

# Great companies support communities through difficult times

By Stephen Howard, CEO, Business in the Community



Stephen Howard joined Business in the Community (BITC) as Managing Director in September 2005 bringing a wealth of senior, corporate sector management expertise to BITC. He officially took on the role of Chief Executive in March 2008. After beginning his career as a practising lawyer in the US, Stephen held a number of different roles in the Cookson Group PLC culminating in being appointed Group Chief Executive, a role he held between 1997 and 2004. Between 2004 and 2005, Stephen was appointed Group Chief Executive of Novar PLC, the global manufacturing company, to lead on their strategy of simplifying the portfolio to realise value, and the return of that value to shareholders. Novar was successfully sold to Honeywell in 2005. Stephen's ongoing commitment to helping tackle homelessness on both a national and global scale has resulted in a non-executive directorship for Habitat for Humanity Great Britain, the charity with a mission to eliminate poverty housing. Other non-executive directorships include, SEGRO PLC and Balfour Beatty plc, St Georges College and the International Community church. Born in the US, Stephen has been resident in the UK for the past 17 years and holds dual American and British nationality. He has been married to Holly for 33 years and they have three sons.

Business in the Community (BITC) stands for responsible business. We are a business-led charity with a growing membership of 850 companies. We advise, support and challenge our members to create a sustainable future for people and the planet, and to improve business performance.

At Business in the Community, we have members of all sizes who take their responsibilities to society seriously and are developing programmes in collaboration with local communities. Our members already consider that they are part of a 'big society' but also want to be a part of the Coalition's aspiration and focus on building a broader and deeper commitment to the Big Society. They see their work as playing a key role in this agenda, especially in promoting best practice and encouraging their contemporaries to do more.

We work locally, nationally, and internationally through a network of partners worldwide and have 28 years of experience of working with communities in greatest need. Through our experience, we have identified five core interventions that can be successfully replicated in new settings and taken to scale. These are:

- mobilising volunteers from employees, customers, and suppliers as well as encouraging fundraising and matched giving;
- maximising the positive impacts of products and services;
- inspiring, training, and employing local people;
- supporting local economies by purchasing locally; and

- partnering with community leaders, local organisations, and social enterprises for mutual benefit.

BITC's recent consultation with our members shows that these core interventions, already used by the corporate sector to support their local communities, are well-documented and there are many examples of the benefits each brings to both employers and communities. These include increased business engagement in local neighbourhoods; increased development of their employees skills and motivation through volunteering; increased diversity of employees; improvements in the social impacts of their products, services, and marketing; recruiting, investing, and procuring locally; better local business relationships; reduced operational costs; and ultimately, the creation of more sustainable communities.

To increase these activities, there is a need to enable the scaling-up of high quality brokerage. At BITC's recent AGM, the Prime Minister set a challenge for 1,000 new brokers, or 'business connectors', to be created over the coming three years in the areas of greatest need, connecting other businesses who want to act and have something to offer to civil society organisations with local need.

BITC is currently working on defining the connector's role, mapping where they might be introduced with greatest effect, how existing national activity might be up-scaled to support and activate this new generation of brokers and promote them as a high-profile, high value, highly skilled role within local areas, as the key to unlocking the "Big Society". Our members are already responding to the challenge set out by the Prime Minister. Sainsbury's has publicly committed to seconding 20 senior staff for two years, to be the pioneers undertaking the business connector role and we are in discussions with a number of other members about similar commitments.

In an era of unprecedented social, economic and environmental change, in which public trust in business has been shaken, we believe it is vital companies take steps to grow without compromising long-term business, environmental and social sustainability. Sustainability makes good business sense. Research conducted by Ipsos MORI revealed that those companies managing and measuring their corporate responsibility issues outperformed their FTSE 350 peers on Total Shareholder Return (TSR) in seven out of the eight years from 2002 to 2009. Furthermore, their TSR recovered more quickly in 2009 from the financial crisis. The business case is clear, therefore, for investors and shareholders, as well as the business and the consumers it serves.

## UBS

UBS has helped Hackney to become one of London's most improved boroughs through 27 years of local involvement. As Richard Hardie, Chair of UBS Ltd, explains, "We support local communities because as a business, we rely on the continuing health and wealth creation in those communities."

UBS's Community Affairs programme, focusing on education and regeneration, was launched in the 1980s to support a range of projects in Hackney, the UK's fourth most disadvantaged borough. The programme has since involved the East London Business Alliance (ELBA), Groundwork Hackney (now Groundwork London), and established the UK's first adult to pupil mentoring programme, Roots and Wings.

UBS has also worked collaboratively across Shoreditch in a regeneration partnership, "Project Shoreditch", with Deutsche Bank, Linklaters, ELBA and the Shoreditch Trust (now also including British Land and Hammerson), since 2005.

