



OFFICE OF THE
DEPUTY PRIME MINISTER

Research Report 6

Changing Practices

A good practice guide for businesses
locating in deprived areas



Neighbourhood
Renewal Unit

BRITISH RETAIL CONSORTIUM

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Preface



Barbara Roche

Our aim is to build thriving, inclusive and sustainable communities across all regions. The Government's focus is on delivery: making a difference to people's lives by helping to raise the quality of life for all and to improve the communities they live in.

Our Sustainable Communities plan sets out our approach to transforming our communities and reversing the legacy of decades of neglect and under-investment.

This Government's year-on-year investment in housing and regeneration is tackling the root causes of deprivation, and in towns and cities across England, urban renaissance is taking hold.

We are seeing early successes in delivering our National Strategy for Neighbourhood Renewal, which sets out a long-term approach to the problems of our most deprived communities.

There is still much to be done; and one of our key tasks is to work closely with the private sector. This report contains a fascinating selection of case studies, showing how a number of businesses have altered their traditional working practices to develop and maintain profitability while locating in some of Britain's most deprived neighbourhoods.

Examples are drawn from various business sizes and sectors, and illustrate the wide range of ways in which business can respond innovatively to the challenge.

However, this is only the start of the journey. The guide is intended to stimulate discussion and ideas; we hope it will serve as a positive tool to help businesses act directly and work with local partners to secure wider economic and social benefits whilst building company profitability. The research has already benefited from input from a wide range of organisations through its steering group, both from the public and private sectors, and I hope that this dialogue will continue.

Undoubtedly there are many more companies who have addressed the challenge of working effectively within deprived areas. We would be interested in hearing their experiences. Each of the individual case studies within this report will be made available on www.renewal.net, a website devoted to developing the skills and knowledge of all those involved in neighbourhood renewal. We will add further examples to these over time, and refine our understanding of what approaches are found to be effective and in what circumstances.

We hope that this report will pave the way towards greater investment from businesses, and encourage more employers to locate within less advantaged areas, employing local people and developing their skills, thus bringing economic development and prosperity to those who need it most.

A handwritten signature in black ink that reads "Barbara Roche".

Barbara Roche MP
Minister for Neighbourhood Renewal



Mr William Moyes

This report will prove invaluable to any employer who needs to tap into new sources of labour or expand into new markets – particularly areas undergoing social and economic regeneration, and for those agencies and groups who wish to encourage employers into these areas.

The project provides a detailed examination of how employers, both large and small, can modify their standard working practices to enable them to operate more effectively and profitably in disadvantaged communities. The guiding principle, exemplified throughout the case studies, is that the economic and social benefits of business activities to the community can be enhanced whilst protecting and increasing the profitability of the companies concerned.

Employers who are seeking to expand, locate or improve their operations in areas suffering from economic and social deprivation face a series of barriers, hurdles, and challenges. Interlinked problems such as long-term unemployment, poor skills, low incomes, poor housing, high crime, bad health and family breakdown are not abstract issues for business. Vandalism, graffiti, street crime, and anti-social behaviour have a direct and daily impact. Poor skills and motivation lead to problems of recruiting and retaining staff. Sub-standard transport and accessibility is not simply a contributory factor to the feelings of exclusion felt by many within our society: it can be a major barrier to employment opportunities and attracting customers to our businesses.

To grow and expand businesses need good, motivated staff. Finding the people with the right skills from the shop and factory floor to call centres and regional distribution centres, is in itself a huge and growing challenge. The strong relationship between population concentrations with poor basic skills levels and communities in dire need of regeneration is no coincidence. As a result those communities have been left behind by the general growth in the economy. Businesses cannot afford to ignore any source of labour. We know that our plans and continued success depend on effective regeneration in the widest sense of that term.

Given the right support, advice, and inspiration businesses have an important role in helping to tackle these problems and reduce the isolation felt by many of the most vulnerable groups in our society. We can give socially excluded groups the chance of a living and working environment in which they can thrive. We can help create new markets, provide new services and support the regeneration of towns, cities, and communities across Britain. We hope that this report will help create a climate where the good working practices it describes help shape our everyday mainstream business practices.

A handwritten signature in black ink that reads "William Moyes". A horizontal line is drawn through the signature.

William Moyes
Director General
BRC

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Martin Venning	Regeneration Manager, Tesco plc
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The case study companies are:

ASAS plc
 B&Q plc
 Integra (Brighton) Ltd
 Listawood Ltd
 Morning Noon and Night Ltd
 MTM Products Ltd
 Shopeasy
 Stansted Airport Ltd
 Tesco plc
 Tyseley Business Action Group
 West Bromwich Building Society
 WestQuay Shopping Centre Ltd

Additional comments on the draft report have also been received from:

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A. Summary

Introduction

This Good Practice Guide demonstrates how businesses have adapted their mainstream policies and practices to operate more effectively and profitably in deprived areas and in so doing bring benefits to local communities. It has adopted a case study approach to highlight the experiences of companies and people in these areas.

We have been concerned to understand what made the case study companies adopt the business strategies that they did, the commercial benefits they secured, and the lessons that can be distilled. We present from their experiences a number of key messages for other businesses and their local partners.

For each case study we obtained evidence about:

- the characteristics of the case study business and its location;
- the stimulus that made the business innovate and adapt their mainstream practices;
- how they (and their partners) addressed needs and opportunities;
- the successes they have had and benefits they realised, and
- the lessons they have learned.

The starting point for this project was the recognition that there did not appear to be much recent evidence that identified how businesses that were located in, and around, relatively deprived areas could mould their business practices (eg, recruitment, shift patterns, training, product development and networking) to help to support wider regeneration objectives whilst at the same time achieving real commercial benefits.

It has become only too common to associate poor neighbourhoods as in some sense ‘no-go’ areas for business; a myth that has been too easily accepted when potential recruits, and to some extent, land and premises were readily available in other locations. The reality is that deprived areas and their communities can provide valuable assets (people, institutions and knowhow) that are needed by businesses in their drive for competitive advantage. A central objective of regeneration policy must be to ensure that businesses are aware of the benefits that can flow from adapting their mainstream business practices to draw more evenly upon the resource base of disadvantaged areas. These areas may, in turn, benefit from more jobs and other benefits that better interaction can bring. There are opportunities for mutually reinforcing benefits to all concerned.

In choosing the case studies we sought established companies that could demonstrate a track record of benefits and offer lessons from experience. In practice we have a mix of cases where the businesses have undertaken radical changes and others where change has been less dramatic but sustained over time, as the benefits have become greater. Some feature actions taken solely by the companies concerned, while others involve partnership with other companies and/or with public agencies and community organisations. In the latter case these are often linked to current government policies and programmes which offer opportunities for business.

The case studies demonstrate a range of motivations behind the actions that the featured companies have taken. The key driving forces were the needs to:

- develop new markets and win more business in existing markets;

Summary

- overcome workforce recruitment and retention difficulties;
- increase productivity by investing in skills and the better use of staff through flexible working; and
- achieve outcomes that could not be realised by any one company operating alone, and that helped to solve specific problems (concerning, eg, transport infrastructure or staff shortages) or expanded markets (through combined purchasing power/branding).

What did the companies do?

The case studies contain examples where companies had:

Overcome skill shortages

- targeted deprived areas as a source of recruits for new developments (eg, in opening new retail stores). This has helped them to meet market needs in these areas, with a workforce that mirrored the composition of the local population, sensitive to the needs of customers in different ethnic groups;
- reappraised recruitment policy and job specifications to ensure the best use of existing workers and new recruits from disadvantaged areas;
- worked with local authorities, Jobcentres, the property industry and training providers to ensure recruitment from local communities; and
- reached out through community organisations to attract recruits from disadvantaged areas and guaranteed jobs to candidates who complete their pre-recruitment training.

Improved productivity

- introduced a flexible, family-friendly working culture through mentoring and training.

Developed their staff

- used local projects and involvement in the local community to build reputation, develop staff and engender local pride in the company;
- invested in skills needed to adopt flexible working and supervise entry-level recruits who may have difficulty settling into new working practices; and

- retained staff with talent, supported by structured training, coaching, mentoring and personal development programmes.

Strengthened markets

- tailored services that meet the needs of customers living in deprived areas, including use of imaginative marketing methods to reach black and minority ethnic communities; and
- built reputation and developed relationships with potential public and voluntary sector customers through community projects and partnerships, leading to new business.

Gained collaborative advantage

- sought to solve specific problems (eg, road access, recruitment) or growing markets by collaborating with other companies in innovative ways; and
- worked in partnership with public and private players to increase access to recruits, overcome barriers to employment by improving access to childcare, increasing job-readiness, helping with the transition from welfare to work, and providing pooled resources, contacts and advice.

Benefits for companies

The case studies illustrate a range of potent, direct and indirect commercial benefits that the companies concerned have realised, affecting their bottom line in the short or longer term. These include:

- **cost savings**, as a result of reduced staff turnover, less use of agency labour, and reduced pressure on wages through employing less qualified recruits and training them for more demanding work;
- **access to new sources of recruits** who have the potential aptitude and attitude to meet employer requirements – even if not much by way of paper qualifications;
- **new business opportunities** (eg, in financial services for black and minority ethnic communities);
- **more buoyant local markets**, as a consequence of successful local regeneration and increased local spending power;
- **increased productivity** through better use of labour and fewer skill shortages;

- **improved area competitiveness**, where businesses group together to influence spending decisions of public agencies (eg, on infrastructure improvements, such as improved road access); and
- **improved access to partner resources**, including business support and training measures.

Benefits for local communities and partner agencies

For disadvantaged communities and local partners committed to bringing about change, the case studies demonstrate benefits in relation to:

- **more people in jobs – and more people in better jobs** offering training and progression;
- **solutions to barriers to employment**, with action, eg:
 - flexible working arrangements
 - childcare close to home
 - improved access to jobs (transport)
- **better quality of life**, eg, in:
 - the quality of local shops
 - the local environment
- **greater inclusion of disadvantaged groups**, especially through changes in employer recruitment and staff development practices.

For relatively disadvantaged areas and communities effective engagement with business is vital. The prospects of disadvantaged areas/communities cannot be turned around without business making investment, providing new jobs and new services. Businesses can offer skills, resources, ideas and perspectives that contribute to new and better solutions to local employment issues. And the support and leadership of individual employers are often key to encouraging other employers to do new things that will benefit their company and improve prospects for local residents.

Lessons and Key Messages

The experience of the case study businesses provides a rich set of lessons for other businesses and for local partners that are relevant across a

broad spectrum of sectors and company sizes. To make sure of these benefits, several critical success factors have emerged from the project. These are:

For businesses

Think strategically beyond the short term

Maximum advantage can be gained from operating in deprived areas with vision and a willingness to revise marketing, product development and human resource strategies. The case study companies sought to shape and manage change, rather than be victims of external factors, like skill shortages. Use of ‘problem solving’ skills and lateral thinking can pay dividends.

Do your homework

If you are new to an area, find out about it. Get to its heart, the people who live there – and don’t assume that that the recruits you want will beat a path to your door. Understand the particular problems and assets of the area and adjust operations accordingly. Be alert to business opportunities in deprived areas – case study companies have made the most of these.

Build local relationships and networks

Identify who in the local community can help you achieve what you want to achieve. These may be key individuals in the local authority, Jobcentre Plus, regeneration partnership or community organisations. Invest time in building relationships where you can see the mutual benefit and pay attention to the needs and concerns within the community.

If you are looking to expand, get the local community on board. This will become all the more important with the current reform of planning powers, where the onus will be on the developer to address local objections and win local support in securing planning permission.

Time spent developing relationships with public sector partners can open doors and create new opportunities – and lead to new business.

Local partners can help you recruit people from parts of the community you couldn't otherwise reach and provide help and support for recruits making the transition from being out of work to permanent employment. There are many resources which companies can tap (eg, through local authorities, Jobcentre Plus, local Learning and Skills Councils, FE colleges and employment and training projects).

Take a fresh look at recruitment, training and working practices

Seek alternative solutions and think outside the box. Look to disadvantaged groups in the labour market as a source of solution to staffing issues. Recruit for aptitude and potential *and* ensure that this is backed up by effective staff development practices. On recruitment and training, action within the company may involve:

- analysing job functions to ensure that existing staff are not over-skilled for tasks they regularly perform, and that there are not unnecessary barriers to applicants (eg, requiring a degree when there is no need for this);
- assessing the scope for entry-level trainees to carry out operational tasks performed by more skilled staff such as technicians;
- developing induction, mentoring and training programmes to get staff up to speed quickly; and
- being prepared to invest extra time and effort in training unemployed/otherwise disadvantaged recruits.

