

# engaging business in the community – not a quick fix

By Geoffrey Bush, David Grayson and Amanda Jordan,  
with Jane Nelson

Editor and secretary to the group: Dr Amy Lunt



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## Preface

Wilf Stevenson, Director, Smith Institute

The Smith Institute is an independent think tank, which has been set up to undertake research and education in issues that flow from the changing relationship between social values and economic imperatives. In recent years the institute has centred its work on the policy implications arising from the interactions of equality, enterprise and equity.

Britain has a long and distinguished history of corporate philanthropy and business involvement in the community, dating back to the 19th-century pioneers such as Cadbury and Rowntree. Today British companies still lead the world in promoting corporate social responsibility and "corporate citizenship". That tradition of business investment and involvement in the community has brought with it enormous benefits and helped create a broad consensus that enterprise and fairness can be pursued together. Indeed, as the Prime Minister has commented, "businesses up and down the country are already demonstrating that they understand that corporate self-interest and corporate social responsibility – the good economy and the good society – advance together". This view is echoed by business leaders, who increasingly understand the risks and rewards that corporate responsibility brings, not least in the positive impact that their firms can have on local communities.

As this insightful review clearly demonstrates, business engagement with the community is no longer an afterthought. It has moved rapidly in recent years from the margins of company activity to the corporate mainstream. Indeed, there has been a noticeable increase in both boardroom and shareholder awareness and with it a variety of innovative new approaches to integrating corporate community involvement into business plans and structures. At the same time, local and central government and the "third sector" have been adapting their policies and programmes to help promote partnership working and support business involvement. As the authors of the report point out, the collaboration between government, business and community is an incredibly powerful force for change.

However, sustaining collaboration and getting the institutional, policy and regulatory architecture right in a more complex and sophisticated business environment is far from easy. There are important lessons to be learned from past experience, but, as this report shows, there is also a lot more that can be achieved by studying the suggestions, recommendations and commitments that have emerged since the 1990s. The way in which the authors have done this – by reviewing and highlighting key priorities for action

– provides a practical and immensely valuable contribution to extending the scope and quality of corporate community involvement.

The Smith Institute thanks Dr Amy Lunt for agreeing to edit the monograph, and gratefully acknowledges the support of Diageo plc towards this publication and the associated seminar.

## Foreword

Geoffrey Bush, David Grayson and Amanda Jordan

The idea for this report emerged on the steps of the British government's Treasury (Department of Finance) headquarters in September 2006. The three of us had just spoken at, and helped to chair, a government-convened conference on business-community links.

The conference itself was part of a much wider government review of its strategy for the third sector – voluntary, charitable and community organisations. All three of us had found the Treasury conference simultaneously stimulating and frustrating. Stimulating because of the wide acceptance that business, public and voluntary sectors could and should work together. Frustrating because it felt as if the day's discussions were all too familiar, and that there was little if any institutional memory or recognition – from government, business or third-sector participants – of the efforts in the previous two decades to increase the quality and extent of corporate community involvement (CCI).

There and then, we resolved *not* to be "grumpy old CCI practitioners"! Instead, we promised each other to collaborate on a very personal re-examination of a number of seminal reviews and commissions on CCI, starting with *Directions for the Nineties*, published in 1991 by Business in the Community, and finishing with the report of the private-sector advisory panel on neighbourhood renewal, commissioned in 2004 by the Office of the Deputy Prime Minister.

One or more of us has been heavily involved in each of the reports reviewed. We have all been practitioners in the field for nearly three decades and we have all worked with all three sectors. We are not, therefore, unbiased. We have a very strong bias – a bias for action, a bias for what works, and a passionate belief that, in the right circumstances, collaboration between government, business and community partners is an incredibly powerful force.

Equally, with almost a hundred years of combined experience, we are not naive about the weaknesses of each sector, and the practical difficulties of sustaining collaboration. We have no party-political axe to grind – in our time, between us, we have advised all the main parties. Like so many people involved in the subject of this pamphlet, we simply want to help and make a positive impact.

You will see reference in this pamphlet to not only CCI but also corporate social

responsibility (CSR) and corporate responsibility (CR). This is because the review covers a time of changing terminology and understanding of the wider role and responsibilities of companies in society. Today we recognise the difference between broader CSR (or CR), which touches all aspects of business behaviour, and the narrower aspect of business involvement in communities known commonly as CCI. However, many of the earlier reports referred to were written as that understanding developed. Rather than change them all, we are making clear at the outset that the main focus of this report is on community engagement or CCI.

### **Historical context**

Business has always been involved in the community. Household names like Rowntree, Cadbury, Lever and Marks & Spencer have corporate philanthropic traditions dating back more than a century. After the Second World War, as the state assumed more responsibilities and then as more family-owned businesses sold out to owners often far away, business involvement in the community declined. The major economic restructuring of the 1980s, the changed political climate in favour of a smaller state and the creation of organisations to champion corporate community involvement, such as the Action Resource Centre (in 1973) and Business in the Community<sup>1</sup> (in 1982), created a fresh impetus.

