the first industrial revolution. They provided the people, the machinery and raw materials that fuelled the growth of the UK economy for much of the last 200 years. In recent decades, services, economic support, and the disappearing supply chains these towns were part of have left them bereft of a sense of place and purpose. In their place have come call centres, logistical and distribution hubs, and work paid around the national minimum wage. Towns once famous for lace, wool, cotton, glass or pottery, steel production, and shipbuilding - all fired by coal and reliant on British engineering - have been replaced

by workplaces comprised of huge sheds where goods are assembled abroad and are simply packaged for UK distribution. It is true we have something close to full employment but we also have an under-employment of our talents and capabilities. Our human capital and potential still awaits its fullest development.

Business in the Community (BITC) has always been conscious of the importance of two strands of thinking within social policy. Firstly, the significance of 'place-based regeneration', and secondly, the central importance within that of 'levelling up'. It was in that context that in the summer of last year BITC established its Place Taskforce. We were charged with the task of inquiring into the ways in which we could work better with our members to raise our game as the UK's largest responsible business organisation. The challenge was set to explore what more we could do to support hard-pressed people living in hard-pressed communities achieve their potential through regeneration and renewal.

After 8 months, we are now able to share our findings, with a range of recommendations that focus on raising our game and the game of our partners in local communities. The report focuses on the role and responsibility of businesses large and small, the academic sector, government

institutions locally and nationally, and charities supporting regeneration and renewal, all coming together to deliver place-based regeneration. Our recommendations follow in the wake of the Government's Levelling Up White Paper which itself was spurred by a national call for action, and will hopefully enable business to engage in levelling up in a strategic way through doing what the private sector does best – driving innovation and unlocking potential.

BITC works best when it harnesses business creativity through its convening power in local communities. Our work on levelling up in left behind communities is well known for its professionalism and focus. The BITC team working in Blackpool over the last 5 years are the perfect example of what can be achieved when the stars align and councils, communities and businesses come together with a common set of objectives.

Blackpool's prospectus has helped win £40m of additional Government support to transform the town and once again enable it to thrive. Blackpool's model of business led regeneration is one which BITC seeks to replicate across the country and we have similar projects underway in Bradford, Rochdale, Norwich, Lowestoft, Coventry, Wisbech and Sheffield. Plans are afoot to extend this to every region and nation in the UK. If we could, we would want to work in many more of the communities identified by government through its levelling up programme.

This report is a blueprint and aid to businesses, local and central government and the third sector. At BITC, our simple ask to government at all levels is: look at what works, use our model based on leadership, convening and collaboration, and then allow the talents of our sector to help transform communities and provide opportunity for all across our great nation.

# EXECUTIVE SUMMARY

## CONTEXT

The UK is one of the most geographically unequal countries in the developed world on the majority of measures of regional economic inequalities. There are also significant disparities in earnings, wealth, health, educational attainment and social mobility across the country.<sup>1</sup> Whilst our largest cities have become economic power houses, their near neighbours – the towns that make up a large part of urban Britain - have missed out in the prosperity they generate.

In recent years, the government has recognised this challenge, with a commitment to 'level up' the country a key pledge at the 2019 general election.

The government released its Levelling Up White Paper in February 2022, which provided twelve missions to be achieved by 2030 to increase opportunity and prosperity and bridge the gap between all regions in the UK. The Levelling Up White paper states:

**[TO] REVERSE SPATIAL DISPARITIES, IT IS CLEAR FROM INTERNATIONAL EXPERIENCE THAT THE PRIVATE SECTOR, CIVIL SOCIETY AND GOVERNMENT MUST WORK IN PARTNERSHIP. THESE ACTIONS ARE BEST TAKEN AND COORDINATED LOCALLY WHERE DECISION-MAKERS HAVE A FINELY GRAINED UNDERSTANDING OF LOCAL ECONOMIES AND THE CHALLENGES THEY FACE<sup>2</sup>**

**This is exactly the approach that Business in the Community (BITC) has spent the last 40 years delivering, working with member companies to bridge the gap between communities, local authorities, and businesses to deliver change in places across the country.**

<sup>1</sup> <https://ifs.org.uk/uploads/Green-Budget-2020-Levelling-up-where-and-how.pdf>

<sup>2</sup> HM Government, 'Levelling Up the United Kingdom', February 2022, p. 112

# BITC'S PLACE PROGRAMME

## BITC: A LONG HISTORY OF LEVELLING UP

In 1986, a year after becoming BITC's President, HRH The Prince of Wales visited Lowell, Massachusetts. Lowell was a former mill town that had gone through huge economic restructuring. A U.S. Senator from Lowell, Paul Tsongas, had brought cross-sector leaders together to develop a common vision and action plan for the town. Prince Charles was inspired by the partnership, and persuaded BITC to replicate it in the UK. After analysing a number of locations, BITC decided that Halifax was especially open to the idea of a public-private-community regeneration partnership.<sup>3</sup>

This approach has been at the core of BITC's work in the 40 years that have followed through a wide range of place-based activity – from retail-led regeneration and collaboration of the Prince's Charities in Burnley, to our Business Connector and Healthy High Streets programmes, to our current flagship initiative in Blackpool – we believe that business involvement in place-based regeneration is crucial to its success.

BITC is celebrating its 40th Anniversary in 2022 with Seeing is Believing (SIB) visits to its four newest place locations; Bradford, Coventry, Norwich and Rochdale. Established in 1990 by HRH The Prince of Wales, The Prince's Seeing is Believing programme is a powerful experience for senior business figures, who are taken on a visit to look at the challenges and opportunities in a particular place; energising local partnerships and cementing their business leadership. In the build up to these visits, and with levelling up increasingly at the forefront of government policy, BITC's Place Taskforce decided it was an opportune moment to launch an inquiry into the role of business in place-based regeneration, drawing on both BITC's experience as well as having an open call for evidence to capture the learnings of other organisations.

<sup>3</sup> David Grayson and Melody McLaren (2022), This Much We Know, BITC@40.

## BITC'S PLACE TASKFORCE

BITC's Place Taskforce, Chaired by Lord Bassam, is a group of leaders from businesses, the voluntary sector and local authorities, which includes:

- Abi Brown, Local Government Association
- Aisling Ryan, WPP
- Andrew Brown, Anglian Water
- Christine Hewson, KPMG
- Dame Julia Cleverdon, Place Matters
- David Adair, PwC
- Debbie Pippard, Barrow Cadbury Trust
- Emma Tamblingson, Morgan Stanley
- Ian Taylor, University of Oxford
- Jacob Sakil, Connecting Conversations
- Jo Daniels, Marks and Spencer
- Katy Taylor, Go-Ahead Group
- Kirstie Mackey OBE, Barclays
- Lord Bob Kerlake, Peabody
- Marcus Mackenzie, Freshfields Bruckhaus Deringer LLP
- Professor Dame Sue Black, Lancaster University
- Simon Henig, Local Government Association
- Vidhya Alakeson, formerly of Power to Change
- Mark Anderson, Go-Ahead Group
- Paul Nowak, Trade Union Congress

In August 2021, the Taskforce launched its call for evidence into the role of business in place-based regeneration.

A variety of themes were explored, from what motivates business to engage in place-based regeneration, what barriers exist, and how local authorities and national government can work with business to encourage engagement.

This cumulated in a set of key findings and recommendations, which provide practical guidance to business, national & local government and existing place-based partnerships covering the role that business can play in improving social outcomes across the country. The guidance will help realise the delivery of the 'how' of place regeneration and the levelling up agenda for the private sector, spelling out the foundations that are needed, both nationally and locally, to truly transform communities. The observations in this report will speak to businesses looking to make a difference, civil society organisations wanting to understand how the support of the private sector can be harnessed, and government at all levels who are seeking to cultivate the community capital in the many places that are waiting to be re-energised by place-based partnerships.

## APPROACH

The inquiry that informed this report gathered evidence primarily in the form of verbal and written submissions, by a wide spectrum of organisations with experience of engaging in a place-based approach to regeneration. The evidence was structured around a twenty-one-question survey, containing some open questions and some highly structured questions with multiple choice options. Supplementary to this were seven semi-structured evidence sessions on a theme, such as climate change or Local Enterprise Partnerships, with experienced organisational leaders or experts.

Influential organisations arranged three roundtable sessions on themes of levelling up, regional development and social enterprise. Several targeted interviews were conducted with individuals who were knowledgeable about various elements of place-based partnerships and regeneration, such as with a Scottish political consultant, a local philanthropist, a crossbench peer and key individuals from businesses. Finally, two fact-finding visits to two towns that are excellent case studies in place-based regeneration were carried out by the taskforce. The latter fact-finding visits were essential for providing a visceral and rounded context to the written and verbal information that the taskforce was gathering on regeneration.

The inquiry sought to ask questions that identified what had worked already from place-based approaches, to identify best practice going forward. A description of previous initiatives was complemented with questions that looked to analyse the action that is needed to be taken at all levels and from all parties involved in regional regeneration. Fundamental to this was appreciation of how central government could facilitate the engagement of actors within the communities of places that need levelling up.



Understanding the different roles of local partners in a collaboration was important, as was the question as to which areas businesses could have the most impact on. This evidence was analysed across sectors and geography, with connections and commonalities between experiences of different initiatives, places and organisations being observed in order to offer best practice guidance for the future.

# KEY FINDINGS & RECOMMENDATIONS

The following section outlines our 12 core recommendations in relation to these 4 key findings:

## KEY FINDING ONE: COLLABORATION IS ESSENTIAL

Local and cross-sector partnerships are the most effective medium for businesses to engage in place-based regeneration and levelling up. These partnerships should include business, local government, community organisations, educational institutions, and other local anchor organisations.

### RECOMMENDATION 1: All sectors need to work together to form place-based collaborations

Businesses, charities, educational institutions, local government, and broader community actors need to be more open to and proactive in establishing cross-sector, place-based collaborations.

Similarly, central and local government needs to do more to ensure that the environment is more conducive to both the establishment of partnerships and for encouraging business participation in these partnerships.

### RECOMMENDATION 2: The Business Connector, Champion, and Ambassador Role are crucial in establishing and maintaining place-based partnerships.

We received evidence supporting the need for three key roles in establishing and maintaining place-based partnerships:

**Business Connectors:** Business Connectors manage the partnerships day-to-day, taking on both a strategic and tactical role. They are an independent broker between different sectors and are crucial in establishing and maintaining partnerships.

**Champions:** An influential and passionate person who can act as a 'champion', providing strategic direction and oversight. They are a senior figure, and they are often, but not always, the chair of the partnership.

**Ambassadors:** An Ambassador, often a politically connected and well-known figure, acts at a national level using their social capital to help galvanise support, particularly from national businesses and central government.

A business looking to initiate a place-based partnership needs to ensure that each of these roles are in place. They could contribute to this through providing initial funding for a connector or through finding a senior-level colleague to act as a champion.

The role of a Business Connector needs to be a full-time position and local anchor organisations need to support this role. As a partnership matures and grows, it is recommended that, in addition to the Business Connector role, a more senior and strategic lead role is incorporated, known as the Partnership Director, which is likely to be part-time, paid position.

### RECOMMENDATION 3: All partnerships need to deliver early action, understand the local issues and opportunities, develop a vision and action plan, and measure their impact.

We recommend that partnerships follow the principles below.

**Early Action:** Early, tangible action is important for a partnership in order to create momentum, build credibility and gain trust.

**Understand the Issues and Opportunities:** Through engaging with and listening to the community, as well as analysing and understanding the data, partnerships can begin to grow their understanding of the key challenges, opportunities, and stakeholders in a place.

**Vision:** A strategic, socio-economic vision, which outlines the partnerships key ambitions and outcomes for 'the place' over a long-term period, is developed.

**Action Plan:** Whilst the vision of any place will outline priorities over a 10+ year period, action planning will help to prioritise the delivery of that vision, and clarify short, medium and long term goals, based on local capacity, available resources, and level of urgency.

**Measurement Frameworks:** Measuring impact is a difficult but important component of place-based working. Progress in tackling serious challenges in places takes time. We recommend a two-tiered approach of tracking more short-term goals against agreed programmes of activity, whilst keeping an eye on the long-game by assessing progress against long-term indicators.

## **KEY FINDING TWO: BUSINESS LEADERSHIP DRIVES SUCCESSFUL PARTNERSHIPS AND PLACE-BASED TRANSFORMATION**

Business leadership at a senior level is integral to tackling the key issues in a place.

### **RECOMMENDATION 4:**

#### **Partnerships need to be driven by an independent chair**

Success of the partnership rests on strong, effective, and independent leadership. A chair needs to be perceived as genuinely working across all sectors, have influence, recognise opportunities whilst enthusing and empowering others to bring them to life, and have a strong understanding of local issues. Whilst there are models that work well with different types of leaders, in the majority of cases, we recommend that partnerships have a business chair who is independent of the local authority. Business leaders are likely to possess the above characteristics, have the ability to utilise market insight and skills from within their organisation, and will also be able to leverage the engagement of other partners.

### **RECOMMENDATION 5:**

#### **Businesses need to secure senior-level buy-in to effectively participate in partnerships.**

Businesses engaged in place-based initiatives, such as KPMG, PwC and Freshfields, were clear that to secure long-term commitment from companies, it was essential to get senior leadership buy-in at board or executive level. Businesses need to secure a senior-level sponsor for their place-based work and ensure that an appropriate senior-level representative sits on the local partnership board.

One technique for achieving greater and more senior buy-in is to mobilise business leaders through a Seeing is Believing (SIB) visit. Established in 1990 by HRH The Prince of Wales, The Prince's Seeing is Believing programme is a powerful experience for senior business figures, who are taken on a visit to look at the challenges and opportunities in a particular place. SIBs enable the UK's biggest companies to better understand the problems faced by left behind places and galvanise their leaders to take action and drive transformation. SIBs are a key diagnostic tool and could be adopted by government, as they have successfully been in the past.

### **RECOMMENDATION 6:**

#### **Business should play a key role in tackling the key issues in a place.**

The Levelling Up white paper outlines 12 missions to tackle regional inequality and 'level up' the UK, which includes targets relating to reducing inequality in areas such as health, education, skills and connectivity. The Taskforce heard how some thematic areas are more amenable to business engagement than others, identifying both the impact that business can have in these areas, as well as identifying where more focus is required for less amenable but vital themes in places. This requires long-term commitment from stakeholders across sectors working collectively. Whilst there are common structural inequalities that exist across the UK, each partnership needs to be rooted in the needs of each place.

## **KEY FINDING THREE: THE UNIQUE RESOURCES OF EACH PARTNER NEED TO BE LEVERAGED**

Different members of a partnership are likely to have a unique set of skills, relationships, and resources that need to be utilised to build effective partnerships and tackle the key issues in a place.

### **RECOMMENDATION 7:**

#### **Business, civil society organisations, and local government should each play a key role in setting a strategy for a place.**

Given their democratic legitimacy and well-rounded understanding of their place, the evidence that we received pointed towards local government taking a lead in setting the strategy of a place. Setting strategy might be considered in two parts, a vision and realising that vision. Local government should be a vital part in sketching out the vision for the place, but it will require the prominent problem-solving skills of business to convert it into an action plan. Businesses are used to signing up to objectives which are ambitious but deliverable. The strategy should be informed by the needs of the community, which civil society organisations are best placed to understand given its role and connections to the community.

### **RECOMMENDATION 8:**

#### **Business should utilise its knowledge & assets to benefit the partnership and the wider community.**

The potential for businesses to contribute to partnerships in the form of knowledge & expertise is extensive, from niche operational expertise to the project management skills essential to coordinate a place-based partnership. These skills and expertise can also be utilised to benefit the community. For example, business has HR, legal, and business planning expertise, all of which can be helpful to charities and SMEs. This is an approach that BITC champions through its Skills Exchange Programme, whereby employees from its member companies are offered skilled volunteering opportunities with charities and local SMEs.

Similarly, businesses are likely to have assets that can be utilised in innovative ways for the benefit of the community. This can include anything from providing meeting rooms, IT, or lending an empty retail space to community groups.

### **RECOMMENDATION 9:**

#### **Businesses should advocate for their place on a national level.**

Business has substantial advocacy capacity, and organisations from across sectors provided insight to the Taskforce of how large firms have used this to raise the profile and challenges of left behind places to national government. Places like Grimsby and Wisbech have leveraged business advocacy to highlight challenges they face to central government and other important stakeholders.

### **RECOMMENDATION 10:**

#### **Businesses should harness their supply chain to engage more organisations in a partnership.**

This was a strategy deployed by the @One Alliance in Wisbech. The @One Alliance was led by Anglian Water, and contained Barhale, Balfour Beatty, Mott MacDonald Bentley, MWH Treatment, Skanska and Sweco, who are all tier 1 members of Anglian Water's Supply Chain. All of the organisations worked collaboratively on the project in Wisbech, utilising their different skills and resources to deliver on the priorities of the collaboration.

## **KEY FINDING FOUR: CENTRAL GOVERNMENT NEEDS TO DO MORE TO INVOLVE BUSINESS IN LEVELLING UP**

### **RECOMMENDATION 11:**

#### **Central government needs to facilitate effective local partnerships, that will work closely with Levelling Up Directors, through funding Connectors.**

The inquiry heard evidence of multiple partnerships that had already succeeded in bringing community actors together through coordination by a Connector. In the Levelling Up White Paper, the government announced that they will be appointing new regional Levelling Up Directors (LUD). The government's ambition is that LUDs will work collaboratively with local areas and across government departments to drive new and innovative local policy proposals, which deliver on the levelling up missions. In order for these roles to be successful, they need to have a real understanding of local issues and opportunities, which will be a far more realistic and achievable task if they are working closely with a Connector who is managing a cross-sector partnership.

Where there are existing BITC place-based partnerships, or other effective place-based partnerships, we recommend that LUDs form a strategic partnership with each place to deliver the missions.

Where there are not established partnerships, we recommend central government facilitate the quality roll out of the Connector and Partnership Director roles, through providing seed funding of 50% for the first 3 years, with businesses and local government co-funding the remaining amount. BITC would work with national government to develop a network of facilitator organisations who would employ the Connectors, leveraging the extensive experience BITC has had in developing the Connector role.

## RECOMMENDATION 12:

**Town Deal Boards have the potential to be further utilised to deliver the levelling up missions, but central government needs to ensure they are truly business-led and give them increased revenue funding to enable them to operate as an effective place-based partnership.**

In 2019, national government launched a £3.6bn Towns Fund, whereby 101 towns have been given the opportunity to work towards a Town Deal. Much like the approach we are advocating for, each town is required to establish a local cross-sector partnership known as a Town Deal Board, which brings different sectors together, with each Board expected to have an influential businessperson as their chair.

There can be a danger with some place-based policies, including the Town's Funds, of a disproportionate role of local government since this is the body with the resources to influence the boards operation. To overcome this, in addition to part-funding connectors, central government needs to increase the capacity funding available to Town Deal Boards. This can enable the Towns Fund to have a level of independence that is useful in producing a complementary body to the elected local authority.

Similarly, even though it is a requirement for Town Deal Boards to have a private sector chair, it has been observed that there are a significant number of Town Deal Boards which do not have proper and independent business leadership, central government should be providing scrutiny and challenge to existing Town Deal Boards to ensure they truly have business-leaders chairing them.

These changes would enable Town Deal Boards to develop into the above-described partnerships, making them suitable for expansion to other places, as the vehicles to deliver on levelling up.

## RECOMMENDATION 13:

**Levelling up funding needs to be flexible, long-term, localised and aligned with the levelling up missions to maximise the engagement of business and deliver transformative change.**

A lack of flexibility in existing government funding for place-based regeneration was consistently highlighted as a challenge locally for business and across other sectors. For example, the business leaders of some of the LEPs that submitted evidence were critical of the fact that the funding received from central government was highly inflexible. Funds are released in a manner that matches central government's available finances rather than the project requirements or local need. This conflicts with the way that the private sector normally operates, limiting the leadership and direction that they are able to provide.

This lack of flexibility is often coupled with short timescales for bidding and a lack of clarity over funding criteria, with the Community Renewal Fund one recent example of this.

Moreover, to deliver sustainable and transformational change, funding for programmes need to be long-term. Examples of the impact this can have include the Welsh Governments Communities First Programme, which operated from 2001 to 2017 and helped 52 of the most deprived places in Wales.

For levelling up to be successful, central government needs to overcome these problems through devolving an advanced resource allocation role to combined authorities, as part of the devolution drive announced in the white paper. In areas not currently covered by a mayoral combined authority structure, funding pots should be devolved to county council or unitary level, with capacity support provided by central government to bridge the time period until the area can be incorporated into a combined authority. Programmes need to be long-term and have significant revenue streams aligned with capital schemes to ensure that agencies have the capacity to deliver.

## RECOMMENDATION 14:

**A place-based approach by business could be empowered by incentives that direct attention and resources to places.**

Lack of funding was consistently identified as a major barrier for business from engaging in place-based regeneration. The Place Taskforce heard expert evidence from PwC Alumni Tax Partner Andy Boucher on how tax incentives might be used to encourage business to engage in place-based regeneration. The Potential measures explored include:

**Extending corporation tax reliefs** for corporate giving beyond those operating under a charitable umbrella so it includes activities that businesses are likely to be carried out as part of a place-based partnerships such as volunteering, pro-bono support and in-kind contributions.

**Modifying the business rates rules.** Currently charities enjoy 80% relief from business rates. This could be extended to businesses that re-purpose property usage for place-based activities.

**Creating additional PAYE reliefs** so it includes the amount of time given to volunteering.

**Giving additional VAT reliefs.** This could include allowing businesses to reclaim VAT suffered on assets that it donates to place-based activities or allowing unregistered businesses to reclaim VAT on assets that are partially or wholly used for delivering services in respect of designated activities.

**THIS REPORT SETS OUT A POWERFUL CASE FOR WELL-CONCEIVED TAX INCENTIVE SCHEMES TO PROMOTE PLACE-BASED SOCIAL MOBILITY ACTIVITIES. THEY ARE A NATURAL COMPLEMENT TO THE LEVELLING-UP AGENDA IN ENCOURAGING PARTICIPATION IN LOCAL PROGRAMMES.**

**AS THE PAPER ARGUES, OVERSIGHT OF THE PROGRAMMES IS MOST NATURALLY DONE AT THE LOCAL, PROBABLY MAYORAL REGIONAL AUTHORITY, LEVEL. IF THIS IS THEN COMBINED WITH DEVOLVED BUDGETARY RESPONSIBILITIES IN RELATION TO, FOR EXAMPLE, BUSINESS RATES THEN THERE IS A STRONG ALIGNMENT OF INTERESTS. THE LOCAL BENEFITS ARE OVERSEEN BY A LOCAL BODY THAT INCURS THE COSTS IN TERMS OF THE FORGONE REVENUES, WHICH ARE USED TO FUND THE SCHEMES. NOT ONLY IS LOCAL KNOWLEDGE USED IN PROMOTING THE MOST VALUABLE ACTIVITIES, BUT THEIR COST IS BORNE BY THE BODY THAT DERIVES THE BENEFITS FROM THEM.**

**THIS REPORT SHOULD THEREFORE BE VIEWED NOT ONLY IN ITS OWN RIGHT AS A MAJOR CONTRIBUTION TO THE PLACE-BASED SOCIAL MOBILITY DISCUSSION BUT ALSO TO THE LEVELLING-UP AGENDA.**

### Professor Colin Mayer CBE FBA

Emeritus Professor of Management Studies, Said Business School, and Visiting Professor, Blavatnik School of Government, University of Oxford.

## REPORT STRUCTURE

The inquiry heard evidence on a wide range of subject areas to understand not only the thematic policy areas that a place-based approach addresses but also to understand the functioning of the partnership structure that existed in the locality. This focus produced a report that covers three key areas;

### 1. UNDERSTANDING THE LANDSCAPE

A review of the contemporary context that a place-based approach sits within. This section is an examination of the overarching situation to identify government and policy recommendations that need to be enacted to create an environment conducive to place-based regeneration where community actors engage in a place-based approach.

Content addresses questions including:

**What kind of business tax incentives can be introduced to turbocharge levelling up?**

**How does funding for development need to improve?**

**Does devolution offer any lessons on place-based working?**

### 2. A BLUEPRINT FOR BUSINESS ENGAGEMENT

Advice for a systematic approach to collaborative place-based regeneration. This section contains an identification of best practice compiled from the experiences of organisations that initiated place-based approaches in partnerships in various places at differing levels of success. It contains tools and techniques that were identified to have worked or be needed for effective place-based regeneration work.

Content addresses questions including:

**How do we select a place to target?**

**How do we measure success?**

**How should we organise a place-based partnership?**

**What key personnel are needed in a partnership?**

### 3. ROLES IN PLACE-BASED PARTNERSHIPS

Analysing the thematic areas that partners from different sectors are best suited to adopt in a place-based partnership.

The last section looks at how partners can fulfill different roles in partnerships to play to their strengths and support each other through a division of labour in place-based partnerships.

Content addresses questions including:

**What can my business offer to the partnership?**

**What areas should the local government convene partners on?**

**How can sports clubs and universities offer unique strengths to partnerships?**

# SECTION 1

## UNDERSTANDING THE LANDSCAPE

## WHAT IS A PLACE-BASED APPROACH?

The problems faced by places that are disadvantaged, the so called left behind, are complex and vary significantly between different kinds of places.<sup>4</sup> The variety of places include underperforming major cities, post-industrial towns, declining coastal communities or isolated settlements in a rural setting. It is because of this complex nature that place is becoming increasingly central to attempts to correct disadvantage. A place-based approach uses geographic location as the focus and seeks to understand fully the context and challenges of that location to deliver improvements.

The exact understanding of what a place-based approach constitutes is something that is somewhat undefined. There are different assertions of what constitutes a place-based approach, with some distinguishing it with the almost synonymous people-based approach.<sup>5</sup> The essential difference between place-based and people-based approaches is that place-based initiatives are more multifaceted and longer term than people-based programs, requiring multiyear timelines and consideration of complex local contexts.<sup>6</sup> Collaborations of cross-sector actors can help address the variety and complexity of problems in a place, as well as strengthen the leadership and organisational capacity of the place.

**A PLACE-BASED APPROACH HAS BEEN A REALLY GOOD WAY OF SHOWING THAT MUCH DEEPER ENGAGEMENT WITH COMMUNITIES... [IT HAS] OPENED UP PROJECTS AND OPPORTUNITIES THAT WE WOULD NEVER HAVE COME ACROSS BEFORE... IT NOW SEEMS BLINDINGLY OBVIOUS, BUT WE HAD NEVER DONE IT THAT WAY.**

Peter Simpson, CEO of Anglian Water

To set out best practice for a place-based approach to improving social outcomes, it will be useful to examine what the key actors in achieving that change understand it to mean. The inquiry asked 33 organisations from the three sectors what their current understanding or definition of place-based regeneration was, and the results were highly consistent. All respondents appreciated the crucial elements of the approach:

- That it should focus on a defined geographical area (the place)
- That it requires a thorough understanding of the place
- That the community of the place are essential in participating in its regeneration
- That collaboration/partnership of cross sector actors is fundamental

There was some difference between respondents on the scale that a place-based approach can adopt, from hyperlocal to regional:

**‘Place-based regeneration needs to happen at the hyperlocal or neighbourhood level’**

**‘These tend to be local - usually cities, counties, towns or districts’**

**‘Place based regeneration takes a holistic, whole place (town) approach’**

**‘Place based regeneration is all about trying to bring a number of partners together to support the wider area / region - town or city’**

<sup>4</sup> Alex Davenport & Ben Zaranko, 'IFS Green Budget 2020: Chapter 7', Institute for Fiscal Studies, p. 325.

<sup>5</sup> Impact Investing Institute, Et al., 'Building Strong Places a new, impactful role for financial institutions', November 2021, page 6.

<sup>6</sup> Theodos, Brett & Firschein, Joseph., 'Evaluating Community Change Programs', in Kathryn E. Newcomer, Harry P. Hatry, Joseph S. Wholey, Handbook of Practical Program Evaluation, Fourth Edition, (Hoboken: John Wiley & Sons, Inc., 2015), pp. 259-280, at 262.



Overall, there was a tendency towards the larger units of settlements and communities, up to the regional level, by the respondents. None of the respondents felt that a place-based approach should apply to an area larger than a region. It is recommended that the scale of a place is not seen as prescriptive, though it did come across in the respondents' answers that the community of a place is important and thus selection of a place would imply one with a relatively coherent community, which has been suggested to the inquiry to reach a maximum at a population level of around 30,000 and corresponds with the academic opinion on place size.<sup>7</sup> A coherent community is vital in a place-based approach as what is essentially being harnessed is latent community capital, which requires a sense of community. As the economist Roger Bolton said:

**'This sense of community is also capital. It is intangible, and regional economists do not talk much about it, but it is capital; it is productive, and residents of a place that has a strong sense of place certainly know it and appreciate it. Their appreciation of it is evidenced by the one bit of evidence that ought to make economists notice: people are willing to pay for it'.<sup>8</sup>**

In Blackpool, BITC have taken an approach that varies based on priority area. For key economic priorities, the whole of Blackpool (approx. 138,000 people), and sometimes the wider Fylde Coast is targeted, whereas a more holistic, community-centred approach is taken in the smaller ward of Claremont (around 7.5k).

The Plymouth Social Enterprise Network was one of the responding organisations that identified the important contrast of a place-based approach from a place-blind approach, describing a place-based approach as: 'Looking at the specific regeneration and development needs and responses of 'places' rather than through the lens of national policy'. A place-based approach, by definition, is not uniform across the country, though as will be seen there are place-based policies that can be adopted by governments, businesses and charities which have a UK wide presence that enables place-based initiatives in locations.

## THINK PIECE

**As a historian - it is exciting to read the Place Taskforce recommendations – and to chart BITC's progress and learning from Halifax in 1987 when I first worked with the Prince of Wales in what he termed a One Town Partnership to the present day language of levelling up where I have spent the last 6 years as the Champion of Blackpool connecting the Business Connector Andy Charles. I actually learnt most however on the ground in Burnley and Burslem working with the local authority and 12 of the Prince's Charities from 2007 to 2014. Building the physical quality of the Place, involving the community and residents through a depth charge listening exercise resulting in their business plan, and capturing every opportunity to build Pride in the Place was the mantra of the Prince of Wales and our experience together was well documented in the Cass Business School review by Peter Grant.**

**My experience of 40 years is that Business leaders in partnerships bring creativity, ambition, drive and unexpected lateral magic. Cross Sector Partnerships – although very tough to make work – are the only long term solution to the most deprived places. Building the cohort of businesses who believe in promoting the Place and making the Place more promotable is the priority. Getting Business leaders to lead specifics of the plan works best as they do not enjoy or relish jungle warfare without the ropes which the public sector are better suited to manage. Business Connectors are the backbone of energising progress, building the capacity of civil society to make the change is critical and the Champion can even be a Dame with a Campaign who will visit for 48 hours every two months.**

**Finding the diaspora connection with the Place will produce extraordinary results. I remember now the energy and impact of the global Chief Exec of GKN, who started at 14 as an apprentice sweeping the floor in Burnley Engineering and returned with such enthusiasm to Burnley to run the golden masterclass on supply chain management for local businesses. Anything can be achieved so long as nobody minds who takes the credit and it only works if egos of sectors or leaders are left at the door. Like all leadership in life – pick the skills for the task and endlessly apologise if you have got it wrong.**

### Dame Julia Cleverdon

Chair of Place Matters and Vice Patron BITC

## PLACE-BASED PARTNERSHIPS

### RECOMMENDATION:

#### **All sectors need to work together to form place-based collaborations.**

Businesses, charities, educational institutions, local government, and broader community actors need to be more open to and proactive in establishing cross-sector, place-based collaborations.

Similarly, central government needs to do more to ensure that the environment is more conducive to both the establishment of partnerships and to encourage business participation in these partnerships.]