For success with flexible working, improving company productivity and meeting employee needs:

- consider multi-skilling and team working; and
- ensure an open, approachable management culture, committed to staff empowerment and development. Flexible working won't work if it is an add-on or token gesture.

Address internal barriers to change and persevere

- Provide leadership within the company to drive the changes needed for success.

- Identify and address training needs amongst existing staff: those who have responsibility for managing previously unemployed trainees and, more widely, in managing diversity issues.
- Focus on ways of embedding new approaches within company practices.
- Tackle sources of cultural resistance.

Collaborate for clout

Seek collaborative advantage: the case studies show numerous examples of where partnership – with other companies, public agencies, trades unions and local communities – has paid off handsomely for the companies concerned. They have been able to do things which they would not have otherwise been able to do, or not so fully or quickly, by:

- investing time in setting up partnerships. This can be vital in overcoming suspicion and building trust;
- encouraging partners to sign up to a shared vision;
- working out the ‘partner equation’ to ensure that the benefits to each individual partner stack up – essential to ensuring commitment on the part of all partners;
- identifying the concerns of stakeholders and potential partners – and doing this early;
- getting the right people round the table, each with a particular part to play. And where smaller businesses are the intended beneficiaries, make sure they are involved; and
- challenging other employers. Put the business case as to why they should get involved in regeneration and skills partnerships.

For local communities/partners

Understand what matters to business

- Understand where businesses are coming from: what drives decisions to adapt their business practices and develop new approaches.
- Learn lessons from what has worked and has not worked. Allow time for initiatives to bear fruit.
- Take services to the businesses you want to assist. Advertise how you can help, in ways that will appeal to business. Don't assume they'll come to you.

Make the business case

- Put forward robust arguments why businesses should be considering adapting their mainstream business practices and getting involved in local partnerships.
- Appreciate the concerns of local business (eg, about skill shortages, crime, and bureaucracy) and seek ways of working with them to resolve problems.
- Identify employers to target: those which are more likely to be prepared to innovate and get involved – and especially those who may be prepared to champion action within the business community.
- Promote examples of where businesses have gained commercially from adapting their business practices in ways that bring bottom-line benefits to the company and benefits to the community.
- Help employers see that there are ways to overcome some of the obstacles they see, such as how local partners can help ensure that unemployed recruits are job-ready, then support them in their early days in the workplace.
- Consider negotiating agreements, such as Section 106 agreements relating to new property developments. But look for the business case arguments, and how these agreements can result in mutual advantage.

Seek business leadership and support business collaborations

- Business leadership is crucial to credibility. Look at the experience of others.
- Invest time in building relationships that can lead in time to action coming from within the business community.
- Make it easy and rewarding for business to engage in regeneration and skills partnerships promoted by local partners.
- Respond positively to initiatives led and supported by the business community. Support for these can lead to other things.

Go the extra mile

- Going the extra mile can be the key to success, delivering results for businesses, jobseekers and communities alike. In many cases this means being flexible and responsive to the needs of local business and being prepared to adapt how services are delivered.

Read on to learn more about what companies have done and why, the benefits they have gained, and the lessons that emerge from their experience.

If you want to find out in more detail about the individual case studies, use the table below and delve into the separate volume of case studies. The volume of case studies can be accessed by either phoning the NRU hotline on 08450 82 83 83, or by e-mailing neighbourhoodrenewal@odpm.gsi.gov.uk.

Alternatively, you can access the on-line versions on Renewal.net (www.renewal.net).

Directions to the case studies

If you are interested in...

...solving recruitment problems

► GO TO ►

- ASAS plc
- Listawood Ltd
- Stansted Airport Ltd

- Tesco plc
- WestQuay

...recruiting people and developing markets in diverse communities

► GO TO ►

- B&Q

- West Bromwich Building Society

...developing and making better use of your staff

► GO TO ►

- ASAS plc
- Integra (Brighton) Ltd

- Listawood Ltd
- MTM Products Ltd

...getting major developments off to a successful start

► GO TO ►

- Stansted Airport Ltd
- Tesco plc

- WestQuay

...establishing new operations in disadvantaged areas

► GO TO ►

- B&Q plc
- Morning Noon and Night Ltd

- Tesco plc
- West Bromwich Building Society

...making the most of what businesses can do together

► GO TO ►

- Shopeasy

- Tyseley Business Action Group

...benefiting from local partner resources

► GO TO ►

- ASAS plc
- B&Q plc
- Integra Ltd
- Morning Noon and Night Ltd

- Shopeasy
- Stansted Airport Ltd
- Tesco
- Tyseley BAG
- WestQuay

B. Good Practice Guide

1. Introduction

What's behind this Good Practice Guide?

The decisions – big and small – made by businesses located in or near deprived areas have significant impacts on the prospects of such areas and the people living there. Businesses can choose to invest there, or somewhere else. They can open up local job or career opportunities, or limit these, depending on how they go about recruiting staff and the pay and conditions they offer. They can help – or do little to promote – their workers to develop their skills and earning capacity.

At the same time, these areas provide assets (people, premises, infrastructure, transport links, etc) which businesses need for competitiveness. Sometimes these assets are not as strong as they could be – part of the explanation why the areas are disadvantaged in the first place. Companies can benefit by engaging with local communities and public agencies, and indeed with other businesses, to improve their own competitiveness and that of the area.

This Guide was stimulated by the argument that businesses and disadvantaged communities are missing out because there is insufficient awareness of how businesses can gain through adapting their mainstream business practices, through their own actions or in partnership with local communities and the public sector.

Who is the Guide for?

The guide is aimed at two audiences:

- Employers open to doing new things which will benefit both their business *and* disadvantaged communities.
- Partners (in public agencies and communities) who want to support local businesses and maximise the contribution that businesses can make to local regeneration.

For local partners, effective engagement with business is vital: the prospects of deprived areas/communities cannot be turned around without business making investment, providing new jobs and new services. Businesses can offer skills, resources, ideas and perspectives which contribute to new and better solutions to local employment issues. And the support and leadership of individual employers are often key to encouraging other employers to do new things which will benefit their company and improve prospects for local residents¹.

What will you find in the Guide?

The Good Practice Guide sets out to illustrate how businesses have *adapted their mainstream policies and practices* to enable them to operate more effectively and profitably in regeneration areas and bring benefits to the local community. It seeks to:

- highlight successful practices, pitfalls and lessons
- promote change in employer practices, and
- equip local partners to influence employer practices.

¹ For more on the case for business involvement in regeneration partnerships, see the Partnership Academy publications, 'Local Strategic Partnerships and Neighbourhood Renewal: Why Business Should Get Involved' (aimed at business) and 'Working with Business in Local Strategic Partnerships' (aimed at local partners). Details are provided in Part C.

The Guide comprises two documents: the main guide and the case studies.

Part A of the main Guide (preceding pages: 2-8) is the *summary*, which has set out an overview of what companies have done in adapting their practices to the benefit of company performance and local communities, and the lessons which can be drawn.

Part B now follows – this provides more detail on the information presented, distilling the essence of the case studies and illustrating the scope for businesses to do new and different things. It identifies their specific experiences, and draws out how the case study companies, on their own or with partners, have realised these business and community benefits.

Part C provides resources which will direct you to further sources of ideas, information and advice on what works, aimed at businesses seeking to improve their business performance, and at partners who wish to engage more effectively with business. There is also a glossary of abbreviations and acronyms used in the guide.

The separate **Case Study Document** presents the 12 detailed case studies. Each sets out:

- key features;
- information about the case study business and its location;
- the stimulus: what made the business innovate and adapt their mainstream practices;
- how they (and partners) have addressed the need or opportunity they identified;
- the successes they have had and benefits they have realised; and
- the lessons they have learnt.

You can also access on-line versions as part of Renewal.net (www.renewal.net), the Neighbourhood Renewal Unit's website devoted to developing the skills and knowledge of all those involved in

neighbourhood renewal. You will find there a rich source of other material and case studies concerning all aspects of neighbourhood renewal, including much under the theme of 'Reviving Local Economies'.

You will find that the case studies contain much excellent business practice, where companies have made links with local communities as a source of able recruits, market opportunities and increased competitiveness. They illustrate a range of potent, direct and indirect commercial benefits which the companies concerned have realised – **affecting their bottom line in the short or longer term** – and brought about community benefits.

Selection of Case Studies

We set out key features of the case studies in the table on p15. Their selection has not been restricted to the British Retail Consortium's interest in retailing or retail supply chains. Businesses of many sectors and sizes feature, from family-run shops through to international companies.

We have sought longer established cases which can demonstrate a track record of benefits/results and offer lessons from experience. In practice, we have a mix of cases where the businesses have undertaken radical changes, others where their changes have been less dramatic but sustained over time, as the benefits have become all the greater. Some feature action taken solely by the companies concerned, while others involve partnership with other companies and/or with public agencies². In the latter case, these are linked to current government policies and programmes which offer opportunities for business.

Using the Guide

Chapter 2, 'Company Actions' draws on the case studies in providing illustrations of the benefits achieved by businesses and communities, while

² We undertook an exhaustive search for case studies including through members of the Steering Group, business associations and networks, trades unions, Government departments and agencies working with business, and regeneration initiatives. We also made extensive use of the Internet, including scanning lists of winners of a range of company awards relevant to good practices and the needs of regeneration areas.

Chapter 3, ‘Lessons’ draws out the learning gained by companies and their partners in dealing with these and other obstacles to success.

We trust that you find the Guide and the Case Study document interesting and a spur to what you might do yourselves. The case studies capture much valuable experience about what has worked – and sometimes not worked. Please draw on this in relation to your own needs and circumstances.

Table 1.1: Features of the case studies

Company	Business	Features
ASAS plc, Lewisham • attracted to Deptford by regeneration funding and support	<ul style="list-style-type: none"> • IT support services • 30 employees • customers include major multi-nationals 	<ul style="list-style-type: none"> • recruitment and training of unemployed people to meet skill shortages, with more experienced staff trained up for new and more profitable tasks and responsibilities • cost-effective solution for the company, reducing staff turnover, expenditure on recruitment and salary costs • enhanced profile instrumental in attracting customers, even during recessions in the City and the IT sector • 20% workforce previously long-term unemployed from the Deptford area. All progressed after joining ASAS
B&Q Warehouse, Bolton • located in an area with a significant Muslim population	<ul style="list-style-type: none"> • DIY • 200 employees (at Bolton) • 33,000 (UK) 	<ul style="list-style-type: none"> • partnership-based recruitment initiative when opening a new retail warehouse • collaboration with local authority to engage community leaders and promote interest amongst black and minority ethnic groups • successfully turned round low levels of interest from these groups into recruitment which more than reflected the local population • higher levels of sales to this segment of B&Q’s market
Integra (Brighton) Ltd • adjacent to the deprived East Brighton New Deal for Communities area	<ul style="list-style-type: none"> • construction • 90 employees • 25 employees live in New Deal area 	<ul style="list-style-type: none"> • company’s commitment to involvement in the local community has become stronger as the direct business benefits of so doing have increased. • the business has used community projects to develop staff and engender pride in the company • benefits have included new business, influential contacts, low staff turnover and cost-effective training • Integra is one of the first winners of Community Mark

Company	Business	Features
Listawood Ltd, Fakenham, Norfolk	<ul style="list-style-type: none"> UK market leader of promotional products, eg, mouse mats 200 employees plus home-based workers 	<ul style="list-style-type: none"> start-up pressures eased by recruiting and training inexperienced local staff rather than buying in experience empowering management style has brought benefits in terms of staff loyalty and productivity recruitment by aptitude and attitude rather than skills and qualifications, maximising the potential of the local labour pool on-the-job training and development; multi-skilling flexible working hours organised by staff
Morning Noon and Night Ltd, Dundee	<ul style="list-style-type: none"> chain of 46 convenience stores in urban and rural locations 	<ul style="list-style-type: none"> strategy to take store to the heart of the communities in which they operate successful new development in a disadvantaged, under-served market (Wester Hailes estate, Edinburgh) improved quality of local shopping and improved access to money by providing ATMs
MTM Products Ltd, Chesterfield	<ul style="list-style-type: none"> labels and nameplate manufacturer 35 employees 	<ul style="list-style-type: none"> new HR policies and management style have had major effect on productivity and competitiveness (turnover per employee has doubled) 26 different working patterns negotiated in return for flexibility in working practices improved customer retention, more large customers, increased average order size low rates of staff turnover and absenteeism
Shopeasy, Birmingham	<ul style="list-style-type: none"> retail development project/ 'Symbol Group' involves 35 small retailers 	<ul style="list-style-type: none"> Partners include East End Foods plc (a wholesaler), Business Link Birmingham and Solihull and Birmingham City Council, with support from Cadburys retail participants demonstrate increasing turnover and improving profit margins benefits to wholesaler in 'growing' the local retail market and strengthening its relationships with small shopkeepers benefits to local communities in improving the quality of local shopping