Inspired by American experience of business involvement in urban regeneration, education, and youth training schemes, much of the focus in the UK during the 1980s was on mobilising business for economic and social regeneration. Several thousand businesses became active in creating a national network of local enterprise agencies, groundwork trusts and education-business partnerships. Business in the Community and others talked of the “seven Ps” of corporate community involvement: people, product, premises, purchasing, promotion, power and pounds. The major corporate restructuring that almost every business experienced created a pool of older, experienced managers who were seconded by their firms to staff and often lead these new organisations.

The government supported these developments in various ways. The Prime Minister of the time, Margaret Thatcher, and her ministers made it very clear, both publicly and privately, that they supported corporate community involvement – and indeed expected it. As well as exhortation, there was practical encouragement in the form of matched funding from

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<sup>1</sup> For a history of Business in the Community see Grayson, D *Business-Led Corporate Responsibility Coalitions: Learning from the Example of Business in the Community in the UK - An Insider's Perspective* (Corporate Social Responsibility Initiative/Cranfield School of Management/Business in the Community, 2007).

At: [www.ksg.harvard.edu/m-rcbg/CSRI/publications/report\\_26\\_GraysonBus-LedCRCoalitions.pdf](http://www.ksg.harvard.edu/m-rcbg/CSRI/publications/report_26_GraysonBus-LedCRCoalitions.pdf)

government for a variety of priority themes for business involvement in the community, such as enterprise and job creation.

In 1987, for example, the Thatcher government agreed to match, pound for pound, private-sector funding of the new Prince's Youth Business Trust to help disadvantaged young people to start and grow their own businesses. The government also created specific organisations in which companies were invited to participate, such as the information technology centres to teach what were then emerging IT skills to the young unemployed. Inspired by the success of a number of voluntary initiatives, such as one-town partnerships, the government created new organisations to engage senior business leaders, including the training and enterprise councils.

By the early 1990s, it was possible to describe three waves of corporate community involvement, beginning with corporate philanthropy, evolving through more organised activity but still disconnected from the business, to a third wave in which businesses consciously strove for the win:win involvement that benefited both the community organisation or social cause *and* the business – for example, through improved employee morale and skills, or heightened brand recognition and corporate reputation.

Similarly, organisations in the voluntary and community sectors seem to have gone through three stages in their approach to engaging business: first, hostility to any involvement with business; then seeing themselves as supplicants for business largesse; and, third, recognising a "two-way street" in which they had things to offer business as well as receiving benefits from business.

Over the last two decades, the "architecture" for encouraging business involvement has become far more sophisticated and extensive.

Organisations like Common Purpose have given tens of thousands of managers from all three sectors the experience of working together to understand how local communities function, and how to acquire the skills to work "beyond authority" in cross-sectoral partnerships. Pro-Help mobilises teams from different types of professional firms to provide customised packages of pro bono help to community organisations. Arts & Business (formerly known as the Association of Business Sponsorship of the Arts) mobilises and brokers help in cash and kind for a wide range of arts organisations. The Media Trust has pioneered a range of innovative partnerships between community and voluntary organisations and the communications and media industries. The Community Action



Network – which has become an umbrella body for community entrepreneurs – has brokered volunteering and other help from business, including, most recently, from private equity firms. New intermediary organisations like New Capital Philanthropy have sprung up to help high-net-worth individuals who wish to bring to how they spend their money in the community the same entrepreneurial drive and innovation that they applied to make their money in the first place.

After 1997, the Labour government established a range of policy action teams bringing together business, voluntary and community organisations and the public sector to examine different aspects of social exclusion. In turn, this led government to establish a number of important institutions to develop the capacity of voluntary and community organisations, including to expand their ability to contract with the public sector, such as Future Builders and Capacity Builders. This has formed part of a wider “Compact” with the third sector,<sup>2</sup> with a Compact Commissioner and protocols for action.

At the same time, many well-established charities have sought to expand their relationships with business through cause-related marketing campaigns and creating more effective vehicles for employee involvement from business. The merger of the Action Resource Centre and Business in the Community in 1995 increased brokerage capacity around the country and helped to stimulate a substantial increase in the number of major companies with formal employee volunteering programmes.

There are now increasing pressures on all three sectors to improve their measurable impacts on social issues. There has consequently been considerable progress with initiatives such as the London Benchmarking Group. At the same time, some intractable themes remain: the social innovation brought about by dynamic business-community partnerships has not often enough translated into public policy innovation. Too often programmes have generated a rich evidence base that has not been put to use to drive a step change in overall business behaviour or influence government policy.

Some good initiatives have been piloted but not taken to scale or maintained, such as the establishment of business brokers to make it easier for smaller firms to get involved in the community. Some of the mechanisms created by government to involve business and community organisations together with the public sector have been too bureaucratic, such as the local strategic partnerships. On the ground, however, there are now many

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<sup>2</sup> The Compact is the agreement between government and the voluntary and community sector to improve their relationship for mutual advantage and community gain. See: [www.thecompact.org.uk/](http://www.thecompact.org.uk/)

more people with experience of working across sectors, whose enthusiasm and expertise can be tapped. The government's new Council for Social Action,<sup>3</sup> chaired by David Robinson from Community Links, could be one vehicle for doing this.