It was expressed to the inquiry that increasingly underfunded local councils were less able to take action in the sphere of regeneration without the assistance of private sector partners. This report considers collaboration as a fundamental part of a place-based approach. North Ayrshire Council pointed out their opinion that collaborative working was not always the most effective approach in all circumstances:

**'Independent action is however also important in areas of private ownership and as there is not always a community or public sector interest in a particular activity. This approach can allow more flexibility for the business in terms of delivery. For example, this removes the requirement for business led activities to follow Council procurement arrangements and timescales.'**

However, the evidence gathered in the inquiry showed that, where possible, collaboration needs to be central to a place-based approach. Teesside University stated that; 'If levelling up is to succeed it needs to be grounded in and driven by regional communities and collaboration between regional stakeholders (including business) will be absolutely crucial to this'. The Lowestoft Business Connector, who is on secondment from Kier Group, echoed the consensus among contributors that place-based collaboration has a greater impact than organisations working alone; 'From the Town Deal and Ambassador Group we have been able to demonstrate that if Local Businesses, Council, Education and the Community come together we are able to achieve more'.

The Lowestoft collaboration is one of multiple pilot schemes being supported by BITC as part of its Place Programme.

The collaboration of cross sector organisations at a place level are referred to in this report as place-based partnerships, or place-based collaborations. They exist in multiple forms in places around the UK and this report is aiming to contribute to their success in place-based regeneration through the observance of best practice. These collaborations have contributed valuable evidence to the inquiry and alongside other examples of place-based partnerships help to build a wider picture of the strategic impact collaborations can have.

<sup>7</sup> Theodos, Brett & Firschein, Joseph., 'Evaluating Community Change Programs', in Kathryn E. Newcomer, Harry P. Hatry, Joseph S. Wholey, Handbook of Practical Program Evaluation, Fourth Edition, (Hoboken: John Wiley & Sons, Inc., 2015), pp. 259-280, at 261.

<sup>8</sup> Bolton R. "Place Prosperity vs People Prosperity" Revisited: An Old Issue with a New Angle', Urban Studies. 1992;29(2), pp. 185-203, at p. 192.

## A PLACE-BASED APPROACH IS A STRATEGIC ONE

Business involvement in attempts to transform the social conditions of a place can be powerful, yet it comes in two forms. Both can be cross-sector collaborations and both can be focused on a place, but only one is a strategic engagement involving a comprehensive engagement with the place. A place-based approach involves making a difference in multiple policy themes to holistically address the issues facing a place. Many businesses engage in activities in a place that have a narrow scope, but nonetheless benefit the community and are to be commended. However, the strategic approach of business engagement in a place-based approach involves tackling the challenges of a place at a high level, spending time examining the root causes of an interconnected and complex set of problems. Solving these takes a big commitment of time. Not all businesses are able to engage in a strategic manner, but the ambition of all of those that can, should do so. As a result of a strategic approach requiring a substantial commitment, even a well-resourced business may look to target only a handful of places at any one time.

Strongly complementary to business involvement in the place-based approach to improving social outcomes is the embedding of a rounded purpose in the business. This is because the resources required to engage in a strategic place-based regeneration effort are considerable and because ultimately the driving imperative of a business is delivery for its priority stakeholders. Anglian Water have incorporated an environmental and social purpose into the company's Articles of Association, which helps maintain internal focus of the organisation on engagement with a wider group of stakeholders in communities.

The adoption of a broad corporate purpose by businesses has been strongly argued for by the British Academy.<sup>9</sup> In Anglian Water the change to the corporate purpose was driven by the Chief Executive Officer, General Counsel, and the Director of Strategy & Regulation and utilised support from central government in the form of a tool, Purposely, developed by the Department for Digital, Culture, Media and Sport.<sup>10</sup> Incorporation of a responsible business purpose can be part of a journey for a business as they start

to see the benefits of engaging in a place, this was the case for Anglian Water, who adopted a responsible business purpose at least 3 years after engaging in a place-based approach in Wisbech.

Businesses should reflect upon their contribution to communities and the importance of maintaining a healthy environment for their organisation. Emma Porter (the Managing Director of Story Contracting who serves in multiple positions in collaboration bodies, including as Chair of Cumbria LEP Sector Panel and as Chair of Carlisle Town Deal Board) stated her opinion that businesses were in a symbiotic relationship with community in terms of strength.

**'I am a big believer in this idea that communities are not separate to business, it's not a separate thing that just happens on the side-lines of community, strong healthy communities and strong healthy business are the same thing'.**

# IS THE CURRENT ENVIRONMENT CONDUCTIVE TO HARNESSING BUSINESS IN PLACE-BASED REGENERATION?

It is clear from the respondents that the current environment is not satisfactorily conducive to harnessing the contribution of business to places in need of development. Action is needed both within businesses and in society at large, to create a better environment. Organisations from all sectors submitted views to the inquiry on the current environment for engaging in regeneration work. These included universities, local councils, charities, multinational corporations and small business. 26 organisations submitted views in answer to the question

**'On a scale from 1-10, how would you rate the current environment as being conducive to businesses contributing to regeneration efforts?'**

(With 1 being not at all conducive, and 10 being highly conducive). In terms of size; 15 of these organisations were large (250+ employees), 3 were medium (50-249 employees) and 8 were small (1-49 employees). The average assessment overall was 5.9 out of 10. This is a disappointing observation which indicates that organisations perceive an environment that is not highly conducive to businesses contributing to regeneration efforts.

The evaluation of how conducive the environment is for businesses contributing to regeneration efforts was only slightly more positive from the business perspective. Across the 13 businesses that responded to the question, the average evaluation score was 6.3. Amongst charities the evaluation was much smaller at only 4.3. Local government perceived the environment to be most conducive at an average of 6.5. There was an indication that the opinions of local governments to the question of the conducive environment may be closely linked to receipt of relevant central government funding pots. One council who did not receive any Town Fund allocation, despite having ingrained disadvantage, scored the environment at a 3 out of 10, whereas another council which had received a substantial Towns Fund allocation scored 7. The two lowest scores of only 2 out of 10 were from very large businesses. Each of these businesses had revenues of multiple billions of pounds. Given the scale of resources such businesses could bring to the challenge of place-based regeneration this is worrying and calls for action.

Without these two outliers the environment evaluation score for businesses was a much more acceptable 7 out of 10, though even at this higher average progress would be needed to reach the ideal.

The perception of an unconducive environment calls for capacity building both internally and externally to businesses. One of the businesses that rated the environment at 2 out of 10 cited their own internal environment rather than the wider societal environment as the major factor, stating 'We don't have the right people or resource to contribute'. The other business suggested that external factors were significant; 'There are not the right avenues or forums for businesses to engage'. Political options to enhance opportunities for collaboration may need exploring.

The internal environment requires action from the business community and those organisations supporting them to be equipped to meet these challenges. The external factors primarily require the involvement of central and local government to set public policy that makes it easy for businesses to engage. One particularly thoughtful respondent, which also happened to be a very large London based business with billions of pounds of revenue, saw the internal and external factors as a dual opportunity.

**'because of these various headwinds, businesses are being forced to focus on how to do things differently and so there is a real opportunity to encourage businesses to build a focus on regeneration into their wider plans for surviving these currently challenging times. For example, the increased acceptance and use of hybrid and remote working which many businesses have had to adapt to gives rise to real opportunities for such businesses to reach a wider workforce which may directly and indirectly support place-based regeneration in places which such businesses have no geographic connection.'**

(Freshfields)

<sup>9</sup> The British Academy (November 2019), 'Principles for Purposeful Business'. See also; The British Academy (November 2018), 'Reforming Business for the 21st Century'.

<sup>10</sup> <https://getpurpose.ly/>

# THE ROLE OF CENTRAL GOVERNMENT IN STIMULATING IMPROVED BUSINESS ENGAGEMENT

It has been observed that there is a continual risk that public policy that is designed to mitigate social disadvantage will increasingly lag behind the innovation in technology and business practices, resulting in inequality.<sup>11</sup> For this reason the UK government has correctly determined to put serious effort into formulating policy that can fight disparity in social outcomes for people in different regions. To some extent there have been decades of efforts by successive governments to maintain even geographic growth and help develop places that are falling behind. Today however, it is clear that the UK is profoundly spatially unequal, and this fact is acknowledged in the thoughtful Levelling Up White Paper that was published in February of 2021. The UK government has asserted that it needs to find effective solutions to the problem of inequality which is now so obvious.

Funds have been announced from central government to start to tackle the problems from a place-based approach. Investment in strategies through City and Growth deals have been made with places all over the UK. The Towns Fund, Community Renewal Fund and Future High Street Fund all look to solve a fundamentally place-based problem with a place-based approach. The £4.8bn Levelling Up Fund announced in 2021 is the flagship place-based policy, where some £1.7bn of the Levelling Up fund were awarded to councils across the UK in the policy's first round alone. The Place Taskforce heard from a medium sized charity (SSE) that works on regeneration initiatives on how such funds are vital since commitment to budget and resources must be in place to support long-term programmes, with government directives/policies that align with and prioritise place-based regeneration being a key factor for success.

<sup>11</sup> The British Academy (November 2018), *Reforming Business for the 21st Century*, p. 10.

<sup>12</sup> Ian Taylor, 2021, 'Responsible Business: A Challenging Opportunity', Blavatnik School of Government. Accessed at: <https://golab.bsg.ox.ac.uk/about/public-service-partnerships/responsible-business-challenging-opportunity/>

<sup>13</sup> HM Government, 'Levelling Up the United Kingdom', February 2022, p. 112.

<sup>14</sup> Hastings A. (1996), 'Unravelling the Process of "Partnership" in Urban Regeneration Policy', *Urban Studies*; 33(2), pp. 253-268.

The role of business in helping to regenerate the so called left behind places in the UK is a vital one. A new era for what has been called responsible business, with corporate leaders around the world seeking to do more to help the disadvantaged in society,<sup>12</sup> is an opportunity that society cannot allow to pass by. Fortunately, considering the central role they have in the process of grasping this opportunity, the UK government realises this. The 2021 Levelling Up White Paper acknowledged what is generally accepted; the centrality of collaborations involving business and the third sector for successful regeneration.

**'[To] reverse spatial disparities, it is clear from international experience that the private sector, civil society and government must work in partnership. These actions are best taken and coordinated locally where decision-makers have a finely grained understanding of local economies and the challenges they face.'**<sup>13</sup>

Levelling Up White Paper

## LEPS

Since at least the early 1980s, governments in the UK have encouraged multisectoral partnerships as a key part of the solution to place-based problems, with access to central government funding being increasingly dependent upon actors forming partnerships.<sup>14</sup> Local Enterprise Partnerships replaced Regional Development Agencies in 2010 in an attempt to strengthen place-based regeneration partnerships. LEPs are a locally-owned partnership between local authorities and businesses, that are required to have a business chair. LEPs play a central role in enhancing communication from places, deciding local economic priorities and undertaking activities to drive economic growth and create local jobs.

LEPs have been examined in the inquiry and were observed to have undoubtedly been a positive move in the right direction. LEPs offer additional business engagement in place-based development and thus stimulate increased collaboration.

Examples of positive LEP regeneration work includes Grimsby, where the historic Minster will be developed as a heritage and arts centre to create a vibrant community area. The Humber LEP supported the project with £1.3m from the Local Growth Fund. In Hertfordshire, the LEP led on developing a Strategic Economic Plan for the county and conducted research that attracted £1bn of investment to the area. LEPs can help to leverage private sector funding to boost government funding. The New Anglian LEP can point to approximately £1.3bn of funding, from various sources of private and public money including the heritage lottery fund, they have managed to leverage in their area from a government budget of £300m. This type of funding multiplier is impressive. LEPs also improve communication between business and government and between stakeholders in a community. The role of bridging communication between sectors is not one that should be understated. Chris Starkie, Chief Executive of the New Anglia LEP:

**'...one of the challenges is a real difference of language between the public sector, the private sector, the education sector...it's really important if you actually are going to affect real change in a place you've got to be able to understand each other.'**

LEPs mirror the business involvement in local regeneration though place-based partnerships that are vital to help solve the problems of inequality. The leadership of LEPs represent the community minded individuals that weave into different forms of collaboration at a place level. These different collaborations come together to strengthen the chances of a disadvantaged place turning itself around. Voluntary engagement with such collaborations is worthy of note, as the vast majority of the business leaders who dedicate time to them do so without any remuneration.<sup>15</sup>

<sup>15</sup> Odgers Berndtson, 'Local Enterprise Partnerships A Chair's Perspective', 2012, p.4. Accessed at: [https://www.semlep.com/modules/downloads/download.php?file\\_name=56](https://www.semlep.com/modules/downloads/download.php?file_name=56)

<sup>16</sup> House of Lords, 'Select Committee on Regenerating Seaside Towns and Communities', 2019, p. 80.

## COMMUNITY RESILIENCE

Central government is stimulating place-based partnerships involving business in many ways. The community ownership and transparency of risk in relation to climate change is an instructive model for managing difficult trade-offs across wider policy areas. The way business and government are working together with communities in this area of more intuitive physical risks helps us understand how communities should be brought into partnership discussions to manage less straight forward place-based problems.

There were worrying projections for sea level rises referred to in the House of Lord's Select Committee on Regenerating Seaside Towns and Communities, with the observation that only 44% of the coastline of England and Wales has coastal defences.<sup>16</sup> Though it was noted by an evidence contributor; 'In terms of sea level rise and storm surges I think the big issue with those is that...they only take account of the thermal expansion of the sea and don't take account of the ice melt which could create even bigger issues in the long term'. Coastal impact may be more significant as research undertaken by UK Major Ports Group demonstrates that coastal communities in England are predominantly in the lowest quintiles of income distribution in the UK.

With climate change predicted to result in higher sea levels and more flooding events, the community approach to flood management is an option for place-based resilience to climate change. Since impenetrable flood defences would not be efficient nor desirable to live alongside, the residual risk requires management. Community engagement is attempting to allow the community to own the management of this risk by considering where to place it.

In July 2020 the government announced £200 million for innovative flood defence projects. Through this fund the Department for Environment, Food and Rural Affairs is funding innovative programmes that do just this by creating community flood resilience. Business, especially water companies, are involved in a partnership to achieve this in some pilot places, with pre-work underway in Lowestoft examining the attitudes and behaviour of communities as

background to the adaptation of flood management in the UK. Communicating the problems and possible solutions to communities, bringing them into the decision-making process, helps make trade-offs more transparent and enables a more equitable distribution of the benefits gained from solutions among the wider community. This should be the aim for all issues, as much as it is in climate issues.

## TOWNS FUND

### RECOMMENDATION 11:

**Town Deal Boards have the potential to be further utilised to deliver the levelling up missions, but central government needs to ensure they are truly business-led and give them increased revenue funding to enable them to operate as an effective place-based partnership.**

In 2019, central government launched a £3.6bn Towns Fund, whereby 101 towns have been given the opportunity to work towards a Town Deal. Much like the approach we are advocating for, each town is required to establish a local cross-sector partnership, known as Town Deal Board, which brings different sectors together, with each Board expected to have an influential business person as their chair.

There can be a danger with some place-based policies, including the Town's Funds, of an overly dominant role of local government, since this is the body with the resources to influence the operation of the board. To overcome this, in addition to part-funding Connectors, central government needs to increase the capacity funding available to Town Deal Boards. This can enable the Town Deal Board to have a level of autonomy that is useful in producing a complementary body to the elected local authority.

Similarly, even though it is a requirement for Town Deal Boards to have a private sector chair, it has been observed that there are a significant number of Town Deal Boards which do not have proper and independent business leadership, central government should be providing scrutiny and challenge to existing Town Deal Boards to ensure they truly have business-leaders chairing them.

These changes would enable Town Deal Boards to develop into the above-described partnerships, making them suitable for expansion to other places, as the vehicles to deliver on levelling up.

The recent government initiative of the Town's Fund has encouraged a new level of place-based collaboration. The fund is distributed via applications by Town Deal Boards, local representatives that are required to consist of the following elements:<sup>17</sup>

- **A private sector chair**
- **All tiers of local government for the geography of the town**
- **The MP(s) representing the town**
- **The Local Enterprise Partnership**
- **Local businesses and investors**
- **Community/local voluntary community sector representatives**
- **Other relevant local organisations, such as FE colleges or Clinical Commissioning Groups.**

'The overarching aim of the Towns Fund is to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth.'<sup>18</sup> The Towns Fund aimed to achieve this through work in three primary areas: urban regeneration, skills and enterprise infrastructure and connectivity of transport & digital.



**The Norwich Digi-Tech Factory**

The £25m Norwich Town Deal is the first to reach delivery anywhere. It saw eight projects delivered in partnership with the Norwich 2040 City Vision Group, local communities and partners from the public & private sectors. Andrew Dernie is the chair of Norwich Town Deal Board, and also head of IT Finance Operations at Aviva, so was a suitable leader to deliver the digital-sector focused projects, including a tech start-up incubator and the Digi-Tech Factory, a dedicated skills development facility. Opened in October 2021, and aiming to educate 500 students per year, the factory includes 12 digital studios for the teaching of digital based learning and 5 e-labs.<sup>19</sup> Showing the interconnectedness of the Towns Fund initiatives with other bodies, the New Anglian LEP contributed funds to the Digi-Tech Factory.

Some Town Deal Boards built on the collaboration of other organisations, including the BITC place boards. For example, in Blackpool, six of the BITC organised Blackpool Pride of Place Board members are also members of the Blackpool Town Deal Board.<sup>20</sup> Indeed the Chair of Blackpool's Town's Fund Board, Paul Smith, also sits on the BITC Blackpool Pride of Place National Advisory Board. This enabled Blackpool to work efficiently and effectively to develop its proposal for its Town Deal, as demonstrated through the fact it was one of the first to be awarded a deal and that it received the largest single Town Deal of the value of £39.5m.

<sup>17</sup> MHCLG, 'Towns Fund guidance', June 2020, p. 17.

<sup>18</sup> MHCLG, 'Towns Fund guidance', June 2020, p. 9.

<sup>19</sup> [https://www.norwich.gov.uk/info/20426/norwich\\_town\\_deal\\_projects/3724/town\\_deal\\_project\\_digi-tech\\_factory](https://www.norwich.gov.uk/info/20426/norwich_town_deal_projects/3724/town_deal_project_digi-tech_factory)

<sup>20</sup> <https://www.blackpool.gov.uk/Your-Council/Creating-a-better-Blackpool/Blackpool-Town-Deal/Blackpool-Town-Deal-Board.aspx>

## EMPOWER TOWN DEAL BOARDS

Freshfields Bruckhaus Deringer LLP identified Blackpool as one of the examples where collaboration is strong and ‘which show how effective a collaborative approach to place-based regeneration can be’. The same evidence contributor asserted that the Town’s Fund was ‘a good framework for encouraging collaboration between the various stakeholder communities’. There are lessons to be learnt from the Blackpool example, where the Town’s Fund has been successful in stimulating collaboration. It was reported that the Town Deal Boards in Blackpool and in Preston brought together a range of essential community actors who had never been in the same room before. Once the group attended the first few meetings of the Town Deal Board they began communicating and cooperating in a cohesive manner. The unprecedented collaboration that has occurred in Preston in the new Town Deal Board is all the more notable as it is a city that has seen place-focused collaboration over the last decade in the ‘Preston Model’.<sup>21</sup> All places in the UK should be encouraged to reach the unprecedented level of collaboration seen in the formation of Town Deal Boards in Preston and Blackpool.

There is a role for central government to further promote Town Deal Boards, especially in places without strong collaboration. One example of this role is capacity funding for Town Deal Boards. There can be a danger with some place-based policies of some stakeholders being underrepresented in local decisions. The Plymouth Social Enterprise Network told the inquiry that the Community Renewal Fund had suffered from this; ‘The CRF ended up being a local authority dominated scheme that could have engaged businesses more effectively’. It was reported to the inquiry that there is a danger of Town Deal Boards disproportionately representing the views and agenda of the local authority, since this is the body with the dedicated resource to allocate to the Town Deal Board. Capacity funding can enable the Town Deal Board to have a level of autonomy that is useful in producing a complementary body to the elected local authority. In Blackpool, the Town Deal Board was able to benefit from this relative autonomy by having capacity resourcing, including for PR & Comms, provided by Business in the Community. Other Town Deal

Boards should have this ability to complement the local authority in an effective manner, and central government should provide such resourcing to all places.

Similarly, even though it is a requirement for Town Deal Boards to have a private sector chair, it has been observed that there are a significant number of Town Deal Boards which do not have proper and independent business leadership, which increases the risk of them simply delivering against the council’s agenda. Central government should be providing scrutiny and challenge to existing Town Deal Boards to ensure they truly have business-leaders chairing them.

In these ways, and in others, the collaboration of the Town Deal Boards should be built upon, in addition to the LEP boards, as a focus for more local place-based development collaborations. This should mean growing beyond the role of competing for centrally controlled funding pots into coordinating place-based regeneration using various tools, channelling information from local and hyperlocal levels up to higher levels of government. The strengthening of an additional layer of formalised network leadership is similar to part of the success of the Basque region. Dr Caroline Gray has examined how feedback in the Basque region is channelled upwards in the policy-making process, by collaboration through a stable layering of network facilitators at different levels.<sup>22</sup> The example of the turnaround of the Basque region through initiatives such as this should serve as a pertinent one for the UK.

## FUNDING FLEXIBILITY

### RECOMMENDATION 13:

**Levelling up funding needs to be flexible, long-term, localised and aligned with the Levelling up missions to maximise the engagement of business and deliver transformative change.**

A lack of flexibility in existing government funding for place-based regeneration was consistently highlighted as a challenge locally for business and across other sectors. For example, the business leaders of some of the LEPs that submitted evidence were critical of the fact that the funding received from central government was highly inflexible. Funds are released in a manner that matches central government’s available finances rather than the project requirements or local need. This conflicts with the way that the private sector normally operates, limiting the leadership and direction that they are able to provide.

This lack of flexibility is often coupled with short timescales for bidding and a lack of clarity over funding criteria, with the Community Renewal Fund one recent example of this. Moreover, to deliver sustainable and transformational change, funding for programmes needs to be long-term. Examples of the impact this can have include the Welsh Government’s Communities First Programme, which operated from 2001 to 2017 and helped 52 of the most deprived places in Wales.

For Levelling Up to be successful, national government needs to overcome these problems through devolving an advanced resource allocation role to combined authorities, as part of the devolution drive announced in the white paper. In areas not currently covered by a combined authority structure, funding pots should be devolved to county council or unitary level, with capacity support provided by central government to bridge the period until the area can be incorporated into a mayoral combined authority. Programmes need to be long-term, and have significant revenue streams aligned with capital schemes to ensure that agencies have the capacity to deliver.

Central government’s efforts to assist with place-based regeneration have been observed during the inquiry to have a weakness in low flexibility. An example of such inflexibility was noted of the Community Renewal Fund by the charity Locality; ‘The short-term timescales – where bids had to be submitted by mid-June and funds spent by March 2022 – coupled with the competitive bidding process have seriously hampered the Community Renewal Fund’s ability to make an impact in the places it’s supposed to be helping.’ The principle of subsidiarity, where functions of government are devolved down to the lowest competent level may be useful to consider. Since the government has made clear that subsidiarity is central to levelling up<sup>23</sup>, it could be used to resolve some of the problems observed.

The leadership of some Local Enterprise Partnerships that submitted evidence to the Taskforce discussed the advantages of devolving control of some level of flexibility in funding pots for projects. Such inflexibility manifested in multiple ways and noticeably was criticised by the business led organisations as not matching the way business works. The private sector is not used to spending money in the manner of the public sector, where a budget is given and expected to be spent on an annual basis. Insights from the leadership of the business led Local Enterprise Partnerships emphasised that the Treasury’s way of releasing funding, though understandable, did not match the way of working for businesses. The LEP leaders mentioned that funds were released in a manner that matched central government’s available finances rather than project requirements.

<sup>21</sup> The Economist, ‘Preston, Jeremy Corbyn’s model town’, October 2017. Accessed at: <https://www.economist.com/britain/2017/10/19/preston-jeremy-corbyns-model-town>

<sup>22</sup> Dr Caroline Gray, ‘What the Basque Country tells us about using local governance to level up’, Aston University, January 2022. Accessed at: <https://www.aston.ac.uk/latest-news/what-basque-country-tells-us-about-levelling-aston-angle>

<sup>23</sup> HM Government, ‘Levelling Up the United Kingdom’, February 2022, p. 116.

Chris Starkie, Chief Executive of the New Anglia LEP, outlined this disconnect.

**‘Our private sector board members cannot understand the Treasury rules for capital funding if you’ve got to spend it in year. No private sector company works on that, where you have to spend it in year... In those Treasury rules which they obviously have, you know, a particular purpose in terms of managing the country’s finances, but they do have kind of unintended consequences because they’re clearly not intended to cause problems further down the line, they just have those unintended consequences.’**

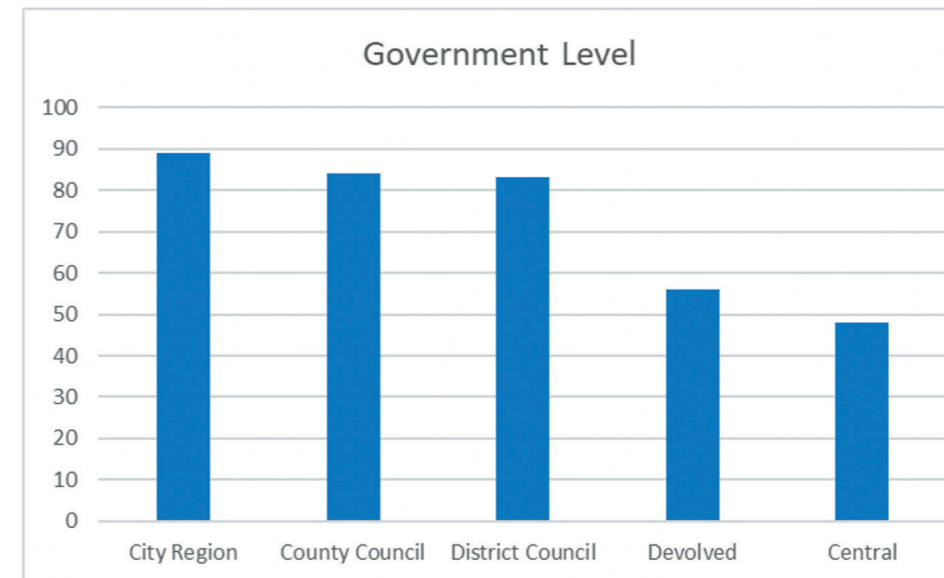
The consequences of the mismatch between the way businesses work and central funding provision have been significant. It was claimed in evidence submitted to the inquiry to have been the primary cause of a £1.1 billion underspend of the Local Growth Fund allocated to LEPs in the three years up to the year 2017–18.<sup>24</sup>

Some LEP leaders referred to the development of flexible schemes across the Local Enterprise Partnership network to grow the economy of the regions. In Cumbria the LEP developed a scheme that managed state aid rules in order to enable strategic business investment in the area, and in New Anglia’s region of Suffolk and Norfolk £250 million of private sector funding was leveraged with flexible pots. It was expressed that development of these flexible schemes required a learning curve that may need to be replicated for Town Deals if the control of the projects remains with central government. One LEP chief executive expressed concerns;

**‘And in Town Deals my concern is that, you know, the sense that the restrictions are back a bit. If you’ve got a program of £25 million, are you able to flex between, if a particular program goes over budget and another one goes under budget and so on? And all of those kind of things that frankly make common sense in the private sector, but that requires escalation up to ministers and so on to get approval, which is probably whatever the opposite of devolution is.’**

Central government could consider devolving such approvals to local government in order to facilitate a more flexible, ‘common-sense’, approach that matches the way business works. City Region/ Mayoral Combined Authority (MCA) level is the obvious candidate for such devolution. A mayoral agenda has a cohesive effect. MCA suitability is also indicated by the cross-sector organisations selecting that level of government as best that suited to have a positive effective on place-based efforts. In fact, one major transport company (Go Ahead Group) that submitted evidence to the inquiry selected City Region as the only government level suitable.

Government selection, involving evidence from businesses, local government organisations and civil society organisations, identified central government as the least appropriate level to work on place-based initiatives like the Town Fund. Yet the national debate is essential to set the tone and to secure funding for lower tiers of governance to be competent in place-based work. As the major law firm Freshfield Bruckhaus Deringer LLP emphasised when identifying County Council as the most relevant level of governance to have the greatest effect on placed based efforts day to day; ‘we also believe that central/devolved governments actually need to lead in this area as a national policy matter because without that leadership/encouragement (as well as the provision of central funding and other resources), the more local governments/bodies may not act’.



**Ranking of government level suitable to work on place-based initiatives**

The problem that not all areas are covered by an MCA administration is a pressing one for devolved funding flexibility. In order to be organised in a larger strategic context it is recommended that flexibility of funding pots be devolved down to the County Council level, perhaps with capacity support from central government to bridge the time till the area can be incorporated into an MCA. County Councils do often have some strategic scale and capacity to manage place-based funding pots, take for example Durham County Council which has managed an annual capital budget of £100m. Though not ideal it offers provision for the many places in need that are not currently covered by an MCA.

Effective management of regional funding pots is essential to offer, as much as possible, a level playing field to places in terms of capacity. LEPs told the inquiry that they can find it hard to compete for investment with the strong Scottish place-based approach. Regional development bodies that are the Scottish equivalent of LEPs have been complemented as being better funded and with a better balance of revenue to capital funding than in England. Despite having very good working relationships with their English neighbours, Scotland’s Economic and Community Development Agencies present competition for investment to areas in England which are not as well set-up.

Competition applies across borders, as between the Cumbria LEP and South of Scotland Enterprise (SOSE) for Dumfries and Galloway and Scottish Borders, as well as between areas that compete on sectoral basis, such as between New Anglia LEP in Norfolk & Suffolk who must compete for with areas in Scotland for renewable energy investment. The SOSE told the inquiry that it has a well-balanced budget between capital and revenue, with the £37 million for the 2022-23 financial year being made up of some £14.803m revenue allocation and £15.2m capital allocation. To maintain the competitive capacity of English regions, central government should review LEPs funding, and their equivalents, to maintain a level playing field.

<sup>24</sup> House of Commons Committee of Public Accounts, ‘Local Enterprise Partnerships: progress review’, June 2019, p.6. Accessed at; <https://publications.parliament.uk/pa/cm201719/cmselect/cmpubacc/1754/1754.pdf>

## TAX INCENTIVES

### RECOMMENDATION:

**We recommend that national and local government explore whether tax incentives, that direct attention and resources to places, can be utilised to encourage the engagement of business in place-based regeneration.**

Lack of funding was consistently identified as a major barrier for business from engaging in place-based regeneration. The Place Taskforce heard expert evidence PwC Alumni Tax Partner Andy Boucher on how tax incentives might be used to encourage business to engage in place-based regeneration. The potential measures explored include:

- **Extending corporation tax reliefs for corporate giving beyond those operating under a charitable umbrella so it includes activities that businesses are likely to be carrying out as part of a place-based partnerships, such as volunteering, pro-bono support and in-kind contributions.**
- **Modifying the business rates rules. Currently charities enjoy 80% relief from business rates. This could be extended to businesses that re-purpose property usage for place-based activities.**
- **Creating additional PAYE reliefs so it includes the amount of time given to volunteering.**
- **Giving additional VAT reliefs. This could include allowing businesses to reclaim VAT suffered on assets that it donates to place-based activities or allowing unregistered businesses to reclaim VAT on assets that are partially or wholly used for delivering services in respect of designated activities.**

The inquiry heard evidence contributors refer to the lack of funds necessary for a place-based approach to community regeneration as a major barrier for business.

#### SCHOOL FOR SOCIAL ENTERPRISE:

**‘Resource and budget limitations will always have an impact on how engaged businesses are able to be’**

#### SHEFFIELD HALLAM UNIVERSITY:

**‘the primary barrier is the capacity and capability of businesses to engage in place based working’**

**Tax incentives to encourage resourcing were suggested by other contributors:**

#### LINCOLNSHIRE COOP:

**‘Perhaps being able to use the apprenticeship levy to pay for staff to be released for collaborative place based working.’**

#### UNIVERSITY OF PLYMOUTH:

**‘May be tax breaks / incentives for businesses to engage particularly if they are investing their time to offer a service such a mentoring or developing cultural place-identity making schemes.’**

A place-based approach by business could be empowered by incentives that direct attention and resources to places. In the context of likely tax rises in the budgetary aftermath of the COVID pandemic, tax incentives could offer a way for businesses to continually increase their socially positive activities. The Place inquiry heard expert evidence on how this might be achieved from PwC Alumni Tax Partner Andy Boucher. Andy has 34 years of experience working in tax and is now focusing on social issues, working as Vice Chair of Making the Leap, Chair at Show Your Connection Ltd and Co-founder of the Employers Social Mobility Alliance.