Company	Business	Features
Stansted Airport Ltd (BAA)	<ul style="list-style-type: none"> • rural area of almost full employment • urban areas with high unemployment within travelling distance 	<ul style="list-style-type: none"> • airport management, retailing, etc • approx 10,500 employees on-airport • workforce expected to rise to over 16,000 by 2010
		<ul style="list-style-type: none"> • proactive approach to recruitment targeting urban regeneration areas with high unemployment • building on the success of partnership projects in London to develop Airport Training Skills Programme with partners • employment strategy developed to address immediate and longer term issues, eg, labour availability, skills, diversity • transport strategy key to success of the employment strategy making airport jobs attractive and affordable to employees • increasing ethnic and cultural diversity in the airport's workforce, better reflecting customer profile
Tesco plc , Alloa	<ul style="list-style-type: none"> • UK's biggest private sector employer: 195,000 employees • 278 at Alloa 	<ul style="list-style-type: none"> • building on experience gained at other Partnership Store developments, eg, Seacroft (Leeds), Dragonville (Durham) • gets the local community (residents, traders, environmental campaigners, etc) as well as public sector partners involved at an early stage of store planning process • success in recruiting from disadvantaged communities; much depends on offering job guarantees and on the outreach capabilities of training providers. Low subsequent labour turnover • strategy to promote virtuous cycles of neighbourhood renewal, working with local partners to deal with obstacles to attracting further investment by other businesses in the areas where they have stores
Tyseley Business Action Group , Birmingham	<ul style="list-style-type: none"> • local business association • membership of 130, mainly SMEs 	<ul style="list-style-type: none"> • active engagement of small businesses – membership has grown more than tenfold • effective vehicle for self-help and for engaging with City Council, Regeneration Zone (Advantage West Midlands), etc • route to nominating business representatives on local bodies, cross-membership with the local Community Forum • initiatives include Radio Link, community safety, education/business links • now helping local smaller businesses with recruitment issues

Company	Business	Features
West Bromwich Building Society	<ul style="list-style-type: none"> • mutual building society • over 800 staff 	<ul style="list-style-type: none"> • very strong business case for diversity • recruitment from local black and minority ethnic communities in the Black Country has underpinned high levels of customer satisfaction and substantial business growth • structured training, coaching, mentoring and personal development programmes • various awards, including BitC Award for Excellence 2002 (for Diversity)
WestQuay Shopping Centre, Southampton	<ul style="list-style-type: none"> • property owners and developers, • over 3,500 employees 	<ul style="list-style-type: none"> • targeted recruitment and training service orchestrated by developers, Hammerson • included activities to attract recruits from disadvantaged parts of the city, personal development and pre-recruitment training • critical to successful development of the West Quay shopping centre in Southampton, which has helped move Southampton rapidly up the retailing league table of towns and cities nationally • partnership with tenant retailers, Southampton City Council, government agencies, Southampton City College and Jobcentre Plus

2. Company actions

What has driven company actions?

The case studies demonstrate a range of motivations behind the actions that the featured companies have taken, relating to their:

- **strategy** for developing their business, entering new markets and winning more business in existing markets;
- response to workforce **recruitment and retention** difficulties;
- search for increased productivity through **investing in skills** and better use of staff through **flexible working; and**
- need to **collaborate** with other businesses to achieve outcomes which they could not realise on their own – in solving specific problems (eg, road access, crime or skill shortages) or growing their market (through combined purchasing power/branding)

We look at each of these driving forces in turn, noting that, for several of the firms, some forces combined at the outset or over time. We end this chapter by summarising the benefits companies have gained.

Business strategy

For some of the case study companies the main stimulus for adapting their mainstream practices has come from their business strategy. For others, the innovations they have made, driven by more immediate operational concerns, have become part of their strategy later as they have gained the benefits.

Integra (Brighton) Ltd exemplify a small, local company which has made engagement in the community firmly part of its business strategy, seeking gains in winning business and building a skilled and committed workforce.

“Builders are much of a muchness, we needed to find our particular edge.”

Joe McNulty, Director, Integra

The business has used local projects (eg, creating a new square from an old car park in their neighbourhood, Kemptown in East Brighton) and involvement in the local community (eg, through links with local schools and the FE college) to build its reputation, develop staff and engender their pride in the company. While from a very early stage in the company's history the directors stressed the potential of such involvement, it was only as the company grew and saw more and more benefits that their approach became thoroughly embedded, eg, in the business plan and in staff appraisal and development. A critical point was the threat posed by Laing Construction who won a £30m contract to build a new hospital nearby. Integra were worried they would lose staff to higher wage jobs (up to 40% above what they were paying). One of the directors, Joe McNulty carried out a staff survey and found that their methods had paid off: “staff were valuing the company culture. They wanted more money but did not want to leave”. Integra did respond on pay though they could not afford to match Laing's levels. Staff turnover has remained very low, saving Integra significant sums in a period of very high competition for labour in the construction industry. Integra have gained other

Company actions

benefits from their approach, through influential contacts and new business and cost-effective training methods, where they make use of community projects for team building. Integra's reputation has grown further recently as one of the first winners of *Community Mark*, the new national award to recognise excellence amongst smaller businesses involved with local communities to achieve mutual benefit. The very process of entering for *Community Mark*³ made Integra more conscious of the connections between community involvement and business benefits and how to make the most of these, reinforcing the extent to which these practices are embedded in company policy.

For the **West Bromwich Building Society** (WBBS), the drive has come from the importance they place on their responsibilities as a mutual society: they view their business interests as firmly intertwined with those of the Midlands communities in which they operate. Their approach goes far beyond a sense of social responsibility or philanthropy to a very strong business case for diversity, mainstreamed through human resource and marketing policies. These involve the development of financial products that are sensitive to the needs of black and minority ethnic customers, and use of imaginative marketing methods in reaching their communities; and a policy to recruit and retain staff with talent from across all communities, supported by structured training, coaching, mentoring and personal development programmes. WBBS have sought to ensure that they have a workforce that mirrors the composition of the local population, sensitive to the needs of customers in different ethnic groups. This has paid off for the Society: contributing to its significant growth in recent years to become one of the UK's largest building societies, ranking ninth on the basis of its asset base.

B&Q plc provides an example of how one national company is embracing *sustainability* as part of its strategy, working this through its businesses processes

in ways that impact on the areas in which it operates, *including disadvantaged neighbourhoods*. In 2001, the company undertook a 'Being a Better Neighbour' consultation to explore the meaning of sustainability for the company and translate their vision ("to improve the quality of life for all the people we touch") into operating policies and practices. They reviewed 16 key areas for the business, including topics central to local regeneration: Economic Growth, Education and Training, Social Investment, Employment, Crime, Transport and Land Use. In this they were building on a long company tradition of social responsibility with a business purpose, going back to when a store was opened in Macclesfield in 1989 staffed entirely by over 50's. This was successful in tapping an underused part of the labour force, and added a new quality to the on-floor service that the company could offer customers. For many years, B&Q have encouraged staff to contribute to community refurbishment and environmental projects (eg, in the case of Bolton, our case study location, a garden at a special educational needs centre), and have provided small awards to community groups which can be redeemed in B&Q stores. The outcome of B&Q's review was to shift policies and practices in a range of business areas, including store location and sourcing.

Another example is **Morning Noon and Night Ltd**, a convenience store chain in Scotland whose strategy is to locate their shops in the heart of the communities in which they operate. Until recently this has not included deprived urban areas but the successful opening of a new store in the Wester Hailes estate in Edinburgh has proven that such locations can be part of company strategy. They have successfully applied lessons about store management and security from their other locations, reducing the risks of operating in outer urban estates. At the same time, the Wester Hailes store has filled a gap in an under-served market, providing locally sourced produce and access to cash via automated teller machines.

³ For more information on *Community Mark*, see Section C.

Other case studies relate to a wider strategy for company development, including how practices have been changed to help position the company to realise growth opportunities. This lies behind, for instance, the leadership role of **BAA plc** and **Tesco plc** in driving local partnerships for recruitment and training. For BAA, the drive comes from the need to manage airport expansion. Tesco have developed their Partnership Store approach as a strategic response to shortage of sites and shortage of skilled staff for expansion, linking to government policies for neighbourhood renewal and the development of brownfield land.

Recruitment and retention

Response to skill shortages in IT

For several of the case studies, problems in recruiting and retaining staff was the trigger to changing their employment practices. Advanced Systems and Support Ltd (now **ASAS plc**), as an IT services company expanding at the height of the IT boom around 1998, knew it had to do something different to adjust to the severe skills shortages faced by their industry.

"There was little new blood coming into the industry. Too many companies were letting others train, then poaching their staff. We've all been on the taking or receiving end of this crazy strategy – and it just wasn't sustainable. What we had was an employee mindset which was high salary-demanding, low on company loyalty, and transient."

Roy Charles, MD

ASAS was spending over £60,000 p.a. on recruitment agencies and expensive advertising to fill IT technician vacancies. Its location in Deptford is a less popular place of work than the City and Docklands just to the north, and the company was finding it difficult to attract and retain such staff. ASAS undertook a complete reappraisal of their recruitment policy and analysed the tasks undertaken by IT technicians. They found that 65% of operational

tasks could be undertaken by entry-level trainees, once these recruits had received training in customer service, relationship and communication skills, and a thorough induction in the company's objectives, products and procedures. More experienced staff could then be trained up for new and more profitable tasks and responsibilities.

This development enabled ASAS to benefit directly from their initiative in setting up ByteAid – one of the first PC recycling charities, which refurbished unwanted personal computers for voluntary organisations and community groups. ASAS could offer real jobs to the unemployed people who had received their initial training in the charity.

ASAS subsequently developed their Advanced Opportunities training programme, linking with the local Foyer for young homeless people and other sources of potential recruits. Training is provided by ASAS staff and Lewisham College, including soft skills, company-specific requirements, and industry standard qualifications. Advanced Opportunities is now used as the company model: when the company expands and/or develops new services (eg, a new Printer Maintenance Service), existing staff are given the opportunity to be trained up for internal promotion, while entry-level workers are recruited and trained to carry out less skilled tasks.

Their approach has provided a cost-effective solution, significantly reducing staff turnover, expenditure on recruitment and salary costs (£60,000 in the first year alone from the Advanced Opportunities programme). ASAS have also gained an enhanced profile, which has been instrumental in attracting new customers, even during the recessions in the City and the IT sector. From a community perspective, the benefits have been jobs for long-term unemployed people (20% of the workforce), recruited mainly from the Deptford area. All these staff have progressed in terms of pay and responsibilities since joining at entry level.

Diversity in the workforce

For **B&Q**, diversity of employment has become part of their business strategy, working its way through to local practices in different ways. Take for example, our case study involving the opening of the new Bolton Warehouse (one of B&Q's range of larger stores catering for trade as well as household customers) in 2001. Claire Marchant, the Human Resources Adviser responsible for recruiting staff, was concerned that there seemed to be disproportionately low levels of job applications from the local, mainly Muslim, ethnic minority population.

"Imagine it: temporary offices, hundreds of applicants to contact and there I was going through pages of names, when suddenly it occurred to me. I keep ringing lots of John Smiths and Tracey Jones's – but I thought the store was being built in a predominantly Muslim community?"

Claire Marchant, HR Adviser, B&Q

At the suggestion of the local Jobcentre, Claire approached the Council's Ethnic Minority Business Unit, who set up a presentation evening to engage local community leaders and promote interest in the job vacancies. The good relations that the Council had established over the years bore fruit: there was a very good attendance, especially given the fact that invitations were issued at short notice. The B&Q manager had to dispel concerns about the company's motivations (eg, was it just about meeting a quota for minority ethnic recruitment?) and about the nature of the jobs available. Many of those present did not appreciate, for instance, the retail career opportunities which B&Q offers.