Corporate funding pays for a community broker who has enabled almost 7,000 employee volunteers to be placed with more than 200 community and voluntary organisations. UBS believes that the role of the broker is absolutely vital in creating the civil society, through the joining of business and their voluntary sector partners to the community.

Volunteers from UBS offer support through business planning, pro-bono legal advice, mentoring, training, web design, workplace visits, team challenges and fundraising. Over 50 per cent of volunteers from Project Shoreditch have been from UBS.

UBS was the first financial services organisation to sponsor an Academy. The Bridge Academy in Hackney is a leading example of a business / school partnership; UBS's ambition is to create an outstanding school at the centre of its local community. Working with The Bridge Academy, UBS uses the learning from its volunteering and educational partnerships gained through working in Hackney for over 27 years. Since 2003, over 1,300 volunteers have collaborated to support the school impacting positively on student attainment and self-development.

### Anglo American

Anglo American recognises that long-term success depends on taking into account the needs of all their stakeholders. As a global business, they are taking action on issues affecting its host communities around the world such as HIV/Aids, support for local enterprise, poverty and the other direct and indirect social impacts of their operations on local communities. Anglo American is one of the largest diversified mining companies in the world, with operations across 45 countries and exploration and prospecting activity in a further 25 countries. They have captured the benefits to communities of these activities, and can demonstrate how it is tracking progress against specific community benefit targets.

Anglo American's 'Good Citizenship' business principles guide the company's decisions and actions. It strives to make a lasting contribution to the well-being of communities while generating strong investor returns.

Employees are supported to engage in community activities across Anglo American's global activities through volunteering, fundraising and payroll giving. Additionally, Anglo American demonstrates its commitment to making positive community impacts by investing in their senior managers through its Advanced Social Management Programme. The programme is designed to equip senior managers whose roles have a significant potential to impact on host communities to identify and implement successful community development projects and also to be able to engage with host communities in a respectful manner.

In BITC's recent consultation, 77 per cent of Business in the Community's Business Leaders say they could do more to increase strategic support for communities across their business, while 80 per cent feel they could do more to engage other businesses to scale up their support. However, they also identified a number of obstacles that act as disincentives. Across the board, there was a consistent call to Government to work with businesses to help remove the red tape that holds companies back from doing more.

Our findings identified three main areas for action. The first area is about helping business increase the numbers of employee volunteers. Though our members at Business in the Community fully support the requirement for Criminal Record Bureau (CRB) checks, they believe it could be made easier for employees to volunteer by reducing the time and cost burden of these checks.

For example, BT has a long history of providing work experience for young people and this year has committed to provide 3,000 placements as part of BITC's Work Inspiration' campaign. The initiative is supported enthusiastically by many of its employees, who give their time to provide training, advice, chair discussion groups, and share experience of working life. BT encourage involvement from as many staff as possible, as they see it as an excellent way of enhancing personal skills and a sense of community, as well as investing in the future.

The programme is restricted, however, because the costs of obtaining enhanced CRB checks are prohibitive, both in terms of money and time. This means that the quality of the practical experience that work placements can provide is severely limited. Similarly one-to-one mentorships, which could really benefit the technical enthusiast or those with learning difficulties, are just not possible.

Another barrier to businesses increasing the number of employee volunteers is the difficulty in obtaining professional insurance cover for employees who donate their time and skills outside of the business. As, A. J. Cherry, Regional Senior Partner of Beachcroft LLP explains, "As a result of the financial risk faced by professionals who are employed by organisations outside of their profession if they provide pro bono support, there are countless opportunities being missed for voluntary and community groups to receive the support they so desperately need, but are unable to afford. By taking action to remove this barrier, a door will open that will enable an influx of support to become accessible to those most in need, and with it, a new way for business to make a greater contribution to society using the full breadth of talent within their organisation."

The second area is about obstacles to companies offering training and work experience to those who face social barriers to gaining and sustaining employment. This is the most profound contribution employers can make in a community. There is an opportunity for government to remove the disincentives to taking part-time or casual work placements, which currently exist for recipients of Job Seekers Allowance. Local government, in particular, can learn from programmes like Business Action on Homelessness. To date, over 2000 homeless people have gained employment through 23 locally tailored programmes across the UK and Ireland, with 150 companies providing work placements, job coaches, jobs and financial support. It is cost effective too; for every £1 invested by Government; BAOH leverages £3 of business support.

The third area is about barriers to business collaboration. We know from experience that no one individual organisation has all the answers, and it will be essential for businesses to work together to address the challenges ahead. Our members want to see changes to competition law to support co-operation for social change – rather than hinder it or hold it back.

As 2010 draws to a close we know that there is another difficult year ahead, with budgets under continued pressure and many voluntary organisations no longer able to depend on Government funding. In spite of this challenging environment, we strongly believe that business engagement can be increased to effect real change. Business has the capacity to innovate and create new ways of working within our local communities. To make this happen, we have asked the Government to help remove the obstacles mentioned above that prevent them from unleashing the creativity and enthusiasm that we know exists in British companies.