Andrew’s recommendations cover four areas of potential incentives for business involvement in place-based regeneration:

- 1. Extending corporation tax reliefs for corporate giving beyond charities**
- 2. Providing relief from the business rates**
- 3. Creating additional PAYE reliefs for employees**
- 4. Giving additional VAT reliefs**

All recommendations are presented here for the consideration of central and local government, with recommendations 1, 3, & 4 being for the consideration of central government particularly. Underlying the recommendations is the proposition that a ‘roster’ of projects worthy of being qualified for such incentives is created by local collaborative partnerships working on place-based regeneration. The criteria for the creation of such project rosters will need to be detailed by central government and it is advisable that some consideration for need-based justification of applicable places be carried out. Recommendation 3 has implications for the revenue collected by local government, which is already under considerable financial strain. As past examples of rate relief opportunities to stimulate development were not taken by local government, there is a likelihood that this recommendation may not be taken up, yet the local context of a place-based approach is relevant here. If associated with the other relief incentives, the business rate relief incentive could become attractive as part of a package to deliver support to the community. The requirement for locally compiled rosters by place-based tripartite collaborations, involving the participation of the local government making the decisions on the rate relief incentive, will further encourage the local government to approve that reduction of tax revenue.

The following recommendations by the expert contributor should provoke creative thinking in central government as to the reforms that can be introduced to turbocharge the social mobility activities of businesses in communities that is so essential at a time when action is clearly needed.

## CONSIDERATIONS

In describing the options for incentivising business engagement in place-based social mobility activities, it is important to consider the “why” and the “how” of what is being incentivised. The motivations and methods of business engagement will influence the design and assessment of the options. Accordingly, the first part of this report deals with a potential framework for the business community.

In broad terms business engagement can be categorised into the following three distinct areas:

- **(Community) outreach**
- **Recruitment**
- **Development & progression**

Historically, the majority of focus has been on outreach activity (and predominantly in the purview of CSR departments). Over recent years there has been an increased focus on recruitment, both in terms of practices and employers looking to develop a broader pool of talent. To date, there has been less focus on development and progression, although there are initiatives<sup>1</sup> that are aiming to address this issue. Additionally, there has been an increased focus on social engagement as boards consider their response to the ESG agenda. Anecdotally, it seems clear that there is a recognition that the response to and understanding of social agenda issues, is the least well developed and therefore warrants a greater focus.

Although it's outside the scope of this report to make the case for why, it is noted that there are a number of drivers for businesses to engage, including:

- **Access to a greater pool of talent and experience**
- **Brand image**
- **Supporting a healthier economy**
- **Developing a culture that is more likely to attract and retain its workforce**

## SCOPE AND COMMENTS

There are two main areas that could be considered when looking at incentivising businesses:

- **Incentives to promote investment in particular regions, activities etc**
- **Business As Usual (BAU) incentives designed to encourage change in behaviours e.g community outreach.**

This section focuses on the latter area as:

- **There is significant experience of investment incentives (such as regional development grants)**
- **The aim of this report is to consider incentives that have broad business application.**

Given that, this section addresses the following issues:

- **The potential behaviours that should be encouraged in the business community**
- **Potential measures that would help to promote those activities in businesses**
- **How those measures could be implemented**

Although this section deals with the principles behind the incentives, it does not assess at this stage costings or “return on investment”. It is recognised that this work will need to be undertaken to progress these recommendations. Additionally, other (non-fiscal) measures that could form part of the incentivisation package are also outside the scope of this section.

## SUMMARY OF POTENTIAL MEASURES

The areas considered in this section cover incentives to business participating in designated activities in the following areas:

- **Extending corporation tax reliefs for corporate giving for pro-bono, volunteering, secondments and various in-kind contributions**
- **Providing relief from the business rates**
- **Creating additional PAYE reliefs for employees**
- **Giving additional VAT reliefs**

As a general comment, SME's should be afforded additional reliefs, although it is noted that many of the VAT measures will tend to benefit SME's.

## WHAT APPROACH SHOULD BE ENCOURAGED?

There are two main issues to consider when formulating an approach for business:

- **The case for collaboration with other businesses and community organisations**
- **The case for connecting social mobility activities in a way that better supports an individual's life journey**

### (A) THE CASE FOR COLLABORATION

The most recent Social Mobility Commission report on the state of the nation<sup>2</sup> indicates that progress on social mobility has stagnated over the last 4 years and the pandemic has exacerbated matters. The report identifies 7 areas of focus that could help including early years, education, digital access, apprenticeships and adult skills, and development & progression.

Businesses have a role to play in all of the above, so the question comes as to how best to engage the business community. In general, businesses involved in social mobility have developed their own program of activity and engagement. Less common (except perhaps in the context of outreach), businesses will partner with community organisations, schools etc. in the development of social mobility activities. It is rare that a business will look for support or collaborate on recruitment or retention and progression, although as noted above there are examples of sectors coming together to do this.

A business going it alone on social mobility activity has the benefit of developing activities that are bespoke to the business and hence potentially easier to operationalise. However, unless there is existing in house experience, the business will be starting from a blank sheet of paper which can create the following issues:

- **Recreating activity that is already in existence**
- **Developing programs that do not optimise use of resource or best practice approaches;**
- **Do not integrate or take account of existing support and activities**
- **Come with the risk of not achieving the intended aims**

It has been noted by a number of commentators that progress on social mobility does need to be accelerated, particularly in the light of the impact that the pandemic has had on (for example) education. In addition, the government is currently focused on the levelling up agenda, which all points to creating an effective structure (where it makes sense) for collaboration. It is noted that engaging on issues collaboratively should only be considered where that approach offers outcomes that would be greater than individual efforts.

When it comes to place-based activities, particularly where a business does not have a pre-existing connection to the area, collaboration is critical for ensuring that activities are appropriately targeted.



### Looking at the different aspects:

- The opportunity to collaborate is greatest for outreach activity as this will (in general) be much less impacted by specific business needs. The main challenges in developing collaboration are a lack of awareness of what existing activities are already taking place (the experience is that often collaborations are developed on an ad hoc rather than structured basis) and ensuring that the activities are open (and attractive) to all rather than being associated with a specific business or group of businesses programs.

- Because different businesses will have their own requirements in respect of workforce profile and recruitment processes, wholesale collaboration on recruitment is difficult. However, collaboration can make sense when looking at (for example) recruitment practices<sup>3</sup> and sourcing potential candidates. It is more likely that viable collaboration occurs at the industry/business sector level rather than more broadly.

- Collaboration in the area of development and progression is the hardest as this is highly specific to the culture and needs of the business. However, this tends to be the least developed area in terms of developing effective strategies and so there is scope for sharing learnings and practices, and there are examples<sup>4</sup> of this happening at the industry/business sector level.

In summary, the benefits of collaboration are clear, but the nature of collaboration needs to take into account the issues that are being addressed.

### (B) CONNECTING SOCIAL MOBILITY ACTIVITIES

Historically, businesses have approached social mobility activities by focusing on a particular stage of an individual's developmental journey, rather than taking a more holistic approach. There is a lot of advocacy for a more connected approach and (for example) the Employers' Social Mobility Alliance ("ESMA") sets out a framework for doing this (illustrated in appendix 1). In addition, research suggests that the more developmental interactions an individual has access to, the better that individual's life outcomes.

More recent developments look towards creating an ecosystem where instead of having specific activities focused on employability skills training, employability skills are infused in the delivery of learning. This is the approach that Big Education, amongst others, have championed. This deeper collaborative approach helps ensure that students employability skills are developed through their school lives.

The evidence then seems to point to an approach that promotes more collaborative behaviour and that also connects activities with the aim of optimising the impact and outcomes.

### POTENTIAL MEASURES

Before looking at potential measures, the merits of an incentives vs penalty based regime should be considered. On the plus side an incentive regime needs less enforcement, can be more agile in terms of what it targets, and by-and-large, ought to be easier to agree what should be targeted (and how long for). However, there are always the issues of firstly, take up and then ensuring that the measures do stimulate changes in behaviour, as opposed to re-badging existing behaviours. On that, the evidence is that targeted relief as opposed to general reliefs tend to be more effective at producing change. Penalties can be effective in developing a greater level of compliance but coming up with a set of rules that work across all areas of business can be challenging.

There is a third option, which involves creating a balanced scorecard, which incentivises "good" behaviour and penalises "bad" behaviour, and whilst ultimately this may be the best structure, the practical issues of developing such a regime are likely to be significant. As a result, the focus of this report is to look primarily at incentives, but in a way that recognises that the system could evolve in due course to a balanced scorecard approach.

The other point worth noting is that the ability for any business to engage in activities will depend on a number of factors, including size, resources and facilities, industry

sector, workforce profile and geographic location(s). So it is important for any incentives to take account of the potentially different ways a business could contribute. Having said that, in general stimulating workforce participation should be common to all businesses and providing incremental encouragement to SME's will also be extremely important.

Finally, in the design of measures, it is noted that businesses already face a significant compliance burden, so that developing a new set of measures is less likely to encourage participation. Instead, adapting or extending existing reliefs of incentives is more likely to create a greater uptake.

### (A) POTENTIAL MEASURES

As businesses will already have compliance obligations across a range of taxes, it is suggested that looking at adapting the tax rules in the following areas may be effective:

- **Extending corporation tax reliefs for corporate giving**
- **Modifying the business rates rules**
- **Creating additional PAYE reliefs**
- **Giving additional VAT reliefs**

As a general comment SME's should be afforded additional relief (e.g. super deductions).

### (B) EXTENDING CORPORATION TAX RELIEFS FOR CORPORATE GIVING

Currently, corporation tax relief for contributions to charities exist for:

- **Financial donations and donations for equipment and trading stock**
- **Donations of land, property and shares**

In addition costs of volunteering, secondments and sponsorship can be deductible as a normal business expense.

This could be extended to cover for place based designated activities, including:

- **Volunteering and secondments**
- **Use of facilities and resources**
- **Support and sponsorship**
- **Pro-bono support**
- **Transfer for assets and stock**
- **Making available intellectual property and technology**
- **Financial and in-kind contributions (e.g stock lending)**

Place-based activities are those activities deemed to be of high priority from a regional/national social mobility perspective. This would expand the activities that businesses could get involved with to beyond those operating under a charitable umbrella. This may be beneficial as projects can be set up, operationalised and closed in a much more efficient way. So, for example, if there was a central project for creating a national bank of mentors to support students in disadvantaged areas, this could be set up without the need to create a charitable vehicle to house it. This could tilt support away from charities so, to deal with that, contributions made to charities that are carrying on designated activities could attract relief at an elevated rate, say 125%.

To make this meaningful there would need to be an ongoing roster of projects that need support, so up front an assessment of needs should be made. One option would be to create a national directory of requirements setting out:

- **The type of support needed (including things such as duration)**
- **The activities that would be undertaken**
- **The expected outcomes from those activities**
- **Geographic coverage**

A business could use the directory to determine which activities it could best support. The hope is that the overall structure should foster an environment that would encourage businesses to collaborate or at least take part in business-wide activities and that the activities engaged in are more structured and targeted.

There are some other points to consider:

- **Is there a case for creating a super deduction for high priority designated activities (e.g. digital inclusion)?**
- **Should SME's be further incentivised? For example, an SME could be given the option of a super deduction or claim a cash grant as an alternative?**
- **Should this be extended to unincorporated businesses?**

Finally, it is noted that these measures could be implemented by extending existing rules and should not create significant and incremental compliance burden for businesses.

### (C) MODIFYING BUSINESS RATES RULES

Currently charities enjoy 80% relief from business rates. This could be extended to businesses that re-purpose property usage for place-based activities. This could be a temporary or permanent repurposing of property or part of a property. Potential examples include:

- **Quiet study spaces**
- **Hubs for social entrepreneurs**
- **Skills classes and training**
- **Counselling/coaching and employability support**
- **Seminars and events**

The system could look to pro-rate the use of property between standard business usage and designated activities to create a collective rate.

So for example if the business rate on a property for a year was 100, but it is determined that 30% of a property was used for 25% of a year for designated activities the rates payable would be reduced as follows:

$$100 \times (1 - 0.25 \times 0.3 \times 0.8) = 0.94$$

The same sort of infrastructure as illustrated for corporation tax could be used to facilitate business engagement. Different to the position for corporation tax, use of property is much more bespoke to the individual businesses and will have its own issues such as:

- **Health and safety**
- **Quality of space**
- **How activity is monitored and verified**

There is also the design question of minimum use (i.e. does there need to be a minimum (continuous) period of time for (part of) a property to be available).

Further thought may need to be given to the other tax consequences associated with property, for example

- **Granting rights (e.g. license to use, leases etc) over property can have SDLT issues, although in the case of an outright gift; and**
- **The ability for a business to recover VAT on expenditure on property can be restricted where there is a non-business use of the property**

### (D) DEVELOPING PAYE RELIEF

Currently the personal tax system has the following structure:

- **Personal allowances (£12,750 for 2021/2), with income limits reducing the level personal allowances (£100,00 for the corresponding period)**
- **Banded rates of tax**
- **Various reliefs for items of expenditure (including charitable giving - PAYE)**

Some of the key design considerations are:

- **Should the relief be targeted at employees or wider?**
- **What is the most effective “lever” to encourage participation that would be regarded as fair?**
- **Should (in the case of an employee-based approach) the system be integrated to the existing GAYE regime**

As a broad observation it would be ideal to create a system that both employed and self-employed individuals could participate. However, this would create significant complexity and so initially it should be focused on individuals that are in the PAYE regime. Because of that, tying relief to personal allowances is not appropriate as the allowance is against all income (earned and unearned).

Although on the face of it an approach anchored to extending the PAYE regime appears attractive. Issues which may arise, such as setting the rate of deduction, and thus questions of how to factor such issues because of differences in employee pay. Therefore, the recommendation is to provide relief by reference to the rate of PAYE suffered. In a simplified example if the rate of reduction is set say at 5%, the tax on an employee earning £30,000 who has spent 20% of their time in a given year volunteering on a place-based activity would be reduced by £300 (£30,000@5%@20%). Clearly the more the employee earns, the bigger the benefit, so it is likely that any relief should be subject to some sort of cap.

### (E) VAT

VAT is perhaps the most challenging area to proportionately relate the relief to the activity as it is primarily a consumption tax and therefore the burden of the tax is primarily on the end user, although partially exempt businesses or businesses below the VAT registration threshold will suffer irrecoverable VAT on the supplies it consumes.

However, a range of options could be considered including:

- **Allowing businesses to reclaim VAT suffered on assets that it donates to place-based activities**
- **Allowing unregistered businesses to reclaim VAT on assets that are partially or wholly used for delivering services in respect of designated activities**
- **Proportionately rebate irrecoverable VAT based on the level of participation on designated activities. To determine the level of participation the key measure would be employee activities. So, for example, if a workforce spends 5% of its time on designated activities in a given year, then 5% of the irrecoverable VAT the business has suffered could be reclaimed**
- **Lift the VAT registration threshold based on the level of participation in designated activities**

It is noted that many of the above measures will tend to benefit SME's, so it will be especially important to ensure that the administration on the reliefs is kept as simple as possible.

As an aside, there is also the option of creating low-rate VAT zones. These zones would apply a lower rate of locally sourced and delivered goods and services. The anticipated benefit of establishing such a regime is that it would stimulate incremental economic activity in those zones.

### SOME COMMENTS ON SME'S

Whilst, with the exception of some of the VAT proposals, the discussed measures would be applicable to all businesses, consideration should be given to creating incremental reliefs for SME's, including:

- **Creating super-deductions for corporation tax purposes or allowing the businesses to claim an alternate tax credit**
- **Providing 100% relief from business rates**
- **Setting a higher level of PAYE relief (say 10%)**

# THE PART SUB-CENTRAL GOVERNMENT CAN PLAY

Subcentral government in the UK is not a standardised model. Different strengths of regional government exist in different parts of the UK. This has significant implications for regeneration efforts across the country, with implications for the engagement of business. Devolution in England being a patchwork means that some areas have a better voice in government. A major business told the inquiry about the consequences in one of their areas;

**‘Where the patchwork approach doesn’t work is in places like the Humber. We don’t even have a single LEP to speak for us, we don’t have any big hitting politicians of any description. We don’t have a regional level voice to speak for us. So, leveraging in funding is difficult because the governments approach to funding pots is clearly directed to Mayors and combined authorities, we don’t have either. It also means that just from the shouting point of view our voice isn’t heard.’**

In places that are not covered by a level of advanced devolution the traditional tiers of government are the only ones left to coordinate, yet they are underfunded. Between 2010 and 2018 the funding from central government to local authorities fell by an estimated 49.1% in real terms, resulting in a 28.6% real-terms reduction in spending power.<sup>26</sup> Even if well-funded, the 349 local and combined authorities in England<sup>27</sup> are too small and diffuse to represent economic geography. From an economic and an identity perspective, the city-region level has been advocated as the ideal size for a leader with political autonomy to harness local organisations.<sup>28</sup> Even in areas that have devolved powers, leadership has been needed to strengthen the rapid growth of Mayoral Combined Authorities. Sheffield Hallam University outlined that the success; ‘...needs civic leadership such as in London and Manchester. This will not just happen. A body needs to be responsible for pulling it together’. With its considerable advocacy capacity, which was reference repeatedly in evidence submitted to the inquiry, business should consciously help to play a positive role in building the strength of sub-central communities from MCAs down to neighbourhoods.

**JUST AS THE UK IS BRINGING BACK POWER OVER ITS LAWS, MONEY, BORDERS, AND TRADE FROM THE EUROPEAN UNION, SO LOCAL PLACES ARE TAKING ECONOMIC, SOCIAL, AND CULTURAL POLICY AWAY FROM WESTMINSTER AND WHITEHALL<sup>25</sup>**

HM Government

The intermediate level of governance between the centralised authority and localised levels is useful for communication between citizens and Whitehall, which in turn promotes positive engagement of community stakeholders. Such a process required to achieve this in England has been described by Professor Philip McCann as changing a pyramid A type of government structure into an A type, with the middle level able to improve communication and coordination.<sup>29</sup> The government acknowledged such a process is essential for Levelling Up, with the mission to offer the highest level of devolution to every part of England that wants it by 2030.<sup>30</sup> The devolved governments display a strong form of the desired type of governance structure, which results in targeting and communication. Thus, they may present examples for how place-based initiatives can be delivered. The inquiry has heard, however, that the downside of strong devolved government can be disruption when different political interests are at play between the devolved and central governments.

<sup>25</sup> HM Government (2018), ‘Civil Society Strategy: Building a Future that Works for Everyone’, HM Government, London, p. 52.

<sup>26</sup> P. McCann (2021), ‘The Fiscal Implications of ‘Levelling Up’ and UK Governance Devolution’, Productivity Insights Paper, No. 008, The Productivity Institute, p. 2.

<sup>27</sup> Simon Jeffrey, Centre for Cities: Levelling up local government in England, September 2020, p. 4.

<sup>28</sup> P. Collier & J. Kay, Greed is Dead: Politics after Individualism, (Allen Lane, 2020), p. 142.

<sup>29</sup> P. McCann (2021), ‘The Fiscal Implications of ‘Levelling Up’ and UK Governance Devolution’, Productivity Insights Paper, No. 008, The Productivity Institute. Accessed at; <https://www.productivity.ac.uk/wp-content/uploads/2021/12/PIP008-Fiscal-Implications-FINAL-081221-1.pdf>

<sup>30</sup> HM Government, ‘Levelling Up the United Kingdom’, February 2022, pp. 112-121.

## WALES

The lack of an LEP structure in Wales was noted as a limitation in business strategic engagement with regeneration. A business that operates multiple large sites in Wales told the inquiry; ‘you don’t have the same vehicle for engagement between business and local government like you do in places in England where they work. There is a structure there and in Wales that structure doesn’t exist’. However, this might potentially be balanced by the focus that the Welsh government brings to direct support for business.

The Welsh Parliament gives the nation competence in economic development, which is important for shaping the development agenda. Strategies for regeneration of places instigated by the Welsh Parliament include the recent Local Government and Elections (Wales) Act 2021, which created new corporate bodies to enable regional collaboration. The Corporate Joint Committees; created in North Wales, Mid Wales, South East Wales and South West Wales, are intended to manage strategic development planning, regional transport planning and generally promote the economic well-being of their respective areas.<sup>31</sup> The Welsh Government are supporting place-based growth through co-ownership with the UK Treasury and the Local Government Association of the support organisation Local Partnerships, which in February of 2021 launched a toolkit to local authorities for compiling effective bids to the Levelling Up fund.<sup>32</sup>

The Welsh government acted as an intermediate level of governance to enable regeneration of a place with the driving force of the local community. This can be seen in the village of Blaenau Ffestiniog. Formerly the site of the country’s biggest slate mines, it has gone from being a boom town in 1900 to the place with the lowest average wages of anywhere in the UK.<sup>33</sup> As the community of the town and its surrounding villages are determined not to accept decline, they mobilised and the town now has a strong social enterprise sector, with more social businesses per head of the population than anywhere else in Wales. Power to change told the inquiry that ‘over

80% of community businesses aim to reduce social isolations or increase community cohesion or improve health and wellbeing in the place where they are based’. Social enterprises are valuable in left behind places, as was outlined to the Place Taskforce by the charity UnLtd; ‘Social businesses provided training and employment opportunities for those distant from the labour market. Local people engaged with social entrepreneurs’ plans and spaces. Social entrepreneurs developed skills and learning that they used to inform further work within their communities.’ The charity went on to describe that in areas with higher levels of deprivation, the local communities can lack the confidence to pursue social entrepreneurship and so the support of government is important.

Twelve of the social enterprises in the Welsh area have come together to form a network under the community company Cwmni Bro Ffestiniog, which is successfully working to regenerate the community by promoting the environmental, economic, social and cultural development of the area. The network was supported by the Welsh Government through the Communities First Programme, which was seen as essential for Bro Ffestiniog as it provided long term funding:

**‘Unfortunately, stable long-term support is the exception. The norm is short term funding, temporary employment contracts and projects coming to an end no sooner than they’ve started to take root. So much of the time and energy of community organisations is spent competing with other community groups for short term financing and distorting the needs of the community to fit criteria set by funders rather than the community.’<sup>34</sup>**

An assessment of the Cwmni Bro Ffestiniog initiative demonstrated a positive return on the government investment, but despite developing the social enterprise presence in Ffestiniog, the 16-year long programme came to an end across Wales. The Welsh Government’s flagship Communities First Programme, which operated from 2001 and helped 52 of the most deprived places in Wales,

<sup>31</sup> <https://gov.wales/consultation-corporate-joint-committees-general-no2-wales-regulations-2021.html>

<sup>32</sup> <https://localpartnerships.org.uk/news/toolkit-launch-local-authority-funding-bid-preparation/>

<sup>33</sup> BCT, ‘Our Local Economies Case Study: Social Enterprise in Bro Ffestiniog’, pg. 3. Accessed at; <http://cwmnibro.cymru/#en>

<sup>34</sup> Cwmni Bro’s Vision, p. 26. Accessed at <http://cwmnibro.cymru/#en>

## SCOTLAND

was determined to be discontinued in February 2017.<sup>35</sup> The Welsh Government cited that poverty had in general remained stubbornly high despite the Communities First programme<sup>36</sup> and new funding schemes where set up to support communities and community assets.<sup>37</sup> The success of Cwmni Bro Ffestiniog illustrates the case for long term funding, coordinated by the devolved government, that focuses on making systemic change in declining places. As well as long term funding, one off interventions by a well-funded intermediate level of government, as represented by the devolved administrations in the UK, can make an impact on a place level. The Welsh government assisted the community of a village in purchasing a business which was important to the life of the disadvantaged place:

**‘...in 2010, residents in the neighbouring village of Llan Ffestiniog established a community co-operative Pengwern Cymunedol in order to buy and run the local hotel and pub. Y Pengwern, which had closed in 2009, had been an integral part of life in Bro Ffestiniog from at least 1728. In a village of about 300 homes, around 200 local people invested over £30,000 in shares in the Industrial and Provident Society community co-op set up by Pengwern Cymunedol. The money needed to buy the asset and re-open the business (£187,000) was obtained through the efforts of the community plus a grant from the Wales Government, facilitated by the local housing association, Tai Eryri (now part of Grŵp Cynefin). In April 2011 the doors reopened and the venture has subsequently gone from strength to strength, attracting visitors from all over the world. By 2016 its turnover was over £200,000 a year.’<sup>38</sup>**

Wales demonstrates the focus that an intermediate level of governance can bring to targeting support for place-based regeneration initiatives, if it has lacked some of the advantageous structures on England in the past.

In terms of a governance structure for development, Scotland has been described as the closest to the ideal intermediate level of governance in the UK.<sup>39</sup> In theory this should improve vertical communication from citizen to government and businesses confirmed that communication flows to Holyrood were smooth. This reduces the role for business as an advocate of communities in Scotland. A possibly negative aspect of strong Scottish government was criticised by a Scottish business in evidence submitted. When asked about collaborations the view was expressed that the restrained and transactional nature of the relationship between business and the public sector in Scotland resulted in a perception that engagement by business isn’t worth the resources necessary. Although not necessarily a common theme in evidence gathered by the taskforce, this perspective the potential to marginalise the role of businesses for contributing to improved social outcomes. This effect may be worth reflecting on in both Holyrood and Westminster for the future.

Scottish Parliament has competence, in accordance with the Scotland Act of 1998, over policy areas including health, education, justice, transport, local government and economic development.<sup>40</sup> These powers mean that the government has levers to coordinate regeneration policy. Multiple place-based funds have been established. The Scottish government launched a £50m capital place-based initiative in the Town Centre Fund 2019-2020, which enabled local authorities to make economic investments in town centres to help economic regeneration and sustainability.<sup>41</sup> In 2021 the Scottish Government’s Place Based Investment Programme Fund announced £275million of capital funding to support community led regeneration projects.<sup>42</sup> Part of the latter fund is the Regeneration Capital Grant Fund for locally supported projects aimed at tackling inequalities and delivering inclusive growth in deprived areas. The distribution of this

fund was touched on in the inquiry, which heard from North Ayrshire Council that they have been successful in securing £8m from the fund since 2014/15.<sup>43</sup>

It is in Community Wealth Building (CWB), where North Ayrshire is prominent, that Scotland has developed a unique focus for the UK. Despite identified as a people-centred approach, the fundamentals of the model are consistent with being place-based, where the community of a place takes measures to ensure the local economy promotes prosperity in the locality. Anchor organisations play a vital role in CWB, as large local employers who make positive changes through the purchasing of goods and services, through workforce and employment practices, and with the availability of assets in facilities and land. Although in practice such anchor organisations are almost always public bodies, they can be private sector organisations. Businesses of any size can behave like an anchor organisation, and much of the evidence of businesses engaging in place-based approaches to regenerations are acting in this way.

As an example of the impact CWB can have is Preston. The Preston model of CWB resulted in anchor institutions changing their spending behaviour to spend more money locally, up to 18% of their budgets in 2017 from only 5% in 2013, representing an additional £75m spent within Preston.<sup>44</sup> The Women’s Budget Group argued in the ‘Feminist Green New Deal’ that CWB mechanisms in local procurement should be combined with inclusive, green and socially just objectives.<sup>45</sup> They told the inquiry that the female dominated sector of health/social care needed championing at the local level since, even at increased

rates of pay, these sectors return 2.7 times as many jobs as the same investment in construction.<sup>46</sup> The CWB model has been championed in the UK by the think tank the Centre for Local Economic Strategies, and the Scottish government have seconded the think tank’s Chief Executive, Neil McInroy, to help embed the model into Scottish economic development.<sup>47</sup>

Joe Cullinane, the leader of North Ayrshire Council has been noted as one of the pioneers of the CWB initiative.<sup>48</sup> In May 2020 the North Ayrshire Council launched Scotland’s first CWB strategy. The Scottish Government have contributed £3m of funds to CWB in North Ayrshire, which is now one of six Scottish places developing this strategy. The CWB approach supports the Council’s priority to develop North Ayrshire as an enterprising, vibrant and sustainable environment that is appealing to investors, attractive to visitors and aims to create a place where residents are proud to live and work. Within the CWB context, a number of place-based initiatives are currently underway.

The Locality Partnerships represent another example of North Ayrshire’s place-based initiatives, where business can become more involved. This partnership structure is mainly public sector focused and lacks meaningful private sector participation. That said, the membership is being broadened out to businesses and Scottish Enterprise is listed as a member where relevant. The Locality Partnerships role is to develop, review and implement the priorities of the Locality Plan for its area. The Locality Partnerships set priorities that feed into Place Frameworks<sup>49</sup>, which in turn aim to achieve the following:

<sup>35</sup> <https://north-ayrshire.cmis.uk.com/north-ayrshire/Document.ashx?czJKcaeAi5tUFL1DTL2UE4zNRBcoShgo=Wk3S3S6oZ%2bAFI5IAXNdMwMEB2%2bNjlxGOgqvJHzF9n5pJy5wkiYA%3d%3d&rU-zwRPF%2bZ3zd4E7lkn8LWw%3d%3d=pwRE6AGJFLDNih225F5QMaQWcPHwdhUfCZ%2fLUQzgA2uL5JNRG4jdQ%3d%3d&mCTIbCubSFIXsDGW9IXnlg%3d%3d=hFfIUdN3100%3d&kCx1AnS9%2f-pWZQ40DXFvdEw%3d%3d=hFfIUdN3100%3d&uJovDxwdjMPoYv%2bAJvYtyA%3d%3d=ctNjF55vVA%3d&FgPIIEJYlotS%2bYGoBi5oIA%3d%3d=NHdURQburHA%3d&d9QjJagIPd993jsyOJqFvmy-B7X0CSQK=ctNjF55vVA%3d&WGewmoAfeNR9xqBux0r1Q8Za60lavYmz=ctNjF55vVA%3d&WGewmoAfeNQ16B2MHuCPMRKZMwaG1PaO=ctNjF55vVA%3d>

<sup>36</sup> The Economist, ‘Preston, Jeremy Corbyn’s model town’, October 2017. Accessed at: <https://www.economist.com/britain/2017/10/19/preston-jeremy-corbyns-model-town>

<sup>37</sup> WBG (2020) Towards a Feminist Green New Deal (<https://bit.ly/3DTBXdj>). Further information about the project here: [www.wbg.org.uk/fgn](http://www.wbg.org.uk/fgn)

<sup>38</sup> Women’s Budget Group, ‘A Care-led Recovery from Coronavirus’, 2020. Accessed at: <https://bit.ly/2Z7L19a>

<sup>39</sup> <https://www.gov.scot/policies/cities-regions/community-wealth-building/>

<sup>40</sup> The Guardian, ‘Preston is a lesson for Labour: show communities you can deliver change’, May 2021. Accessed: <https://www.theguardian.com/commentisfree/2021/may/18/preston-labour-communities-change-voters-uk>

<sup>41</sup> North Ayrshire Council, Regeneration Delivery Plan, March 2021, p.14. Accessed at: <https://north-ayrshire.cmis.uk.com/north-ayrshire/Document.ashx?czJKcaeAi5tUFL1DTL2UE4zNRBcoShgo=Zs-8bit77ImOatV3uav2W%2bPODFglIA3Ls%2bNcrxYM9VvTHeCi7BQdg%3d%3d&rU-zwRPF%2bZ3zd4E7lkn8LWw%3d%3d=pwRE6AGJFLDNih225F5QMaQWcPHwdhUfCZ%2fLUQzgA2uL5JNRG4jd-Q%3d%3d&mCTIbCubSFIXsDGW9IXnlg%3d%3d=hFfIUdN3100%3d&kCx1AnS9%2f-pWZQ40DXFvdEw%3d%3d=hFfIUdN3100%3d&uJovDxwdjMPoYv%2bAJvYtyA%3d%3d=ctNjF55vVA%3d&FgPIIEJYlotS%2bYGoBi5oIA%3d%3d=NHdURQburHA%3d&d9QjJagIPd993jsyOJqFvmy-B7X0CSQK=ctNjF55vVA%3d&WGewmoAfeNR9xqBux0r1Q8Za60lavYmz=ctNjF55vVA%3d&WGewmoAfeNQ16B2MHuCPMRKZMwaG1PaO=ctNjF55vVA%3d>

<sup>35</sup> National Assembly for Wales: Equality, Local Government and Communities Committee, ‘Communities: First Lessons Learnt’, 2017, p. 8. Accessed at: <https://senedd.wales/laid%20documents/cr-ld11141-cr-ld11141-e.pdf>

<sup>36</sup> <https://senedd.wales/laid%20documents/gen-ld11240/gen-ld11240-e.pdf>

<sup>37</sup> Wales Online, ‘Anti-poverty programme Communities First is killed off by Welsh Government’, February 2017. Accessed at: <https://www.walesonline.co.uk/news/politics/anti-poverty-programme-communities-first-12604423>

<sup>38</sup> BCT, ‘Our Local Economies Case Study: Social Enterprise in Bro Ffestiniog’, pg. 5. Accessed at: <http://cwmnibro.cymru/#en>

<sup>39</sup> P. McCann (2021), ‘The Fiscal Implications of ‘Levelling Up’ and UK Governance Devolution’, Productivity Insights Paper, No. 008, The Productivity Institute, p. 23.