B&Q is committed to growing its own employees through internal 'fast track' programmes, based on performance rather than qualifications.

Those attending took away leaflets about the B&Q Warehouse and the jobs available, and were encouraged to spread the word. The following Saturday there was a well-attended open day at the Jobcentre which generated a good level of applications. Special help was given to jobseekers where it was needed in dealing with the automated screening interview which B&Q uses for all applicants. This might arise, eg, where their command of English makes this difficult.

The initiative to approach the community leaders paid off: in the end the proportion of recruits from black and ethnic minority groups – at 12.5% – more than reflected that of the local population. This compared to the initial level of interest of 2.5%. For B&Q, commercial benefits have come from tapping a wider pool of talented labour and ensuring that the composition of staff at the Warehouse better reflects the make-up of the local population, able to meet their particular needs. Staff have language badges so that customers can find who talk to in their own ethnic language. B&Q's approach has made the store more attractive to customers from black and minority ethnic groups.



B&Q Bolton – Workforce Diversity is an integral part of the Business Strategy

Coping with major job growth

The experience of Stansted illustrates a concerted approach by a company, **Stansted Airport Ltd** (part of BAA plc) faced with a major challenge in managing growth and ensuring profitable operations while addressing the needs of its diverse stakeholders – local residents, passengers, government, etc. Its location in a rural part of Essex has meant that it has a limited local pool of labour on which to draw – an issue not just for the airport company but also for all the other employers based there: airport service companies, airlines, retailers, and so on. For all these companies, the success of the airport demands having a skilled and stable labour force. The challenge is big: 5,500 more jobs over the next seven to eight years.

Stansted Airport Ltd have taken a proactive approach to recruitment, targeting pockets of high unemployment in urban regeneration areas within travelling distance of the airport. They have developed an employment strategy to address immediate and longer term issues including availability of labour, skills (both training new and upskilling existing staff) and diversity. They have set up the Airport Employment Group to encourage on-site employers to work together on recruitment and skills issues.

Over several years they have built links with employment projects and training providers in north and east London providing basic skills and job-specific training (eg, through Stansted North London Partnership: hospitality skills programme, matched to airport vacancies).

Critical to success to date has been the *transport strategy* which supports the employment strategy, enabling airport employers to tap into pools of labour, and make the jobs attractive and affordable to employees (discounted Airport Travelcard, night bus service with safe pick-up and drop-off points for employees in Haringey, Enfield and Waltham Forest – with a levy on staff car parking to help fund the access strategy).

The latest initiative of the Employment Group is the Airport Training Skills Programme, started in January 2003. This is providing long-term unemployed people (in the initial phase) and disaffected, under-achieving school-leavers (in the longer term) with a portfolio of skills and qualifications starting with basic employability and progressing to include technical skills (at NVQ Levels 2 and 3/equivalent). BAA provides accommodation in a new Airport Training Centre, which as a *learnanddirect* (government-funded) centre provides access to computer-based and other training facilities, not just for on-airport employers and employees but also for the wider area.

This concerted approach has significantly helped airport employers cope with expansion, reducing the costs associated with skill shortages and helping to ensure greater ethnic and cultural diversity in the airport's workforce, better reflecting the multicultural profile of air travellers. Substantial numbers of good entry level jobs have been opened up, and made sufficiently attractive (given the transport strategy and progression opportunities) to make commuting out of London viable for people living in disadvantaged communities.



Stansted Airport have developed an employment strategy to address immediate and long term issues including labour availability, skills and diversity

Enabling company expansion

Tesco have developed their Partnership Store approach to developing new outlets in disadvantaged urban areas, where there are gains for the company and the local community. Tesco can move more quickly to satisfactory commercial returns from new stores on brownfield land, through recruiting and training suitable staff from the local area. For the community, there are jobs with good working conditions and new investment which can make a significant contribution to improving local image and the prospects of attracting further investment.

Tesco have built on the experience of their first Partnership Store in Seacroft, Leeds in opening another five stores using this approach. They currently have another seven in development, one of which, **Tesco Alloa**, is featured in our case study. Typically, Tesco works proactively with the local authority to involve other key players, such as Jobcentre Plus, the site developer and training providers to plan and implement all aspects involved in opening a new store. The retail sector union, USDAW, is a key partner. Tesco also seeks to get the local community (residents, traders, environmental campaigners, etc) on board at an early stage of the store planning process.

Tesco recognises the barriers to employment that get in the way of jobseekers getting jobs and the company from recruiting the people they want. These obstacles include caring responsibilities, especially amongst single mothers; low levels of basic skills; and relatively low levels of aspiration. In Alloa, as with other Partnership Stores, Tesco collaborate with local partners in:

- reaching out to publicise job opportunities amongst disadvantaged groups (eg, through community groups);
- providing assessment to identify training needed to bring candidates up to national standards in reading, writing, literacy and numeracy;
- running a seminar in interview techniques so that candidates know that it is their aptitude rather than qualifications which are being assessed;

- managing the expectations of candidates about shift systems and the scope to work flexibly; and
- providing an eight week pre-recruitment training programme at the local FE college.

Key to success is Tesco policy that all candidates who successfully complete the initial training programme will be *guaranteed a job*. The initial phase of recruitment in Alloa was confined to longer term unemployed people identified via the Jobcentre and Triage, a local training provider.

Tesco's interest is longer term, beyond the store development phase. In Seacroft, for example, they are now actively trying to build up the neighbouring commercial estate, investigating barriers to other companies setting up on the wider estate, eg, start-up funding and crime. Tesco want to create a virtuous cycle where other businesses invest in the area, increasing local disposable income and retail spending.

Investing in skills

The case studies provide examples where companies have made significant changes to their approach to staff development. In the case of ASAS, for example, their approach to recruitment could not work without significant investment to time, money and energy in staff induction and training.

Both Integra and B&Q show how the use of community projects can be used very cost-effectively for staff development. Integra reckon that this is a route to more economic and effective training: they feel they get more from their 'community challenge' projects than they could gain from team building courses run by external trainers – and they do not have to pay the costs of such courses. They estimate savings of £5,000 in the past two years. Integra now want to adopt the 'community challenge' team-building approach with other professionals (eg, architects, quantity surveyors) involved in specific projects. This is attuned to trends in construction, where many more projects now involve a partnering team drawn from different companies and professions. Integra also use every opportunity to build staff skills and



Tesco works proactively with the local authority to involve other key players, such as jobcentre plus, the site developer and training providers

confidence, eg, giving less experienced staff the task of supervising work experience students, and encouraging recently qualified apprentices to make presentations and manage decoration projects in schools.

For Kingfisher plc, B&Q's parent company, staff involvement in community projects and understanding cultural diversity go hand in hand. This is built into their operating principles, two of which are:

Respect for People

"We are a multi-cultural business. The more we understand cultural diversity, the more we understand our customers, staff and suppliers... For example, working in the community provides a great opportunity to create a real sense of teamwork and belonging in the organisation. This in turn helps to keep staff turnover low and build valuable expertise and experience."

Stores that communities welcome

"Creating stores which are active and involved members of the neighbourhoods in which they operate improves staff morale, local awareness, recruitment and brand loyalty."

Together these lead to a third principle, 'Saves costs' and direct bottom-line benefits for the company:

"Anything that improves staff recruitment, morale and retention increases the quality of our customer service and saves costs. We can take these savings even further if we encourage our suppliers to follow our example, so we can continue to provide great value for our customers and investors."

Flexible working

Flexible working is an approach used by a number of the case study companies to deal with staffing and skills issues and raise productivity.

For **Listawood Ltd**, a leading manufacturer of promotional products based near Fakenham in Norfolk, the impetus to flexible working came from the desire of the founders to manage expansion without incurring a large and inflexible wage bill, while providing job opportunities to local people in a disadvantaged rural area, many with young children.

The sparsely populated catchment area has meant that the company has had to invest significantly in 'growing its own' workforce (from three at start-up to 200 now).

It has succeeded by introducing a flexible working culture and family-friendly environment, and giving priority to staff development, through mentoring and training (both on- and off-the-job). Their approach to recruitment according to aptitude and attitude has helped ensure competitive production in an industry dominated by sector-specific qualifications and rigid working practices. Listawood have also treated staff empowerment seriously through team working, information sharing and open and devolved decision-taking, creating the climate the directors wanted for flexible practices.

Listawood's policies have enabled double-digit growth in turnover, high levels of productivity, a culture that promotes product and service development and innovation and, ultimately, their position as market leader.

For **MTM Products Ltd**, manufacturers of labels and nameplates in Chesterfield, flexible working was a radical move required to turn the company round in the mid-1990s. A new Managing Director diagnosed inflexible working practices, a 'hit and run' approach to sales and customer relationships, and inadequate delivery performance as at the heart of the company's problems. He introduced staff-orientated HR policies and a more open management style, and like Listawood, determined that recruitment of new staff be based on aptitude and attitude.

Listawood has succeeded by introducing a flexible working culture and family-friendly environment

This has opened up new opportunities for less qualified workers in an area hit hard by the decline of traditional industry. The company has introduced different working patterns (26 in all) to accommodate individual worker needs and preferences (and overcome specific employment barriers for individuals, eg, single parents with children to collect from school). These working patterns were negotiated in return for flexibility in working practices such as multi-skilling. Again, as with Listawood and ASAS, the company has made a significant investment in training, notably in raising the skills of unskilled recruits (eg, in printing techniques, basic and specialist IT, and stress management). MTM have also sought to capitalise on the talents and aptitudes of individual staff, offering different types of job progression. For instance, they have introduced an 'innovator' grade, worth £1,000 p.a. in salary, to encourage staff to try new ideas.

As a result of their approach, MTM have secured major gains in productivity, with manufacturing turnover per full-time equivalent (FTE) having doubled since 1996. They have also improved customer retention, gained more large customers, and increased their average order size. Unnecessary staff costs are kept at a minimum, as they experience low rates of staff turnover and absenteeism.



Collaborative advantage

Several of the case studies illustrate the collaborative advantage that companies have gained in solving specific problems (eg, road access and skill shortages) or growing their market (through combined selling power, branding and an ability to offer customers better deals). In some cases these initiatives are company-to-company, and in most there is local partner involvement.

Solving problems together: recruitment

Stansted Airport Ltd and Tesco are examples of tackling recruitment needs. Another is the **WestQuay** development, the major new shopping centre in the old docks area of Southampton, led by Hammerson Properties. This involved the recruitment and relocation of 3,500 jobs in all, showing what can be done through joint, concerted efforts to tackle recruitment needs. The WestQuay recruitment and training initiative stemmed from the common interest of developers. Hammerson and the City Council both wanted to maximise the job benefits and minimise the potential disruptive effects of the development on the local labour market and established retailers. Hammerson orchestrated a range of recruitment and training services with partners the City Council, Southampton City College and the Employment Service (now Jobcentre Plus), including:

- a skills matching service provided to retailers, promoted as a service paid for as part of their rents;
- a Personal Development Programme for people with low self-esteem and behavioural problems;
- short pre-recruitment courses, eg, in customer care; and
- retail training to NVQ Levels 2 and 3.

The partners undertook outreach activities to attract recruits from disadvantaged parts of the city. Hammerson supplied a bus they had used when recruiting staff for their previous development in Reading (the Oracle) and redecorated in the WestQuay livery. It was staffed by project representatives and was sent to pub car parks, schools, community centres, etc., in these disadvantaged areas to



WestQuay's recruitment bus visited schools, community centres and even pub car parks to publicise the new shopping centre and recruit for over 3,000 vacancies

publicise the new shopping centre. Staff registered jobseekers' interest, collected data for the WestQuay skills register, and gave information about the training available for work in retail or hospitality. Around 300 people were trained.

Six months before WestQuay opened, the bus returned to the same areas, this time as a mobile recruitment centre. With over 3,000 vacancies to be filled in a tight timescale, this could only be done with a 24-hour data input service, which was provided by project staff.

Funding for much of this programme has been provided *from the costs of the development* through a Section 106 Agreement between Hammerson and the City Council, providing a budget of around £400,000. In addition to the training and recruitment services listed above, these funds have also subsidised childcare costs for trainees and met the costs of the college-based training co-ordinator.

The training and recruitment initiative has been critical to the successful development of the WestQuay, which in turn has helped Southampton move rapidly up the retailing league table of towns and cities nationally. Retailers have saved recruitment costs and ensured that they were properly staffed from the beginning.

