

BiC BOARD BACKS INNER CITY CAMPAIGN

by Robert Davies

High level backing has come from the Business in the Community Board for a new campaign to revitalise the inner cities. With the objective of recruiting many more companies to support initiatives through their mainstream business activity, the campaign will focus on a number of demonstration partnerships being launched around the country from September onwards.

The campaign stems from growing concern amongst BiC member companies about the conflict and frustration following last Summer's inner city riots. A review of local partnership initiatives taken over the five years since BiC was launched revealed that more could be done to engage local people in community economic development strategies and more intensive efforts were required in inner city neighbourhoods. BiC President, HRH The Prince of Wales, was keen that partnerships should also engage the growing number of 'not-for-profit' community organisations involved in economic renewal at the grass roots.

The BiC three point plan of action was launched in June, supported by a number of leading members who have been hosting seminars. The initiative includes:

- A continuing series of **promotional seminars** to attract new companies, **explore how corporate action can make more impact, and create a regular forum for committed companies to share ideas.** The series has been addressed by Sir Richard O'Brien, Michael Heseltine and former US Presidential Aide, Victor Hausner; future speakers will include Employment Minister Kenneth Clarke and Opposition Industry Spokesman John Smith.

- A series of up to eight demonstration **'Community Economic Development Partnerships'** focusing on small inner city neighbourhoods where action programmes will be developed to support 'not-for-profit' organisations engaged in employment, training, housing and environmental improvements. BiC is working on a pilot training programme to build the capacity of partnership participants in economic development and strategic planning suitable for grass roots development.

- An orchestrated attempt by BiC to encourage leading companies to **'adopt' areas** for investment in major economic initiatives aimed at increasing job opportunities for local residents and building up the capacity of community entrepreneurs. Associated

with this initiative will be an **inner city partnership network** as a focus for information exchange between organisations and public authorities concerned to promote partnership initiatives.

BiC will be working closely with a range of national and local organisations including the Action Resource Centre, Project Fullemploy, the Civic Trust and others concerned with promoting partnerships in urban renewal.

Early success

An early success in the new BiC initiative has been the backing from the Occidental Oil Company who have provided substantial funding towards the promotional costs of the BiC inner city initiative. A number of other BiC corporate members and public bodies are discussing participation in the demonstration partnership projects.

BiC is to establish an Inner City Partnership Unit in the Autumn to co-ordinate its inner city programme. High in the priorities will be an effort to ensure that existing partnership initiatives such as enterprise agencies and the 'community action programmes' gain ideas and benefit from cross-fertilisation with the new inner city emphasis.

According to BiC Chief Executive Stephen O'Brien, "there is no reason why the results of more intense and professional action to build partnerships in inner city neighbourhoods should not be applied on a wider scale to towns and cities suffering economic decline and physical decay."

The central challenge to BiC over coming months is to recruit many more companies to engage in local initiatives and to encourage a match between their business interests and inner city opportunities. A new BiC publication **'Business and the Inner Cities'**, produced with the support of British Petroleum, points to what one hundred companies have achieved since BiC was founded five years ago.

Speaking out for the inner cities

"The private sector should be at the head of the parade of people who are working for the redevelopment of their cities - taking leadership roles in development efforts, mobilising private sector colleagues to get on with long term development processes. They ought to be advocates to government on urban redevelopment and the importance of action on the

national policy agenda. They must participate aggressively and be willing to invest in the infrastructure of areas to make sure services and environment are maintained."

Victor Hausner (former US Presidential Aide and Managing Partner of PA Cambridge Economic Consultants) addressing BiC inner city seminar last month, hosted by British Telecom.

In a series of seminars mounted by BiC to promote its inner city involvement campaign politicians, business leaders and policy experts are speaking out for the inner cities. Hosted by leading BiC Members - BP, NatWest Bank, British Telecom and Lloyds Bank to date - the seminars set a new agenda for more effective business commitment to inner city revitalisation drawing on ideas from over one hundred major companies.

Four common themes have been raised by all speakers, otherwise bringing different perspectives to the subject:

- It is only through the direction of **mainstream business activity** to resolve inner city problems, whether investment, employment, training or purchasing, that an impact will be made.

- Central to any effort to stimulate more private sector commitment is a much more precise **matching process** to ensure adequate incentives for the private sector and a better match between business expertise and development projects.

- The only effective process will be through **partnership** between public, private and voluntary sectors, underpinned with public sector resources to lever private investment.

- The private sector must be led to recognise not just the incentives to be involved but the **high price of neglect** in terms of social breakdown or withdrawal of social consent to do business.