<sup>40</sup> The Scottish Parliament Information Centre, Economic Development in Scotland. Accessed at: <https://spice-spotlight.scot/2021/09/21/economic-development-in-scotland/>

<sup>41</sup> <https://www.gov.scot/policies/regeneration/town-centre-fund/>

<sup>42</sup> <https://www.gov.scot/publications/investing-jobs-capital-spending-review-2021-22-2025-26/pages/6/>

- **apply a place-based approach to regeneration in an innovative and outcome focused way which maximises impact and unlocks potential for towns in North Ayrshire**
- **build on earlier planning and community engagement work and apply a covid lens to priorities to establish if these are still valid**
- **Progress from identification of need and issues to the generation of solutions and new initiatives**
- **interpret and articulate commitments made in the strategic plans of Community Planning Partners at a town level**
- **inform short, medium and long term Council and community led action and regeneration activity**
- **create attractive and successful places**

The 2020 Scottish Index of Multiple Deprivation reported that 52 of the data zones in the North Ayrshire Council area were among the 15% most deprived in Scotland, which increased significantly from 2004.<sup>50</sup> It is through place-based initiatives such as the Locality Partnerships that the North Ayrshire Council are energetically attempting to tackle the substantial deprivation that has been growing in their locality.

In the neighbouring council of East Ayrshire, CWB is developing with initiatives like the living wage for social care workers. East Ayrshire Council's Chief Executive told the inquiry how business is helping regeneration in this authority area. Barclays are supporting the council in various ways by making Kilmarnock the second location in their Reviving Thriving Local Economies pilot.<sup>51</sup> Barclays have been working with the council by conducting research

(e.g. Kilmarnock Life Chances Report (Q2 2019), offering training to hundreds of school children on the important area of employment skills, and supporting businesses and start-ups with digital skills through their Digital Eagles and the Eagles Lab in the Enterprise and Innovation Centre of Kilmarnock's HALO Regeneration Project.<sup>52</sup>

East Ayrshire also benefits from support of a business champion (a place-based role discussed below) Sir Tom Hunter. An extremely successful entrepreneur from East Ayrshire, Sir Tom has offers mentoring to local pupils. For eight years Tom has challenged young people to come up with ideas for products, innovations or businesses of the future in the Sir Tom Hunter Challenge, part of the council's business enterprise programme.<sup>53</sup>

Scotland's wide devolved competences and proactive development programmes offer substantial insights on place-based initiatives that the rest of the UK would be wise to investigate. Similarly, the suggestion to the inquiry that businesses may be less active in regeneration collaboration in Scotland than in England is one that the Scottish government might usefully reflect upon. In 'Levelling Up' the intermediate level of governance in the UK to match the current need, there is an opportunity to learn from the various experiences of different parts of the country.

# THE IMPACT OF COVID-19

As well as having a severe impact on central government finances, COVID has impacted communities in a major way. The Trade Union Congress told the inquiry how the pandemic has highlighted the scale of the structural inequalities that the UK faces, as well as deepening them in many areas. As an external shock to an existing pattern of spatial inequality, the effects of the pandemic should be considered for place-based efforts by business. The most significant way in which this requires consideration is in the selection of places to engage.

The Institute for Government have discovered that there is no correlation between the places that have suffered the worst economic shocks from COVID and those that are identified as 'left behind' places, with only some coastal communities (such as Blackpool, Torbay, Thanet, Great Yarmouth, the Isle of Wight and Ceredigion) and some city centres (such as Glasgow, Dundee, Liverpool, Newcastle and Manchester) falling into both categories.<sup>54</sup> Although it is still unclear how persistent the economic effects from COVID will be, the places that see a coincidence of impact from both the pandemic and pre-existing left behind challenges should be identified as priorities for place-based regeneration efforts. It should be noted that Northern Ireland was not examined in the IFS study and so requires analysis.

## DIGITAL REACH

The inquiry heard that there has been a positive impact from COVID-19. The potential for digital communications technology to be used to extend the reach of programmes was realised during the unprecedented social distancing of the pandemic. During the pandemic, Coventry Building Society moved elements of their school programmes online and have since developed a hybrid approach to delivering educational support. The forced distance working during the pandemic has enabled many organisations to utilise technology to overcome limitations of distance in many ways, improving the extension of opportunity to places that were otherwise hard to reach.

Freshfields Aspiring programme Professionals Programme, delivered in partnership with the Social Mobility Foundation, works with students who live in the postcodes that are measured to be in the 50% most deprived throughout the UK. It was launched in 2021 and intends to offer 100 students per year mentoring, work shadowing experience (with a travel-paid day at Freshfield's offices), online skills sessions and the opportunity of one of twelve paid, residential, internships that link into their recruitment pipeline. The programme was developed as an all-online activity as a result of experience by Freshfields during 2020/21 which allowed them to see first-hand how to design interactions to work well in a virtual setting and balance this with necessary work in-person. An example is success in running their career insight offering online by keeping group sizes small, 'important for interactivity as it means each student can be easily viewed during a video call and feels part of the discussion'. Therefore, the pandemic forced a new way of thinking that has improved the ability of this major law firm to offer opportunity to a remote cohort.

**DUE TO THIS SUCCESS, WE WERE ABLE TO HELP STUDENTS WHO HAVE BEEN HARDER TO REACH FOR US IN THE PAST, PARTICULARLY IN SOCIAL MOBILITY COLD SPOTS**

Freshfields Bruckhaus Deringer LLP

<sup>50</sup> <https://www.north-ayrshire.gov.uk/council/council-information/key-facts-and-figures.aspx>

<sup>51</sup> <https://home.barclays/who-we-are/our-strategy/backing-the-uk/thriving-local-economies/our-kilmarnock-pilot/>

<sup>52</sup> <https://halo-projects.com/enterprise-and-innovation-hub/>

<sup>53</sup> <https://www.east-ayrshire.gov.uk/news/article/teams-picked-for-sir-tom-hunter-challenge-grand-final>

<sup>54</sup> Alex Davenport & Ben Zaranko, 'IFS Green Budget 2020: Chapter 7', Institute for Fiscal Studies, pp. 339-342

# SECTION 2

## A BLUEPRINT FOR BUSINESS ENGAGEMENT

Advice for a systematic approach to collaborative place-based regeneration

### SELECTION OF A PLACE

When engaging in a place-based approach to improve social outcomes there is an obvious first question for a business; 'where?'. Selection of the appropriate place to carry out regeneration work is the stage that requires consideration of need, business energy and levers for change. Potential levers might include a Town Deal, a City of Culture bid, or new local political leaders.

Selection is a topic as relevant to local government and the third sector as it is to businesses. A business leader choosing to direct the resources and focus of a business to a place wants to know that the criteria for selection are those most likely to result in an enduring engagement. Similarly, a local government official looking to invite a business to engage in a place-based partnership wants to know what characteristics make their place desirable, over the long haul required for place-based regeneration, to the potentially large number of businesses that could be interested.

This may be simple if location is inherent to the organisation looking to act. For example, the University of Bradford, the only university in Bradford, understandably has a long history of engagement with the local community. Many organisations have the resources to choose places they do not have close links with, and this is less simple.

#### WHICH PLACE FOR WHICH BUSINESS?

**Where possible, we recommend that businesses should choose locations where they have a presence and most importantly a significant interest to enable a long-term and strategic investment in the place.**

For businesses with assets which are anchored in a place, this is often straightforward, for example, Coventry Building Society opting to carry out their place-based work in Coventry. Within this larger place, partnerships should look to focus their efforts on the communities and neighbourhoods that are most in need, balanced with any potential levers for change.

Other types of anchor organisations, for example utility companies, who are likely to have regional presence, should look at both need, the energy of other business partners and levers for change when selecting a place. For example, Anglian Water decided to work in Wisbech because both they and their suppliers had presence and resources near there, as well as the fact that it had high levels of deprivation, lower than average life expectancy, poor levels of educational attainment and poor rail connectivity.

Anchor organisations are likely to have the capacity and resources to establish place-based partnerships where they do not already exist, and this should be their primary focus, however, they should additionally look to join pre-existing partnerships within the region.

For national companies that do not have an obvious place to choose, the process of selection is less straight forward. For those that have greater resource capacity, **we recommend that they focus on a place with high levels of need, balanced with any possible levers for change.**

For national companies that do not have a large enough resource capacity to establish a partnership, **we recommend that they either join an existing partnership or that they choose a much smaller locality (no larger than ward level), to intervene in.**

Another important factor that business is likely to consider is the willingness and energy of the local authority to work in new and innovative ways with partners and businesses. **We recommend that local authorities are open and proactive in seeking to work with business partners to encourage participation.**

For any organisation joining an existing partnership, they need to work with the partnership to ensure that they have the below recommended personnel and principles in place.

## SIZE

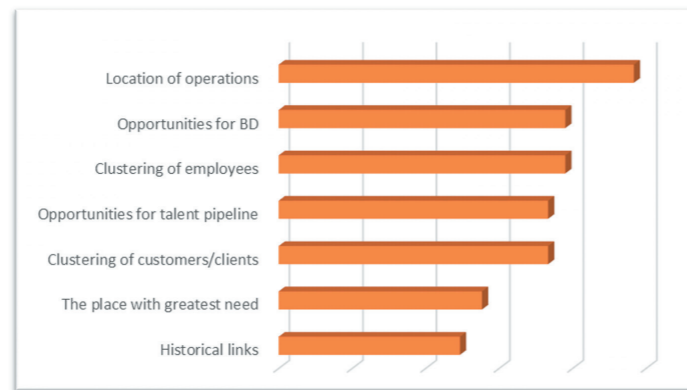
In a place-based approach size is a consideration. Essentially what size of place is appropriate for a place-based approach? Is it a ward of about 5,000 people or a city of 500,000? The place-based partnerships that the inquiry examined varied substantially. It was claimed by some that a scale of approximately 30,000 was an upper end at which focus could be maintained and subdivisions of the target place managed. It should be mentioned that some organisations looked for smaller local authorities as a preference to limit the profile of any reputational damage if the efforts were unsuccessful. If such concerns are present, they should reduce as a business gains more experience of working with a place-based approach to regeneration. Ideally, the risk of being unsuccessful should be minimised through working as part of a partnership rather than through selection.

The context of a place is a factor to consider. Where are the problems, and importantly what are the root causes of those problems? Do they stem from county level issues that require a broad scope or is the problem confined to a small area of a place that has specific circumstances? An example of such specific circumstances could be the physical isolation at the other side of a major road. It may be that the engagement with a place begins a journey of discovery that leads to a smaller or a larger focus.

Part of the question of scale is that actors cannot look at a place in isolation. Instead, businesses should think about how the place interacts with other places. The strategy should be ready to adapt to the appropriate scale as the initiative consults and learns through doing. The discussion of place selection and measurement frameworks in this report provide tactics for gauging the correct scale.

## THE IMPORTANCE OF HAVING ‘SKIN IN THE GAME’

If at all possible, businesses should choose locations where they have a presence and most importantly a significant interest. Ideally, businesses should establish presence in an area that requires assistance, as PwC have done in Bradford. Peter Simpson, CEO of Anglian Water, who has experience of successful engagement in place-based tripartite partnerships, called this having ‘skin in the game’. He recommended that businesses have to have some skin in the game for a place-based approach; ‘It is more about thinking about what you are doing as a company and where you have the skin in the game with that place’. Wisbech was also where the company’s suppliers had a presence, presenting concentrated attention. Having ‘skin in the game’ was endorsed by the cross-sector organisations that contributed evidence to the inquiry when they selected ‘Location of current or future operations’ as the chief motivation for business engagement in a certain place.



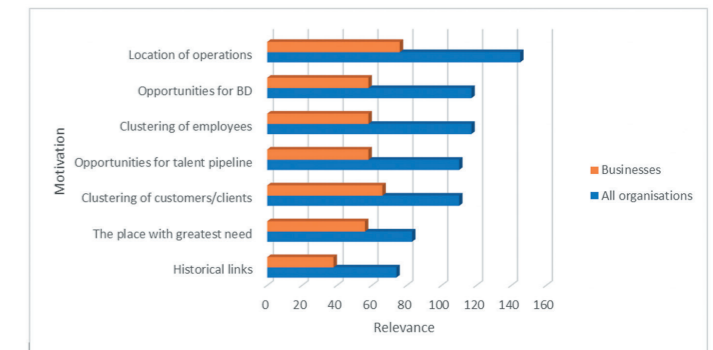
**Perceived motivations for business engagement in a place**

Motivation is a useful area to reflect upon with place-based initiatives, especially where the business is a national organisation with many locations. A total of 26 organisations, representing charities, businesses and local government organisations, responded to the question of ‘what motivates businesses to engage in regeneration in a specific place?’. The call for evidence asked the respondents to rank 7 options in terms of relevance, as below, which were then given a score and plotted against each other.

- **Location of current or future operations**
- **Clustering of employees**
- **Clustering of customers/clients**
- **Historical links**
- **Opportunities to develop a current or future talent pipeline**
- **Opportunities for business development**
- **The place with the greatest need**

In case any prominent motivation was missed from the 7 suggestions, the respondents were offered the opportunity to list other motivations, however, no alternative was consistently identified. 15 businesses responded to the request for motivation insights, representing more than half of the 28 total respondents to that question. Several of the business respondents were large national businesses in the UK having annual revenues of over a billion pounds, and 13 of the businesses responding had a combined revenue total of more than £91bn in 2021. The answers given therefore offer a valuable insight in understanding what motivates a national business to work in a certain place.

The perceptions of local government and third sector organisations are clearly also important in understanding the motivations for businesses engaging in a place and all of the respondents were well informed about place-based regeneration efforts. It seems logical that businesses know best what motivates their organisation have for becoming engaged in a place, yet there was agreement between all sectors. The votes of business were examined in comparison to the answers of all organisations and the general pattern was confirmed. The highest ranked motivation of ‘location of operations’ was attributed approximately twice as much relevance as ‘historical links’ from both the sub-group of businesses and from all respondents. The location of operation received 35.7% more relevance than place with the greatest need in the sub-group, which was 74.7% more relevance in the all respondents group. These increases were of the same order of magnitude of the total available relevance score for both groups, with the smaller numbers representing 42.4% and 36.4% of the total relevance score respectively.



**Motivations of business: Sub-group and All sectors**

It is revealing that the lowest scored motivation was historical links, current and future operations matter much more than the past it seems. This will have relevance as industries develop and businesses move. Also significant was the voting of the place with the greatest need as the second lowest motivation. Surely this would occur to most people as the single most important factor in place-based regeneration, however, it seems it comes behind at least five other alternatives. The results strongly suggest that for a place-based regeneration effort to be enduring, the need of a place should be considered in the context of other factors. The implications of these results are also significant.

Firstly, while business leaders will want to 'lean in' to organisational preference for helping a place where operations are located, the results suggest there is a requirement for powerful actors to compensate for the low importance of need as a motivation. All actors in society, including central government, should do what they can to encourage businesses to locate operations in places in need.

National organisations selecting a location to engage in voluntary place-based regeneration work may wish to cross reference their assessments of where to engage with the presence of businesses in those locations, and especially large business. Annually published ONS data on the number of businesses per region and parliamentary constituency, which lists businesses by the key dimensions of size of turnover and number of employees, is a useful guide to this.<sup>55</sup>

Tax incentives, as detailed in this report, should be considered to channel regeneration resources to those places that are underserved by local business operations. Similarly, the most should be made of the existing businesses in left-behind places. Support is channelled to help such places engage by organisations like BITC. As was seen in the Welsh government's support for social enterprise in Ffestiniog, where businesses are not present government focus should be given.

Secondly, there is clearly a need for business operations to be located in 'left-behind' places in order to facilitate place-based regeneration in the places of most need. This may be an unsurprising observation, but it bears underlining. In giving evidence to the inquiry Will Tanner (who advised Minister Theresa May between 2013 and 2017, first as a Special Adviser in the Home Office and then as Deputy Head of Policy in 10 Downing Street) asserted the added benefit that businesses location can bring to a place;

**'I think it's a brilliant thing that you [Southern Water] are in Worthing, not just because it's kind of providing opportunity in that place but you're also providing some kind of countervailing power to all of the businesses that are based in cities and wanting investment there and one of the reasons why I'm a great advocate for government moving bits of government out of Whitehall....it will force government to kind of confront some of the problems that exist in those places and then try to fix them in partnership with business...an example is HSBC when they moved their headquarters to Birmingham. That was genuinely one of the main selling points for making the decision in favour of HS2 to Birmingham, because there was a visible sign from businesses that they wanted to shift the centre of economic gravity from the City of London.'**

## NEED

Location of business operations might be a strong consideration, but need should obviously be an important variable in deciding where to help. For businesses with physical assets which are anchored in a place, searching for a place in need within their territory of operations is natural. For other businesses, such as intellectually focused service firms, a wide list of potential locations makes selection more difficult.

Detail is offered in this report for the metrics that can be used to aid this selection. The metrics can then be incorporated into a selection process. The process used by the Lloyds Foundation to select the six places they are working on is a good example of one that was well thought out:

- **The Index of Multiple Deprivation for England & Wales was considered in conjunction with the Social Mobility Index for England and the Welsh Social Mobility Indicator**
- **They then overlaid that approach with a report called patchwork philanthropy (a 2018 study by the Young Foundation) to identify the places which did not attract much funding from Trusts or Foundations**
- **The 27 places on the resultant longlist were shortened to 8 through two further refinements. Firstly, consideration of Lloyd's existing presence and investments and then, secondly, in consultation with the 11 regional managers, who's knowledge was sought on the locations perceived appetite for change, the nature of the existing local infrastructure/ecosystem and any existing links with infrastructure organisations & local changemakers**
- **8 were approached but 2 were unable to participate**

The staged approach to selection use by Lloyds covered aspects of both need and practicality for ensuring an impact was achieved.

Even for businesses working in their location of operations, selection of a focus area within that place requires a level of selection. The Coventry Building Society, which is part of the Coventry Leadership Group, told the inquiry how they were guided by council research to the places within Coventry with the greatest need;

**'...[we realised] we should do a deep dive into one particular area, so the Council research department presented three different wards that they felt would meet, our criteria, which is kind of which areas need the most help and that we were best able to help. And through that the Foleshill-Longford area was chosen.'**

PwC selected Bradford for a number of reasons, including benefits for their own business as well as for the town. One of the government's flagship social mobility initiatives is the Department for Education's place-based scheme called Opportunity Areas. Between 2017-2020 the scheme directed £72m in new attempts to improve outcomes with interventions from early years to employment.<sup>56</sup> The programme selected some regions that were in need in the UK, such as East Fenland and Oldham, and set up partnership boards there to improve educational outcomes. On these boards was the local LEP working with local businesses. PwC joined the Opportunity Areas initiative from the beginning as a cornerstone employer in Bradford and, as such, PwC are keen to address the four priorities of the Opportunity Area:

- **Improving access to rewarding careers**
- **Investing in schools to help drive up the quality of careers and enterprise education to help create a culture of high expectation**
- **Investing in targeted programmes to help raise aspirations**

<sup>55</sup> <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation>

<sup>56</sup> <https://www.gov.uk/government/news/opportunity-areas-programme-to-support-young-people-hit-hardest-by-pandemic>



It quickly became clear why Bradford is a great place to work, live and to invest in. Part of PwC's selection of geographic location for engagement was based on social mobility cold spots, as per the Social Mobility Commission.<sup>57</sup> For PwC the selection led to operational presence, with the city of Bradford been chosen for an office presence:

The example of PwC and Bradford is an instructive one in which need, operational presence and coordination with government policy has reinforced each other to create a resilient place-based intervention.

## CASE STUDY

### SEEING IS BELIEVING VISITS

**Established in 1990 by HRH The Prince of Wales, The Prince's Seeing is Believing programme is a powerful experience for senior business figures, who are taken on a visit to look at the challenges and opportunities in a particular place; energising local partnerships and cementing their business leadership.**

**This can be a powerful tool for a place-based partnership, particularly in its earlier stages. It brings a spotlight onto the key issues and opportunities locally, and invigorates business leaders to engage. In Blackpool, it led to the establishment of a National Advisory Board, who provide insight and advocate for Blackpool nationally.**

**[BRADFORD HAS] SIGNIFICANT LONG-TERM CHALLENGES AROUND ATTAINMENT, ASPIRATION AND EMPLOYMENT...40% OF THE CITY'S WAS ACTUALLY FALLING WITHIN THE POOREST 20% IN BRITAIN. SO AT THE HEART OF OUR INVOLVEMENT IN BRADFORD WAS HELPING TO PROVIDE MORE EMPLOYER ENCOUNTERS FOR YOUNG PEOPLE.**

<sup>57</sup> <https://www.gov.uk/government/organisations/social-mobility-commission>

# START WITH SENIOR-LEVEL LEADERSHIP

## RECOMMENDATION:

### Start with senior-level leadership

Businesses engaged in place-based initiatives, such as KPMG, PwC and Freshfields, indicate that, to secure long-term commitment from companies, it was essential to get senior leadership buy-in at board level or senior executive level. Businesses need to secure a senior-level sponsor for their place-based work and, ideally, ensure that an appropriate senior-level representative sits on the local partnership board.

One technique for achieving greater and more senior buy-in is to mobilise business leaders through a Seeing is Believing (SIB) visit. Established in 1990 by HRH The Prince of Wales, The Prince's Seeing is Believing programme is a powerful experience for senior business figures, who are taken on a visit to look at the challenges and opportunities in a particular place. SIB visits enable the UK's biggest companies to better understand the problems faced by left behind places and to galvanise their leaders to take action, driving transformation.

The businesses that responded to the call for evidence had extensive experience of being involved in place-based regeneration, so they were in a good position to share some of the internal factors that were key to enabling business engagement in projects. The most consistent response was a sincere buy-in from the business leadership that engagement was the right thing to do. It is unsurprising that it was large businesses who saw the leadership buy-in as most essential. Although 'good leadership' and 'great communications' are necessary to the engagement of a smaller business, the commitment of senior leadership in larger organisations was seen as vital. There was a perceived causal relationship between the commitment from 'board level' and the other factors that were consistently being cited as necessary. One large, regionally based business with over 220 locations summed up these other factors as flowing from; 'Staff resource and empowerment to work beyond the direct operations of the business for the wider benefit of the place'. Resources in the form of funding and staff time were cited repeatedly as essential, with senior buy-in enabling those factors in large organisations. Freshfield Bruckhaus Deringer LLP made the causal connection clear;

**'Central to this is the commitment by senior leadership to the relevant project and an institutionalisation of the project within/across the business. If these two factors are present, they should give rise to both the necessary financial and human resources being made available over the long term so as to support a project over the long term.'**

Social Mobility is a key part of PwC's strategy in the UK, which was led by Kevin Ellis, Senior Partner and Chairman, and with the active backing of the UK Executive Board.

It was also suggested that careful consideration should be paid to where the place-based regeneration initiatives that a business engages in are located, in order to align with the concerns of senior business leaders. KPMG drew from experience that a place-based initiative internally requires 'a strong understanding of the business benefits' and 'staff resource committed to the place-based project'. If the location of a place is selected where the business may derive some benefit and where the staff can feel engaged, then there is more likelihood that the project will be a success.

A large engineering and construction company told the inquiry that they encouraged leadership to distinguish between locations where the business is transient vs permanent, and that longer-term framework arrangements should be put in place when regeneration initiatives are engaged in. Selection is therefore an important stage to choose a place that is the best fit for a strong business commitment when it engages. The involvement of senior leadership from the beginning of a process would seem advisable as social regeneration projects without the buy-in of board-level leadership may well be a waste of effort.

# DEFINE KEY PARTNERSHIP ROLES

Place-based partnerships benefit from having full time staff in position to manage the collaboration. In multiple partnerships one individual fulfilled the role of managing the network and often this individual had more work than a full-time role could handle, indicating that at minimum one full time position is needed. However, other individuals were also crucial to the success of place-based partnerships.

The importance of someone managing a network was referred to by a large business that submitted evidence;

**‘the critical part of this is the facilitator/influencer who glues all the three elements [businesses, public sector bodies & community organisations] together. The definition of this role and more importantly the competencies and experience required to fill it needs to be captured and detailed.’**

- Victrex

Different community actors can play a range of roles that are vital to place-based growth. A 2019 study by Grant Thornton UK LLP identified the range of leadership roles that County Councils can play, including Convenor, Facilitator, Vision Setter and Communicator.<sup>58</sup> These are all important aspects of place-based partnership and this came across in the evidence the inquiry heard. Observances around leadership of collaborations have been distilled into the different roles of Connector, Champion and Ambassador. Described below, these are distinct roles with specific strategic characteristics. It is strongly recommended that local partnerships seek to have individuals associated with the collaboration who fulfil each of the three roles. The facilitating and influencing roles described can be fulfilled by individuals from the public, third or private sector as long as they embody the associated characteristics.

## CHAMPIONS

An important role within a place-based regeneration is that of an influential and passionate person who can act as a ‘Champion’, providing strategic direction and drive. The Champion can be, but is not always, the Chair of the partnership. In multiple place-based regeneration initiatives, an individual in a position of power has contributed attention, authority and resources to a place to help enable an initiative to occur. The charity UnLtd have identified a similar role in what they call a ‘Champion of Influence’, which they define as ‘people in a place with power and resources to make things happen’.<sup>59</sup> UnLtd’s definition is an interesting one, however, in the case of UnLtd the Champions of Influence role crosses over with another role that is vital in a place-based partnership, that of the ‘Connector’, which is discussed below. Evidence from the inquiry suggested that the role of Champion be reserved for a more senior figure, commanding more resources, than the connector role. A connector, corresponding with BITC’s Business Connector role, by comparison is a more hands on role requiring project management skills rather than resources and authority.

The social scientists Alistair Bowden and Joyce Liddle have developed a framework with some terminology around the capability requirements to distinguishing between the two. Bowden and Liddle built on the frameworks of roles in local partnerships from thinkers including Himmelman, Sotarauta & Sullivan, to describe partnerships using the analogy of a car, with different sectors, or individuals from these sectors, taking different seats in the vehicle.<sup>60</sup> It was theorised that, whereas government had previously occupied the leadership roles in the vehicle of local partnerships, in post-austerity UK individuals from non-government actors, such as businesses, often occupied the lead roles.

There are five main positions in the vehicle analogy, Drivers, Navigators, Mechanics and two financial positions of money holders with project funding. Evidence reinforces that the role of driver and navigator are useful to consider for place-based regeneration partnerships. In the words of Bowden and Liddle, ‘Drivers draw upon social capital and reputation to initiate, inspire and act as a catalyst to a shared sense of purpose’.<sup>61</sup> This role, synonymous with the Champion role described in this report, is one that has been observed in the course of this inquiry to have been occupied by business leaders in multiple instances of successful partnerships.

The driver and the Navigator are the two leading roles. Bowden and Liddle’s examination of cases across the New Labour and Coalition periods of government indicated that those two leadership roles transitioned from public sector control to private sector control as a reflection of a general shift in place-based partnership leadership. Champions can be from business, as was seen in the inquiry, but they are not necessarily such.

Adrian Hawkins is an example of a local champion. He was born in Stevenage and his dedication to achieving regeneration of his area through collaboration came across when he submitted evidence to the inquiry. Adrian is a successful businessman who has served on the Hertfordshire LEP Board from 2014 to 2020, and as deputy chair from 2017 to 2020. Although leadership positions on LEPs can be paid positions,<sup>62</sup> Adrian served in a voluntary capacity. He is currently the independent Chairman of the Stevenage Development Board, which organised the bid for Town Deal funding. The bid was successful and resulted in an award of £37.5 million, the joint second highest amount of funding for a single town from Central government. Adrian was recognised for his work when named in the Queen’s New Year Honours List in 2021 as Officer of the Order of the British Empire (OBE).

However, as mentioned above, Champions are necessarily individuals from business. In the Grimsby case, the Chief Executive of the North East Lincolnshire Council played a pivotal role in creating a potent place-based partnership, with a major local employer stating that ‘he is an excellent chief executive with a real vision for how to transform an area...[he] seized the opportunity’.

Whether senior business leaders or senior public sector leaders the Champion is vital in a place-based partnership for offering strategic direction and energising the collaboration. When place-based partnerships obtain board-level or executive level buy-in from business then the individual from the business is likely to act as a champion. Without figures like Peter Simpson or Steve Hughes the CEOs of Anglian Water and Coventry Building Society respectively, place-based partnerships would be much less effective.

<sup>58</sup> Grant Thornton, ‘Place-based growth – the importance of leadership and influence’, County Council Network, December 2019. Accessed at; <https://www.countycouncilsnetwork.org.uk/place-based-growth-the-importance-of-leadership-and-influence/>

<sup>59</sup> UnLtd, Resilient Communities Evaluation, Nifty Sustainability, 2021, p. 12.

<sup>60</sup> Bowden & Joyce Liddle (2018) Evolving public sector roles in the leadership of place-based partnerships: from controlling to influencing policy?, *Regional Studies*, 52:1, 145-155.

<sup>61</sup> Bowden & Joyce Liddle (2018) Evolving public sector roles in the leadership of place-based partnerships: from controlling to influencing policy?, *Regional Studies*, 52:1, 145-155, at p. 151.

<sup>62</sup> Odgers Berndtson, ‘Local Enterprise Partnerships A Chair’s Perspective’, 2012, p.4. Accessed at; [https://www.semlep.com/modules/downloads/download.php?file\\_name=56](https://www.semlep.com/modules/downloads/download.php?file_name=56)

## CONNECTOR

### RECOMMENDATION:

#### **Government needs to facilitate effective local partnerships, that will work closely with Levelling Up Directors, through funding Connectors.**

The inquiry heard evidence of multiple partnerships that had already succeeded in bringing community actors together through coordination by a Connector. In the Levelling Up white paper, the government announced that they will be appointing new regional Levelling Up Directors (LUD). The government's ambition is that LUDs will work collaboratively with local areas and across government departments to drive new and innovative local policy proposals, which will deliver on the levelling up missions. In order for these roles to be successful, they need to have a real understanding of local issues and opportunities, which will be a far more realistic and achievable task if they are working closely with a Connector who is managing a cross-sector partnership.

Where there are existing BITC place-based partnerships, we recommend that LUDs form a strategic partnership with each place to deliver the missions.

Where there are not established partnerships, we recommend central government facilitate the proliferation of the Connector and Partnership Director roles, through providing seed funding of 50% for the first 3 years, with businesses and local government co-funding the remaining amount. BITC would work with national government to develop a network of facilitator organisations who would employ the Connectors, leveraging on the extensive experience BITC has had in developing the Connector role.