Staff shortages leading to poor customer service could have undermined the reputation of WestQuay and individual retailers from the outset.

Solving problems together: improving competitiveness

The **Tyseley Business Action Group** is a different kind of example of businesses collaborating in new ways to improve the competitiveness of their area and their own business. The Group came together to press for improvements in road access to an industrial area, hampered by a bridge seriously congested at peak times. Progress in making their combined voice heard encouraged members to consider other ways of improving their competitiveness, and they have now expanded their range of activities. These now include seminars on business topics such as recruitment and employment law; on-line innovation services; work experience for school students; and action on crime reduction (eg, through

a property marking scheme). The Group has also enabled members to explore business ideas, leading to a number of joint ventures.

The Group's value is demonstrated by the growth of its membership from 12 to 130, between them employing 6,500 people. The bulk of the membership comprises small companies, and for them, membership gives them greater say in the regeneration of their area than they could possibly have on their own. Members identify strongly with the Group, and feel that it continues to evolve responsively in meeting its needs, not least in dealing with public agencies (such as the City Council, Advantage West Midlands – AWM, the Regional Development Agency) and the wider business community. The existence of the Group makes it easier for public bodies to consult with local business, and for them to influence developments, such as plans for the South Birmingham and North Solihull Regeneration Zone, the major partnership for

Section 106 Agreement: WestQuay

Section 106 of the Town and Country Planning Act 1990 provides a power for local planning authorities to negotiate planning obligations (previously referred to as 'planning agreements') with developers in the context of granting a planning consent. These provide a means of securing contributions towards the costs of infrastructure and services, in ways which can meet associated community needs and strengthen the commercial viability of the development itself.

The Section 106 agreement for WestQuay included financial contributions to work linked to the site, eg, new road links and archaeological work, as well as for the vocational training. From their experience with their previous development in Reading, Hammerson were keen that a budget be earmarked specifically for recruitment and training for WestQuay. Hammerson view the Section 106 agreement positively, rather than as a burden:

- By ensuring that some of the workforce is recruited from unemployed people rather those in employment, there is less impact on other employers.
- The development could have been jeopardised if the local retail and hospitality skills shortages were not addressed: Section 106 *required* partners to contribute to training.
- Hammerson believe their commitment to Section 106 requirements has helped convince local partners that Hammerson takes training and recruitment issues seriously and increased the company's goodwill.

area renewal promoted by AWM. New investment in coming forward to improve the local transport infrastructure as part of this.

The Group provides a vehicle for representation on local regeneration partnerships and closer relationships with local residents through the Group's membership of the Community Forum.

It alerts members to opportunities, such as the recent example of 'Train2Gain', available from the Learning and Skills Council. This involved an event to publicise wage compensation offered to smaller companies in return for releasing staff to train to achieve a basic skills qualification or vocationally related qualification at NVQ Level 2 or equivalent.

The Group has also attracted resources of other companies: eg, a local law firm which has been generous with its time and expertise in helping Group members address legal issues affecting their operations. The Group has close links with Birmingham Chamber of Commerce and Industry and plays a complementary role, focusing as it does on the very specific needs of business in the Tyseley area.

Collaborating to grow the market

Shopeasy is a group marketing initiative, comprising a 'symbol group' (bringing together convenience stores under a brand like Mace or Londis) and a retail development programme. It emerged from the coming together of a number of partner interests:

- An SRB partnership in Sparkbrook, Birmingham, concerned about quality of local shopping and local diets.
- The desire of Business Link Birmingham and Solihull to establish itself more firmly with the Asian business community.
- East End Foods plc, wholesalers, interested in growing its market through sales to local shops).
- Local shopkeepers themselves, anxious to compete more effectively with supermarkets.

In conjunction with other partners (Birmingham City Council and University of Central England, with

support from Cadburys), it aims to change the face of local shopping and improve traders' margins and turnover. Its success is leading it to be replicated in other regeneration areas in Birmingham and the Black Country.

Participating retailers agree to take part in a retail management programme focusing on quality improvement, display promotional posters and pass on discounted offers to customers. They also receive an attractive Shopeasy awning and fascia board, giving their shop a professional, modern image.

The retail management programme involves an initial visit by a consultant, guided use of a training manual, action planning, and continuous support and monitoring through regular visits and contacts. The Shopeasy partners learnt early the importance of taking support to the shopkeepers, rather than hoping that enough would be willing and able to leave their premises to attend group events.

Shopeasy has been successful in increasing turnover and improving profit margins in participating shops. The combined purchasing power of the small retailers counts. The 35 currently participating in the group have average individual weekly purchases of over £3,000 each: thus together, they spend over £100,000 a week and £5m a year. East End Foods use this purchasing power to negotiate discounts with their suppliers. They also provide a model shop for retailers to use when visiting one of their warehouses. This shows how best to display and promote merchandise, with experienced staff on hand to advise while warehouse staff collect the retailer's order. The benefits for East End Foods lie in growing the local retail market and greater loyalty amongst, and sales to, participating retailers; for the retailers, in being more competitive and increasing turnover (by an average of 5%); and for local communities, improved quality of local shopping.

"It's in our interest that local retailers should do well. If their business succeeds, our business succeeds...

"We can negotiate better deals with Kelloggs, with Bells, with Coca Cola. We can say to the retailers: if you pass these over, you'll get a kickback. People will see that you're no longer a little shop that they only use for bread and milk."

Tony Deep Wouhra, MD, East End Foods plc

Making the most of partner resources

The case studies on Stansted Airport, WestQuay and Tesco all involve a significant element of partnership with public sector agencies, whereby the companies concerned have been able to attract resources and do things which they would not otherwise have been able to do. Sometimes these partnerships have had their difficulties, eg, where ASAS found that the way the New Deal worked at the time did not meet their needs – but overwhelmingly the partnerships have yielded significant benefits, in very practical ways.

Some further specific examples of how partnership working has made a difference include:

Access to recruits

- ASAS developed links with Bruce House (foyer for homeless people), Peabody Trust Skills Development Centre, the Skilling London task force, Jobcentre Plus 'Getting London Working' Partnership, and other job brokerage schemes to help ensure that they have good candidates for their job vacancies.

- Links with local organisations (training providers and community groups) have been vital for Tesco Partnership stores in reaching many prospective employees in disadvantaged groups who might not otherwise have considered applying for a job.
- Stansted Airport has a dedicated Jobcentre facility, which, with a new Jobcentre Point being planned for the Passenger Terminal, will provide a 24-hour service to employers and jobseekers, including an interview suite which employers may use free of charge. There are links to High Street Jobcentres at Tottenham Hale, Hackney, Tower Hamlets, Harlow, Waltham Cross and Haverhill.

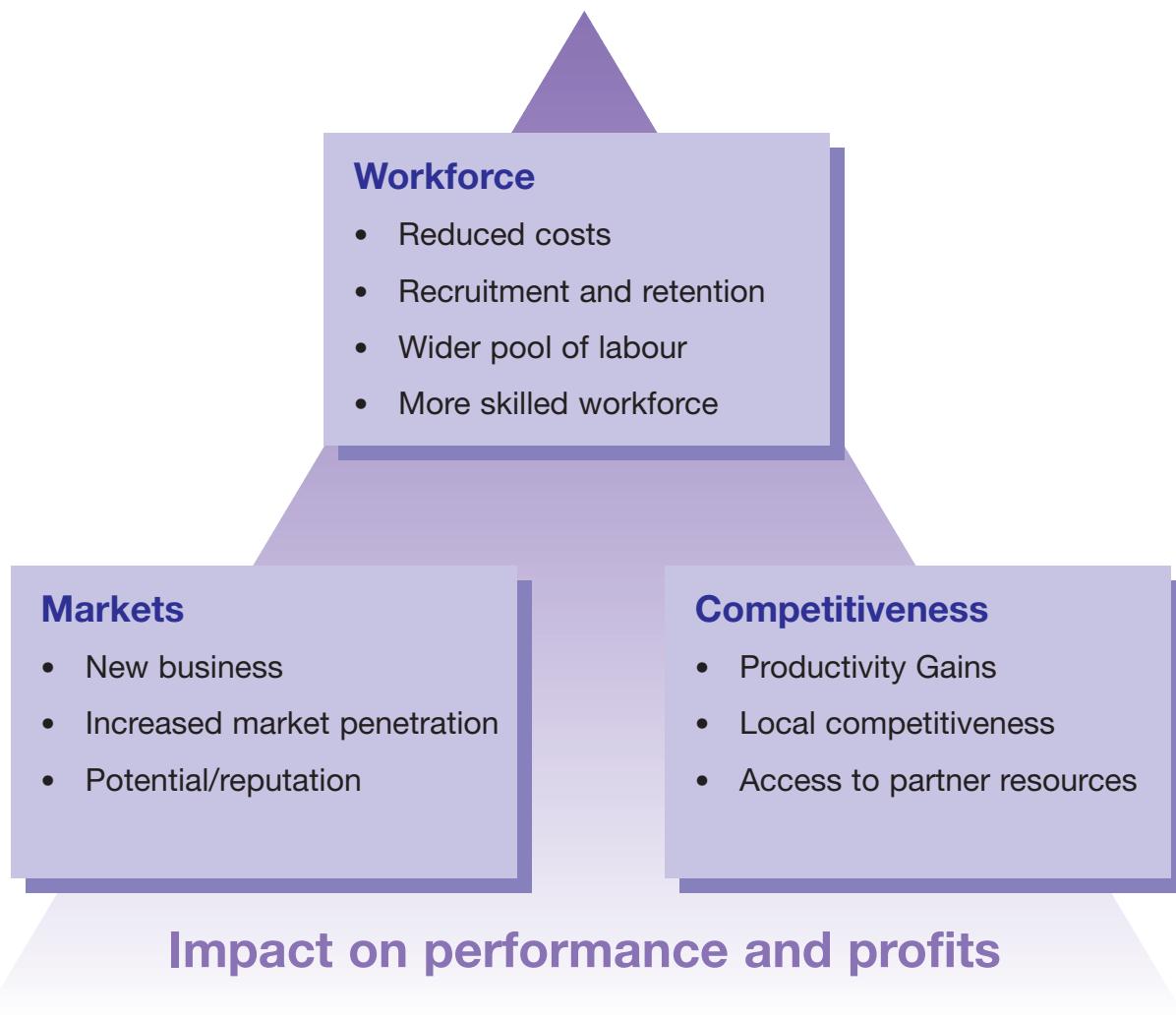
Overcoming barriers to employment – childcare

- BAA research into employee demand for on-site childcare facilities at Stansted found that there was little demand, in contrast to a significant requirement for provision in home areas, and for after-school and holiday support. The Childcare Group is producing its free *Childcare Information Book for Airport Employees* and considering longer term solutions, eg, lobbying for and supporting provision where employees live.



Shopeasy aims to change the face of local shopping and improve traders' margins and turnover

Figure 1: Benefits from adapting business practices



Helping ensure that candidates are job-ready

- ASAS and Lewisham College collaborate on Fit for Business for new recruits and other unemployed jobseekers: a one-day workshop designed to increase self-esteem and appetite to develop soft skills.
- Pre-recruitment training is part of the Tesco Partnership Store approach, working with local colleges and Jobcentre Plus.

Helping with the transition to employment

- Jobcentre Plus, in conjunction with USDAW and Tesco managers, provide mentoring to staff moving off benefit into permanent jobs. This has helped

reduce staff turnover.

Access to resources, contacts and advice

- Tyseley Business Action Group provides a vehicle for local networking, finding out about business opportunities arising from government programmes and a means of influencing the agenda of local regeneration partnerships.
- Participation in the Common Purpose⁴ programme in Brighton helped directors of Integra build links with local leaders in the public, private and voluntary sectors and gain better understanding of how these sectors work. This has since been the source of new business opportunities for the company.

What have the businesses gained?

Figure 1 (left) sets out the types of benefits that the case study businesses have gained.