### **Assessment and priorities for action**

Recognising that learning from past initiatives is relevant for all three sectors and for many different parts of government, we offer this personal assessment.

First, there is no "quick fix". Long-term community issues need long-term strategies and sustained implementation. Most of the recommendations previously made are still relevant, and real progress has been made. The government therefore needs to keep up momentum, carefully prioritise tasks and new initiatives, and ensure effective co-ordination across government, government agencies and programmes.

Second, examples of some of the most successful and sustained business engagement, such as the Foyer Federation or the Business in the Community Silver Jubilee "Big Tick" Award winners,<sup>4</sup> suggest that business leaders respond best to helping to tackle specific tasks within an overall vision and priorities agreed between government, business and society as a whole.

Third, it takes time to build trust between the sectors. There are now many more men and women who have served over the years on a variety of cross-sectoral boards and partnerships. Some of these mechanisms have worked better than others, but there is a reservoir of experienced civic activists to be tapped in all three sectors.

Thus, we focus in the main report on three sets of priorities for action:

- expanding the enabling environment – leadership and co-ordination;
- sustainability of commitment; and
- effective partnerships and capacity building.

We set out to do a quick personal stock-take. This is not and was never intended to be a scientific assessment. We hope that by creating this reference-point and capturing institutional learning we will make it easier for others in the future to undertake more detailed and systematic evaluations.

3 See: [www.cabinetoffice.gov.uk/social\\_action/](http://www.cabinetoffice.gov.uk/social_action/)

4 See: [http://www.bitc.org.uk/what\\_we\\_do/awards\\_for\\_excellence/about\\_the\\_awards/silver\\_jubilee\\_big\\_tick.html](http://www.bitc.org.uk/what_we_do/awards_for_excellence/about_the_awards/silver_jubilee_big_tick.html)

## Report authors

### Geoffrey Bush

Geoffrey Bush was director of corporate citizenship at Diageo for 10 years until his retirement in April 2007. Before 1997 he was engaged in the same mission for eight years at Grand Metropolitan, during which time he played a pivotal role in the development of the company's approach to corporate responsibility. He continues to have a close association with Diageo as an adviser to the business, and as chairman of the trustees of the Diageo Foundation.

He is also chairman of London Benchmarking Group International, a director of Tomorrow's People Trust and an advisory board member of the World Economic Forum Global Corporate Citizenship Initiative.

### David Grayson

Professor David Grayson CBE is director of the Doughty Centre for Corporate Responsibility at Cranfield School of Management ([www.doughtycentre.info](http://www.doughtycentre.info)). He has been involved in public-private-community partnerships for almost 30 years, starting or leading a number of organisations. He was a co-founder and director of Project North East, and joint managing director of the Prince's Youth Business Trust and then of Business in the Community. He chaired the National Disability Council and the government task forces set up first to establish and then to oversee Business Links. He now chairs the social enterprise Housing 21, which provides sheltered housing and care for older people. He is a patron of the disability charity Scope.

### Amanda Jordan

Amanda Jordan OBE was the founding director of the SMART Company, which has now become the Corporate Citizenship Company, a leading corporate responsibility consultancy. Before setting up the company she was from 1991 to 1996 director of community investment at NatWest; she then took on a wider brief from 1996 to 2000, managing the corporate responsibility function for the group. She was also an adviser to the Social Exclusion Unit in the Cabinet Office on business and social responsibility issues from 1997 to 2000.

She began her career in the voluntary sector and is now chair of the National Literacy Trust and a trustee of the Baring Foundation, among other commitments. She also chairs the Internet Watch Foundation (the self-regulatory board for the internet) and is a member of the advisory board of the Smith Institute.

### Amy Lunt

Amy joined SMART from Islington Education Service, where she developed strategies for communications and organisation development. At SMART, Amy's focus is on review and evaluation of community and sponsorship programmes, as well as developing SMART's research activities. Amy has a PhD in Corporate Social Responsibility from the University of Bath Management School.

### Jane Nelson

Jane Nelson is a senior fellow at the Mossavar-Rahmani Center for Business & Government and director of the CSR Initiative at the Kennedy School of Government, Harvard University. She serves as the business leadership and strategy director at the International Business Leaders Forum and is a non-resident senior fellow of the Brookings Institution.

During 2001 she worked in the office of the UN Secretary-General, Kofi Annan, preparing a report for the UN General Assembly on co-operation between the UN and the private sector, which supported the first UN resolution on such co-operation. Prior to joining the International Business Leaders Forum, she was a vice-president at Citibank for the Asia Pacific.

## About the research

### Purpose

The purpose of this research is to consider how business engagement with the community can be best realised. Over the years there have been numerous reports and events focused on how business can and should engage with the community and what sort of policy framework might support these relationships. This review takes in some of the most prominent reports and investigations and considers what has been achieved and what still remains a priority. The overall aim is to capture something of the institutional memory of the past 15 years or more, so that past learning can be built upon and developed, and successes repeated rather than overlooked.