The Champion role is primarily a catalyst that initiates and broadly steers a partnership, but daily management of the partnership needs another role. The Connector role, first developed by BITC in 2012, is vital for regular mediation and network management. Both the Champion and the Connector role involve communication and coordination between separate community actors, whether that be separate organisations within a sector or across sectors. Connectors, however, manage the partnerships on a day-to-day basis, taking on both a strategic and tactical role.

The role of a Connector is in line with the role described by Bowden and Liddle's framework as the Navigator. 'Navigators pay attention and respond to stakeholders (in the vehicle) and the environment (outside the vehicle); they make sense of the complex world'.<sup>63</sup> Whereas Champions utilise their established social capital to catalyse and drive a place-based partnership, Connectors build their social capital with a network through engagement on the ground. This requires regular contact with community

stakeholders. All Connectors who submitted evidence to the inquiry expressed that the first six to twelve months were a challenge, as it required lots of effort to build up their network. This was summed up by the Connector in Lowestoft:

**'The first 6 months seemed to be meeting after meeting but this ensured I got my face out within various circles', and 'The initial 6-9 months felt like treading water, I had no office and was seen as an outsider. I had to make sure, although I worked with the Council, I was not working for them. I made sure I sent regular updates and met with various leaders'**

- Jason Benham

Because of the necessary period of building this social capital it is likely to seem in the initial period of the partnership that not much is being tangibly achieved. All partners should be prepared for this, especially the Connector themselves. Don't be surprised if the first year feels like 'Pushing water up a hill', as one Connector put it.

Connectors need to be very competent and credible, with project management capabilities. The Connectors that submitted evidence to the inquiry were impressive managers and selection of a Connector should be considered carefully. As a partnership matures and grows, we recommend that, in addition to the Business Connector role, a more senior and strategic lead role is incorporated, known as the Partnership Director, which is likely to be part-time, paid position.

In the Levelling Up White Paper, the government announced that they will be appointing new regional Levelling Up Directors (LUD). The government's ambition is that LUDs will work collaboratively with local areas and across government departments to drive new and innovative local policy proposals which deliver on the levelling up missions. In order for these roles to be successful, they need to have a real understanding of local issues and opportunities, which will be a far more realistic and achievable task if they are working closely with a Connector that is managing a cross-sector partnership.

The recommended model is that Connectors are co-funded by businesses (that are part of the partnership) and local government. We have also seen successes where connectors have been seconded from business, although a co-funded model allows for greater independence. Where there are no established partnerships, we recommend national government facilitate the Connectors and Partnership Director roles, through providing seed funding of 50% for the first 3 years, with businesses and local government co-funding the remaining amount. The government should look for neutral intermediaries, like BITC, to receive the funding that facilitates the partnerships.

## AMBASSADOR

Where the Champion will bring the considerable social capital that the individual has already accumulated, utilising it to frame a vision and mobilise partners to work together, the Ambassador's role is typically less hands on. Many of the partnerships that the inquiry examined had Ambassadors, whether this was official or not. Blackpool's Pride of Place partnership has created a network of alumni, made up of Ambassadors for Blackpool and The Fylde Coast, which have a specific list of asks from the ambassadors, as below:

**As an Ambassador, all we ask is for a little of your time to help the Pride of Place project succeed. Each Ambassador's role will be slightly different, depending on your skills and experience, but here are some of the ways in which you can support Blackpool Pride of Place:**

At national level, you could:

- **Promote the project to national media**
- **Approach government ministers to support our campaigns**
- **Champion Blackpool as a 'can do' place**
- **Bring investment to the Town – Philanthropy or Commercial**
- **Speak at events**

At local level, you could:

- **Be a role model in local schools to help raise aspirations**
- **Help to find good people to resource and support initiatives**
- **Support local charities**
- **Help us build the network**
- **Support inward investment**
- **Help us win Hearts and Minds**

<sup>63</sup> Bowden & Joyce Liddle (2018) Evolving public sector roles in the leadership of place-based partnerships: from controlling to influencing policy?, Regional Studies, 52:1, 145-155, at p. 151.

Ambassadors can differ from Champions primarily in political experience. The inquiry heard that having Ambassadors who are highly proficient at political manoeuvring are very valuable to a place-based partnership. A level of policy entrepreneurship from individuals linked to the place in question helps build credibility for the partnership. Such politically aware figures have been compared to Howard Bernstein, who is regarded as one of the chief architects of Manchester's astoundingly successful regeneration. It is not common to have someone who can play 'the political game' and this makes the political role for an Ambassador hard to understand. Examples illustrate what is meant by it.

In Blackpool the former Lord Mayor of London, Sir Andrew Charles Parmley, acted as a vital Ambassador for the place, hosting an event to draw focus onto the regeneration effort. Baroness Jo Valentine told the inquiry: 'Andrew Parmley played the important role of lead ambassador for Blackpool, convening people in the mansion house and acting as cheerleader in various situations.' Blackpool has had all three of the place-based partnership roles described here in its recent initiatives. Considering this comprehensive collaboration leadership, it is interesting that Blackpool has also secured the highest Town's Fund award of any single town, at £39.5m.<sup>64</sup>

David Ross is an individual to identify as an Ambassador in Grimsby. He is the chair of the Greater Grimsby Board, which is the strategic place-making regeneration body for Grimsby. David Ross has been credited by evidence contributors from Grimsby as being instrumental in the establishment of the strong partnerships in the area due to the use of his high social capital as a wealthy businessman, being the co-founder of the Carphone Warehouse Group 'he has had the last three Prime Ministers on speed dial... which is very useful, and he is Grimsby born and bred' (ABP).

The presence of an ambassador for Lowestoft, in the figure of Lord Steve Bassam, was identified as being significant for the creation of a successful collaboration. The COE of Anglian Water asserted 'we were struggling in Lowestoft' in setting up the Town Board, which is seen as an essential piece of governance when setting up a collaboration, but he went on to describe how Steve was very helpful in advising on overcoming these challenges; 'he had a lot of experience of helping us bridge the public-private divide on things. He was excellent... He has really strong relevant experience so he can talk to senior politicians, he can talk to senior business people and he can talk about the way he has frankly been there and done some of this stuff.'

All place-based partnerships should ensure they try to fill each of the roles of Connector, Champion and Ambassador, with individuals sometimes, but not always, able to carry out more than one role.

#### The roles of Connector, Champion, and Ambassador

ROLE	CHARACTERISTICS	FUNCTION	EXAMPLE
<b>CONNECTOR</b>	Highly organised, resilient, excellent communicator, resourceful, diplomatic, strategic and tactical	Managing the network, building trust in the collaboration, problem solving	Russell Beal, Jason Benham, Andy Charles,
<b>CHAMPION</b>	Senior, high social capital, commands resources, strategic, visionary	Catalysing the collaboration, motivating partners, framing the vision, involved in the collaboration	Peter Simpson, Steve Hughes, Adrian Hawkins, Rob Walsh
<b>AMBASSADOR</b>	Senior, high social capital, powerful network, local credibility	Not necessarily involved in the collaboration, represents the place nationally	Sir Andrew Charles Parmley, Lord Bassam, Jo Valentine, David Ross

In addition to the above, it is helpful if partnerships have a neutral organisation to act as a facilitator between all participating organisations. This is the role that BITC plays in its existing Place locations.

This organisation would also employ the Business Connector, enabling the partnership to maintain independence, avoiding one organisation or sector dominating the agenda.

<sup>64</sup> <https://www.gov.uk/government/publications/town-deals-full-list-of-101-offers/town-deals-full-list-of-101-offers>

# FORMALISE COLLABORATION

## STRUCTURE

Collaboration is a fundamental part of a place-based approach. Local and cross-sector partnerships are the most effective medium for businesses to engage in place-based regeneration. Collaborations between the private, public and third sectors seemed to work best when the partnership was formalised. Governance, in terms of general organisation of the partnership, was noted in multiple places as a challenge in the first 6-12 months of a place-based approach. The observations in this report should provide useful guidance to reduce these challenges. A level of judgement is advisable as too much formality has been commented to potentially deter initial engagement, but when the partnership is ready, the below is best practice for what creates impact. It should be noted that multiple support organisations can assist with setting up the collaborations, such as BITC and Locality, and it is also good practice to seek their assistance as they are a neutral facilitator.

The structure of a regeneration collaboration should be considered and there are informative examples of organisational structure. The Future Fens initiative in Cambridgeshire is focused on place-based social and environmental improvements motivated by climate change and was set up by its partners, including Anglian Water. It has an action plan up to 2040, a Taskforce that provides funding and signs off on the strategic direction on a quarterly basis, and a working group that is meeting monthly in the first 6-12 months of the initiative in order to build the detailed plan.

The inquiry has heard that places adopting an open coalition of the willing approach, where any business of any size that is interested in getting involved can sit on a local partnership board can result in a large, unwieldy, body with a weak focus. Blackpool's Pride of Place board, which has adopted a coalition of the willing approach, ensures the commitment and focus of members by requiring a commitment of funds from the members. The structure of the collaboration is important. The North Lincolnshire Development and Growth board has an effective layering of sub-boards by industry sector, which focuses the body at all levels. Having a division of focus, based on aspects like thematic area, is worth considering, especially if the place in which the partnership is working already has a strong collaboration. The Chair of the North East Lincolnshire Development and Growth board outlined how the divisional structure works there;

**'...[We] wanted a representative from each sector that is representative of the different parts of the economy sitting on there, so there is a representative from the fishing industry, there is a representative of offshore wind, there is a representative from tourism, there is a representative of the banking industry and I represent ports and logistics. The idea is there are a number of sub-bodies that sit beneath there where multiple companies come together and they inform their representative who comes to the meeting. And this has led to something a bit different because it has a focus, it also means that the people who turn up are not just showing up because it is another meeting, they all have a mandate and they are there to drive activity, which is useful.'**

## TERMS OF REFERENCE

Formalising the structure of a partnership with terms of reference will be a familiar procedure for many partners of local collaborations. These agreements spell out the roles and responsibilities in a partnership and can help shape the efficacy of the collaboration. Supplementary to a terms of reference can be individual arrangements that serve the same purpose. One evidence contributor structured regeneration efforts with service agreements between delivery organisations and the partnership; 'We have put in place the service level agreements, that is not legally binding it's just we find it useful that they know what our expectations are and vice versa.'

The terms of reference format for place-based partnerships can vary, but there are some standard elements that should be considered. BITC's standard format for a terms of reference document on a place-based board covers the following elements:

- **OVERVIEW OF THE PARTNERSHIP**  
Describing what is being attempted
- **Role of the Leadership Board**  
Identifying the priorities of the board
- **CONTRIBUTION**  
Detailing what the partners bring to the collaboration
- **COMMITMENTS**  
Outlining the 'Core' (e.g. attending meetings and contributing to at least one priority action area) and 'Optional' (e.g. taking the lead on a priority action area and bringing in new partners)
- **BENEFITS**  
Listing the benefits that partner organisations will be able to derive from being members
- **CURRENT MEMBERS**  
A record of who is a party to the formal collaboration

All of the elements of the terms of reference are helpful in setting down the collaboration in a formal and meaningful way.

Commitments cover participation elements, for example meeting requirements. In Morgan Stanley's Healthy London programme their charity partners and community stakeholders met regularly to maintain cohesion. Various meetings were held informally between some partners in a local café in the area, monthly catch-up meetings to check in with everyone were organised and quarterly meetings were held with all partners to track the progress of the initiative. Commitments can also be an aspect of formalising a partnership that can be used to ensure impact. This can have an administrative application, such as in the Blackpool Pride of Place partnership where the members are required to contribute funds to enable the administration of the partnership.

Importantly though, principles can be embedded in a collaboration through commitments as a way to achieve normative change. Plymouth's 'Resurgam Charter' is an example of where combating inequality has been embedded in a partnership, here a set of principles are laid down for businesses to adopt to show that they are reducing inequalities of all kinds. Evidence contributors stated that having principles manifested internally in organisations that are part of collaborations would help ensure that place-based regeneration reduces racial or ethnic inequalities. They also stated that making the implementation of best-practice internal policies a condition of joining a partnership would help in reducing inequalities. This is reflected in the choices being made by councils for partners, one contributor stating;

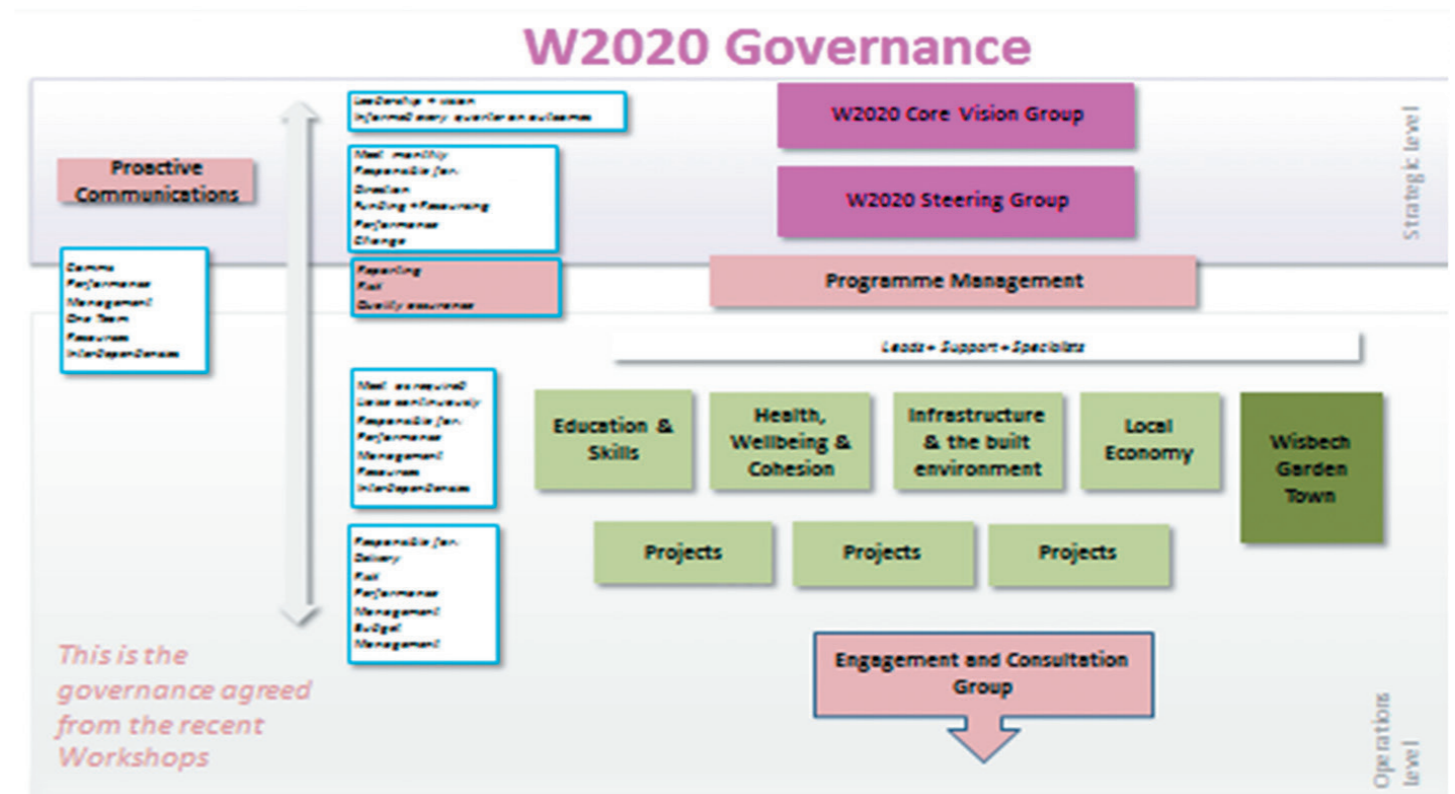
**'many local authorities are now looking at how representation and partnership with equalities organisations must be strengthened. Oldham Council, for example, have established an Equality Advisory Group to drive forward a focus on racial inequality and greater co-production with racialised communities'**

In many ways evidence contributors reinforced the impact that internal policies of businesses could have on the topic of racial and ethnic diversity/equality as part of regeneration initiatives. This was striking as evidence contributing organisations also ranked racial or ethnic inequalities as the second lowest out of the eight thematic areas in a place that business engagement is likely to have the greatest impact upon. This contradiction suggests two implications, that businesses and all parties need to place more focus generally on this thematic area in order to realise impact, and that businesses should assess how their actions internally can be mobilised into a place-based regeneration. It seems clear from the inquiry that, as part of a place-based partnership, businesses can promote the reduction in racial and ethnic inequality. Through strengthening and relating their internal approach, businesses can provide leadership by example, implementing actions such as Equality Impact Assessments, utilising Social Mobility Commission (SMC) toolkits<sup>65</sup>, and establishing robust workforce monitoring systems that report data on areas of disproportionate under or overrepresentation along with an action plan to address it. This kind of leadership through example is utilised by the business membership of the campaigning organisation London First, who support members to share and amplify learning and best practice on diversity and inclusivity to drive change.

The terms of reference format devised by the Wisbech 2020 Vision partnership is an alternative to the one discussed above. In this 'TOR' the mechanics of the Vision Steering Group was a focus, covering such things as:

- **the expectation that decisions will be reached by consensus**
- **quarterly reporting of performance**
- **the convening and administrative body for the \ partnership**
- **meeting frequency**
- **membership**
- **key individual roles**

The Wisbech Vision 2020 terms of reference specified the management positions of Lead Officer and Programme Manager as well as a Core Visions Steering Group, made up of the political leadership of the region (the leadership of the County, District and Town Councils along with the local MP). The detailing of a performance management system in this terms of reference format is a feature that is advisable for partnerships seeking to achieve traction against an agreed action plan, more detail on performance measurement is discussed below.



Wisbech 2020 Governance structure

<sup>65</sup> <https://socialmobilityworks.org/toolkit/measurement/>

# HOW TO IMPLEMENT A PLACE-BASED PARTNERSHIP

## RECOMMENDATION:

**Success of the partnership rests on strong, effective, and independent leadership. A chair needs to be perceived as genuinely working across all sectors, have influence, recognise opportunities whilst enthusing and empowering others to bring them to life, and have a strong understanding of local issues.**

Whilst there are models that work well with different types of leaders, in the majority of cases, we recommend that partnerships have a business chair who is independent of the local authority. Business leaders are likely to possess the skills listed above, as well as have a unique ability to utilise market insight and skills from within their organisation and will also be able to leverage the engagement of other partners.

## APPOINT A BUSINESS CHAIR

Success of the partnership rests on strong, effective, and independent leadership. A chair needs to be perceived as genuinely working across all sectors, have influence, recognise opportunities whilst enthusing and empowering others to bring them to life, and have a strong understanding of local issues. The recommendation is not prescriptive, as some cases may be exceptions to this rule, yet a business chair with independence from local government brings advantageous characteristics to a partnership. This role of chair can be combined with the role of champion, as described below.

This is the model that BITC have adopted in the majority of their Place locations. For example: the Blackpool Pride of Place Board is chaired by Christine Hodgson, who is Chair of Severn Trent; in Rochdale, the local partnership is chaired by Jenny Moten, who is North West Director at Cadent Gas; and in Coventry, the partnership is chaired by Steve Hughes, CEO of Coventry Building Society.

Having an independent business chair can promote objectivity and independence from public and charitable funders. One of our contributors noted that there is an element of risk that a businessperson can be used as a front person for what is essentially a national or local government programme, and partnerships therefore need to ensure that the business chair is perceived as genuinely working across all sectors, utilising market insight and skills from within their organisation.

Broadly, a chair should:

- **Lead the group in achieving its objectives, keep an overview of activity, champion and support partnership working**
- **Have relevant experience of a senior or influential position demonstrating strategic leadership**
- **Have influence over resources and to direct issues back into their own company**
- **Possess sensitivity to local need and drive understanding of local issues**
- **Be acutely aware of the variation in cultures and motivations within the collaboration**
- **Expertly navigate differences in opinion, achieving consensus between members**
- **Recognise opportunities, whilst enthusing and empowering others to bring them to life**

## WIN TRUST THROUGH EARLY ACTION

Repeatedly the inquiry heard of place-based initiatives where the communities in the place were dubious of new arrivals coming to do good. The charity UnLtd cited such concerns as a barrier to business engagement in a place approach. When asked what a barrier could be, UnLtd said; 'Local communities not trusting or understanding the business (or social enterprise more generally) and therefore not engaging'. Overcoming this doubt and resistance is a hurdle that should be anticipated by businesses engaging in a place.

Director of the homeless charity Ferry Project, Keith Smith, described the suspicion that had built up in his town of Wisbech, which is an instructive example of the sort of deprived town that would be targeted by partnerships.

**'When your deprivation index is outstandingly low in an area, people spot it and go, we need to do something about that!... And everybody would go, well you'll be around for a year or so, and then you'll fold up your project, and then you'll be gone. So we'll do something with you now, but we're not expecting you to be here. Or the company or organisation would come along and say you need this, we're telling you what you need, and we'll come in and we'll do it to you. The local population would go well that's not what we want at all, why are you doing that? And they'd resist, they'd actively resist what was being done... But with Anglian Water, because of their investment of time, energy, people started to believe that they weren't just coming along for a quick fix, or whatever, but actually, they were serious, and because they listened and because they were prepared to hear what people's views were.'**

– Keith Smith, Director of Ferry Project

Building trust is an essential part of community engagement that ensures a partnership does not assume it knows what is best for the people it is trying to help. Through engaging with and listening to the community, as well as analysing and understanding the data, partnerships can begin to grow their understanding of the key challenges, opportunities, and stakeholders in place. This is a way to have the community working with a partnership, thus harvesting community capital.

Speaking from experience, Professor Dame Sue Black, President elect to St John's college Oxford and current Vice Chancellor for Engagement at Lancaster University, told the inquiry:

**'...it is so important that we work with the Community and that we are not doing something to the community. Academics can be guilty of believing they have a solution and they parachute in for a short period of time and then drop out again once their project completes. That doesn't work for the Community in the long term. It is about finding a delicate balance.'**

When working in the London borough of Poplar, Morgan Stanley built trust by working with the charity housing and regeneration community association in East London, Poplar HARCA. They told the inquiry; **'We really took guidance and counsel from the Housing Association, Popular HARCA, who understood the communities needs. They were extremely supportive and could also see the benefit of working collaboratively on the Healthy London programme. We still work with them today...'**

## DEVELOP A VISION & ACTION PLAN

A long-term perspective is necessary to have a transformative impact on a place, but the community also need to see results delivered in a timely manner to buy-in to, and cooperate with, the partnership's efforts. Early action involves an investment of time and energy that wins the trust of a community. The @OneAlliance, led by Anglian Water, boosted council engagement efforts and rehabilitated a community centre in the town of Wisbech. Anglian Water alone contributed the time of 140 of their employees to this quick win effort. This had the added benefit of the company personnel learning more about what a place-based approach means, increasing internal enthusiasm for the approach. In this case the commitment to the long term beyond the quick wins was clear. Andy Brown, Sustainability Manager at Anglian Water, stated; **'We're not coming in and painting a few things and going away, we're going to be involved in Wisbech for the foreseeable future, so we'll give you the commitment'**.

The quick wins, which is early action to achieve rapid deliverables and build trust, carried out in each place varied. In Coventry it was a collection of foodbanks and other emergency food agencies meeting food needs. In Norwich it was working with a number of schools to deliver a penfriend programme, art competitions, books for schools, hand sanitizer deliveries and awareness raising events at university. In Rochdale it was professional mentoring and the donations of "things". In Sheffield it was school outreach, skills sharing & networking sessions and a project with a modern slavery charity.

Early action can be simple, thus realistic to achieve early on, and it also help a place-based collaboration to learn about the area, understanding the important actors in the place and the challenges it faces.

In the earlier stages of a partnership, we recommend that a strategic, socio-economic vision that is "of the place" should be developed, outlining key projects and outcomes over a long-term period. This helps create a sense of shared ambition to coalesce all stakeholders around.

From this, the compilation of an action plan is advisable to have a long-term commitment of community actors. Research by the Centre for Coastal Communities (CfCC) at the University of Plymouth's concludes that all stakeholders need to work together to develop a shared vision and a realistic plan. The action plan for a place-based collaboration should be compiled from the results of a needs assessment researched partly through engagement with the community. The Wisbech action plan was compiled following the production of a detailed baseline report with relevant information such as housing data, economic indicators, crime statistics and transport information like bus routes. Input data like this is important to understand a place and shape a vision of how it is likely to need to progress. Businesses can help with this type of research through provision of funding and expertise.

Action plans outline the strategy for achieving the vision of a place and crucial to that is reporting performance. The Sheffield Business Together partnership provides a brokerage service to match charity needs to what businesses can provide. Captures in its annual report are simple and valuable performance indicators, namely, the number of opportunities notified, the number of opportunities completed and the leveraged value. For April-April 2020/21 these numbers represented a conversion rate of 86% and a leveraged value of £8.19 for every £1 spent.<sup>66</sup> 23 businesses assisted with the delivery of projects and over 90 charities benefited from the resource provision.

The Blackpool Pride of Place Board and the National Advisory Board have created a 48-page prospectus document, detailing the partnership's goals and ambitions through to 2030, which stems from its vision.<sup>67</sup> It includes targets, such as 1,000 quality refurbished homes delivered by the end of 2024/25, and the asks from government to help them realise the plan, such as a £100m capital investment in new homes.

## EXIT PLAN

Place-based work is long term and transitions from different work areas. If, and when, partners need to end a programme within a place-based scope of work it is important to have a focus on legacy. Morgan Stanley managed this in their work in the London district of Poplar by emphasising to stakeholders that planning needed to be done to transition into a legacy phase. Emma Tamblingson stated: **'The conversation had to be, right from the start, really open and transparent with all our partners, working with them to build an end point into the plan, and providing funding to enable that plan to be realised.'**

After 5 years of delivering Healthy London (addressing local needs by providing families with safe play spaces and the benefit of advice and expert support on exercise, nutrition and general well-being), Morgan Stanley supported their partners in developing sustainability plans that focused on the most successful and impactful elements of the programme. Those were the ones that saw high engagement and mindset change within families, an example being the 'Health Champion' model. It had been developed in partnership with the charity Bromley by Bow Centre, who then worked with one of their existing partners to embed the Health Champion model and best practice into their current community engagement model.

Since place-based working requires long time horizons and complex interrelated problems it should be assumed by those involved that work programmes will fluctuate over time and that part of the value to be gained from this type of working is leaving a legacy, as well as learning from how work was done as the strategic effort is ongoing.

<sup>66</sup> Sheffield Business Together, Annual Report, 1 April 2020 - 31 March 2021, p. 4.

<sup>67</sup> <https://www.bitc.org.uk/report/blackpool-town-prospectus-2030-agenda/>



## HARNESS SUPPLY CHAINS

### RECOMMENDATION:

#### Businesses should harness their supply chain to engage more organisations in a partnership

This was a strategy deployed by the @One Alliance in Wisbech. The @One Alliance was led by Anglian Water, and contained Barhale, Balfour Beatty, Mott MacDonald Bentley, MWH Treatment, Skanska and Sweco, who are all tier 1 members of Anglian Water's Supply Chain. All of the organisations worked collaboratively on the project in Wisbech, utilising their different skills and resources to deliver on the priorities of the collaboration.

In a place-based partnership, businesses can play the vital role of being a catalyst. Being a catalyst involves a business that becomes active in a place-based initiative motivating other businesses, and non-business actors, to engage in the place-based regeneration effort. Such efforts can be achieved through project managing collaborations and building momentum to drive change. The existing networks of businesses are assets in achieving success as a catalyst. A senior partner in PwC's Leeds office, Will Richardson, is an example of an individual who has been working in a catalyst role by 'encouraging other employers to get involved and really leveraging his excellent client and business networks throughout the West Yorkshire area'.

When asked, 'What can national and local businesses, SMEs and social enterprises do to effectively contribute to place-based regeneration?', most respondents referred explicitly to collaborative working as the essential action businesses could undertake in place-based initiatives, indicating that this was at the heart of what businesses should aim to do. Supporting other community actors, especially plugging the gaps that statutory services do not fill, as was referenced by Blyth Tall Ship, was a theme that ran through evidence submitted by organisations in the public, private and third sectors. Catalysing collaboration through encouraging their supply chain is an strength that business can bring.

Supply chains being harnessed is not an unusual tactic for development. Develop social enterprises, in an attempt to make the town a beacon for social enterprise, is one aim of the Blackpool Pride of Place Board's Blackpool Prospectus. Recognising that social enterprises are a more sustainable and better model of business for the town, the plan is to embed social enterprises in the supply chains of public and private organisations, utilising the benefit of the increased social value in procurement that is predicted.

Different companies have varied ability to harness their supply chain. A large engineering and construction firm echoed the successful experience of companies working in the infrastructure space, of combining the capacity of a group of capable companies in contributing to place-based regeneration. This firm stated that businesses should 'work with their supply chain on a common-shared goal', which was also a strategy employed by the @One Alliance in Wisbech. The @One Alliance was led by Anglian Water, who appointed a director to head it up, and contained Barhale, Balfour Beatty, Mott MacDonald Bentley, MWH Treatment, Skanska and Sweco. The six companies in the @One Alliance were all Anglian Water's tier one contractors, meaning that they are large and capable companies in their own right. The @One Alliance brought the senior leaders of the member companies together in a collaborative, multistakeholder approach<sup>68</sup>, creating a powerful base upon which to take action. Anglian Water also selected one of the places they engaged in assisting, Wisbech, partly due to the location's suitability for harnessing the supply chain. Anglian Water CEO, Peter Simpson, described that consideration for selection:

**'Another dimension to it was looking at where we operate, where we have centre of gravity as a company. Geographically Wisbech is pretty much in the centre of the company, us and our partner companies have a lot of presence there in one way or another, so I thought actually, if we are going to make a difference here, there are quite a lot of resources here.'**

Once a supply chain network like the @One Alliance is in place then the Business Connector, which in Wisbech was Russell Beal, could communicate asks from the place's community to a network of well-resourced and engaged businesses who could address the problem. Such a way of catalysing a partnership could be called the 'supply chain strategy'. It may be that this strategy could work best for large companies with the capability to harness such a

network of large companies, which not all businesses will be capable of doing. Businesses should consider their position and whether they are able to lead such a group or be part of one led by an organisation that is their client.

It is revealing that the harnessing of the supply chain was mentioned to this inquiry by separate companies with similar profiles. The types of businesses that referenced the supply chain strategy indicates that it is particularly suited to companies working in the infrastructure space, where large companies work together on large complex projects with long time horizons as part of their routine commercial activities.

### CASE STUDY

#### HOW I CAME TO BE "SPECIAL PROJECTS DIRECTOR" WITH A PARTICULAR FOCUS ON BLACKPOOL

**In terms of this report I have undertaken all the roles – ambassador, champion and connector for Blackpool at different times. But the question I've been asked is how did I end up in Blackpool and what did I do to set up the hugely successful Blackpool Pride of Place Partnership?**

**Various stars aligned to the point where when I took my first trip to Blackpool in May 2017.**

**Andy Charles was in the role of "business connector" in Blackpool, and had been for several years. His core skills are passion and persuasion sounds a bit like a Jane Austen novel. He had been connecting business with charities to make good things happen. As a result, he knew everyone and everything about businesses, the voluntary sector and the Council. But he wanted to take Business in the Community activity to a higher level.**

**It so happened that Christine Hodgson was on the BITC Board, and a very successful business woman, and also born in Blackpool. Plus, Dame Julia Cleverdon had previously run BITC and was still passionate about achieving positive impact through business leadership. [Julia is a force of nature and doesn't pull her punches]. Both Christine and Julia visited Blackpool and talked to Andy and the Council. Christine and Julia summed and asked about how to help Blackpool up its game. They agreed that they needed someone like Jo Valentine.**

**Why?**

**I had been running London First for 15 years and in that role I campaigned for projects like Crossrail and created cross-sector leadership to address London challenges like Compete For, the contracting hub for SMEs to get Olympic Park contracts, and the New West End Company that sought to address problems in the West End.**

<sup>68</sup> Anglian Water (2019), 'A Guide to Community Regeneration in Wisbech', p. 8. Accessed at: <https://www.anglianwater.co.uk/siteassets/household/in-the-community/community-regeneration-in-wisbech2.pdf>

Julia and I were also involved in creating Teach First – an initiative to get graduates teaching in schools in deprived areas and had led interventions in Burnley, and Blackburn and Darwen a decade earlier.