The case studies illustrate a range of potent, direct and indirect commercial benefits which the companies concerned have realised – **affecting their bottom line in the short or longer term**. These include:

workforce

- **cost savings**, as a result of reduced staff turnover, less use of agency labour, and reduced pressure on wages through employing less qualified recruits and training them for more demanding work; and
- **access to new sources of recruits** who have the potential aptitude and attitude to meet employer requirements – even if not much by way of paper qualifications.

markets

- **new business opportunities** (eg, in financial services for black and minority ethnic communities); and
- **more buoyant local markets**, as a consequence of successful local regeneration and increased local spending power.

competitiveness

- **increased productivity** through better use of labour and fewer skill shortages;
- **improved area competitiveness**, where businesses group together to influence spending decisions of public agencies (eg, on infrastructure improvements, such as improved road access); and
- **improved access to partner resources**, including business support and training measures.

Underlying themes include the potential of collaboration (business-to-business and with local partners) and the importance of business reputation: ‘good employers’ find it easier to attract the staff they want and win business with the public sector.

The case studies also provide examples of **personal benefits** that individual business people (owners/directors, managers and staff) have derived – such as job satisfaction and local recognition – from what they have done.

For many of the case studies the gains have been mutually reinforcing, combining improved productivity, lower costs and new opportunities. In every case, the companies involved have enhanced their reputation, often critical to attracting the calibre of staff they want, the type of business they want to win, and giving them more influence (eg, in opening doors or winning local support for their investment projects).

Table 2.1 over the page summarises the benefits in each case study.

The separate **Volume of case studies** provides further detailed information on the individual case studies covered, and the actions that they have taken. This can be ordered from the NRU hotline on 08450 82 83 83.

Individual case studies can also be downloaded from www.renewal.net.

⁴ See Section C for information about Common Purpose.

Table 2.1: Benefits Gained by Case Study Companies

	ASAS	B&Q	Integra	Listawood	Morning	Noon & Night	MTM	Shopeasy	Stansted Tesco	Tyseley BAG	W Brom BS	WestQuay
WORKFORCE												
cost savings (on wages bill, recruitment)	✓							✓	✓			✓
reduced staff turnover	✓	✓		✓		✓		✓	✓			✓
access to talented staff	✓	✓						✓	✓			✓
more skilled workforce	✓		✓	✓		✓		✓	✓			✓
MARKETS												
new business	✓		✓				✓			✓	✓	
increased market penetration		✓									✓	
reputation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
COMPETITIVENESS												
productivity gains	✓		✓	✓		✓	✓					
improvements to local services and infrastructure							✓		✓	✓		
access to partner/public sector resources	✓						✓	✓	✓	✓		✓

3. Lessons and Key Messages

The experience of the case study businesses provides a rich set of lessons for other businesses and for local partners, relevant across a broad spectrum of sectors and company sizes.

For Businesses

Bottom-line benefits to be gained

The case studies provide numerous examples where the business has gained significant, quantifiable commercial benefits from adapting their mainstream practices in ways which benefit the company and disadvantaged communities at the same time.

All the case studies feature practical solutions to nitty-gritty business problems, including skill shortages. Most have taken a fresh look at their approach to recruitment and training, along with their working practices, to attract and retain the staff they need and increase productivity. Several, such as Integra and West Bromwich Building Society, highlight how engagement with disadvantaged communities can help create market opportunities and increase market penetration.

The case studies also show how many of the ways that businesses can adapt their practices go hand-in-hand and are mutually reinforcing. Being seen to be a good, responsible employer, committed to the local area, helps make you ‘employer of choice’, more able to attract the staff you want, build customer loyalty and open doors which lead to new opportunities.

Many of the case studies show what can be done through ‘win-win’, gaining mutual benefit through collaboration with other businesses, with public agencies and local communities. Often there is very close alignment between business and community agendas.

Success factors

To make sure of these benefits, several critical success factors emerge from our analysis and the comments made by the case study businesses themselves. These are:

1. Think strategically

- Maximum advantage can be gained from operating in deprived areas when companies have vision and a willingness to revise marketing, product development and human resource strategies. Be proactive: shape and manage change, rather than be a victim of change.
- Large and small companies in the case studies are gaining benefits from thinking strategically and beyond the short term, eg, in:
 - building a reputation as an ‘employer of choice’ that future talented jobseekers will seek out and existing staff will want to stay with;
 - establishing their market niche (eg, Integra, West Bromwich Building Society);
 - strengthening their competitive advantage (eg, Morning Noon and Night; retailers participating in Shopeasy); and
 - enhancing productivity and the capacity for innovation (eg, Listawood and MTM).

2. Do your homework

- When new to an area, find out about it. Get to its heart, the people who live there – and don’t assume that that the recruits you want will beat a path to your door (B&Q Bolton).
- Understand the particular problems and assets of the area and adjust operations accordingly.
- Be alert to business opportunities (eg, Morning Noon and Night, West Bromwich Building Society).

Lessons

- Find out what matters to key groups (including black and minority ethnic communities) and tailor approaches and services accordingly (West Bromwich Building Society).

3. Build local relationships and networks

- Identify who in the local community can help you achieve what you want to achieve. These may be key individuals in the local authority, Jobcentre Plus, regeneration partnerships or community organisations.
- Invest time in building relationships where you can see the mutual benefit.
- Pay attention to needs and concerns within the community.
- Especially if you are looking to expand, get the local community on board. This will become all the more important with the current reform of planning powers, where the onus will be on the developer to address local objections and win local support in securing planning permission.
- Time spent developing relationships with public sector partners can open doors and create new opportunities – and lead to new business. Local partners can help you recruit people from parts of the community you couldn't otherwise reach (B&Q) and provide help and support for recruits making the transition from being out of work to permanent employment. There are many resources which companies can tap (eg, through local authorities, Jobcentre Plus, local Learning and Skills Councils, FE colleges, and employment and training projects) – see Section C, Resources.

Figure 2 on the next page summarises some of the contributions which local partners have made in helping the case study companies tackle their problems and opportunities.

4. Take a fresh look at recruitment, training and working practices

- Seek alternative solutions: think outside the box.
- Look to disadvantaged groups in the labour market as a source of solution to staffing issues.
- Recruit for aptitude and potential and...

- ...ensure that this is backed up by effective staff development practices (all points echoed by, eg, ASAS, B&Q, Listawood, MTM and Tesco).

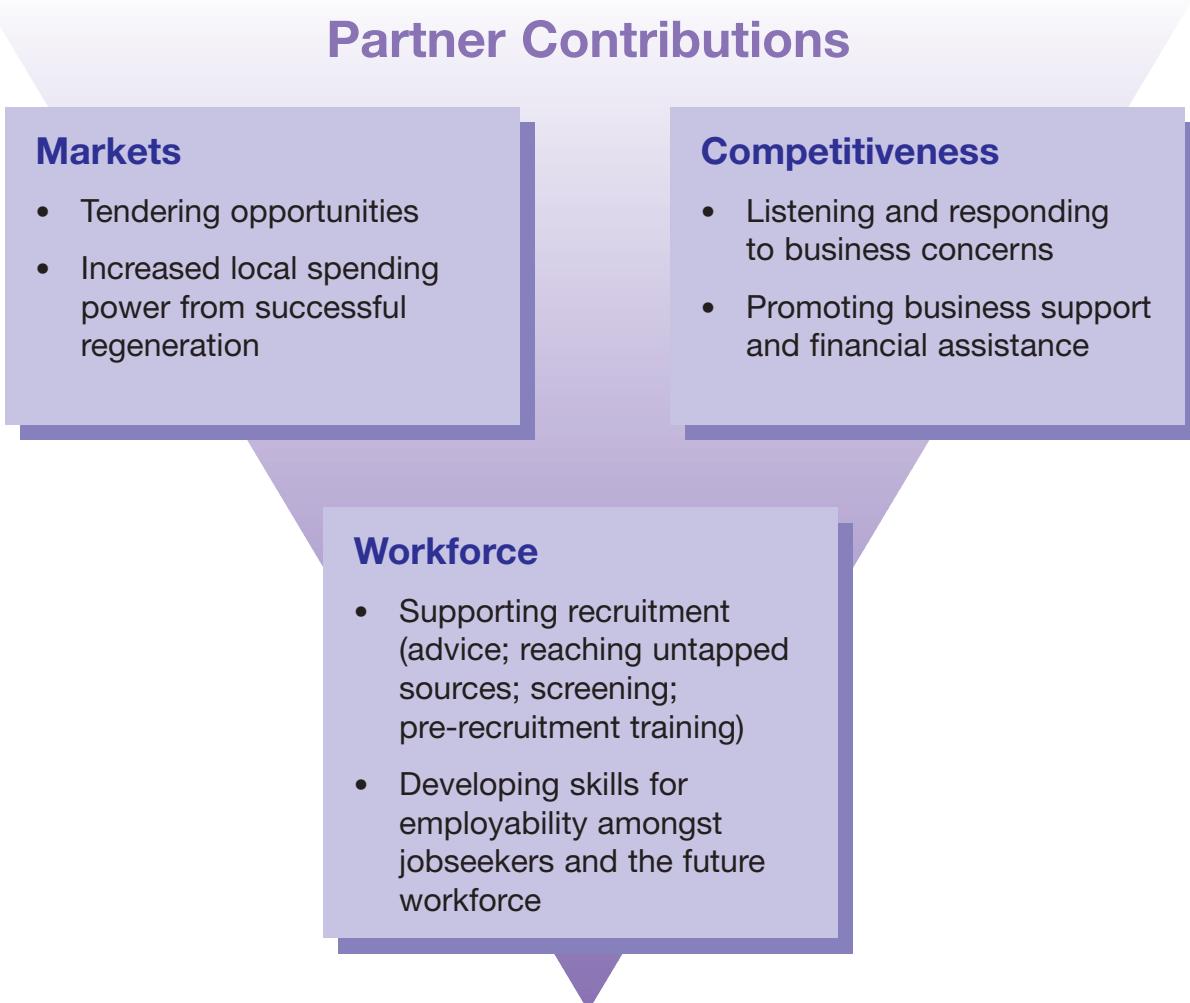
On recruitment and training, action within the company may involve:

- analysing job functions to ensure that existing staff are not over-skilled for tasks they regularly perform, and that there are not unnecessary barriers to applicants (eg, requiring a degree when there is no need for this);
- assessing the scope for entry-level trainees to carry out operational tasks performed by more skilled staff such as technicians;
- developing induction, mentoring and training programmes to get staff up to speed quickly;
- being prepared to invest extra time and effort in training unemployed/otherwise disadvantaged recruits. As case study companies like ASAS and Tesco have found they can be among the most loyal of employees; and
- using imaginative ways of developing staff through, for example:
 - projects in the community which help build team work and project management skills (eg, B & Q and Integra)
 - asking existing staff to supervise and train entry level recruits and work-experience students, building their self-confidence and interpersonal skills and having an impact on aspects of their work (eg, in customer relations).

For success with flexible working, improving company productivity and meeting employee needs:

- Consider multi-skilling and, for medium-sized businesses, probably team working.
- Ensure an open, approachable management culture, committed to staff empowerment and development. It won't work as an add-on or token gesture.

Figure 2: Local Partner Contributions



5. Address internal barriers to change and persevere

- Provide leadership within the company to drive the changes needed for success. Listawood and MTM recommend new methods like team working to promote employee involvement and innovation on the shop floor – and make the most of what employees can offer.
- Identify and address training needs amongst existing staff: those who have responsibility for managing previously unemployed trainees and, more widely, in managing diversity issues. B & Q have developed training for all staff in diversity and responsible business practices.
- Focus on ways of *embedding* new approaches within company practices. For West Bromwich

Building Society, this places diversity practices within staff appraisal and staff development processes. Integra ensures that staff reviews cover what the individual employee has contributed to community projects and what they have gained from this, and they involve staff in determining the company's priorities for community projects.

- Tackle sources of cultural resistance. For instance, ASAS had to change their whole approach to recruitment, gaining acceptance at board, management and employee levels. In recruitment interviewing, they now place less emphasis on appearance and nerves and more on keenness and potential, and have had to review their use of disciplinary measures.