This review has been undertaken in the spirit of genuine inquiry rather than judgment or accusation. It has been about capturing learning and experiences with a view to consolidating what has gone before, and generating a set of clear priorities for the future. With this in mind, in addition to drawing on the experience of the core team, the review has sought to engage a range of leaders in the field, from business, government and the voluntary sector, particularly those who were involved in some of the previous inquiries under consideration.

To provide a wider context, this review also incorporates some reflections by Jane Nelson of the CSR Initiative at the Kennedy School of Government, Harvard University, on international experience – both in terms of what can be learned from activities beyond the UK, and what the role of the UK has been and could be in promoting business community engagement internationally (see Appendix II).

### Methodology

The review considers a number of key reports and inquiries dating back to the 1990s, particularly those that have provided suggestions, recommendations and commitments on how business can work together with the voluntary and community sector, and how government can play a role in facilitating those relationships. The review authors have all had some involvement with these reports, which are:

- *Directions for the Nineties* (Business in The Community, 1991)
- *The Two Way Street*, report of the working party Taskforce 2002, chaired by David Grayson (National Council for Voluntary Organisations/Business in the Community, 1998)

- Committee of Inquiry into a New Vision for Business's summary and community reports (1997-99)
- *Business & Society* reports (Department of Trade & Industry, 2001/2002/2004)
- Report of the Department of Trade & Industry international CSR and social reporting working group, commissioned by CSR minister Douglas Alexander and chaired by Geoffrey Bush (2001)
- *Surer Funding*, report of the Commission of Inquiry (Association of Chief Executives of Voluntary Organisations, 2004)
- *Private Sector Advisory Panel on Neighbourhood Renewal: Report & Government Response* (Office of the Deputy Prime Minister, 2004)

From each of these reports, the key recommendations and commitments have been extracted and subjected to a process of iterative debate and review. Consideration has been given to whether a recommendation is still relevant today, and, if so, its priority, and how much progress has been made on fulfilling the recommendation or commitment.

### Key themes

The review identified 105 recommendations and commitments contained within the reports. To best capture the nature of the recommendations and commitments, they were split between those relevant to government and those relevant to business. It was clear that, over the course of these different reports being published, the same views recurred and commitments were frequently repeated. It is therefore possible to group the recommendations and commitments into a set of six themes that reflect the main focus areas of discussion from the past 15 years.

The six themes are:

- *Leadership* – how government can promote better relations between business and the voluntary sector, and how companies can take the lead in encouraging peers to engage with their communities.
- *Capacity building and facilitation* – how government particularly can act as a convenor, facilitator and enabler to improve partnership working; how companies can work together to bring about change.
- *Information sharing and best practice* – how government can support and promote the sharing of information and best practice; how companies can work together to share learning and experiences.
- *Management approaches to community investment* – how government can stimulate

corporate community investment and best practice in a co-ordinated and consistent manner across its departments and agencies; how business can manage relationships with voluntary and community partners, structure programmes, clarify objectives, communicate results and, above all, make links between community investment programmes and business focus.

- *Regulation, legislation and fiscal measures* – how government can provide structures and incentives to improve and promote relationships between business and the voluntary sector.
- *Measurement and reporting* – how government can provide leadership and advice on measuring and reporting impact; how companies can develop methodologies for assessing the outputs and inputs of their investments and share the results.

A full discussion of the themes and what has been achieved is provided in Appendix I.

# Reflections on the findings



## Reflections on the findings

### Introduction

It was particularly striking to note that almost all of the recommendations and commitments contained within the reports still remain relevant to today's debate on the engagement of business in society. As the main purpose of this review is to build on past learning rather than reinvent the wheel, it seems appropriate that the main discussion should focus on priorities for future action.

The priorities identified below have emerged from the process of discussion and iterative review, including lessons from international experience. They have also been reflected in previous collections of partnership "dos and don'ts" and "golden rules", some examples of which are included in Appendix III.

### Priorities for action

#### An "enabling environment" – leadership and co-ordination

Government has great power as a convener, and can promote and facilitate cross-sector dialogue. Business leaders can use influence and networks to demonstrate and promote the value of cross-sector working. In all cases, consistency in decision making is needed – otherwise there is a danger of "initiative-itis" and reinvention. It is therefore recommended that:

1. Government should further develop its role in creating an "enabling environment". International best practice is summarised in Appendix III, namely: establishing rules, building relationships, mobilising resources and giving recognition. Examples of successful leadership from the UK and around the world include prime ministerial-led initiatives and task forces, government departmental initiatives and jointly governed structures (see also recommendations 44 and 45).
2. Government should learn from the tested and proven strategic and cross-departmental approach of the CEO-led corporate responsibility committee used by many leading companies and the evidence that the most effective groups and task forces tend to be chaired by credible leaders with authority, but with clear delegation of day-to-day accountability to deliver results. Such a government interdepartmental model, led by a very senior champion, would help to co-ordinate government's approach across different departments and agencies (see recommendation 9) and should lead to a more well-honed "ask" of business.