As it happened I had decided to call it a day at London First. The amount of energy to drive change and the amount of time – frequent breakfasts, drinks and dinners – I felt meant eventually I would run out of steam and I wanted to quit while I was ahead. When Julia heard I was leaving she was on my case.

I didn't know Blackpool and was looking for an easier life. Getting up at 6am to catch the London to Blackpool train wasn't what I had in mind. Eventually Amanda MacKenzie, our current CEO, persuaded me to just go up to Blackpool and take a look. Anyone who knows me knows that from that point I was hooked. I can't resist a challenge.

So how did I kick off the Blackpool Pride of Place partnership? My years of creating business led cross sector partnerships have taught me a lot of tricks of the trade.

Firstly, the Council has to be supportive. It would be fair to say at this point, Blackpool Council was, sceptical, but prepared to give it a go. From their point of view many organisations and people come with solutions, stay around for a while and then left without making any sustainable difference. Blackpool has the most concentrated levels of deprivation in England, so it has had a lot of attention. But often those looking do not honestly address the barriers to change because they are too difficult, or they don't have funding, and don't want to challenge people.

Secondly, the most important and difficult people to persuade are local business leaders – and it has to be the leaders of the most important businesses in town. Andy already had a lot of useful relationships, He had found Sir Andrew Parmley, then Lord Mayor of London and a Blackpool lad. So Andy organised the key “movers and shakers” to come to t Mansion House for dinner, where we discussed our aspirations for Blackpool.

One of the things I find in places of high deprivation, is that the public and voluntary sector can “camp on the problem”. There are several reasons for this. One, is that to get funding you have to articulate need. Another, that people become used to a narrative of failure and an inability to address issues. Often this comes from different parts of the public sector receiving funding that prevents them finding a joint solution. Indeed, they end up competing to protect jobs or territory. The advantage of adding business to the mix is they have the opposite mindset – what is the solution and what is the opportunity?

The first few months were important. Andy and I persuaded several businesses to provide funding for the partnership following the Mansion House dinner. Later we persuaded the Council and the Local Enterprise Partnership to fund too. I also asked Christine to chair the Blackpool POP. Amazingly she still is five years on.

The first meeting was a bit bumpy as people got to know each other and understand the process and try out different approaches. We started by looking at a plan that Andy had cooked up with Stuart Noble, who was running the local police. Much of that early plan remains as key themes of the partnership.

What I think I brought to this was the discipline instilled in me by Lord Sheppard who set up both BITC and London First. He was a truly exceptional business and civic leader. He would always take a plan and do short, medium and long term actions and then assign tasks and responsibilities. Short term actions don't need to be earth shattering. Andy organised flower boxes in Blackpool station, but they need to demonstrate how to work together and be the first brick in the wall of your strategy (a better welcome to Blackpool). And you need to hold your nerve.

So many people have played such critical roles in Blackpool I can't list them all, but what we provided for them was a structure within which to contribute, and a belief that working together – and keeping going for as long as it takes – we could make positive, and long-lasting change.

## ESTABLISH A MEASUREMENT FRAMEWORK

Data is important for a place-based approach. The two vital ways that data is used in a place-based approach is the selection of the locations in which to engage and the monitoring of performance in those places once engaged. Measuring impact is difficult to do in a place-based approach and can lead to resources being directed to the wrong place. The inquiry heard that professional consultants can be paid substantial sums, close to £100,000 in one case, to measure the impact of programmes, resources that can be used for service delivery.

The Place Taskforce offers guidance below on how to design an evaluation system for a partnership and the best practice for selection of a place before describing some resources that can be used as the basis of dashboards for the two tasks. The Social Fabric Index is recommended as an excellent source of UK-wide and open-source options for businesses and place-based partnerships in general for building such dashboards.

## PERFORMANCE MEASUREMENT

Measurement of performance in general falls into the category of evaluating impact, an area of responsibility that the cross-sector evidence contributors to this inquiry stated local government should be leading on. The vote was quite conclusive at 63.6% that local government should assume leadership against just 13.6% that business should do so. Nevertheless, the contribution of business expertise to measurement is vital. The same professional consultants that evaluate programmes on contract could lend their services to partnerships they are voluntarily contributing to. KPMG are engaged in research in Rochdale that will create a baseline against which progress on regeneration efforts can be measured on a bi-annual basis. It is essential that partnerships consult with business partners and seek their assistance in constructing effective measurement frameworks.

A RAG rating (Red, Amber & Green) is recommended to be maintained by the partnership against performance data. This RAG rating will highlight performance, showing progress, issues and risks. It is recommended that partnerships consider three types of data in measurement;

- **Project KPIs, measuring the progress of a specific programme or activity**
- **Conditions for Partnership Success, such as leadership, stakeholder buy-in and membership**
- **Outcome Indicators, indicating overall health of the place**

The project KPIs are usually interim deliverable targets for carrying out a project. These project KPIs should be short term, output-oriented, metrics such as number of people fed or number of people trained. These KPIs should also include the necessary inputs and activities required to achieve those delivery outputs. Managing these indicators should be quite simple as the metrics will be inherent to partnership interventions and will be familiar to those with project management experience.

Conditions for partnership success are those characteristics that describe a strong and engaged local collaboration. The conditions for success include number of members, leadership of members on priority areas, resourcing and the vital roles of Connector, Champion and Ambassadors as described in this report. The conditions for partnership success are partly covered in the terms of reference of a formalised partnership, as discussed in this report. It is important that this be monitored, and accountability taken for achieving the conditions that are seen as ideal for the partnership in question.

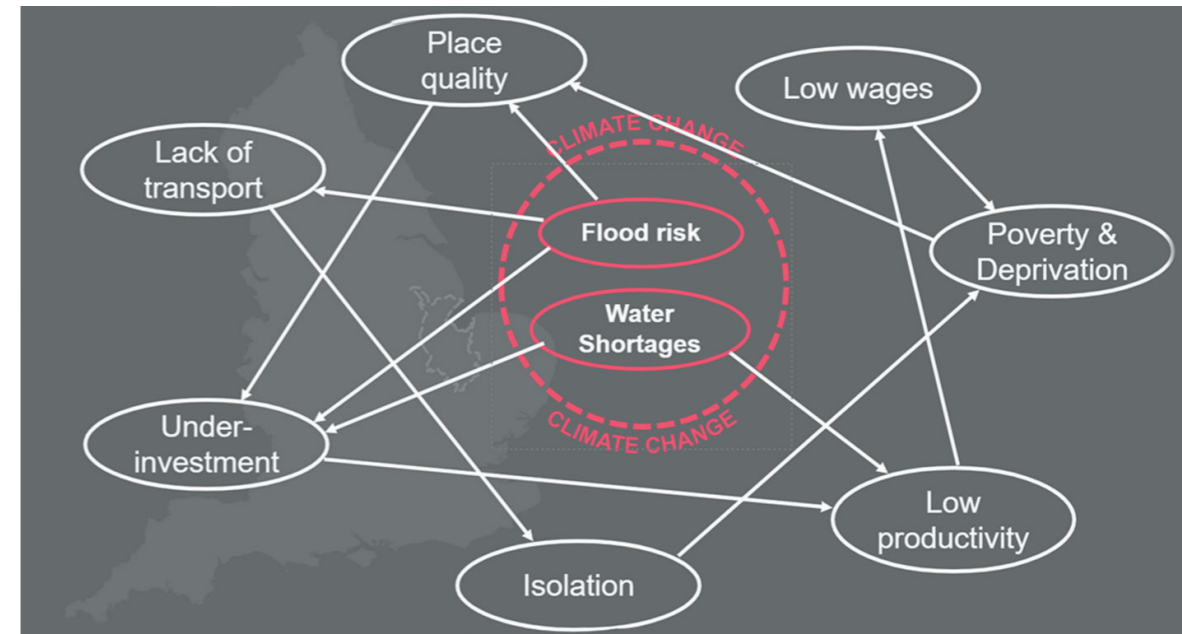
Outcome Indicators are more complex. Both the project KPIs and the conditions for partnership success are internal to the organisation that the place-based collaboration represents, meaning they are relatively straight forward to control. The third aspect of performance data is external to the organisation, that of outcomes. From extensive experience supporting partnerships, BITC recommend that the partnership carry out evaluations against a set of indicators that demonstrate the overall health of the place, covering social, economic and environmental factors. Examples of such indicators include levels of unemployment or average wages. These indicators are known as outcomes. Outcomes are inherently hard to control as they are far more subject to external shocks. Alnoor Ebrahim, Professor of Management at Tufts University and author of the award-winning book *Measuring Social Change*, has described this difficulty and its consequences; 'Outcome measurement turns out to be uncommon in the social sector for the simple reason that organisations have the most control over their immediate activities and outputs, whereas outcomes are often moderated by events beyond their organisational boundaries'.<sup>69</sup> This distinction was emphasised in the inquiry evidence. Plymouth University distinguished between measuring impact at the strategic level and individual initiatives: 'It is extremely challenging to evaluate the impact of place-based regeneration on a town for example, however evaluating individual initiatives is far more manageable.' Businesses and universities in partnerships can use their expertise to help with understanding the complexity of data.

It takes considerable time for communities to experience a change in outcomes, due to the complexity and deep-rooted nature of the challenges that underlie them. It is often the case that funders and policymakers do not devote a long enough timescale for place-based efforts to achieve a change in outcomes.<sup>70</sup> Despite the difficulty of impacting outcomes, it is necessary to maintain the focus on the larger strategic impact that a place-based approach is attempting to realise. While proceeding with achieving the short-term project KPIs, the partnership should maintain a dashboard of outcome indicators which monitor the wider progress

being achieved and allow the partnership to adjust its strategy if, and when, changing overall conditions dictate.

Internalising the focus on outcomes should be part of each partners commitment to a long term engagement. It is essential that the partnership does not become disillusioned with the difficulty of controlling the outcomes indicators, yet accountability should also be sought over the indicators so that impact can be achieved over the long term. In the Wisbech partnership the intransigence of the outcome indicators led the partners to investigate the causes of deprivation, this in turn led to a broader strategic focus on environmental factors that impacted upon many of the barriers to prosperity. Now a first of its kind multiagency initiative, Future Fens<sup>71</sup>, has been put together to tackle the strategic barriers that prevented the outcomes metrics from being impacted in Wisbech. The Future Fens Integrated Adaptation initiative is a collaboration between the Environment Agency, Anglian Water, Water Resources East, the Cambridgeshire & Peterborough Combined Authority, local authorities and around 40 other groups from farming, environmental and business. The entities are joining forces in this ground-breaking multiagency partnership to address the root causes of many of the aspects of deprivation in the area. The below diagram visualises how the various problems of the place, such as low wages or a lack of transport, were found to be interrelated and connected to underlying root causes with a common single driver.

### Interconnected issues and barriers in Wisbech



Andy Brown, Sustainability Manager at Anglian Water explained that the wider environmental picture affected everything else; **'...[The] fundamental issue for Wisbech was actually the infrastructure and the inward investment issues there linked to the social and geographical isolation'**. The journey to tackling the strategic problem behind Wisbech's disadvantage is an example of how a focus on quick wins in a community can be a learning process to reach the strategic 'big picture'.

Place-based activity is inherently diverse as it adapts to the context of a place. Place-based activity is inherently diverse as it adapts to the context of a place. According to their Director of Corporate Affairs, Louise Hunter, this is the experience of Northumbrian Water: **'Our activity looks disparate, but the process is the same everywhere. The difference in outcome is inherent to the community engagement and the different needs of each community. This effects measurement. Having a wide spectrum of measurables can make it seem incoherent but there is a strategy'**.

When pulling together all of their activities across a number of locations, businesses should be prepared for the likelihood of this seemingly incoherent, adaptive, way of working when adopting a place-based approach to community regeneration.

### INDICES

At the heart of a place-based approach is understanding the different needs of different places. There is a strong perception that some places are more in need than others, but what does that mean precisely? Measuring what constitutes the kind of disadvantage that requires action to correct it is important for identifying places in need and monitoring how successful the action that is being taken is at correcting it. Businesses can assist with this. KPMG conducted a needs assessment of all 10 Greater Manchester Local Authorities before selected Rochdale as the place to intervene.

A widely used metric in the identification of places that are in need is the Index of Multiple Deprivation (IMD), produced for the four nations of the UK. The Indices

<sup>69</sup> Alnoor Ebrahim, *Measuring Social Change Performance and Accountability in a Complex World*, Stanford University Press, Stanford, 2019, p. 38.

<sup>70</sup> Theodos, Brett & Firschein, Joseph., 'Evaluating Community Change Programs', in Kathryn E. Newcomer, Harry P. Hatry, Joseph S. Wholey, *Handbook of Practical Program Evaluation*, Fourth Edition, (Hoboken: John Wiley & Sons, Inc., 2015), p. 263.

<sup>71</sup> <https://www.anglianwater.co.uk/news/future-fens-integrated-adaptation-taskforce-launches-landmark-shared-commitments-at-cop26/>

use multiple indicators, such as income, housing, crime, health, education, employment, and living environment, to measure the relative deprivation in small areas of each country. The IMD is an excellent source of information and is used by many organisations, as well as governments, to identify need and target solutions. The law firm Freshfields used the national IMDs to target their Aspiring Professionals Programme, which was delivered in partnership with the Social Mobility Foundation to work with students in the 50% most deprived postcodes throughout the UK.

**‘Our key strategic focuses for community impact are Access to Opportunity and Access to Justice with a particular emphasis in the UK on outreach around social mobility and racial equity. As such, our place-based approach is centred around working with young people across the UK in social mobility ‘cold spots’ as defined by the Social Mobility Commission (SMC), Welsh Index of Multiple Deprivation (WIMD) and Scottish Index of Multiple Deprivation (SIMD).’ - Freshfields**

Although the IMD is an extremely useful resource for organisations engaging in place-based work, it has its disadvantages. Most obviously when looking at the UK in total, as would a large national business with many branches, the IMD has the distinct disadvantage of measuring relative deprivation separately in the four nations. Understanding need across the UK is thus problematic. In addition, the IMD measures a very specific set of indicators which may not be specifically relevant in the varied contexts that could come up in different places.

Thus, it is useful to consider which other measurement frameworks exist for understanding the geography of social prosperity, if only as additional sources of information to complement the IMD.

A range of useful measurement frameworks are available to supplement the IMD. One notable metric is the Community Wellbeing Index put together by the CO-OP & the Young Foundation. It is an excellent example of a business contributing to improving social outcomes in places. Available online in an easy to interrogate data visualisation the index is an asset to place-based approaches. The Community Wellbeing Index is described in the table below along with a number of other prominent indices. Each has some advantages and disadvantages noted. These indices are a great place for a partnership to look when considering measuring for selection and

## SOCIAL FABRIC INDEX

performance, however, the measurement framework that looks to be the most promising as a starting point for place-based partnerships, the Social Fabric Index, is discussed in detail in the following section.

The Social Fabric Index is detailed in ‘The State of our Social Fabric report from Onward. In comparing the index to the IMD, Director of Onward Will Tanner stated ‘there’s lots of synergy between the two, and they broadly show similar things as well I should note, so there’s not necessarily a different story, but different method of storytelling’. The Index is recommended for local partnerships because of its comprehensive construction and utilisation of open source data that is available to be selected by place-based partnerships to construct a dashboard for their place.

The index is a composite metric that uses 79 statistical indicators across five pillars, or ‘threads’, to create a score from 0 to 10 in terms of the quality of social fabric for every local authority area of the United Kingdom. Each of the five threads; Relationships, Physical Infrastructure, Civic Institutions, Economic Value and Positive Social Norms, has three to five elements within it which detail the different



Social Fabric Index Threads and Elements <sup>72</sup>

**THE SOCIAL FABRIC INDEX IS A POWERFUL TOOL FOR ALL OF US AS WE FOCUS ON MEANINGFUL INTERACTIONS TO SUPPORT LEVELLING UP, PARTICULARLY IN OUR PLACE BASED PROGRAMMES – THE TWO THINGS I FOUND MOST USEFUL WERE THE FACT ITS OPEN SOURCE SO EVERYONE CAN ACCESS THE UNDERLYING DATA AND THEIR OBSERVATIONS AROUND THE IMPORTANCE OF LOCAL BUSINESS PRESENCE IN AN AREA AS ONE OF THE KEY POSITIVE INDICATORS/INFLUENCERS TO POSITIVE SCORES, WITH THEIR TESTED DEFINITIONS OF LOCAL’**

Christine Hewson, Partner & North Region Chair at KPMG.

<sup>72</sup> Onward, ‘The State of our Social Fabric’, 2020. Accessed at: <https://www.ukonward.com/reports/the-state-of-our-social-fabric/>

INDEX	DESCRIPTOR	ADVANTAGES	DISADVANTAGES
<b>INCLUSIVE GROWTH MONITOR</b> Joseph Rowntree Foundation	Developed in 2016 by Sheffield Hallam University and the Joseph Rowntree Foundation, the Inclusive Growth Monitor was designed to give an indication of the relationship between growth and inclusion in each location, based off a series of publicly available datasets.  The framework measures 18 indicators – half of which capture information about prosperity and the other half capture information about economic inclusion.	<ul style="list-style-type: none"> <li>As a composite index, it can provide both top-level change when viewed by theme or dimension, whilst also providing more granular detail through the indicators.</li> <li>Indicators are based on publicly available datasets.</li> </ul>	<ul style="list-style-type: none"> <li>Designed to collect data at a LEP level – although data can usually be found at a local authority level, this may make collecting data in the devolved nations more difficult.</li> <li>A tool for LEPs to conduct their own reviews as opposed to a regularly updated dataset.</li> <li>Does not contain any explicit indicators for health and wellbeing, or environment.</li> </ul>

<b>INDEX OF MULTIPLE DEPRIVATION</b> DLUHC	The official measure of relative deprivation for small areas in England. It ranks every small area in England from 1 (most deprived area) to 32,844 (least deprived area). The weights were derived from consideration of the academic literature on poverty and deprivation, as well as the levels of robustness of the indicators.  The IMD combines information from the seven domains to produce an overall relative measure of deprivation.	<ul style="list-style-type: none"> <li>The most statistically robust measure of relative deprivation in the UK and compliant with the Code of Practice for National Statistics.</li> <li>Issued at Lower Layer Super Output Area level and can be aggregated by population-weighted averages - DLUHC does this for Local Authorities.</li> </ul>	<ul style="list-style-type: none"> <li>As a relative measure of deprivation, it cannot be used to quantify how deprived a place is.</li> <li>Differences in indicators used, time periods covered, and geography means that direct comparisons cannot be made with Indices of Deprivations from other UK countries.</li> <li>Relative measurements also mean that the IMD cannot be used to measure the real change in deprivation in an area over time.</li> </ul>
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<b>THRIVING PLACES INDEX</b> Happy City	Designed by Happy City and the New Economics Foundation, the TPID is a set of indicators that can be used to measure how well each local authority is creating the local conditions for people to flourish, in a sustainable way that benefits everyone equally. The indicator set is structured around Local Conditions, Sustainability and Equality.  Within these headline elements, indicators are further segmented into domains and sub-domains. This helps to create a clear narrative about wellbeing and enables users of the TPI to see the patterns of strengths and weaknesses more easily.	<ul style="list-style-type: none"> <li>As a composite index it can provide both top-level change when viewed by theme or dimension, whilst also providing more granular detail when looking at the separate indicators</li> <li>Can be used in conjunction with the Index of Multiple Deprivation</li> <li>Provides easy to understand 'snapshot' data which granular indicators can sit beneath.</li> <li>Includes datasets on health, wellbeing &amp; environment.</li> </ul>	<ul style="list-style-type: none"> <li>Information on datasets used is not available and there is a cost attached to accessing their raw data.</li> </ul>
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INDEX	DESCRIPTOR	ADVANTAGES	DISADVANTAGES
<b>CITIZEN-LED PROSPERITY INDEX</b> UCL	The UK's first citizen-led Prosperity Index measures what matters to the prosperity of local communities in London. The Prosperity Index for London is compiled from specially commissioned household survey data, which compares local experience to the average for Greater London.  The index is organised into 5 domains and 15 sub-domains, which measure 32 headline indicators constructed from 67 metrics. Of the 67 metrics, 38 are constructed from new household survey data and 29 are constructed from secondary data sources.	<ul style="list-style-type: none"> <li>Based on extensive research carried out by Citizen Scientists and involving people living and working in five east London neighbourhoods.</li> <li>Provides a useful model that can be replicated for integrating local priorities into decision making.</li> </ul>	<ul style="list-style-type: none"> <li>No information about when the next wave of data will be collected so unclear if it will be possible to use this to measure change over time.</li> <li>Half of the indicators are based of specifically designed survey data rather than publicly available datasets.</li> <li>Data has only been collected in the UK for London so far and no information on whether any data collection or analysis will happen in other regions of the UK.</li> </ul>

<b>VIBRANT ECONOMY INDEX</b> Grant Thornton	Grant Thornton's Vibrant Economy Index seeks to define and measure the components that create successful places. The index, currently in its third year, extends beyond the traditional economic measures of success to provide a framework for a broader assessment of sustainable growth across the country.	<ul style="list-style-type: none"> <li>All indicators are collected consistently on a national basis and therefore enable place-based measurement and comparison.</li> </ul>	<ul style="list-style-type: none"> <li>Dashboard of indicators which doesn't provide a score which is easy to understand or relate to the health of a place.</li> <li>Full methodology for creating the index and indicators not available.</li> </ul>
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<b>COMMUNITY WELLBEING INDEX</b> Co-op/Young Foundation	The Community Wellbeing Index gives an insight into what's important to people in a locality, derived from consultation with 400 people across the UK about what matters to their communities. As well as looking at existing research and other frameworks, they consulted with experts from academia, think tanks, local government and the third sector.	<ul style="list-style-type: none"> <li>Provides an aggregate score for each indicator which makes it easy to understand snapshot data for a place.</li> <li>Designed with input from nearly 400 local people in community workshops to design a bottom-up approach to measuring wellbeing</li> <li>Good tool for getting information at ward level</li> </ul>	<ul style="list-style-type: none"> <li>A lot of the metrics are based on census data so may be considered as out of date, the CWI initiative was in 2018.</li> </ul>
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<b>COMMUNITY STRENGTH INDEX/FUNDING &amp; AFFLUENCE METRIC</b> Young Foundation	The Community Strength Index and the Funding & Affluence Metric were two measures of places in need, published in 2019.  The funding and affluence metric shows the distribution of public, charitable and philanthropic funding across England in relation to IMD scores to identify areas with relatively low funding and also high levels of deprivation.  The Community Strength Index assesses the places with the highest and lowest levels of community strength based on community ties and resources.	<ul style="list-style-type: none"> <li>CSI offers the first estimate of community strength.</li> <li>Funding &amp; Affluence Metric enables the identification of areas with relatively low funding and also high levels of deprivation.</li> <li>In combination, the CSI and FAM can identify areas in profound need.</li> </ul>	<ul style="list-style-type: none"> <li>Only England was covered.</li> <li>Not open-source data.</li> <li>Data is less robust as it is not governed by ONS national statistics regulation.</li> <li>Published in 2019, the data could be considered to be out of date.</li> </ul>
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aspects of the pillars. The large number of indicators captures the reality that regional disadvantage and inequality is a complex phenomenon with a range of factors.

The comprehensive nature of the metric interfaces with the governments approach. The February 2022 Levelling Up white paper contains a useful overview of how the six capitals; physical, social, human, financial, intangible, and institutional, can become caught in downward cycles in some places.<sup>73</sup> The Levelling Up white paper also utilises Onward's Social Fabric Index as a touchstone index in laying out the governments thinking on levelling up, using it to map inequality across the UK<sup>74</sup>.

The Social Fabric Index builds upon previous indices that seek to achieve similar goals, including the Legatum Institute's Prosperity Index, the Young Foundation's Community Wellbeing Index, and Local Trust and OCSI's analysis of left behind neighbourhoods. However, the construction of the metric is notable. Sheffield Hallam University argued that, of the metrics available, there is still a need to develop more consistent qualitative indicators. The Social Fabric Index has made some progress in this direction in the way it was designed. The metric used a combination of qualitative and quantitative data, employing a technique called appreciative inquiry where Onward attempted to understand what types of things people really valued in their communities. The researchers then matched those valued things to official data sources to try to understand what could be measured in different places.

**'people felt like Community was in decline. To give you a statistical basis of that claim, about 71% of voters in a large sample poll we did in 2018 said that Community had declined in their lifetime. And when we did focus groups in places like Grimsby and Bridgend and Enniskillen and Glasgow and going all over the country, we have heard the same thing over and over again.... [yet] it is an area where we have actually an astonishing lack**

**of data and evidence and analysis to understand what is going on and come up with meaningful solutions.'**

- Will Tanner, Director of Onward

The comprehensive nature of the index offers different perspectives on how a place is disadvantaged, offering different thematic areas that partnerships may wish to focus on in a place. For example, Positive Social Norms, the pillar that measures the behaviour, traditions and norms that underpin a community and the relationships within it, seems to be a good predictor for the places with the strongest social fabric but less so for those with a low social fabric. 'Eight of the top ten areas for Positive Social Norms are in the top ten for [overall] social fabric. However, only one of the bottom ranked areas, Belfast, is in the bottom ten for social fabric'.<sup>75</sup> Therefore, partnerships may find they need to focus less on this pillar than others. Similarly, Physical Infrastructure does not correlate as closely as might be assumed with social fabric. This may be a surprise given the emphasis widely placed on the role of infrastructure in levelling up discourse. To illustrate this, the settlement category of 'other city' ranks the lowest out of all six categories in the composite score but is the second highest in terms of Physical Infrastructure.

The unified nature of the Social Fabric Index across the UK is a benefit for national companies seeking to identify the best locations to engage in a place-based regeneration effort. Using this index, a business will be able to compare a town in Scotland with one in Northern Ireland, England or Wales. Another benefit is the use of open source data instead of data that is either private or unofficial, which seem to proliferate indices. Using the various indicators

that lie behind the index to form a dashboard with which to monitor and evaluate the progress of place-based partnerships has the potential to offer a valuable tool.

**'We deliberately built the index in a way that could be used by others and it's a thoroughly open source tool, we're very happy to share the data that sits underneath all of the indicators...it's relatively simple construction in the kind of maths that sits behind it again for the purposes of allowing people to adapt it for their use and we have had a number of large organizations use the index themselves. The National Lottery Community Fund, for example, has just analysed all of their grant giving over the last few years in order to understand the extent to which they're targeting their grants in places with weak or strong social fabric.'**

- Will Tanner, Director of Onward

The 50 different open source indicators, thus publicly available data sources, that go into the composite index could be split out and used to measure different things. Place-based partnerships can interrogate the indicators within the thread and thematic element that matches the needs of a place and the impact that any specific programme is aiming to have. Over the long-term, partnerships can examine the composite metric for progress of outcomes at the level of Outcome Indicators, as discussed in above.

The disadvantages of using the Social Fabric Index, especially versus the IMD, is the level of granularity, since the index does not examine a lower economic geography than local authority area. Another disadvantage is that the only measurements are from 2020, built largely on 2019 data, meaning that examining historical trends using the composite metric is not yet possible. A second index is intended to be published in 2022 as the first repetition in the series.

However, two problems above are overcome by splitting out the indicators that lie beneath the composite. Many

of the individual indicators report at a lower geographic level and more regularly than the aggregated social fabric index. A valuable example of such an indicator was that on earnings and employment because this goes down to LSOA level and are published frequently enough, quarterly, to show a meaningful measure of progress.

The Social Fabric Index has the advantages of being accepted by the government as an index informing levelling up policy and offering a multidimensional estimate of the vulnerability of places across the UK. As an index for business to consult when selecting a place to engage with it is a useful resource, and if the planned repetitions of the series are delivered then it will be a useful tool to monitor the impact of a place-based partnership over time.

<sup>73</sup> HM Government, 'Levelling Up the United Kingdom', February 2022, p. 88.

<sup>74</sup> HM Government, 'Levelling Up the United Kingdom', February 2022, p. 86.

<sup>75</sup> Onward, 'The State of our Social Fabric', 2020, p. 29.

# SECTION 3

## FURTHER INSIGHT AND CONSIDERATIONS FOR SUCCESSFUL PLACE-BASED PARTNERSHIPS

Analysing the thematic areas that partners from different sectors are best suited to adopt in a place-based partnership.

### LEADERSHIP

Twenty-two cross-sector organisations contributed to building an understanding of appropriate roles in a place-based regeneration partnership. The organisations, which included businesses, local government and civil society organisations were asked to identify which of these three sectors is best suited, in a place-based partnership, to lead in relation eight thematic areas.

The eight thematic areas were as below:

- 1. Setting strategy**
- 2. Making sense of and responding to changes amongst internal partners and the external operating environment**
- 3. Providing funds**
- 4. Accessing and managing resources (applying for project funding and administering project delivery)**
- 5. Providing knowledge, experience and assets**
- 6. Advocating for the place (both internally and externally).**
- 7. Problem solving, and the ability to “cut through” complex problems**
- 8. Evaluating impact**

Perhaps unsurprisingly, local government was identified with thematic areas of responsibility that coincided with an expectation of democratic legitimacy. There is inherent risk with sectors that do not hold a democratic mandate managing areas that are related to direction, spending public money and responsibility for what has been done. Evaluating impact and responding to changes imply a democratic mandate to lead on.

Despite business being an important source of funding for community projects, it is the nature of government revenue raising and spending that the provision of funds should be mainly with local government. Taking the lead on setting strategy is an area that is subject to nuance, as it does not imply domination but more so convening power.