6. Collaborate for clout

- Seek collaborative advantage: the case studies show numerous examples of where partnership, with other companies, with public agencies and for local communities, has paid off handsomely for the companies concerned. They have been able to do things which they would not have otherwise been able to do, or not so fully or quickly. They have gained business benefit through partnership where they have:
 - influenced public agencies and attracted resources (Tyseley Business Action Group);
 - assembled critical mass to develop business-led initiatives (Tyseley Business Action Group);
 - taken concerted action to recruit the right people (Stansted Airport, WestQuay); and
 - combined to provide critical mass for a quality improvement programme and negotiated discounts to attract customers (Shopeasy).
- Invest time in setting up partnerships. This can be vital in overcoming suspicion and building trust.
- Encourage partners to sign up to a shared vision. Tesco, for example, ensure that there is a partnership charter setting out objectives, roles and actions.
- Work out the ‘partner equation’ to stack up, focusing on ensuring that there will be sufficient mutual benefit to ensure commitment on the part of all partners.
- Identify the concerns of stakeholders and potential partners. Hammerson seek to integrate their shopping centres into the locality, gaining support from existing business and communities. They recognise the need to address established retailers’ concerns (eg, that incomers will cause wage inflation locally, or will poach staff), and set out to ensure that local employment and wage balances are not upset.
- Get the right people round the table, each with a particular part to play. And don’t forget the intended beneficiaries. In the Shopeasy case three retailers were members of the project group: “*They can tell you what local shopkeepers will want, what will work and won’t work, and what they will be prepared to pay for*”.
- Challenge other employers. Put the business case as to why they should get involved in regeneration and skills partnerships.
 - It helps to understand how national companies take decisions regarding their working practices: sometimes local managers have a great deal of discretion and sometimes not.
 - Anticipate how pressures to attain performance targets can get in the way of partnership involvement and doing new things.
 - Find telling arguments to convince other companies of the potential benefits. Hammerson were able to push the point that the WestQuay recruitment and training service was something that tenant companies were already paying for through their rents.

For Local Partners

Many of the lessons for business apply equally as well to local partners, especially those concerning partnership working.

Get inside the shoes of business people – find out what the practical issues are for them. The ability to work effectively with business depends how well you understand their agendas.

The case studies highlight additionally the following success factors for local partners. Think about how they can be applied in your area.

7. Understand what matters to business

- Understand where businesses are coming from: what drives decisions to adapt their business practices and develop new approaches.
- Learn lessons from what has worked and has not worked. Allow time for initiatives to bear fruit. Shopeasy was a much more effective project because of lessons learnt from an earlier retailing initiative in a deprived area. Tesco continue to refine their approach to Partnership Stores, and make sure of success in each new area.

- Take services to the businesses you want to assist. Advertise how you can help, in ways that will appeal to business. Don't assume they'll come to you.

8. Make the business case

- Make the business case as to why businesses should be considering adapting their mainstream business practices and perhaps getting involved in local partnerships – just as Stansted Airport are having to do with other on-airport businesses who are not members of the Employment Forum.
- Recognise/understand the concerns of local business (eg, about road access, skills and crime) and seek ways of working with them to resolve problems.
- Identify employers to target: those which are more likely to be prepared to innovate and get involved – and especially those who may be prepared to champion action within the business community.
- Promote examples of where businesses have gained commercially from adapting their business practices in ways which bring bottom-line benefits to the company and benefits to the community.
- Help employers see that there are ways to overcome some of the obstacles they see, such as how local partners can help ensure that unemployed recruits are job-ready, then support them in their early days in the workplace.
- Consider negotiating development agreements where physical development is involved (such as Section 106 agreements in the case of WestQuay). But look for the business case arguments, and ensure that these agreements result in mutual advantage.

9. Seek business leadership and support business collaborations

- Business leadership is crucial to credibility: look at the experience, eg, of Hammerson, Stansted Airport, Tesco, and East End Foods plc (in the case of Shopeasy).
- Invest time in building relationships which can lead in time to action from within the business community.

- Make it easy and rewarding for business to engage in regeneration and skills partnerships promoted by local partners.
- Respond positively to initiatives led and supported by the business community. Support for these can lead to other things:
 - networking and stronger relationships that lead to new, influential contacts and ideas for other initiatives that can benefit business and communities, (eg, Shopeasy plans for very local delivery service and a presence on the internet);
 - a source of recruits for business-led task forces and business representation on local partnerships (as has occurred with directors of a number of the case study companies);
 - a vehicle to engage and consult business on regeneration and renewal matters (such as through Tyseley Business Action Group) and promote programmes intended to help business (eg, Shopeasy promotion of Train2Gain and small grants to improve security for small retail units); and
 - a potential base for new initiatives such as Business Improvement Districts and Local Retail Strategies (see Section C).

10. Go the extra mile

- Going the extra mile can be the key to success, delivering results for businesses and jobseekers and communities alike. At WestQuay, the ability to work round the clock was critical in processing job applications.
- Tesco have enjoyed considerable success in recruiting and retaining unemployed people, thanks to the quality of partner assistance in helping the new staff prepare for jobs and make the transition from being out of work.
- The proactive approach by Wester Hailes Land and Property Trust in making the effort to identify and approach Morning Noon and Night was the key to attracting their investment in the new store.

The case studies provide much food for thought and ideas to act on, which will benefit individual businesses and communities. Draw on these at will, but think through how they relate to your own needs, circumstances and opportunities.

On the scope to adapt mainstream business practices, our overall conclusion is common to 'Secrets of Their Success', the 2003 report by the New Economics Foundation on the second year of the Inner City 100, the public/private initiative which locates and celebrates the 100 fastest-growing inner city enterprises in the UK:

"But for many of the Inner City 100, the real strategic advantage lies in excellent management: the way they treat their customers, think about their products, and attract, retain and develop their workforce."

C. Resources

1. Signposts for business – Where to go for ideas, information and assistance

General, local & sectoral information, contacts and advice

Small business organisations

Business Link

www.businesslink.org

Provides straightforward information relating to business needs and access to a wide network of business support organisations, including the national network of Business Links. Update e-mail service can be tailored to cover, eg, people and management matters. Publishes the 'Retail Business Support Guide' – intended to signpost small and medium-sized retailers to a wide range of available support.

Forum of Private Business

www.fpb.co.uk

Offers advice on problems such as red tape, employment law, health and safety and many other issues. Lobbies on the behalf of members to change laws and policies.

Federation of Small Businesses

www.fsb.org.uk

Campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms, with a membership of 177,000 businesses. Represented on a number of local regeneration partnerships

Trade Associations

British Retail Consortium

www.brc.org.uk

Speaks for the retail industry by campaigning, networking and disseminating information, and develops a range of ways for the industry to improve its performance through skills (Skillsmart), standards/benchmarking, research tools, information and publications. Leading role in influencing government policy and supporting retailer involvement in regeneration.

British Hardware Federation

www.bhfgroup.co.uk

Trade association serving independent hardware retailers. Information and advice on a range of business matters, such as the implications of new regulations on flexible working.

Institute of Grocery Distribution

www.igd.com

Provides research, information and education for the food and grocery industry. Useful publications for smaller businesses include 'Local Sourcing – Growing Rural Business' and 'Small Business Guide to Working with Supermarkets'. New DEFRA-backed initiative, the Food Chain Centre.

Trade Association Forum

www.taforum.org

Gateway to UK trade associations.

National bodies and campaigns

British Chambers of Commerce

www.chamberonline.co.uk

Body representing the national network of accredited chambers of commerce, run by local business for local business. Local chambers of commerce provide a route for business representation on many local regeneration partnerships.

Fit for the Future

www.fitforthefuture.org.uk

Encourages the sharing of knowledge between businesses of all kinds and across all sectors to improve their performance. Campaign led by the CBI and backed by the DTI.

The Innovators' Club

www.theinnovatorsclub.co.uk

Provides tangible, practical assistance to business people with the task of driving innovative practices into every aspect of their organisation or deploying innovation to take a concept to the market place. Supported by the DTI, CBI, Chartered Institute of Marketing, CIMA, Design Council, Patent Office and the SBS/Business Link network. Network of regional and trade sector branches under development, focused on innovation activity, linking in with and supporting local business networks.

Tomorrow's Company

www.tomorrowscompany.com/index.html

Business-led think tank promoting a future for business 'which makes equal sense to staff, shareholders and society'.

Responsible business practices

Advisory Committee on Business and the Environment

www.defra.gov.uk/environment/acbe/default.htm

Encourages businesses to look at all aspects of sustainability including social issues affecting workplace practices; stakeholder relations. Publishes a guide for board directors, 'Value, Growth, Success – How Sustainable is your Business?'

Business in the Community

www.bitc.org.uk

Membership organisation, comprising companies who are committed to continually improving their impact on society. Campaigns include Race for Opportunity, Business in the Environment and Opportunity Now. Downloadable publications include 'The Business Case for Employee Involvement' and 'Skills Development in the Community'.

Community Mark

www2.bitc.org.uk/programmes/programme_directory/community_mark/index.html

National standard for small and medium sized businesses, of any size, that recognises small business involvement within the local community.

Awards for Excellence

www2.bitc.org.uk/awards/

National awards recognising responsible business practice. They promote a better way of doing business by encouraging companies to measure, continually improve and communicate their positive impact on society. Categories include Neighbourhood Renewal, Collaboration, Workplace Impact (Diversity; Releasing Potential).

SME Key

www.smekey.org

On-line support tool to assist SMEs maximise the business benefits of social responsibility (EU project, under development)

Human resources

Recruitment & retention

Jobcentre Plus

www.jobcentreplus.gov.uk/

Services to employers include: advice on recruitment methods and procedures; information about availability of suitable applicants; vacancy circulation; regular follow-up to ensure services meet employer needs; advice on difficult-to-fill vacancies; and advice on employing people with disabilities. Promotes industry-specific initiatives in Construction; Hospitality; Public; Retail; Security; IT; Energy and Nursing and Healthcare sectors.

Administers the New Deal, providing employers with candidates who are prepared for work and pre-screened and financial support (up to £75 a week for taking on a full-time employee over 25; up to £60 a week for taking on a young person aged 18 to 24; and up to £750 towards training a young person aged 18 to 24). (A step-by-step guide for employers can be found at:
www.newdeal.gov.uk/english/employers/)

Also provides Work Trials where employers can take someone on for up to three weeks on a work trial at no cost to the company. Recruits (primarily people who have been unemployed for six months or more) remain on benefit and their travel and meal expenses are paid by Jobcentre Plus. Extra help may subsequently be available towards their wages and training costs, linked to the New Deal.

Offers advice on tax credits (Working Families Tax Credit; Disabled Person's Tax Credit) which are designed to help people out of unemployment and poverty. These can help employees increase the number of hours they are able to work.

Diversity

Age Positive

www.agepositive.gov.uk

Information, advice and case studies about how employers can benefit from employing workers.

Change the Face of Construction

www.change-construction.org

Seeks to encourage greater diversity across *all* sectors of the construction industry, leading to improved industry performance. Source of information and ideas on attracting and keeping more of the right women and men, through better recruitment and training, working conditions, career development and communications.

Commission for Racial Equality

www.cre.gov.uk

Works with public bodies, businesses, and organisations from all sectors to promote policies and practices that will help to ensure equal treatment for all. Publications include 'Racial Equality Means Business', a standard for racial equality for employers which sets out why equality of opportunity makes good business sense.

Ethnic Minorities and the Labour Market

www.strategy.gov.uk/2003/ethnic/report.shtml

Report by the Government's Strategy Unit setting out a wide-ranging strategy to ensure that British minority ethnic groups no longer face unfair barriers to achievement in the labour market. Background papers include 'Ethnic Minority Progression in the Labour Market – Case Studies of Good Practice' which features Asda, Halifax Building Society, Lloyds TSB and Northern Foods.

Race for Opportunity

www2.bitc.org.uk/programmes/programme_directory/race_for_opportunity/index.html

National business network of over 180 organisations working on race and diversity as a business agenda. Seeks to demonstrate the business case in the relation to employment practices (including recruitment, selection, progression and retention), marketing to black and minority ethnic (BME) groups as profitable consumers, support for BME-owned small businesses, and 'diversity-proofing' community involvement programmes to include BME community activity.

Flexible working

Flexible Working – Department for Trade and Industry

www.dti.gov.uk/er/flexible.htm

Information on the statutory duty on employers to consider seriously applications for flexible working arrangements from parents with children aged under six or disabled children aged under 18.

Changing Times

www.tuc.org.uk/changingtimes/index.htm

TUC guide to work-life balance, based on the widest possible involvement of management and workforce at all levels. Case studies and newsletter.

Employers for Work-Life Balance

www.employersforwork-lifebalance.org.uk

Promotes work-life policies, setting out benefits achieved by leading organisations. Includes a guide for smaller businesses, ‘Getting the balance right’.

Work Life Balance

<http://164.36.164.20/work-lifebalance/>

Promotes the implementation of work-life balance policies and practices. Includes useful publications on promoting the case for Work-Life Balance and a good practice guide. Also signposts funding available through the Work-Life Challenge Fund to help introduce practical solutions. (DTI-sponsored).