3. There should be champions within government to lead on engagement between government, business and the voluntary sector, to tackle specific tasks (see “dos and don’ts” in Appendix III). This role should co-ordinate with the CR minister but should be focused on enabling social change through engaging more businesses in the community (see recommendations 40, 91, 97 and 102).
4. When AccountAbility published *The State of Responsible Competitiveness 2007*,<sup>5</sup> which concluded that relevant measures of competitiveness and business development show a close correlation between countries’ responsible competitiveness and their economic strength, the UK was ranked in the top six countries; the UK government should therefore continue to promote the concept and practice of corporate community involvement abroad. This includes examples such as the seven successful models set out in Appendix II.
5. Community engagement should be an accepted part of the role and responsibilities of business and public-sector leaders, and this should be emphasised and reflected at all stages of career development and management education for people working in all sectors (see recommendation 1).

### Sustainability of commitment

As reflected by the list of over 100 recommendations made in previous reports, the issues of business engagement in the community and the role of government in stimulating best practice have been the subject of many initiatives, inquiries and reports. The outcomes of many of these have not been sustained, and as a result past exercises are repeated. Whilst successful partnerships need to seek out continuous improvement and have the flexibility to adapt to change, there is a need to avoid reinventing the wheel. Learning from past experience, building on this and adapting accordingly is key. It is therefore recommended that:

1. The UK government should actively encourage all intermediary business organisations, regional development agencies and public-sector employers (particularly in local government, the NHS and higher and further education) to support the implementation of the enabling environment principles outlined above, and work with those organisations in promoting best practice and in reporting regularly on progress (see recommendations 59 and 36). With an increasingly devolved structure, this area

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<sup>5</sup> AccountAbility *The State of Responsible Competitiveness 2007: Making Sustainable Development Count in Global Markets* (July 2007)

is a priority and might benefit from a new commission or forum looking at what a responsible government agency would look like, on the basis that government should practise what it preaches.

2. The government should continue to engage a wider range of businesses in community engagement, especially smaller businesses (SMEs). This includes supporting work that provides guidance and best-practice help tailored to the needs of SMEs (see recommendations 71 and 87).
3. The government should apply practical experience from mainstream business basics and tri-sector social investments in the development of public policy (see recommendation 27).
4. Where new initiatives are introduced, these should be built on a clear framework of mutual objectives, milestones, evaluation and reporting.
5. Pilot studies should be used to test new ideas and approaches and be fully evaluated to judge whether these approaches should be further developed (see recommendations 47 and 81).
6. The government should commission a research exercise on best practice in business community engagement, which would include gathering together case studies and building an accessible resource of existing materials – perhaps as an e-library (see recommendation 47).
7. Previous initiatives should be evaluated and their lessons shared and built upon, particularly the outcome of changes in reporting requirements following the company law review, and the impact of the G3 iteration of the Global Reporting Initiative.

#### Effective partnerships and capacity building

Effective partnerships must be based on a clear understanding of each other's purpose and objects. This understanding can be developed both through formal teaching and learning and through opportunities for people from business, government and community spheres to experience life in each other's sectors. It is therefore recommended that:

1. The Treasury and Home Office, having endorsed the Surer Funding framework, should continue to take steps to ensure that all public bodies implement the principles in

contracting (see recommendations 88, 91, 92 and 93).

2. Theory and practice of corporate responsibility and business community engagement as one integral part of responsible business practice should be fully integrated into the teaching of business and management at all levels (for instance A-level, degree and MBA) and into other relevant learning opportunities, for example through the National School of Government. These would be early "customers" for the proposed e-library – above – of successful practices and case studies (see recommendation 11).
3. More opportunities should be provided for three-way secondments between civil servants, the voluntary sector and business, so that people from all sectors have the opportunity to learn more about how to start and operate cross-sector community partnerships and learning opportunities like Common Purpose (see recommendations 3, 11, 22, 31 and 48).

### **Lessons from international experience – priorities**

International experiences (both lessons in CCI from other countries and the leadership role of the UK promoting CCI in other countries) suggest four areas of future engagement with international partners that the UK government and British business leaders may wish to consider:

1. There is now an active network composed of the heads of leading CR organisations around the world that meets on an annual basis to share lessons and emerging trends in CCI and CR, members of which are listed in Appendix II. To date, there has been relatively little formal – and no systematic – engagement with government initiatives or departments from the same participating countries. The UK could consider hosting a meeting of such public-sector leaders from eight to 10 key countries, along with their CCI and CR organisation counterparts to explore different modes and mechanisms through which governments are creating an enabling environment for CCI and CR within their own countries.
2. Likewise, a growing number of bilateral development agencies in donor governments have established formal mechanisms or departments to work more proactively and systematically with the private sector to support CCI initiatives in developing and transition countries. The International Business Leaders Forum has convened these agencies on several occasions in partnership with the British and Swedish governments and with the UN. There may be a role for the UK government to support a more

regular process of engagement between these development agencies and business leadership groups to increase international implementation of CCI policies and practices.