#### THINK PIECE

**By almost any measure the UK is one of the most regionally unbalanced countries in the developed world. The Independent UK Commission, which I Chair, found that on a basket of 28 different measures, the UK came 28th out of 30 developed countries in terms of regional disparities.**

**To put this right will required large scale, sustained effort across government over a long time. There is no quick fix to levelling up.**

**Given the scale and wide ranging nature of the challenge, the question that might be asked is whether anything can be done locally that will really make a difference. Is the scale of the task too great to have a meaningful impact? My firm view, and that of the UK2070 Commission, is that whilst strong central government leadership is vital, strong local leadership is equally important. This is as true of a big city such Birmingham, Leeds and Manchester as it is of a small town or village.**

**There are many reasons for this but fundamentally, levelling up happens in places, whilst different places have many issues in common they also have huge differences, and local leaders are best placed to understand those differences and take the right actions to address them.**

**When I talk about local leadership here, I am of course thinking first of the democratically elected leadership the local council. However, whilst the**

**local council is the starting point for local leadership, it most certainly not the end point. The importance of other local leaders – the ‘anchor institutions’ of Universities, Colleges and Hospitals, voluntary and community organisations, and of course local business – the focus of this task force – cannot be overstated. It is simply not possible to deliver an ambitious vision for a place without their active contribution. Enlightened councils fully understand this.**

**The structure of our economy has fundamentally changed over the last 70 years and so it rare that places are dominated by one or two big firms. The larger institutions with a long term presence and stake in a place are now more often the anchor institutions I refer to above.**

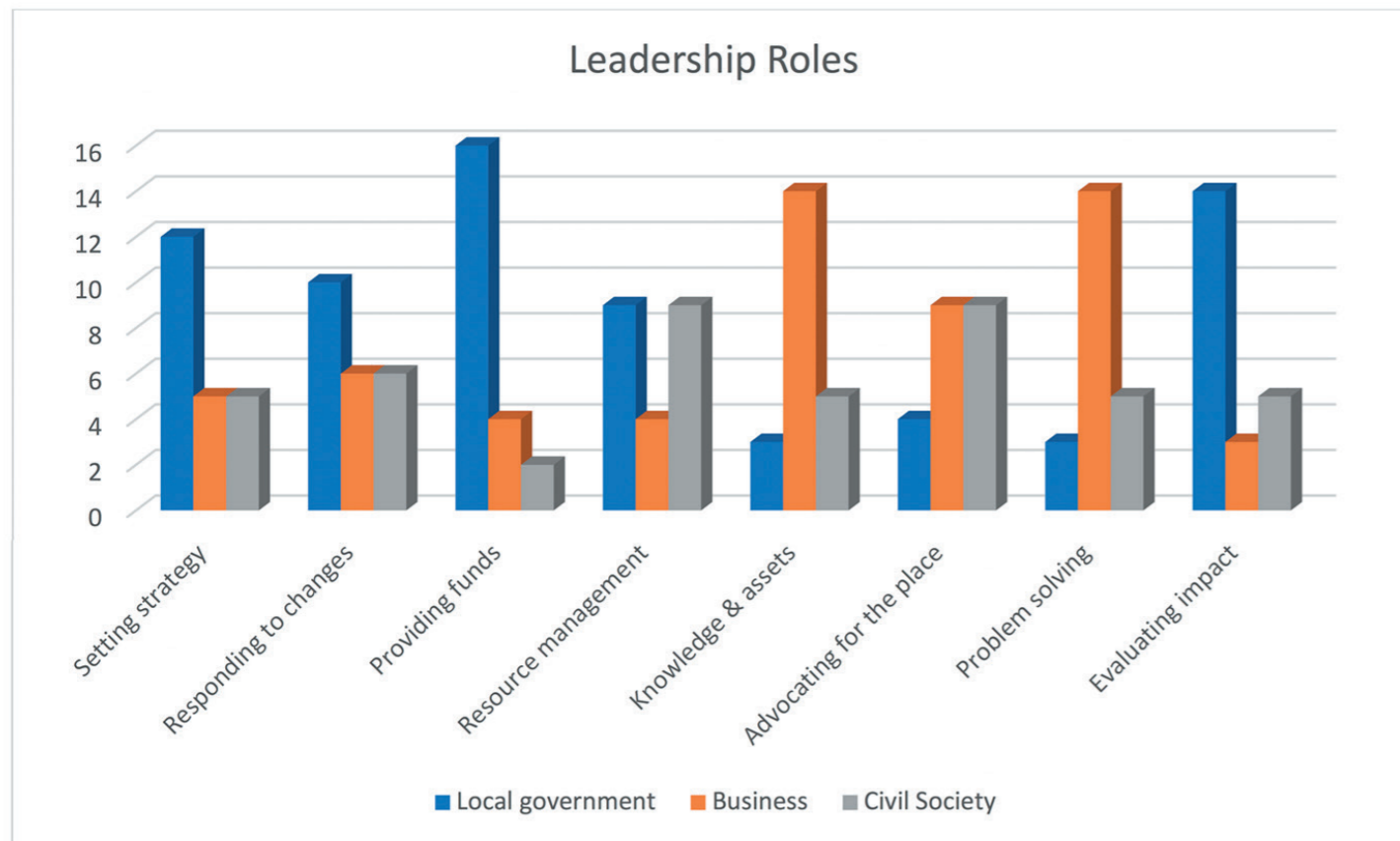
**The Civic role of Universities was the subject of another Commission that I chaired and this was also explored by the Taskforce.**

**The good news is that Civic role is alive and well and making a real difference, whether in working with schools, supporting the local economy or tapping in research excellence. But my Commission found that anchor institutions can make even more of a difference if the take a strategic approach rooted in the needs of their place.**

**The message to take away from the work of this excellent task force is don’t wait for government. There is so much that can be achieved by local actors working better together now.**

**Lord Bob Kerslake**  
Peabody

# SETTING STRATEGY



Interestingly, Civil Society was not identified as best suited to lead on any theme exclusively. It was identified as having a joint leadership role with business in advocating for a place, and was jointly identified with government in resource management. Civil Society clearly should not step back from taking a prominent role in thematic leadership, in many specialist areas Civil Society will be the best qualified entity in the room.

It is perhaps a consequence of the broad definition of Civil Society, encompassing a broad array of organisations,<sup>76</sup> that makes identifying it as a sector for thematic leadership difficult. Business was only identified as being exclusively suitable to lead in problem solving and knowledge & assets. Qualitative evidence gathered by the inquiry complemented much of this structured data, enabling an analysis of the significant results and a discussion of the insights garnered.

## RECOMMENDATION:

**Business, civil society organisations, and local government should each play a key role in setting a strategy for a place.**

Given their democratic legitimacy and their well-rounded understanding of their place, the evidence that we received pointed towards local government taking a lead in setting the strategy of a place. Setting strategy might be considered in two parts, a vision and reaching that vision. Local government should be a vital part in sketching out the vision for the place, but it will require the prominent problem-solving skills of business to realise that vision and convert it into an action plan, with business used to signing up to objectives which are ambitious but deliverable. The strategy should be informed by the needs of the community, which civil society organisations are best-placed to lead on given its role and connections to the community.

Local governments were strongly identified as the organisation type best suited to lead on setting strategy in a partnership between local government, business and civil society. 54.5% of the respondents, representing private, public and third sector organisations, expressed the view that local government should be entrusted with the setting of strategy. This share of the vote was more than double the selection received by business or civil society. Due to their democratic legitimacy, capacity and experience of setting regeneration strategies for the places they govern, it would be surprising if local government would not be selected for this task. An example of such experience was referenced by Boston Borough Council, contributing evidence on behalf of the South & East Lincolnshire Council Partnership, who referred to PE21, a four-phase vision to shape regeneration using physical development of the town centre.<sup>77</sup>

However, this leadership role should not be misconstrued as being one of exclusivity, far from it. Other organisations should be brought in, such as businesses, universities and charities, and included in drawing up strategy. It is useful to think of this leadership as like a coxswain in a rowing boat, the local government coordinates the contribution required by all.

Setting strategy might be considered in two parts, a vision and reaching that vision. The council should be a vital part in sketching out the vision for the place, but it will require the prominent problem-solving skills of business (see later section) to realise that vision. Blackpool serves as an example. As well as helping to shape the Blackpool town Prospectus, the Blackpool Pride of Place partnership has helped to generate a high-level vision of the future of Blackpool in the fourth industrial revolution, the Digital Vision.<sup>78</sup> Vision documents like this spell out the destination for a direction of travel that will call for a great collaborative effort from the partners.

<sup>76</sup> Rachel Cooper, University of Birmingham, 'What is Civil Society, its role and value in 2018', 2018, p. 5. Accessed at: [https://assets.publishing.service.gov.uk/media/5c6c2e74e5274a72bc45240e/488\\_What\\_is\\_Civil\\_Society.pdf](https://assets.publishing.service.gov.uk/media/5c6c2e74e5274a72bc45240e/488_What_is_Civil_Society.pdf)

<sup>77</sup> <https://www.gov.uk/guidance/business-improvement-districts>

<sup>78</sup> <https://www.bitc.org.uk/fact-sheet/riding-the-digital-wave/>



# HOW BUSINESS CAN CONTRIBUTE TO A PLACE-BASED PARTNERSHIP

The Blackpool Digital Vision visualised



Businesses' role in transforming a vision into action is an important one. It was described to the inquiry that local authorities have found it challenging to convert a vision into a plan with clear asks for business. However, gaining experience of working with local authorities will help businesses develop in realising visions together. For example, the lesson's PwC have acquired working with the local authority in Bradford are ones they can take and build on in other regions where they are implementing a place-based change approach.

The involvement of stakeholders in a vision must, however, go far beyond local government and business. Community engagement and inclusivity is vital in reaching a meaningful vision that represents a shared purpose for the place. As the charity UnLtd advised that businesses can magnify the community engagement efforts with partnerships;

**'Local media (and other locally rooted organisations) can and should work with local businesses (particularly local social businesses, and particularly those with a key focus on equity and inclusion) to provide support and raise awareness of their work to ensure the best reach and impact possible.'**

Councils are supported in drawing up the economic aspects of place-based regeneration strategies by the Local Government Authorities' economic growth support hub, which offers support and documents case studies of regeneration for councils to learn from.<sup>79</sup>

Local Government organisations that contributed evidence described the experience of strategy setting and vision forging that has worked in the past. Such planning should feed into and be part of the place-based partnerships strategy setting. Leeds City Council was typical of the local government inquiry respondents in asserting:

**'We are responsible for setting the city's Local Plan, which clearly defines the spatial strategy, distribution, location and mix of development over a long time-frame, as a product of significant cross-sector and public engagement, consultation and discussion. This is a key driver of place-based outcomes. At a city-wide level we also have a clear and consistent strategy for Inclusive Growth that recognises the important interaction between People, Place and Productivity and sets out our commitments to support all neighbourhoods to respond to economic change, to support economic developments that deliver employment for local people, to deliver 21st century infrastructure including housing of all tenures, modern public transport and green or low carbon infrastructure and to ensure that in doubling the size of our city centre it becomes more accessible to all our residents and delivers a diverse range of new housing, employment and social opportunities.'**

– Leeds City Council

Local governments, like Leeds, also have the ability to leverage tools, including business rates. Such development instruments can be coordinated with businesses to maximise impact for strategic regeneration:

**'We play a strong convening role in bringing forward smaller area place-based strategies to identify challenges, develop solutions and set visions and we support communities to do the same through Neighbourhood Planning; we engage with incumbent businesses, inward investors, developers and landowners to develop the interventions that can realise plans.'**

– Leeds City Council

This convening power can involve bringing businesses together to create a Business Improvement District (BID), where the businesses in an area pay a levy to deliver projects or services aimed at improving the area. UK BID legislation requires the consent of a simple majority (in votes cast and in rateable value of votes cast) individual terms are limited to 5 years. Banbury in North Oxfordshire is an example of a place with a BID, which will run till 2023. The Local Government Association has a politically led, cross-party, membership representing 328 of the 333

councils from England and Wales and their opinion was that instruments like BIDs stimulate collaborative regeneration projects. Since October 2013, a £500,000 loan fund has been available to help communities with the start-up costs of creating the BID partnership and this could be utilised to catalyse place-based partnerships.<sup>77</sup>

Setting a vision and a strategy enables community actors, like businesses, to identify areas to contribute. In Grimsby the Danish renewable energy company Ørsted contributed £1m to the redevelopment of a dilapidated building on the waterfront that is to be a new state-of-the-art youth centre. The company state that their contribution is 'part of a collaborative plan to turn Grimsby's vision of regeneration and aspiration into reality for the next generation, Ørsted will work with OnSide, and local project partners to provide funding over five years that will support thousands of young people'.<sup>80</sup>



Artists impression of the Grimsby Youth Centre

Local governments are essential for the genesis of visions in places. In the case of the place-based partnership in Wisbech, the Fenland District Council and Cambridge County Council came together to initiate a strategy for improving the social outcomes in the town, called the Wisbech Vision 2020. This initial strategy setting and vision forging initiative offered a platform for which the business Anglian Water could engage and have a strategic impact on the place.

<sup>79</sup> <https://www.local.gov.uk/our-support/financial-resilience-and-economic-recovery/economic-growth-support-hub>

<sup>80</sup> <https://orsted.co.uk/media/newsroom/news/2020/10/orsted-donates-1-million-boost-to-grimsbys-young-people>

## THE ROLE OF BUSINESS IN TACKLING THE KEY ISSUES IN A PLACE

### RECOMMENDATION:

#### Business should take a leading role in tackling the key issues in a place

The Levelling Up white paper outlines 12 missions to tackle regional inequality and ‘level up’ the UK, which includes targets relating to reducing inequality in areas such as health, education, skills and connectivity.

The Taskforce received evidence relating to the leading role and impact that business can have in relation to a number these areas, and found that across sectors, it is considered that business should take a leading role in education, employment & skills, and inward investment. We also received numerous submissions relating to the impact that business can have in other, perhaps more unexpected areas, including health, digital connectivity, and racial inequality.

Through working collaboratively within their place-based partnerships, businesses should identify the key issues and inequalities that exist within their places and utilise their skills to tackle them. The key to this is that it is long-term, rooted in the place and that all stakeholders from across sectors are working collectively.

There are many policy areas in which businesses can contribute to place-based regeneration. Morgan Stanley highlighted to the inquiry the multiple issues that will be found in any community in need, recounted advice they got from consulting the Wellcome Trust; ‘if you select any one of those issues to focus on, you’ll make a difference in those communities’. It is essential in a place in need that a partnership address the myriad of complex issues at work in creating disadvantage. The more engaged actors a community has, including businesses, the more these issues can be tackled, yet in planning to tackle these issues it is good to understand which areas will require more effort to gain traction and which areas are more likely to be amenable to business engagement.

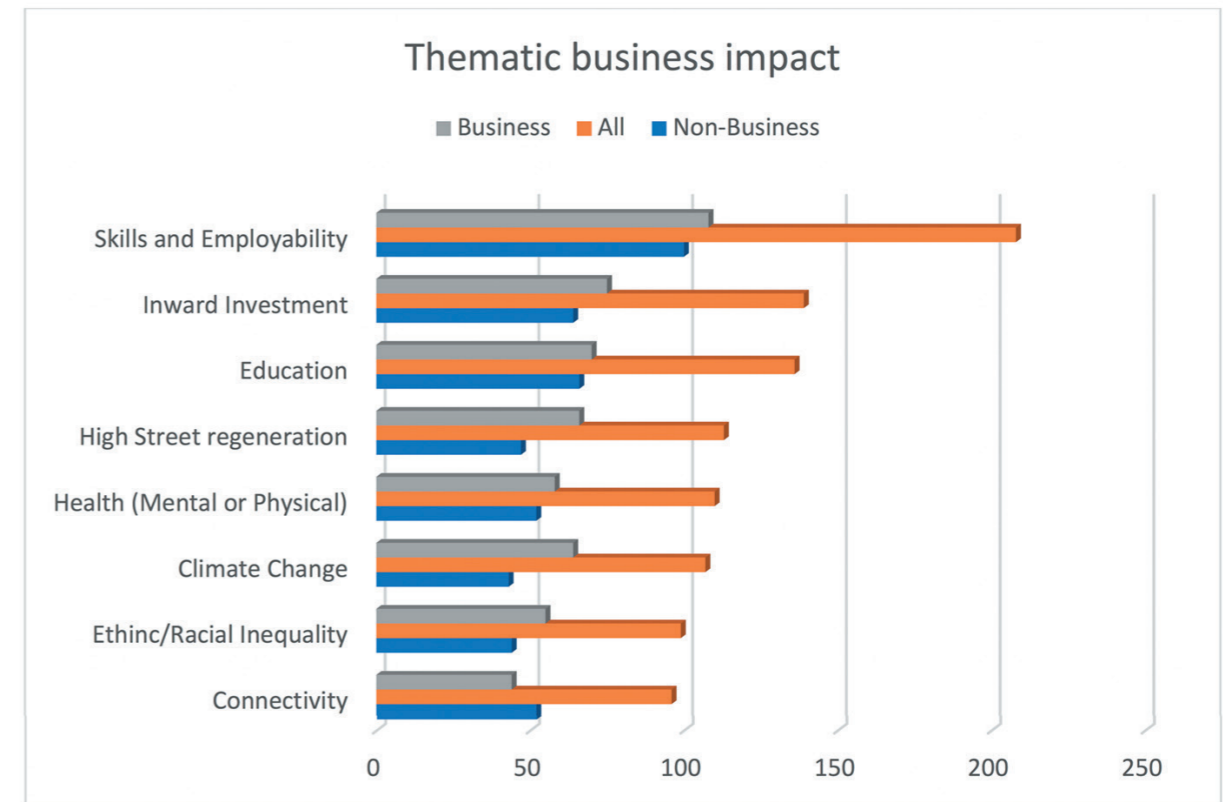
The inquiry asked a group of cross-sector organisations the question: ‘In which thematic areas in a place is business engagement likely to have the greatest impact?’, offering eight alternatives with the opportunity to cite other motivations that may not have been listed. The call for evidence asked the respondents to rank eight options in terms of relevance, as below, which were then given a score and plotted against each other.

- **Education**
- **Skills and Employability**
- **Mental Health / Health**
- **Climate Change**
- **Inward Investment**
- **Connectivity**
- **High Street regeneration**
- **Racial or ethnic inequalities**

No ‘other’ alternative to the eight offered was consistently identified, with the possible exception of community development itself, which was roughly referred to in variously ways such as ‘community capacity development’. This alternative has not been plotted since it occurred too infrequently, but it is notable that this reinforces the case for businesses participating in a voluntary place-based partnerships. The role of businesses in this ‘community capacity building’ theme is generally referred to throughout this report and is an area that should not be underestimated.

A total of 28 organisations responded to the question, representing charities, businesses and local government organisations. Obtaining the perspective of different sectors was felt to be useful to obtain a comprehensive picture of the thematic amenability to business engagement.

For example, businesses might think they do something poorly when civil society and local government can see that it is having a big impact. All community actors from the different sectors were broadly in agreement. The responses of all sector types were consistent in the trends, the alignment of the business and non-business subgroups is shown in the breakdown in the below graph.



How businesses can have the greatest impact

The views expressed in relation to the themes can be split into four categories, a very strong amenability of Skills & Employability, the identification of strong amenability in business-related themes of Inward Investment and Education, a moderate amenability of the themes of Health, Climate Change, High Street Regeneration and Ethic/Racial Inequality, and an even weaker identification with the theme of Connectivity (possibly linked to the implications of constructing infrastructure that general businesses would be unlikely to provide). The three themes in the two groups with the strongest amenability are the areas in which the routine activity of business in general are most aligned. These three themes cover the area of expertise and interest of businesses, in other words its 'wheelhouse', and this is examined below. Though the four themes in the third category received a lower ranking from the respondents, they are nonetheless themes of vital importance to regeneration and are areas where businesses have had significant impact in recent place-based work. However, if community actors believe that businesses are less likely to have an impact in this area then not only should these themes be ranked as higher on the agenda of place-based partnerships, but businesses should also seek the assistance of civil society specialists who can assist them in making an impact.

## HEALTH

Impact through partner working was achieved in the case of Morgan Stanley in the area of Health with their place-based efforts. Two areas were selected, Poplar in London and Sighthill in Glasgow. Both areas have notable deprivation index scores and were able to be supported by their respective local Morgan Stanley offices. In the case of Poplar, the firm worked with local charities and experts to establish a multifaceted health and wellbeing programme that contributed 5,000 hours of their staff time and funded programmes that ran for multiple years, leaving a legacy. Morgan Stanley conducted 6 months of research in the area to ensure they understood the need, also commissioning Dr Paul Sacher, childhood obesity expert. The firm listened to the community and built trust, running focus groups and speaking to important community figures, like local GP's and pharmacists. They were honest about not being sure on

their direction early on and had exploratory conversations with potential partners. Ultimately they worked with six charity partners including; Play Association Tower Hamlets, Magic Breakfast Club, Bromley by Bow Centre, MEND (Mind Exercise Nutrition DO IT!), Toy House Library and Mytimeactive.

Childhood nutrition was chosen as one of the focus areas for the project. As an aspect of health this is a significant issue, in the UK it is believed that during term time there are an estimated 2.3 million school children at risk of hunger every morning. Even that worrying estimate was prior to the dramatic current and predicted food inflation due to macro factors, such as the conflict in Ukraine. Magic Breakfast club were a key partner, delivering just under 230,000 meals in 6 years to just five schools in the place selected by the partnership. In addition to the charity partners, Morgan Stanley engaged with health service professionals, such as a local doctor, and working with trusted and local charity partners devised a health champion model. In this way, although not experts in health care, the firm provided the organisation and resourcing to have an impact on the area of health.

## REDUCING RACIAL AND ETHNIC INEQUALITY

Racial and ethnic inequality is a thematic area that cannot be reduced in importance despite the perception of low amenability to business impact. The importance of this theme is emphasised by the Levelling up agenda. As part of building the strength of a community, work in this policy area addresses two of the six capitals in the Levelling up white paper, social and institutional.<sup>81</sup>

Businesses can clearly have an impact in this area. The role for businesses in reducing racial or ethnic inequality, such as with well-designed internal policies, has been noted elsewhere in this report. Yet, to increase the likelihood of business impact in this thematic area, businesses should seek advice and expertise from specialist civil society organisations.

The charity Belong reminded the inquiry of the potential for the workplace to be a site of intercultural interactions if a business promotes an inclusive culture with a diverse staff. In March 2022 the charity released a report, compiled with the Intercultural Cities Network, that details research and recommendations on how businesses can help to improve social cohesion.<sup>82</sup> This analysis of best practice includes advice on; partnering with community actors (especially local community groups and charities), making internal changes to the businesses to promote equality and evaluating impact. It is strongly recommended that businesses look to guidance, such as the Belong report, to understand more about how they can have an impact on reducing racial and ethnic inequalities. In this way the likelihood of business having an impact on this critical theme for regeneration can be increased.

## DIGITAL CONNECTIVITY

Digital connectivity is essential for both businesses and the associated social outcomes of places. The CBI has observed that 82% of businesses consider the quality and reliability of the digital infrastructure when making investment decisions.<sup>83</sup> Yet there is currently significant regional disparity in infrastructure for digital connectivity. The percentage of premises with gigabit capable broadband varies significantly, with regions like the South East of England, South West of England, and Wales all being at least 20% behind the leaders of London and Northern Ireland.<sup>84</sup>

The observation that connectivity may be a theme more suited to governments is one that underscores the importance of the role of government in meeting its Levelling Up promises to increase digital connectivity. These include the £1bn pledged to increase 4G provision to 95% of the UK by 2025 and to extend gigabit-capable broadband to as close to 100% of the UK as possible

by 2030.<sup>85</sup> Businesses must seek to work with the government to achieve these stated missions, but equally vital is the white paper's commitment to use public investment to target premises that are hardest to reach and which would 'otherwise not be provided for by the private sector, ensuring no areas are left behind'. In terms of business action in this area it is advised that businesses review the recommendations of the Gigabit Take-up Advisory Group on the roll-out of employee schemes that supports the adoption of Gigabit capable connectivity in much the same way as employee schemes exist for dental care or gym membership.<sup>86</sup>

## EDUCATION, EMPLOYMENT, AND SKILLS

The top three themes identified in terms of strong amenability to businesses having impact; Skills & Employability, Inward Investment and Education are closely aligned to the area of expertise of business. Businesses are well informed on what education is likely to lead to a more productive society, and they are absolutely central to questions of employability and investment. It could therefore be said that these themes are in businesses 'wheelhouse'. Making progress in this area is also central to levelling up, a poll from the Centre for Cities ranked 'better job opportunities in your area' as the top priority for what UK public wanted to see delivered from the levelling up agenda.<sup>87</sup>

Government and businesses in the UK should take inspiration from international examples like Switzerland. There businesses are fully involved in the design and execution of vocational courses, which 60% of Swiss students engage in, and they even pay 50% of the course fees.<sup>88</sup> Involvement of this type is the ideal that UK businesses should strive for if increases in productivity and employment opportunity are to be realised.

<sup>81</sup> HM Government, 'Levelling Up the United Kingdom', February 2022, p. 88.

<sup>82</sup> Belong, 'Everybody's Business: the role that business can play in supporting cohesive communities', March 2022. Accessed at; <https://www.belongnetwork.co.uk/resources/everybodys-business-report/>

<sup>83</sup> House of Commons, 'Environment, Food and Rural Affairs Committee: An Update on Rural Connectivity', September 2019, p. 12. Accessed at; <https://publications.parliament.uk/pa/cm201719/cmselect/cmenvfru/2223/2223.pdf>

<sup>84</sup> HM Government, 'Levelling Up the United Kingdom', February 2022, p. 184.

<sup>85</sup> HM Government, 'Levelling Up the United Kingdom', February 2022, p. 185.

<sup>86</sup> Gigabit Take-up Advisory Group, 'Gigabit Take-up Advisory Group Final Report', June 2021, pp.43-44. Accessed at; [https://www.cbi.org.uk/media/6958/gigatag\\_report\\_v5.pdf](https://www.cbi.org.uk/media/6958/gigatag_report_v5.pdf)

<sup>87</sup> <https://www.centreforcities.org/blog/what-does-the-public-think-about-levelling-up/>

<sup>88</sup> P. Collier & J. Kay, Greed is Dead: Politics after Individualism, (Allen Lane, 2020), p. 149.

UK businesses have an opportunity to engage with government initiatives in the area of education and skills. Businesses are expected to play a larger role in further education under the 'Skills for Jobs: Lifelong Learning for Opportunity and Growth' white paper, which has a £65m fund for capital and revenue spending on adapting further education in collaboration with employers.<sup>89</sup> The eighteen locations chosen to be 'Trailblazers' and pilot areas were announced in March 2022 where the Strategic Development Fund will fund Local Skills Improvement Plans that work with chambers of commerce partners.<sup>90</sup>

Some businesses are already leading the way in this space. For example, Anglian Water developed two new courses at the College of West Anglia. Along with five members of their supply chain, they identified that there was a need for more mechanical and electrical engineers, and so qualifications in Mechanical and Electrical Engineering and in Construction and Utility Operations were developed. Crucially, every student was guaranteed an interview with one member of the alliance companies on successful completion of their course, with clear pathways to employment being a key component of their approach.

The 'wheelhouse' area was also one determined by M&S in the company's locally focused community programme called '10 Communities', piloted in 2018-19. To ensure the programme served the needs of the community, M&S conducted thorough engagement consultation with the residents of the target communities in the pilot. This consultation resulted in the focus area of education and employability being chosen, along with social wellbeing, and a number of activities were devised to work towards this focus theme.

Water companies are active in this theme of education for regeneration. In the Wisbech Vision partnership, Anglian Water delivered support to a local school, the Thomas Clarkson Academy which turned its performance in Ofsted reporting. Northumbrian Water, headquartered in Durham, have been a lead sponsor of an independent academy school in Sunderland, helping to make it one of the top three schools in the area. It is said to be the equivalent

of an independent school for local people, offering a scholarship programme in partnership with Durham School that has seen six of its students go to Oxford or Cambridge. Northumbrian Water have used their network to recruit local businesses to the school board.

Working with schools was a theme that businesses were working on in many places. An impressive place-based approach was seen in the support shown to schools in Coventry. Coventry Building Society is working with Warwick University and other members of their place-based partnership, the 'Coventry Leadership Group', to develop a framework to enable school staff in the city to identify how they can access support from relevant members of the partnership in relation to specific topics. Anna Cuskin, the Corporate Responsibility Lead at Coventry Building Society, described the system;

**'we've got this grid that we've done as part of the partnership arrangement with our secondary school to say here are all the different things that we've got, that we can do, this is which Gatsby benchmarks it meets. This is where it fits within the curriculum and, if you want it, this is how you go about getting it.'**

As Anna goes on to relate, the ambition is to create a unified framework with all of the other members of the Group;

**'And then the Careers Advisors would have one book, one website, to go through it and go, okay, we need some STEM thing to hit this benchmark so I am going to contact Jaguar...It seems quite simple, but I think for that, you know, we just cut out so much of the noise, it makes so much sense and that's one element of the things that we can do.'**

Furthermore, Coventry Building Society have a long-term partnership with Henley Green Primary School in Coventry, where they deliver a number of literacy and numeracy interventions. These are tailored to the needs of the school, which includes developing related life skills such as basic money management.

Financial services firm KPMG chose to focus on the theme of education and employability in its work in Rochdale. This focus enabled KPMG to work in an in-depth manner that is likely to yield a strong impact, which includes commissioning:

**'..a fine-grained mapping and analysis of inequalities in educational attainment in Rochdale over the period 2011-2020. This research is being carried out by the Education Policy Institute, the leading impartial research institute conducting data analysis on outcomes for children and young people.'**

Obviously, the likelihood that business will have the most impact working on the area it has the most familiarity with by no means reduces the necessity for the place-based partnerships that businesses are involved with from taking a comprehensive approach and tackling the broad mix of themes that inevitably contribute to the disadvantage of a place. Nor does it imply that third sector and other local actors in a partnership should shy away from these themes.

A medium sized charity in the Northumberland town of Blyth, Blyth Tall Ship, also focuses on the theme of education and employability. Working in a cross-sector collaboration with Newcastle University and Northumberland County Council, Blyth Tall Ship and its partners have implemented a work based NVQ level 1, 2 and 3 programme, supported by local volunteers, that overcomes the aversion to traditional education and has resulted in 300 of the 400 participants to the scheme into employment. This is important work in a community like Blyth that has suffered from economic shocks, as Blyth Tall Ship attested:

**'...the social deprivation issues cause by the closure of the 5 pits and shipyard had left many leaving school without qualifications or hope (sometimes aged 14). It was recognised over 10 years ago that offshore wind and renewable energy was a real opportunity for the Port but there was no skilled workforce. The young people were caught in a poverty trap, whereby they were on benefits but couldn't get work because they had no**

**qualifications, even for an apprenticeship, and couldn't give up their benefits to go back into education as they often had small children to look after and no social support network to cover for money or care while they go back to do GCSE's.'**

The 'wheelhouse' of Skills & Employability, Inward Investment and Education is an area that is both vital to levelling up and amenable to business impact. It should be an area that stakeholders expect business to play a strong role in, both for their place and nationally. At the same time, business and community stakeholders should realise that the thematic areas that are less amenable to business involvement will require more focus from all sides in order to achieve traction.

<sup>89</sup>Department for Education, 'Skills for Jobs for Lifelong Learning for Opportunity and Growth', January 2021, p. 13.

<sup>90</sup><https://feweeek.co.uk/pilot-areas-for-65m-strategic-development-fund-announced/>

## ADVOCATE FOR THE PLACE

### RECOMMENDATION:

#### Businesses should advocate for their place on a national level

Business has substantial advocacy capacity, and organisations from across sectors provided insight to the Taskforce of how large firms have used this to raise the profile and challenges of left behind places to national government. Places like Grimsby and Wisbech have leveraged business advocacy to highlight the challenges they face to central government and other important stakeholders.

Advocating for the place can be both internally to the community actors within a place, and externally to actors outside the place. An example of internal advocacy could involve a powerful individual, like a business leader, picking up the phone and calling a council leader on behalf of a local charity that requires some assistance but lacks the profile to get attention. However, it is the external aspect of advocacy that is most suitable for business to lead on because of their substantial lobbying capacity.

The Head of Sustainability at Anglian Water emphasised this from his own experience:

**‘The feedback that we’ve had about the importance of advocacy that business can bring, and that is in the category of the bigger businesses. We can help to unlock or put a spotlight on a place in a location, not coming in with things that are on our agenda, but picking up the vision and the needs that are generated at the community level. Almost not taking no for an answer, bringing people to locations, and putting it on their agenda, and not letting it drop off. I think that we shouldn’t underestimate businesses’ ability to do that, to keep shining a spotlight on a place, and for that to help make a significant change.’**

– Andy Brown, Head of Sustainability at Anglian Water

Businesses have a consequential lobbying capacity<sup>91</sup> which should be used to promote the regeneration of disadvantaged places. It was revealing that one large District Council that submitted evidence to the Taskforce favoured the leadership of local councils in all areas of a

partnership, with the only exception being for the theme of advocacy for a place, where the council identified business. This exception is revealing of a unique role. In Grimsby, the Chief Executive of the North East Lincolnshire Council told the inquiry that the advocacy capacity of local businesses, like Ørsted, has been valuable in magnifying the message of what the town needed. It is perhaps indicative of the success of such magnification that Grimsby was chosen as the pilot location for the Town Deal initiative by central government.<sup>92</sup>

Vitrex, a large business that is engaged in place-based regeneration, told the inquiry the challenges for such initiatives are significant and often linked to legislative changes that are required to drive improvements. In addressing these challenges Vitrex emphasised the role of business as an advocate, stating; ‘The board has to be able to influence at a national level’. This was echoed by the Plymouth Social Enterprise Network, who claimed that a business can effectively contribute to a place-based regeneration by being an ‘advocate in the public policy arenas of your city of place’.

The cross-sector evidence contributors identified business and civil society as the appropriate leaders in advocating for a place, with local government receiving less than half of the vote of either of the other two sectors. The reasons for this may be the complicating factor of political party alignment at the different government levels, as well as the capacity for political lobbying by business. Coalitions of political actors have been observed to have clashed at various levels, whereas business has been commented

by evidence contributors to be able to act as a credible honest broker between the adversarial groups of elected politicians. At the same time the capacity to act across different levels of government is an asset.