'No trickle down to inner cities'

Sir Richard O'Brien, former industrialist, MSC Chairman and the Chairman of the Archbishop of Canterbury's Commission on Urban Priority Areas told of the alarm of witnessing social disintegration of housing estates haunted by fear and vandalism.

Putting the case for special measures he said "We have to establish in the minds of people that things have deteriorated so far that a trickle down effect from recovery of the economy will not affect these areas without spe-



The Rt. Hon. Michael Heseltine at BiC Inner City Seminar hosted by the National Westminster Bank. Mr. Philip Wilkinson, Group Chief Executive of NatWest and Mr. Robert Davies of BiC are alongside.

cial action. They will always be left behind so a particular effort has to be made by everyone – government, local authorities, voluntary organisations and private sector – and we will not revive inner cities without the involvement of the private sector.”

Part of the solution is to reduce the scale of the problems to manageable areas where much more explicit matching of action to the problems is possible. The question is how to help companies contribute in ways where they have the skills and resources and it matches more closely their own interests.

Responsibility of successful business

For Rt Hon Michael Heseltine MP, former Secretary of State for the Environment, who said he was returning to a theme from where he broke off in 1983, there is both a moral and social responsibility amongst those who are successful in business. “Beyond their moral interest there is a self-interest on behalf of those who gain from the capitalist system in seeing that there is fairness, that there is a contribution and a responsibility with the privilege that the system delivers.”

There are many forces according to Michael Heseltine which together result in flight of investment from the inner cities over many years. Commitment to invest in the industrial heartlands or of successful and skilled people to remain had drained away. Britain was the least successful of industrialised nations in maintaining a dialogue and sense of partnership between the various elements of the economic system.

There are two communities who will play a part in regeneration effort. The community who are there with growing social problems and need for taxpayers resources and the commun-

ity who have left who must be persuaded to return and work and invest.

“In talking to two communities you have to have a wider approach and a scale of resource that will attract to the inner city those who want to buy their homes, start their own businesses and those who can make a choice about the environmental background in which they live.”

The way forward, he said, was not to call for more experiments. But for the successes of the last few years, including the growth of BiC and the initiatives of many successful companies involved, to replicate their commitment with Government providing resources and the best of the business community following the pioneers. He saw the prospect of individual financial institutions and companies being persuaded to make a commitment to specific cities, building on successful partnership mechanisms including housing associations and development trusts.

However, there is a warning about unrealistic private initiatives which draw in neither funds nor partners. “There will be no substitute for public resources. The great danger is that one goes for private sector initiatives with high-sounding phrases, which produce minimal funds and no compulsion or ability to influence local authority activities. That will not work. It is just glossing over the enormity of the challenge. One way or the other you must bring the local authorities in on the act, and you will only do that on any scale if there is a large commitment of public resources for the capital infrastructure and dereliction-clearing that is essential.”

Managing a transition

Cities are going through major changes in role which have been set over many years according to Victor Hausner, a former Aide to President Carter and Managing Partner of PA Cambridge Economic Consultants. The challenge is both to manage the transition and adjustment as well as ensure action to ameliorate the impact on the most disadvantaged who bear the price of change.

For Victor Hausner inner city action is not optional. “If we fail to address the question of our cities we will create major impediments to the national economic renewal we all want. There is a terrible price to pay for not addressing these issues.”

The private sector is needed to make initiatives work in economic development, training and improvement of property. “This must extend well beyond areas of social responsibility and charitable activity. It must be tapping main stream activities of the private sector which will determine whether reinvestment and renewal will take place.”

His three point strategy for revitalisation focussed on private sector participation in three areas – urban economic redevelopment projects, dealing with the employment and income needs of the disadvantaged and their communities, and developing longer term commitments to self-sustaining cities.

The agenda for the private sector must be to be more innovative in investment practice and higher risk orientation in financial institutions. Private sector skills must be matched to building organisational capability to carry out effective local development programmes. Particular assistance must be given to help smaller firms deal with the transitions in the inner city economy and black businesses to respond to opportunities.

Whilst inner city residents could benefit from local jobs, experience shows that this seldom happens and thus they receive minimal benefit from programmes targetted at the inner city. Attention must be given to how local people can benefit from jobs, how employers recruit and train and how well the education system serves the community. “Economic development must go hand in hand with targetted programmes dealing with people who are less competitive so they can share in what is achieved through renewal”.

For information on the BiC Inner City Campaign, opportunities for involvement in the ‘Community Economic Development Partnerships’ or copies of the publication ‘Business and the Inner Cities’ contact: Robert Davies, BiC, 227a City Road, London EC1V 1LX. 