3. In a number of countries – most notably the USA, the Philippines, Brazil and to a certain extent South Africa – large private foundations have played an important convening, funding and facilitating role in researching and sharing lessons from CCI, and more recently social enterprise. As the number of such foundations looks set to increase in the UK, there is potential to draw on lessons from both well-established private foundations, such as the Ford, Rockefeller, Liberty and Ayala, and new foundations, such as the Skoll, Gates, Ibrahim and Maktoum, on how they are supporting the growth of both CCI and links between large companies and social enterprises in their own countries and internationally.
4. As Brazil, Russia, India, Mexico and China and their corporations start to play an increasingly important and influential role internationally, there are opportunities for those involved with existing CCI and CR business coalitions and government initiatives to share their experiences and lessons with their counterparts in these countries – and vice versa. This could play a valuable role in promoting good CCI practices (and of course responsible business standards more broadly), in both mature and emerging economies.

## Appendix I

# Main findings – assessment of progress against prior recommendations

## Appendix I: Main findings – assessment of progress against prior recommendations

### Introduction

The full list of the recommendations and commitments extracted from the report are provided in Appendix IV, along with detailed commentary on how much progress appears to have been made. Each recommendation and commitment is numbered; the table below indicates the recommendations and commitments for government and business which fall under each theme. Some recommendations fall under more than one theme.

**Figure 1: Distribution of recommendations**

Theme	Recommendation/commitment number	
	Government	Business and/or voluntary sector
Leadership	5, 6, 7, 8, 10, 11, 36, 37, 39, 40, 42, 44, 45, 46, 47, 50, 51, 56, 58, 59, 61, 62, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 76, 77, 80, 86, 87, 104	2, 3, 13, 15, 16, 17, 19, 30, 31, 32, 55
Capacity building and facilitation	5, 6, 9, 41, 56, 58, 64, 73, 77, 80, 87, 99, 102	17, 26
Information sharing and best practice	38, 47, 48, 57, 70, 79, 82, 83, 84, 86, 88, 91, 93	2, 3, 18, 19, 24, 55, 94, 95, 96, 105
Management approaches to community investment	97, 98, 100, 101, 103	1, 4, 12
Regulation, legislation and fiscal measures	65, 66, 67, 68, 69, 75, 81, 89	
Measurement and reporting	35, 43, 63, 75, 78, 85, 90, 92	14, 21, 29, 53, 54

As the table shows, most of the recommendations contained within the reports under review have been responses to government, and the majority of the main findings focus on the role that government can play in leading debate and action to improve business engagement with the community. There are suggestions for business too, particularly in terms of leadership, information sharing and measuring impacts. The following sections

take each of the themes in turn and reflect on the present status of government and business action.

## **Theme 1: leadership**

### **Government**

References to the role of government in providing leadership in promoting better relations between the business and voluntary sectors were the most commonly occurring of all the themes.

The political context has of course changed quite significantly since the first of the reviewed reports were published, and the development of the wider corporate responsibility agenda has perhaps exceeded expectations. This means that our perceptions of what should be government's role in leading the agenda are somewhat different from those of 15 years ago.

The early stages of the present government were characterised by a strong commitment to CR and business engagement with the community. A number of initiatives and actions were introduced that emphasised the importance of CR, including the appointment of a minister for CR, and the publication by the DTI of the *Business & Society* reports, which provided updates on government's CR actions. A number of different departments are still very much involved in different aspects of CR; however, progress has not been consistently sustained and early initiatives have not always been fully capitalised upon.

### **Business**

Business has certainly taken a prominent role in promoting the wider corporate responsibility agenda. Despite a lack of significant regulation, a number of factors have combined to result in a huge growth both in CR programmes and in the reporting of them.

In terms of leadership in CCI, it is always possible to think of good case study examples from business, but not so easy to grasp the overall picture of progress. Often examples of leading practice seem to be limited to the same group of companies.

The growth of the CR agenda means that over the last few years CCI has become just one element of a much wider CR programme. There is now a greater focus on considering core business impacts and on trying to embed CR into normal business practice. CCI has been somewhat marginalised in this and there are still only a few examples of really well-integrated, strategic community investment programmes. CCI seems to have become



more focused on employee involvement, and is often predominantly utilised as an opportunity for employee morale boosting and team building.

## **Theme 2: capacity building and facilitation**

### **Government**

There has been a significant amount of investment in capacity building in the third sector. This has helped voluntary and community organisations to become better able to access funding and seek alternative sources apart from business investment.

There have also been efforts to build capacity and facilitate links between partners in the small-business sector. While there have been a number of projects and initiatives focused on supporting SMEs in developing CR and CCI programmes, this focus has been small-scale and has not been consistently sustained.

### **Business**

Some businesses have done well in supporting the voluntary sector's own drive to develop a more professional approach, helping organisations to clarify issues and objectives. In turn this has provided organisations with a greater ability to source and successfully apply for funding from different sources. There does, however, need to be a sustained effort across all business sectors to maintain and build on this progress.

## **Theme 3: information sharing and best practice**

### **Government**

The government has supported a number of initiatives to share information and best practice, including the CSR Academy and the new Community Mark. It has worked with networks such as Business in the Community and the Corporate Responsibility Group to capitalise on existing expertise and to avoid replication. Government has also worked directly with business, focusing on issues such as responsible drinking and healthy eating. Despite these efforts it can be difficult to find up-to-date information and case studies about government initiatives and best practice on the government's own websites, such as [csr.gov.uk](http://csr.gov.uk).