TIGER

www.tiger.gov.uk

User-friendly guide through different aspects of UK employment law such as the Minimum Wage, maternity, paternity and adoption rights.

Staff development

Chartered Institute of Professional Development

www.cipd.org.uk

The professional body for those involved in the management and development of people. Site contains a range of materials which support changing people management, training and development practices.

Learning and Skills Council

www.lsc.gov.uk

National agency which seeks to raise participation and attainment through high-quality education and training which puts learners first. Priorities include workforce development, improving basic skills and promoting equality and diversity in education and training. Programmes include Modern Apprenticeships (for young people wanting to become technicians or managers), Employer Training Pilots (subsidising the cost of training for staff needing NVQ Level 2 qualifications), Investors in People, and workplace basic skills advisors.

Partnerships with People

www.dti.gov.uk/pwp

Initiative to help organisations bring the best out of their people and improve business performance. Illustrates the way in which successful management styles can be developed to ensure that everyone is able to contribute to the aims and objectives of their organisations.

Read Write Plus

www.dfes.gov.uk/readwriteplus/employer_toolkit

Employer Toolkit to improve literacy and numeracy at work (produced by the national Adult Basic Skills Strategy Unit, DfES) Contains techniques for identifying literacy and numeracy needs, recommendations on developing the most appropriate training and resources for use within the workplace.

Sector Skills Development Agency

www.ssda.org.uk

National agency which supports the development of Sector Skills Councils, which provide a national lead on skills development to meet business needs.

Education/Business links

Education Business Links

www.dfes.gov.uk/ebnet/

Provides up-to-date information on education business links. Its main function is to explain how to get involved in education business link activities and the benefits of involvement

Regeneration and neighbourhood renewal

Business Improvement Districts

www.local-regions.odpm.gov.uk/bids/index.htm
The Government introduced proposals for **Business Improvement Districts** (BIDs) in the Local Government White Paper, 'Strong Local Leadership – Quality Public Services', modelled on a concept from the USA where there are over 2,000 BIDs. BIDs involve partnerships where local firms pay a supplementary rate to fund additional services and activities which will address business and community needs. The scope proposed is wide, including measures to improve run-down or unsafe retail centres, tackle skills issues or improve transport. The Government's intention is that BIDs can be as modest or ambitious as local businesses want – and a majority must be in favour (reflecting both numbers of place of business and ratepayer size). Draft guidance has been published by ODPM with input from the Association of Town Centre Management, the Local Government Association, the British Retail Consortium and others.

Retail and Business Crime Toolkit

www.crimereduction.gov.uk/rc_index.htm
Provides information and advice on crime prevention, including burglary, fraud and shoplifting, as well as links to local community safety partnerships.

Partnerships with the local community

Partnership Academy and Business Brokers

www2.bitc.org.uk/programmes/programme_directory/partnership_academy/index.html
The Partnership Academy brings together expertise on how to build and maintain successful partnerships between business and other sectors. Provides advice, networking opportunities and runs training events for the Business Brokers and Local Strategic Partnerships. Downloadable publications include 'Local Strategic Partnerships and Neighbourhood

Renewal: Why Business Should Get Involved' (aimed at business) and 'Working with Business in Local Strategic Partnerships' (aimed at local partners)

'Business Brokers' is a national pilot programme, funded by the Neighbourhood Renewal Unit (ODPM), the Active Communities Unit (Home Office) and the Small Business Service. The programme funds a service which seeks to build links between businesses, deprived areas and public agencies supporting regeneration. The job of Business Brokers is to promote to businesses the benefits of renewing communities and make it easier for them to get involved.

Common Purpose

www.commonpurpose.org.uk

Common Purpose sets out "to give leaders of today and tomorrow the information, insights, competencies and networks they need to become better leaders and to improve the way society works". It does this through cross-sector programmes which are designed to give participants an understanding of the bigger picture within which they operate. Common Purpose takes participants outside the conference room and into the community, allowing them to get behind the scenes and beneath the surface of current key issues in the area.

Regional Development Agencies

Regional Development Agencies (RDAs) are strategic drivers of regional economic development. Their brief for regional economic development and regeneration means that they have a particular interest in promoting how businesses and communities in deprived areas can collaborate to mutual advantage.

Advantage West Midlands	www.advantagewm.co.uk	North West Development Agency	www.nwda.co.uk
East of England Development Agency	www.eeda.org.uk	South East England Development Agency	www.seeda.co.uk
East Midlands Development Agency	www.emda.org.uk	South West Regional Development Agency	www.southwestrda.org.uk
London Development Agency	www.lda.gov.uk	Yorkshire Forward	www.yorkshire-forward.com
One North East	www.onesnortheast.co.uk		

2. Signposts for local partners

Partnerships and regeneration – general

Evaluation of SRB Partnerships

J Rhodes & others (2002) 'Lessons and Evaluation Evidence from Ten Single Regeneration Budget Case Studies'
www.urban.odpm.gov.uk/research/summaries/00102/index.htm
Includes treatment of partnership working in effective regeneration programmes

Smarter Partnerships

www.lgpartnerships.com
Smarter Partnerships is designed to help users improve partnership skills and performance, relevant to many partnership situations. The site (developed by the Employers Organisations for Local Government) provides:

- interactive tools to assist individuals, cross-agency teams and partnerships assess both (i) partnership development and (ii) individual and team learning needs; and
- on-line resources: case studies and links to help users address learning needs and improve partnership working.

Partnerships and business involvement

Achieving Community Benefits Through Contracts
www.jrf.org.uk/knowledge/findings/housing/d12.asp
Research examining ways of including 'community benefit' requirements – such as creating new job and training opportunities – in procurement contracts, partnership agreements, funding agreements and planning agreements.

Association of Town Centre Management

www.atcm.org
Provides information, research and training services in support of town centre partnerships and initiatives.

Business Impact

<http://www.business-impact.org>
Website on business social responsibility, developed by Business in the Community and DTI. Site includes case studies of business involvement in neighbourhood renewal.

Community Crime Reduction Partnerships: the Retail Contribution

www.homeoffice.gov.uk/cdact/retail.pdf

Early Years and Childcare Development (DFES)

www.dfes.gov.uk/eydcp
Early Years and Childcare Development Partnerships:
Series of Good Practice Guides for Partnerships includes 'Role of Employers in Partnerships' and for organisations providing childcare services, 'Building Links with Employers'

Doing the Business: A Guide for Local Authorities

www.local.dtlr.gov.uk/research/busipelg.htm
Guide for local authorities on consulting and working in partnership with business. Site also contains the research report, case studies and advice for the private sector.

Five Vital Lessons: Successful Partnership with Business'

<http://fivevital.educe.co.uk>

Five Vital Lessons contains tools to help users attract and sustain private sector involvement, assess partnership strengths and weaknesses, and work out how best to improve partnership performance (eg, through recognising where in the 'partnership life cycle' your partnership has reached). It also includes case studies of partnership experiences in Coventry and Warwickshire, Kent and Somerset, covering, eg, sector/cluster initiatives and area regeneration.

Working with Business in Local Strategic Partnerships

www.lga.gov.uk/Documents/Briefing/Our_Work/LS_Ps/LSPGuidanceFinal.pdf

Guide published by Business in the Community, British Chambers of Commerce and the Local Government Association.

Role of the Private Sector in Social Inclusion Partnerships

www.scotland.gov.uk/cru/kd01/blue/rpssip-01.asp

Report to the Scottish Executive on business involvement in regeneration partnerships (2001)

Society and Business

<http://www.societyandbusiness.gov.uk/2002/index.htm>

DTI site promoting corporate social responsibility. Resources include reports on 'Engaging SMEs in Community and Social Issues' and 'Business Investment in Under-served Markets'.

Renewal.net

www.renewal.net

Systematic and comprehensive on-line guide to what works in tackling the various problems of deprived neighbourhoods, including reviving local economies and overcoming worklessness. Contains overviews, case studies and links of to other reports and materials. (Developed by the Neighbourhood Renewal Unit)

Businesses and the inner city

Business-led Regeneration of Deprived Areas

www.neighbourhood.gov.uk/research.asp

Report for NRU summarising the available evidence relating to effective business-led regeneration in deprived areas.

City Growth Strategies

www.sbs.gov.uk/citygrowth

National pilot programme to encourage disadvantaged towns and cities to develop and implement strategies that put enterprise and business at the heart of regeneration.

Inner City 100

www.theinnercity100.org

Annual business index and research initiative which locates and celebrates the 100 fastest-growing inner city enterprises in the UK. Site includes reports by the New Economics Foundation (2001), 'The Competitive Inner City' and (2002) 'Secrets of Their Success: Fast Growth Business in Britain's Inner Cities' on the first and second years of Inner City 100)

Business and Neighbourhood Renewal

Policy Action Team 3 (1999) 'Enterprise and Social Exclusion'

http://www.hm-treasury.gov.uk/Documents/Enterprise_and_Productivity/Encouraging_Enterprise/ent_ee_eses99.cfm

Policy Action Team 13 (1999) 'Improving Access to Shopping for People Living in Deprived Neighbourhoods'

<http://www.doh.gov.uk/shoppingaccess.htm>

Joseph Rowntree Foundation (1998) 'Attracting private finance into urban regeneration' Findings series

<http://www.jrf.org.uk/knowledge/findings/housing/hr558.asp>

M Carley and others (2001) 'Retailing, sustainability and neighbourhood regeneration' – Joseph Rowntree Foundation, summary at
<http://www.jrf.org.uk/knowledge/findings/housing/041.asp>

International resources

Business for Social Responsibility

www.bsr.org

International organisation that helps member companies achieve success in ways that respect ethical values, people, communities and the environment. Includes series of White Papers featuring company experiences.

Win-Win Partners

www.winwinpartner.com

Win-win business strategies simultaneously boost the bottom line and benefit low-income communities. (A development of the Ford Foundation programme on Corporate Community Investment.

3. Glossary

AWM	Advantage West Midlands (Regional Development Agency)
BAA	BAA plc (previously British Airports Authority)
BitC	Business in the Community
BME	Black and Minority Ethnic
CGS	City Growth Strategies
CRE	Commission for Racial Equality
DEFRA	Department for the Environment, Food and Rural Affairs
DfES	Department for Education and Skills
DTI	Department for Trade and Industry
ESF	European Social Fund
EU	European Union
FE	Further Education
FTE	full-time equivalent
HR	Human Resources
ICT	Information and Communications Technology
IIP	Investors in People
LLSC	Local Learning and Skills Council
LSC	Learning and Skills Council
LSP	Local Strategic Partnership
NDC	New Deal for Communities
NRF	Neighbourhood Renewal Fund
NRU	Neighbourhood Renewal Unit
NVQ	National Vocational Qualification
ODPM	Office of the Deputy Prime Minister
PAT	Policy Action Team

RDA	Regional Development Agency
RfO	Race for Opportunity
SBS	Small Business Service
SIP	Social Inclusion Partnership
SRB	Single Regeneration Budget
SSC	Sector Skills Council
SSDA	Sector Skills Development Agency
SME	Small and medium-sized enterprise
SRB	Single Regeneration Budget
Ufi	University for Industry
USDAW	Union of Shop, Distributive and Allied Workers

NRU hotline: 08450 82 83 83
Website: www.neighbourhood.gov.uk
Email: neighbourhoodrenewal@odpm.gsi.gov.uk

"Regeneration is about far more than bricks and mortar. To be successful, it requires a holistic approach which provides amongst other things the wherewithal for people to earn a decent living. Quite often the barrier to that is the level of skills and training but, as this report shows, for a modest investment it is possible to make a tremendous difference and open up a whole lot of new opportunities in a regeneration area. This creates a virtuous circle since people who are in employment are then able to put more back into the local economy which in turn allows for the provision of more facilities."

*Liz Peace, Chief Executive
British Property Federation*

"We welcome this report as a very helpful contribution to the discussion on how to ensure that deprived communities benefit from local economic activity. The role of the private sector in local economic development is crucial, and this report makes clear that companies which engage in this way gain significant business benefits. This is a win-win situation for everyone. We hope this report will stimulate useful discussion and activity."

*Gabrielle Cox, Head of Social Inclusion Policy
Northwest Development Agency*

Further copies of this publication can be obtained from:
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Neighbourhood
Renewal Unit

BRITISH RETAIL CONSORTIUM