

# INNER CITIES – ON THE BOARDROOM AGENDA

Recurrence of urban rioting last year has focussed attention on the need for urgent action to create new opportunities for the young and discontented in our inner cities. Several inner-city initiatives have been announced both by government and Business in the Community since the start of the year, with emphasis on backing grass-roots enterprise and regeneration. How can businesses play a more effective role?

Whereas following the riots at the start of this decade relatively few companies had thought through what part, if any, they should play in tackling inner-city problems, the response now is very different. During the past five years over 3,000 companies around the country, particularly the largest, have become engaged in inner-city initiatives varying from support for enterprise agencies and training initiatives to workshops, community projects and links with schools.

Growing concern within businesses and commitment to joint action was reaffirmed at a meeting attended by more than 50 BIC members in November. In the words of Prudential Assurance chief executive Brian Corby:

**“The riots have a distressing effect of the lives of so many people involved and also cause uncertainty on the part of all of us as to the way in which our society is moving – it is not only bad for political health but for economic health. Business has an important role in exploring what can and should be done.”**

The meeting concluded that BIC should encourage companies to think about their contribution and position.

- businesses have a direct interest in action to stabilise and regenerate inner cities
- existing structures for joint action involving private and public sectors, such as enterprise agencies and other partnerships, should be used more effectively to address these issues
- as an employer, trainer and purchaser of services, the private sector can do a great deal to remedy racial discrimination in the inner cities.



At the royal opening of Project Fullemploy at Brixton training centre course member Arlene Herbert explains how the Personnel Department interfaces with other departments – customer services and administration.

- there should be an emphasis on action which motivates business skills and resources to community-based initiatives and proposals which contribute to economic growth.

Backing community entrepreneurs and grass-roots organisations is a theme to emerge from most of the recent initiatives. In February the Government announced an inner-city initiative to be led by Lord Young and

other Department of Employment Ministers.

This involves establishing task forces in eight inner-city areas around the country. With the aim of securing greater effectiveness of government programmes the task forces will attempt to stimulate local jobs and enterprise, improve employability, reduce crime and improve the environment.

Collaboration between the business

## How do companies get involved?

Companies can contribute in many ways to inner city and community regeneration in addition to charitable donations. The main contribution is through staying in business, growing and being a generator of wealth and tax revenues. In addition companies make a number of other direct contributions:

- Location and investment decisions – Royal Insurance and the Halifax Building Society offer good examples of explicit decisions to back inner-city investment projects.
- Employment policies which could favour the training and recruitment of local people – Whitbread, Dixons and the activities of Project Fullemploy with employers are examples.
- Purchasing and subcontracting policies which give opportunities to local enterprises – British Aerospace Warton Division at Preston placed almost £700,000 worth of purchasing

with new local businesses after reviewing how purchasing policies could help local firms.

- Active public affairs strategies where companies take initiatives to improve local services, institutions and the environment – Unilever, Kellogg's and ICI Mond are good examples in the North West.
  - Provision of support through loans, donations and other business resources – Marks and Spencer, Investors in Industry, NatWest, BP and United Biscuits are examples of a large and growing number of companies committed to investment in self-generating community activity.
- BIC's publication *Business and the Inner Cities* gives many examples of how companies are involved in inner-city initiatives and how others can play a more effective role. It will be available at the end of May from BIC.

community, voluntary sector and local authorities is seen as the key to the task force approach which is to be piloted in neighbourhoods of Middlesborough, Leeds, Manchester, Leicester, Birmingham, Bristol and London.

### The case for involvement

According to BIC members, the business community has a stake in promoting inner-city regeneration for many reasons including:

- crime and unrest are a threat to business and society
- major urban areas are an important market
- inaction brings a high long-term cost to the whole of society including the business world
- employees, the public and government expect increasingly that the business community should demonstrate commitment to the inner cities.

Whilst there have been many successful initiatives involving partnership between private and public sectors over the past few years, concern has been growing that the scale of the problems is large and the impact of projects only marginal.

Those companies active in local initiatives realise that many more employers should join local partnerships, more emphasis should be placed on improving community involvement skills and communications, greater local co-ordination is needed and more effort to engage local people.

As Stephen O'Brien, chief

**“The key to enterprise in the community is the involvement of people. We are trying to encourage the involvement of people in many different ways.**

**“Our new inner-city initiative, too, depends on local involvement. The task forces in each area will build up contacts with voluntary organisations and will seek community participation in projects.**

Lord Young, Secretary of State for Employment

**“I don't believe there to be any mystery at all to the causes of violent disturbance in cities, although I believe there to be a lot of problems about how you deal with it. You have a well defined group who labour, rightly or wrongly, under a powerful sense of injustice and they believe, rightly or wrongly, that nothing is happening to relieve that – then there is just a trigger mechanism to set it off. The perception within these communities is very strongly that the systems are geared against them.”**

Peter Newsam, Chairman, Commission for Racial Equality

executive of Business in the Community says: “the inner city problem will be resolved only if those who feel they have no part in the system can be made to feel they have some stake”.

### BIC initiatives

At the BIC Board meeting chaired by HRH The Prince of Wales last November, members gave the go-ahead for planning a series of demonstration partnerships around the country to promote a more effective framework for collaboration between business, community entrepreneurs and public authorities in developing local economic regeneration initiatives.

The ‘Community Development Partnerships’ proposed by BIC in *Prospectus for Action* provide a framework for a wide range of national organisations, companies, charitable trusts, professional bodies and individuals able to provide assistance to inner-city projects. A partnership is also being sought with bodies such as the Royal Institute of British Architects, Action Resource Centre, Civic Trust, training bodies and youth enterprise initiatives in the development of the strategy, as well as co-operation with government departments.

Another strand emerging from a diverse range of bodies including the CBI, TUC and building materials producers is the value of more infrastructure investment. This is seen as a major opportunity for job creation, environmental improvement and regeneration. A recent comparative study of the UK and USA, *The Phoenix Partnership – urban regeneration for the 21st century* by Harry Cowie, shows that many different approaches are possible to investment in housing, infrastructure and refurbishment. BIC is reviewing how its own initiative

can dovetail with both these and government proposals.

### Measures

The problems of the inner cities are large and complex and cannot be solved by short-term projects. At the end of the day a strong national economy is a prerequisite to provide the demand and resources on which inner-city regeneration can be based. But without special action to improve opportunities and the environment in the inner cities, national economic growth will not bring many benefits. As Lord Young said “economic progress alone will not solve the inner city problem – in many ways it seems to pass it by”.

The present range of new initiatives have a particularly important part to play in demonstrating how collaboration and real partnership, particularly with community entrepreneurs, can contribute to effective regeneration.

## BIC Community development partnerships

Business in the Community is planning to set up five or six demonstration ‘community development partnerships’ later this year. These will provide a framework for collaboration between local initiatives, business and the public sector in inner city neighbourhoods with three key features:

- A locally co-ordinated action programme which matches business skills and resources to the needs of a series of community-based economic regeneration initiatives
- A local campaign to involve more employers and provide training in communication and partnership skills for business participants.
- A ‘Community Development Partnership Network’ drawing on a wide range of national advisory, professional and voluntary organisations who can contribute ideas, advice and training in the economic and enterprise development field.

The programmes will operate initially for two years and will have an emphasis on information exchange and learning between areas. Initiatives which are assisted may include projects in the enterprise, employment, training, workshops, housing, environmental improvement and refurbishment fields.

*Prospectus for Action*, which describes the proposed partnerships, is available from BIC, 227A City Road, London EC1V 1LX. (Tel: 01-253 3716).