Anglian Water have played an important role in the place-based social regeneration project in Wisbech as an advocate for the area. The company has a significant capacity in political influence across governmental levels, maintaining relationships from parish councils up to the 75 Members of Parliament that represent the company’s regional footprint. Their 2020 annual report outlines public affairs engagement;

**‘Anglian Water sponsors a number of All-Party Parliamentary Groups, think tanks and policy development forums, including the Westminster Sustainable Business Forum, the Aldersgate Group and the Broadway Initiative. In 2019/20 we took part in 29 policy consultations and parliamentary select committee inquiries on issues such as future domestic land use and environmental policy, water resources management, problem plastics, green finance and skills.’<sup>93</sup>**

This advocacy capacity was utilised to promote strategic elements of Wisbech’s regeneration, involving activities like lobbying the Cambridgeshire & Peterborough Combined Authority level and central government on transport infrastructure, and even taking a delegation from the Fenland area to meet with the Dutch Government on flood resilience.

Civil Society organisations played a role in this advocacy, such as the non-profit RailFutures role in the lobbying for the rail link investment. Membership organisations are often active in lobbying government. Many membership organisations are from the civil society sector, attesting to the role of this sector in advocacy work. Civil Society’s role in place-based regeneration advocacy is vital and complementary to the capacity of big business, which is always open to accusation of acting in commercial self-interest.

Businesses should be considered as valuable partners for place-based partnerships as a channel through which to communicate the challenges and needs of ‘left behind’ places. The Chief Executive of the charity Participate Projects outlined to the inquiry the intermediary role of businesses in advocating for a place by relaying the community vision in a place to higher levels of government in the country and bringing that central attention down to the place.

**‘If you can get that happy marriage of the spotlight coming down and then the beacon coming up from places, then you start to get something which is very much rooted in what local communities actually feel that they need’**

– Anthony Waddington, Chief Executive of Participate Projects

### RECOMMENDATION:

#### Business should utilise its knowledge & assets to benefit the partnership and the wider community

The potential for Businesses to contribute to partnerships in the form of knowledge & expertise is extensive, from niche operational expertise to the project management skills essential to coordinate a place-based partnership. These skills and expertise can also be utilised to benefit the community. For example, business has HR, legal, and business planning expertise, all of which can be helpful to charities and SMEs. This is an approach that BITC champions through its Skills Exchange Programme, whereby employees from its member companies are offered skilled volunteering opportunities in community organisations, and local SMEs.

Similarly, businesses are likely to have assets that can be utilised in innovative ways for the benefit of the community. This can include providing meeting rooms and sustenance, or lending an empty retail space to community groups.

<sup>91</sup> Zingales, Luigi, ‘Does a CEO Have a Duty to Lobby?’ in eds Luigi Zingales, Jana Kasperkevic & Asher Schechter, ‘Milton Friedman 50 Years Later’, (Stigler Centre: Chicago, 2020), pp. 69-72.

<sup>92</sup> HM Government, ‘Industrial Strategy: Building a Britain fit for the future’, November 2017, p. 226. Accessed at: <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

<sup>93</sup> Anglian Water (June 2020), Annual Integrated Report 2020, p. 25.

Selection of business leadership in the area of knowledge & assets was pronounced. It is useful to examine these aspects separately to appreciate the assistance that businesses can lend to place-based partnerships in this aspect.

## KNOWLEDGE

The potential for businesses to contribute to partnerships in the form of knowledge & expertise is extensive, from niche operational expertise to the project management skills essential to coordinate a place-based partnership. An example is KPMG, who are providing skilled business volunteers to work on the Coventry Food Network, a local multi-agency initiative aiming to make Coventry a 'food resilient city where no one goes hungry'. The volunteers are providing business planning support in an attempt to develop a logistical infrastructure for the network.

One of the companies that provided evidence to the inquiry, Grant Thornton UK LLP, is one of the six companies providing specialist expertise to Town's Fund applicant towns, as a Towns Fund Delivery Partner. For the past 18 months Grant Thornton have been leading the support in the area of funding & investment, monitoring & evaluation, data insight lead.<sup>94</sup> Such a strategic support function will be invaluable to local place-based partnerships seeking to regenerate their locality and is a strong example of the expertise that a business can offer.

The Lloyds Bank Foundation, compiled a list of common needs in terms of expertise support businesses can offer to charities. This was part of a programme conducted in six locations around the country. Such work is informative for businesses thinking about how they can contribute knowledge and expertise to place-based partnerships. The Development Team at Lloyds Bank Foundation work on skilled volunteering from businesses to charities. They focus on helping charities to move beyond seeing businesses as a source of funding to a contributor of expertise. The Development Team lead told the inquiry;

**'what we definitely know is that charities do need more than funding. And, particularly through the pandemic charities are desperately trying to increase their capability and capacity and that's where I see SMEs and businesses/corporations helping...If we can attract volunteers from SMEs and corporates what that will do is bring skills and expertise that otherwise would be outside the reach of most small charities.'**

A key part of skilled volunteering is communicating the asks from charities so the businesses know what they can offer to charities. The workshops with charities found that their initial expectations of what they could ask from business was a transactional one that revolved around finances, yet after being shown case studies they all saw the value that partnerships could bring. The workshops engaged charities of various sizes and level of sophistication in places that the Lloyds Foundation focus on; Bolsover, Merthyr Tydfil, Great Yarmouth, Telford and Halton. The workshops with the charities compiled a menu of common desirable skills support asks from business. These were listed under the six headings of Finance, Staff, Premises & Working Operations, Marketing & Communications, Strategy and Business.

## Lloyd's Bank Foundation's Charity Expertise Needs

<b>FINANCE</b>	Funding worries Fundraising Financial Planning Competitive Tendering
<b>STAFF</b>	HR Advice Training Recruitment Restructure Keeping staff safe and well Adapting roles Managing staff during difficult times
<b>PREMISES AND WORKING OPERATIONS</b>	Premises Remote working Setting up a telephony/online service Providing and resuming services safely
<b>MARKETING AND COMMUNICATIONS</b>	Social Media campaign Marketing Website design IT Design Communication
<b>STRATEGY</b>	Business Planning Recovery Phase of Covid-19 New ideas and delivery models The future Resilience Governance & Risk Change management Leadership support Resource opportunities
<b>BUSINESS</b>	Commerciality Working with local businesses

The above should act as a spur to other businesses to explore needs and provide skills support in other places. It is important to emphasise Lloyd's Foundation's observation that, although the above were common to charities in all the places they engaged with, the activities in each place were highly context dependent and exact generalisation from one to another should be done with caution.

## ASSETS

In terms of assets businesses can contribute through innovative and powerful ways when connected to needs by a network. Businesses are able to be responsive and channel resources into emerging areas that can stand in contrast to the more deliberative deployment of public resources. Examples of such responsiveness include in November 2020 when the Feeding Coventry Van was stolen and Severn Trent donated a replacement. During the COVID crisis, when shared homeless shelters were no longer safe, six emergency 'bunker bins' accommodation units was provided by Barhale (part of the @oneAlliance) for 15 homeless people, an action that was thought to have saved lives. In both cases a place-based collaborative network was vital in communicating needs to the businesses with the resources to help. In general, COVID showed how businesses can respond to an emergency to help communities.

Buildings can be a valuable, if potentially complicated, asset for communities. A good example of a business putting assets to good use is Associated British Ports (ABP) in Grimsby, who own a lot of land in the borough. ABP wanted to regenerate the area of disused buildings that were formerly used for the fishing industry, named the Kasbah after the market of Marrakesh. They are working with the local authority, other local businesses, the local community and Historic England to accomplish this, which is a substantial part of ABP's contribution to the Town Deal. ABP's attempt to 'breath economic life back into the port' is half of the dual strategy of regenerating Grimsby through the council led town centre redevelopment and the ABP led port redevelopment.

Similar to the Youth Zone building development, a number of buildings on the port are being repurposed for various organisations. An example of this is Creative Start, a public artwork not-for-profit organisation that creates community art in public spaces, such as murals, and they often work with people from the community either with learning difficulties or who are people with a criminal record seeking rehabilitation. Creative Start is funded by organisations like Public Health England, the Lincolnshire Community Foundation, the Lottery Community Fund, North East Lincolnshire Council, and is further supported by companies such as ABP, COOP, Orsted and Wickes.

<sup>94</sup> <https://wearefuturegov.com/case-study/towns-fund>



The original 'Great Escape' mural on Grimsby Docks welcomes visitors to the Kasbah. It represents the idea of 'escaping' fears, personal challenges and the hope of what is possible. Source: <https://www.creativestartcic.org/the-great-escape>.

The inquiry heard of difficulty experienced with development in the past. ABP told the inquiry that adopting a more flexible approach to listed buildings was a significant barrier that the government could remove to facilitate regeneration. Interaction with planning was also raised to the inquiry as being an area where businesses can often have difficulty, the former leader of Durham County Council (between 2008-2021) stated; 'because it's almost like a different language, they don't know how to navigate it'.

Councils can help businesses navigate this, since free informal advice is available from the local authority. A conservation officer at Fenland District Council told the inquiry;

**'My feeling is that the frustration felt by owners/ businesses comes from a lack of understanding of the process, a misunderstanding that listed buildings are to be 'preserved in aspic' and a lack of engagement with officers to discuss things at an early stage. As officers I know we all aim to work as positively and pragmatically as possible, in order to manage change rather than prevent it.'**

Working in partnership, businesses and local authorities can maximise the opportunity presented by building assets. Business leadership, with council support, can also be useful in shielding a local authority from shouldering the full responsibility of any failures or risks associated with the development of heritage buildings for community use.

## PROBLEM SOLVING

### RECOMMENDATION:

#### **Business should utilise its problem-solving skills to turn a vision into a deliverable action plan**

Local government should play a vital part in sketching out the vision for the place, but business can contribute to this. Businesses can help to convert a vision into an action plan as they are familiar with signing up to objectives which are ambitious but deliverable.

Businesses have strong expertise in problem solving and adaptation based on evidence-based decision-making for management of their commercial operations. Therefore, it is unsurprising that the cross-sector contributor organisations rated problem solving firmly as the area that businesses should take the lead in. A strength in problem-solving has been utilised in business led place-based organisations, such as LEPs. Adrian Hawkins is a business leader and is prominent in the collaboration in his local area. Currently Chairman of the Skills and Employment Board on the Hertfordshire LEP, Adrian gave evidence on the significance of his business experience for regeneration efforts:

**'A business is known for its ability to research, recognizing objective, create a plan, facilitate a strategy and to deliver an affordable and successful outcome. My business started with one product 38 years ago and, when I sold it to a NASDAQ quoted company in March 2019, the business was delivering a product range of 5000 products in 20 countries worldwide. None of this success would have been possible without research, plan, strategy and profitable outcomes. And for the past seven years I've worked in a voluntary capacity with the Herts LEP as deputy chair, chair of the skills and employment Board, which I still continue to work within, and the independent chair of the Stevenage Development Board. At the beginning, the Herts LEP undertook the necessary research to understand it's coterminous county of operation and created a strategic economic plan, or SEP, to deliver infrastructure, innovation and skills across the county. And I believe it has been one of the most successful LEPs in the country in achieving what we have so far, that the SEP was delivered by business people.'**

In place-based partnerships, such as in Wisbech, business has taken a lead in problem solving. In helping to put together a proposal for a transformational development in the fenlands, the @OneAlliance encountered the hurdle of environmental challenges which stopped the proposal dead in its tracks. Led by Anglian Water, the group of businesses thought of a creative way around the problem and flew a delegation out to the Netherlands to learn about Dutch solutions to the flooding risk, securing funding for innovative flood defences and progressing a multi-agency response to the problem.

The problem-solving approach of business is perhaps the most unique contribution that the private sector can bring to place-based partnerships engaged in regeneration. The culture of dynamic and pragmatic problem-solving can be applied to many of the areas discussed in this report and should be prioritised by the other sectors in place as the value to be leveraged in regeneration initiatives.

## INCLUSIVITY IN COLLABORATION

Collaboration is central to place-based regeneration and needs strengthening. In giving evidence to the inquiry, University of Plymouth asserted that ‘action is required because in the UK there is a poor tradition of collaborative working as vested interests usually get the better of collaborative working’. KPMG claimed limited collaboration was the primary barrier to business engagement in place-based working; ‘Barriers exist where there is a lack of engagement or collaboration across sectors’. Improving inclusivity can help engagement and overcome these vested interests.

Multiple respondents to the inquiry, most of which work in local regeneration efforts, stated that they were unaware of frameworks for collaboration and expressed a desire to learn more. Seemingly typical was a large engineering and construction company who claimed that they were ‘not aware of any existing frameworks, although this is a challenge that we often face’. Organisations that support cross-sector partnership, such as Locality<sup>95</sup> and BITC do produce guidance for collaborations. Some respondents cited existing models for collaboration in various initiatives, including:

- **Plymouth’s Resurgam Strategy**
- **North Ayrshire’s Regeneration Delivery Plan**
- **The Big Local initiative, delivered in 150 locations around the UK**

Inclusivity was a recurring theme in response to the question of whether any action was needed to improve collaborative working between businesses, public sector bodies and community organisations. It was strongly expressed that collaborations should ensure they are inclusive and enable the voices of the local community to be heard. One social enterprise respondent stated that partnerships need to ‘ensure that local people are able to voice their concerns and design and maintain regeneration projects’. Another contributor, a charity, summed up this concern concisely; ‘More should be done to engage local people and make sure that they are seen as equal partners in the

regeneration process. Without their voice being heard and prioritised, regeneration will often fail to deliver benefits for those who need it the most.’

The Big Local format attempts to solve inclusivity through membership criteria of the partnership as it requires that a partnership be formed with at least 51% of members living within the target area boundaries.<sup>96</sup> A charity leader in Cambridgeshire, Keith Smith, attributed the success of the Wisbech Vision 2020 partnership to active engagement, where a survey was sent to 1,000 residents of the circa 30,000 population asking them to express their views on how the town could progress. In Keith’s words Anglian Water and BITC drove the surveys circulation and engagement successfully because they had ‘been prepared to put time and effort, and most importantly, genuine respect into it.’ Bringing the community into an initiative is vital;

**‘Where people find that they are being empowered and encouraged, and challenged, there’s nothing wrong with being challenged and so on, that starts to generate a whole different environment. If business comes in basically saying we have the answer, you don’t know what you are talking about, we’ll tell you how to live your lives, forget it.’**

– Keith Smith, Director of Ferry Project

A potentially useful tool for inclusivity has been identified by Professor Sheela Agarwal of the University of Plymouth. It is a theory of collaboration, utilised by Bill Bramwell and Angela Sharman in a 1999 study<sup>97</sup>, that could be used as the basis of a collaboration framework for place-based regenerations partnerships. Although the framework is over 20 years old and was utilised in the context of the 1999 study for tourism policymaking, the assessment criteria is applicable to local partnerships for interrogating their inclusivity.

This table offers a check list for place-based regeneration collaborations during their set-up and ongoing monitoring processes. The theory of collaboration outlines a set of nineteen considerations to assess whether collaborative policymaking is inclusionary as well as promotes collective learning and consensus-building. The considerations are within three categories covering the scope of the collaboration (referring to who participates in the collaboration), the intensity of the collaboration (referring to the level of involvement of the parties to the collaboration) and the degree to which consensus emerges (referring to the acceptance of the realities of collective decision making).

### Collaboration Framework derived from Bill Bramwell & Angela Sharman (1999)<sup>98</sup>

CATEGORY	DENOTED	ISSUE
<b>A) Scope of the Collaboration</b>	A1	The extent to which the range of participating stakeholders is representative of all relevant stakeholders
	A2	The extent to which relevant stakeholders see that there are positive benefits to entice their participation
	A3	Whether the collaboration includes a facilitator and those stakeholders who will be responsible for implementation
	A4	The extent to which individuals representing a stakeholder group are fully representative of that group
	A5	The number of stakeholders involved through the selected participation techniques
	A6	The extent to which there is initial agreement among participants about the intended general scope of the collaboration
<b>B) Intensity of the Collaboration</b>	B1	The degree to which participants accept that collaboration is likely to produce qualitatively different outcomes and that they are likely to have to modify their own approach
	B2	When and how often the relevant stakeholders are involved
	B3	The extent to which stakeholder groups receive information and are consulted about the activities of the collaboration
	B4	Whether the use of participation techniques only disseminates information or also involves direct interaction among the stakeholders
	B5	The degree to which the dialogue among participants reflects openness, honesty, tolerant and respectful speaking and listening, confidence, and trust
	B6	The extent to which the participants understand, respect, and learn from each other’s different forms of argument
	B7	The extent to which the participants come to understand, respect, and learn from each other’s different interests, forms of knowledge, systems of meaning, values, and attitudes
	B8	The extent to which the facilitator of the collaborative arrangements exerts control over decision-making (with less control allowing for more intensity of collaboration)
<b>C) Extent to which Consensus Emerges</b>	C1	Whether participants who are working to build a consensus also accept that some participants will not agree or embrace enthusiastically all the resulting policies
	C2	Extent to which there is consensus among the stakeholders about the issues, the policies, the purposes of policies, and how the consequences of the policies are assessed and reviewed
	C3	Extent to which consensus and ‘ownership’ emerges across the inequalities between stakeholders or reflects these inequalities
	C4	Extent to which stakeholders accept that there are systemic constraints on what is feasible
	C5	Whether the stakeholders appear willing to implement the resulting policies

<sup>95</sup> <https://locality.org.uk/services-tools/support-for-community-organisations/collaboration/>

<sup>96</sup> <https://localtrust.org.uk/big-local/programme-guidance/big-local-partnerships/>

<sup>97</sup> Bill Bramwell & Angela Sharman (1999), ‘Collaboration in local tourism policymaking’, Annals of Tourism Research, Volume 26, Issue 2, 1999, pp. 392-415.

<sup>98</sup> Bill Bramwell & Angela Sharman (1999), ‘Collaboration in local tourism policymaking’, Annals of Tourism Research, Volume 26, Issue 2, 1999, pp. 392-415.



# THE ROLE OF OTHER ACTORS IN A PARTNERSHIP

Some special community Actors are discussed in the below as they have unique characteristics that lend themselves to specific functions in the place-based partnership.

## EDUCATIONAL INSTITUTIONS

The inquiry heard multiple examples of educational institutions being key partners in place-based partnerships. For instance, the Vice-Chancellor of Teesside University is a board member of the Tees Valley Local Enterprise Partnership (LEP). Different types of educational institutions; such as schools, colleges and universities, were not only essential vectors for the activities of partnerships but were essential members of the partnerships themselves. Embedded within communities and delivering essential services they are synonymous with a place-based approach. Although often intrinsically linked to the context of their location, experience of working with one can inform place-based approaches in other places. An example is the relationship developed between the College of West Anglia and Anglian Water, known internally as the CoWA model, which has been taken and applied to three other colleges, one in Bury St Edmunds, one in Grimsby and one in Milton Keynes. 'We have taken that model of partnering with a college, with our supply chain, developing the apprenticeships which are relevant to what we actually need. Applying it to three other geographies but using the same model.' Peter Simpson, CEO of Anglian Water.

Universities acted as formal partners in place-based partnerships, such as Lancaster University on the Blackpool Pride of Place Board or the University of Sheffield and Sheffield Hallam University on the Steering Group of the Sheffield Business Together partnership. Universities can also be involved in partnerships in less central roles. In 2012, when in the context of the worrying social problems the Wisbech Vision partnership was first initiated by three prominent local politicians, an academic from the University of Cambridge supported discussions of improvement actions that culminated in a summit of community and business leaders. This is an example of the university assisting with a partnership outside of the area of its immediate location, while in a consultative role rather than as a member of the collaboration.

Universities can augment and support place-based partnerships and should be viewed as an indispensable community partner. Universities are inherently place-based to varying degrees, take Sheffield Hallam University where more than half of the students come from within 30 miles of Sheffield in terms of their postcode of origin. Due to their scale Universities have the potential to be 'anchor institutions', exerting a wide impact on their place. They also have substantial expertise and links with businesses. Their research capacity can present an easy access to innovation for businesses, which is likely to be an essential element of the local economy.

Sheffield Olympic Legacy Park, being developed in a deprived area of East Sheffield, is an example of place-based regeneration occurring with the assistance of the local university among other local partners.<sup>102</sup> The University of East Anglia has made a commitment to be more engaged in regeneration of place; with a turnover of £300m the university announced in its last four-year plan that it would work towards developing the region.<sup>103</sup> A University of East Anglia evidence contributor told the inquiry; 'we have been on a journey and we made commitments as part of our 2016-2020 plan to be a regional leader in terms of regeneration and development'.

The concept of a Civic University further reinforces the place-based role of the institutions. It involves universities selecting a geographic place that they are part of, which is not necessarily the area around their institution but must be defined, and then carrying out analysis in order to draw up a strategy of civic action. The inquiry heard that 70-75% of all universities have signed up to the responsibility of being civic universities, even though not all have published their civic university agreements. In engaging with a university, it may be useful for a place-based partnership to enquire about the civic status of the university and to see how its strategy can integrate with the regeneration efforts.

Utilising this framework partnerships can ask themselves searching questions as to their inclusivity and overall collaboration. The criteria are more guidance than prescriptive, and each partnership can determine the suitability of the answer that each question provokes. It is the act of asking the question and considering the suitability of the answer in the relevant context that is the significance of the framework. It should be noted that the facilitator in the framework (A3 & B8) should usually be considered to refer to the Connector role as described in this report.

Inclusivity inherently involves diversity, which requires additional consideration. Seeking specialist assistance is good practice, which has been used to prevent designing interventions that do not address the diversity of stakeholder in the community. In the recruitment of a diverse range of ages and demographics for the community engagement research element of its '10 communities' place-based programme, M&S employed the support of specialist consultancy the Social Change Agency.

Thematic specialists can be useful to help include the community in initiatives with place-based approaches. When preparing an educational programme of activities in their place-based approach, KPMG commissioned a specialist in tackling inequality in the education system, the Fair Education Alliance, to assist with engaging the community in Rochdale. Even with specialist support KPMG reported there was initially understandable wariness from some stakeholders in Rochdale. As part of the Wisbech Vision partnership, the non-profit lobbying organisation Railfuture organised for volunteers to deliver 11,000 leaflets which encouraged 5,000 people get behind the partnership's transport theme. The 5,000 petition signatures proved the legitimacy of the ambition, persuading the County Council to put together a business case for the rail link investment.<sup>99</sup>

Organisational and collaboration leadership needs to be committed to inclusivity and diversity. Sheffield Hallam University voiced the opinion that for place based-regeneration to reduce racial or ethnic inequalities the business partners in the collaborations should ensure representation on key bodies and in agencies. Similarly, BITC have recommended that 'businesses should find diverse leaders to play a part in the project'. Leadership dedicated to diversity is an approach endorsed by government for LEPs. The National Local Growth Assurance Framework directs that it is best practice for each LEP to nominate a diversity champion from its Board; 'Their role will be to encourage diversity and ensure that the LEP is acting in line with its diversity statement'.<sup>100</sup> Achieving diversity is difficult and requires attention. Even with the diversity champions LEP boards were found in summer of 2019 to be insufficiently representative of their local areas.<sup>101</sup>

<sup>99</sup> Anglian Water (2019), 'A Guide to Community Regeneration in Wisbech', p. 18. Accessed at: <https://www.anglianwater.co.uk/siteassets/household/in-the-community/community-regeneration-in-wisbech2.pdf>

<sup>100</sup> MHCLG, National Local Growth Assurance Framework, 2021, Version 4, p. 23.

<sup>101</sup> House of Commons Committee of Public Accounts, 'Local Enterprise Partnerships: progress review', June 2019, p.6. Accessed at: <https://publications.parliament.uk/pa/cm201719/cmselect/cmpubacc/1754/1754.pdf>

<sup>102</sup> <https://sheffieldolympiclegacypark.co.uk/>

<sup>103</sup> UEA, 'The UEA Plan 2016-20', 2016, p. 8. Accessed at: <https://www.uea.ac.uk/documents/20142/1370399/UEA+Plan+2016-2020.pdf/fcd8c9a4-5e03-8fd8-104b-b2a0ea900274?t=1586343176284>

## SPORTS CLUBS

Sports clubs are businesses that have unique characteristics and thus can be valuable members of a place-based partnership. These organisations have featured as part of the place-based partnerships around the UK. For instance, Wasps RFC are members of the Coventry Place Board and Ben Mansford, Chief Executive Officer of Blackpool Football Club, sits on the Blackpool Pride of Place Board and the Blackpool Towns Deal Board.

Sports clubs, and especially football clubs, are generally politically neutral civic institutions which have legitimacy with a local population and crucially have a multigenerational appeal.<sup>104</sup> The ability to appeal to young members of the community as well as adults lends them convening power that is either unavailable to other organisations or costly to acquire. Sports clubs of all kind can use their convening power to spread optimism in a community and build relationships between stakeholders.

Grimsby Town Football Club are a leading example of a sport clubs personifying ethical principles, announcing in May 2021 that they would seek to become the club first professional football club to be certification as a B Corp. The club is looking to make a difference in the town and especially its immediate environment of East Marsh. East Marsh is a deprived ward adjacent to the Grimsby docks that has a difference of 13 years lower life expectancy for men, 9 years for women, than the area of Humberston only 3 miles away. Grimsby Town's owner Jason Stockwood is a local man who has been successful in business, founding and scaling several award-winning businesses, and has returned to his hometown to put his intellectual and financial resources towards improving social outcomes locally. Jason believes that football clubs can play a part in place-based regeneration; **'It is my firm belief that football clubs, such as the 143-year-old Grimsby Town FC, can act as the anchor institutions in any reinvigorated conversation'**.

Jason is using the football club as a platform for building a narrative around the town of Grimsby that focuses on prosperity and progress in order to replace the negativity that has accompanied the town's disadvantaged status. This narrative is being forged by a collection of businesses and civic institutions as partners in the Grimsby Alliance. The alliance is exploring ideas for community renewal and reaching out to the network of Grimsby 'alumni' with resources and social capital who can advocate for the town.

As businesses that are inherently embedded in the community, sports clubs present an opportunity to emphasise how businesses in general can be more community focused and serve wider stakeholders. Jason is also active in arguing for changes in UK company law, amending Section 172 of the Companies Act, to empower company directors to make decisions that serve a wider stakeholder group than exclusively the shareholders. Such overarching change would enable businesses to go even further in their work towards making positive social changes in the places that need it.

## CONCLUSION

The timing of this report has been opportune and the recommendations it offers are part of a chance that society has to seize upon a convergence of factors that can lead to a positive transformation.

The publication of the government's white paper on Levelling Up, with its 12 missions, is an expression of the political and popular acknowledgement that firm action is needed to address the profound spatial inequality in the UK. At the same time the Western world is living through a new era of 'responsible business', where investors, customers and business executives are calling for businesses to have a social purpose beyond just making money for shareholders. Business is an extremely powerful force in society and collectively has the capacity to have an enormous effect. With the findings in this report there is no excuse for this collective will to result in inactivity.

Our Taskforce focused on practical measures and a framework within which business in particular can make its contribution to the national drive to greater equality and wider opportunities for people and places. The argument implicit in this report is that this is best achieved through collaborative work, of businesses pulling together with local and regional government, the third sector and other key players from the civic sphere such as universities to form place-based partnerships. The aim of the report is to outline practical steps that can be taken by all to create a beehive of activity across the country.

Place-based partnerships working on regeneration in disadvantaged places, the often labelled 'left-behind', is a way in which the political will to correct regional inequality can be powered by the energy of business. This report has taken evidence from organisations involved in pioneering place-based partnerships and has drawn insights and best practice which are relevant to all actors in solving the problem of levelling up.

This report has outlined the steps that need to be taken by central government to create an environment conducive to businesses engagement in left-behind places. Building on previous successes (like the Town's Fund and devolution), enacting current promises (like the levelling up missions)

and grasping new opportunities (like new tax incentives and funding changes) will all have a transformative effect. The inquiry left little doubt that action is needed.

The parties to place-based partnerships; business, local government and civil society organisations, will be able to consider the many lessons offered by previous attempts to make a positive impact on communities, including;

- **Where to target**
- **What data to consult**
- **Who is needed from business**
- **How to formalise the collaboration**
- **What thematic issues should businesses work on**
- **How to ensure inclusivity**
- **What roles are essential**
- **Which responsibilities should local government, business or civil society lead on**

The astonishing number and quality of evidence contributors to this inquiry attest to the momentum behind the ambition of levelling up with a cross-sector and place-based approach. The evidence involved major businesses, representing hundreds of billions of pounds in annual revenue each year. Evidence was gathered from England, Scotland and Wales, with local governments, universities, development organisations and experts contributing valuable opinions. Other actors, especially the charities and wider civil society organisations everywhere are vital in converting the will to tackle inequality into positive action. They are the community and policy specialists that are referred to consistently throughout this report and their role is simply indispensable.

<sup>104</sup> Keir Mather, 2021, 'What are the best means by which Grimsby Town Football Club can address social, economic and cultural challenges facing young people in the town of Grimsby?', Mimeo, Blavatnik School of Government.

With 40 years of experience in the field, BITC is well placed to help forge collaborations that can achieve levelling up. Inspiration is a vital element of motivating those with the power to drive the change that is necessary to use the recommendations in this report. The tried and tested Seeing Is Believing (SiB) visits, run by BITC, help give people vision of what is possible. These bring together a group of business leaders to visit an area where action and intervention is needed. They meet local 'players', visit key projects and are briefed on the local big issues. The object is to galvanise business behind a local plan and make the vision become a reality. Imbued with the inspiration of such trips, the insights in this report then act as a blue print to navigate from a standing start to an effective partnership. A programme of SiB's will take place this year as part of BITC's 40th anniversary and it aims to raise the bar for corporate community activism, place making and levelling up.

Together, the businesses of the UK can help put partnerships in place wherever there is need. With the guidance of the Place Taskforce inquiry, embodied in this report, business leaders and community leaders will be able to start making a difference.

**TOGETHER, THE BUSINESSES OF THE UK CAN HELP PUT PARTNERSHIPS IN PLACE WHEREVER THERE IS NEED. WITH THE GUIDANCE OF THE PLACE TASKFORCE INQUIRY, EMBODIED IN THIS REPORT, BUSINESS LEADERS AND COMMUNITY LEADERS WILL BE ABLE TO START MAKING A DIFFERENCE.**

## EVIDENCE CONTRIBUTORS

1. ABP
2. Anglian Water
3. Arts Council England
4. Belong Network
5. Blyth Tall Ship
6. Bookmark
7. Bristol City Office
8. British Beer & Pub Association
9. Centre for Local Economic Strategy
10. CERT Ltd
11. Coventry Building Society
12. Cumbria LEP
13. East Ayrshire Council
14. Fair Tax Foundation
15. FDC
16. Freshfields
17. Go-Ahead Group
18. Grant Thornton
19. Grimsby Town FC
20. Herts LEP
21. Impact Investing Institute
22. John Chesworth (Preston Town Deal Chair)
23. KPMG
24. Leeds City Council
25. Lincolnshire Co-op
26. Lloyds Bank Foundation
27. Local Enterprise Partnership Network
28. Local Government Association
29. Locality
30. Local Trust
31. London First
32. Lucy Smith (BITC)
33. Magic Breakfast Club
34. Manchester MCA
35. M&S
36. Morgan Stanley
37. National Association of Local Councils
38. New Anglia LEP
39. North Ayrshire Council
40. North East Lincolnshire
41. Northumbrian Water
42. Onward
43. Open University
44. Orbit Communications
45. Paul Smith (Blackpool Town Deal Chair)
46. Plymouth Social Enterprise Network
47. Power to Change
48. PwC
49. School for Social Entrepreneurs
50. Sheffield Hallam University
51. South of Scotland Enterprise
52. Sport England
53. Teesside University
54. The Ferry Project
55. The South & East Lincolnshire Council Partnership (Boston Borough Council)
56. Trades Union Congress
57. Trivallis
58. UCL
59. UK Major Ports Group
60. University of Plymouth
61. University of Bradford
62. University of East Anglia
63. University of Oxford
64. University of Sussex
65. UnLtd
66. Victrex
67. Watford Borough Council
68. Women's Budget Group

We also received evidence from a large district council, a major engineering & construction firm, and a property business, all of whom asked to remain anonymous.



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