### **Business**

There are a number of well-supported networks and initiatives that enable companies to share learning and promote best practice, such as the Corporate Responsibility Group, Business in the Community and the London Benchmarking Group. Participation, however, seems limited to the same group of companies – the “usual suspects”.

Some companies have taken steps to use their own networks for promoting and supporting responsible business practice, particularly in areas such as human rights and the environment. Increasingly the selection of partners and suppliers takes into account these criteria.

#### **Theme 4: management approaches to community investment**

##### **Government**

This is not an area where government has sought to have input, and there are no recommendations falling into this category that government *should* have such input.

##### **Business**

The management and reporting of CCI has improved in many ways. Initiatives like the London Benchmarking Group and Business in the Community's new Community Index have helped companies to focus on the aims and objectives of CCI programmes, and to measure and report on both inputs and outputs. With the growth in reporting, companies do tend to be clearer about what they support, why and how.

CR as a whole has become more strategic and better integrated into business practice, with a greater focus on material impacts. This strategic approach has not always extended to CCI, however, and there appear still to be many programmes that lack any real connection with business strategy as a whole.

While there is much reporting on "community", often the community in question has not been clearly defined. Companies not only interact with the physical communities around their sites, but also have any number of "communities of interest" with whom building relationships and partnerships is important. Companies' community investment strategies and performance could be better understood if there were more clarity on who their communities are and how those relationships are managed.

#### **Theme 5: regulation, legislation and fiscal measures**

##### **Government**

There is little appetite for increased regulation, and the growth in reporting and measurement of CR as a whole suggests that a light touch works. One achievement of the government might be considered to be its response to the EU green and white papers on CR, which helped to prevent the introduction of a more regulated framework that might have been out of step with the development of international standards.

In terms of fiscal measures, some attempts have been made to introduce financial incentives for business engagement with the community, but so far these have been undersubscribed and it seems unlikely that they will become widespread in the future.

## **Theme 6: measurement and reporting**

### **Government**

The government introduced some early initiatives to consult on measurement and reporting and to provide clearer guidance, such as the company law review, the promotion of social labelling, and the operating and financial review. Following these early indications, the government has not taken any significant regulatory steps to increase and improve measurement and reporting. It has supported voluntary frameworks and awards for recognising and disseminating best practice.

### **Business**

Business-led reporting has increased dramatically, with all FTSE 100 companies and the majority of FTSE 250s reporting on their social and environmental responsibilities. There has also been good progress on benchmarking and input measurement through initiatives such as the CR Index, the Community Index and the London Benchmarking Group. There has been good progress too on shared frameworks and indicators such as the Global Reporting Initiative G3 and FTSE4Good.

Measuring impact still remains a challenge, and few companies have taken steps to introduce comprehensive evaluations of CCI programmes that look at long-term impacts as well as inputs and outputs. There is some debate about how appropriate full impact measurement is for the majority of CCI programmes, with partners finding that input and output measurements are adequate for their needs in many cases.

## Appendix II

# Lessons from international experience

This review of the international perspective is provided by Jane Nelson, Director of the CSR Initiative at the Kennedy School of Government, Harvard University, and Director of Business Leadership and Strategy at the International Business Leaders Forum.

## **Appendix II: Lessons from international experience**

### **Introduction**

The UK has long been recognised as an innovator in the field of corporate community investment, in terms both of the leadership role played by British companies and business leadership coalitions, such as Business in the Community and the Corporate Responsibility Group, and of the enabling role of the British government within the UK itself.

At the same time, a number of other business communities and governments around the world have played a leadership role in furthering the policy and practice of CCI – most notably the USA, other parts of the EU, Australia, Canada, South Africa, Brazil, the Philippines and India – and lessons from some of these experiences have served to inform and strengthen CCI in the UK.

Equally, British-based companies and business leadership coalitions, such as the International Business Leaders Forum, have played an important role, sometimes in partnership with the UK government, in spreading the policy and practice of CCI internationally, especially in developing countries and economies in transition.

Building on and strengthening these different modes of international interaction and two-way learning offers great potential for the future of CCI and for increased co-operation between business and government, both within the UK and globally.

The following section briefly reviews some of the experiences from around the world through the two lenses of, first, CCI lessons from abroad, and, second, the UK's role in promoting CCI abroad, before making four recommendations for future engagement between the UK government, the British business community and international partners in this area.

### **CCI lessons from abroad**

Despite obvious differences in cultural and political contexts and in the degree of social contract between the public and private sectors in other countries, the evolution of CCI and its relationship to the broader emergence of corporate responsibility has followed a similar path to the UK, with some common lessons and shared opportunities for the future.

