



The Prince's
Responsible
Business Network



PARTNERSHIPS IN PLACE

The Business of Levelling Up

KEY FINDINGS & RECOMMENDATIONS

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THANK YOU

We would like to thank members of the Place Taskforce for their leadership and guidance throughout the process, and our supporters; Barrow Cadbury Trust, the Local Government Association and the TUUT Charitable Trust. I'd like to thank Ian Taylor, author of the report, for his enormous contribution to the project, and Evie Park for providing guidance and coordination throughout the process. Without the hard work and of all these individuals and organisations, the report would not have been possible.

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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**

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.¹ 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 FACE²

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.

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

² 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.³

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.

BITC'S PLACE TASKFORCE

In August 2021, BITC's Place Taskforce, a group of cross-sector leaders, 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.

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.

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

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.



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