## Leadership

Governments and political leaders have played a role in promoting CCI and business-community partnerships, usually through one or more of the following mechanisms:

- *Presidential or prime ministerial-led initiatives and task forces* – These include the White House summit on corporate citizenship convened in 1995 by President Bill Clinton, which led to a number of on-going CCI and CR coalitions; America's Promise, which was co-sponsored by present and former presidents to engage business and non-profit organisations in supporting youth projects; and more recent initiatives such as President Bush's business-led South Asia Earthquake Relief Fund, to increase business partnerships for disaster response. Prime Minister Howard established the Prime Minister's Community Business Partnership in Australia after convening a meeting of business and voluntary-sector leaders. President Mandela called for and launched the establishment of the successful National Business Initiative, Business Against Crime, and Business Trust schemes in South Africa, and President Lula established several formal processes for engaging Brazilian companies in community projects, most notably in the national campaign against hunger.
- *Government departmental initiatives* – In Denmark during the mid 1990s the Department of Labour was responsible for establishing the Copenhagen Centre, which promotes research and implementation of CR-related activities, especially in the employment area, and is now jointly funded by business and government. In the USA, a 2005 study by the US Government Accountability Office identified 12 US agencies and over 50 federal programmes, policies and activities that either endorse, facilitate, partner or mandate CR-type activities among American companies. The bilateral development agencies in Sweden, Norway, France, Germany, the Netherlands and the USA have all established different types of mechanisms and funds for supporting partnerships between business and voluntary organisations on international development projects. Within the EU, the Directorate-General for Employment, Social Affairs & Equal Opportunities has played a key role in convening EU-based CR and CCI initiatives, and in particular helping to raise awareness of the CR agenda and different CR management tools within the EU itself, among small enterprises, and increasingly among new EU member states and candidate countries.
- *Jointly governed structures* – The establishment of CCI or CR initiatives that are jointly governed by top government officials and business leaders is much more rare, but worth further analysis. Probably the best current example is South Africa's Business

Trust. Established in 1999 to combat poverty, build capacity and support priority growth areas, although funded by the private sector, the trust has a board that consists of both Cabinet ministers and business leaders. A recent evaluation of the trust's first five years of operation highlights this structure as being a challenging but crucial success factor. Although still at an early stage, the new Indian Health Foundation has a similar approach. In both cases, the encouragement of CCI is a key component.

In terms of business leadership, there are a variety of national and thematic business-led programmes in these countries focused on implementing a variety of CCI practices. Some of the more prominent and established ones are listed at the end of this chapter and have gone through similar transitions and challenges to those cited in the UK.

### Capacity building and facilitation

There does not appear to have been as much government funding and support for capacity building in the voluntary sector and around CCI issues in other countries as in the UK. In the USA in particular, such activities have normally been undertaken by private foundations and, to a certain extent, universities; likewise in South Africa, India and the Philippines. Elsewhere in Europe, not surprisingly, governments have started to play more of a role as the voluntary and private sectors have increasingly become more important in meeting community development needs. Two notable examples are the EU's project on accelerating CR practices in the new EU member states and candidate countries (run in partnership with the UN, the UK, Spain and Germany) and its capacity-building projects on CR for small and medium-sized enterprises.

Two of the most interesting American initiatives on capacity building for CCI and CR which offer useful lessons for the UK are the Ford Foundation's eight-year Corporate Involvement (CI) programme and the work of the 22-year-old Boston College Center for Corporate Citizenship.

Ford's CI programme was arguably one of the most concerted and sustained efforts in the world, focused on leveraging private-sector expertise and resources to expand income and assets for low-income individuals and communities through a variety of both for-profit and non-profit mechanisms and interventions. Over a period of eight years the foundation gave about \$45 million in grants to some 50 business leadership networks, community organisations, think tanks, universities and non-profit organisations with economic development expertise. It undertook comprehensive capacity-building, information-

sharing and learning activities between these organisations, researched and evaluated both their individual and collective impacts, and produced a range of recommendations on both the role of markets and market-led approaches to CCI and the role of public policy. Although the programme is now completed, there are still opportunities to share these lessons and convene some of the US participants with their counterparts in the UK, particularly in the areas of financial services, workforce development and community enterprise development.

Established in 1985 as the Center for Corporate Community Relations, Boston College has been a pioneer in building skills and capacity for better CCI practices. Its remit has now broadened to cover global corporate citizenship more generally, and the centre has developed a seven-part competency model for community involvement, which is of relevance to CCI in the UK and elsewhere. The seven competencies are: strategy, issues management, relationship management, communications management, programme management, performance management and change management.

#### **Information sharing and best practice**

As with capacity building, apart from the valuable efforts of the EU Directorate-General for Employment, Social Affairs & Equal Opportunities, governments in other countries have been less proactive in supporting the sharing of information and best practice in the area of CCI than have private foundations, CR networks and companies themselves.

Sharing information and best practice across countries, both within the EU and more broadly, is an area that offers great potential, and experiences to date point to the value of such processes. In 2000 and 2003, for example, the UK's Department of Trade & Industry was one of the co-convenors – alongside the Boston College Center for Corporate Citizenship, the Smith Institute and the Corporate Responsibility Group – of two transatlantic summits on corporate citizenship between CCI practitioners and researchers in the USA and the UK.

The first was held in Downing Street, where one of the US delegation reported afterwards: "In the UK, government is a primary player in stimulating the involvement of business in community and social issues ... in the US, government's CR role is secondary to non-existent." The second, hosted in Boston, focused more specifically on the enabling role of government in CCI, and how this could be advanced in the USA, drawing on British lessons.



The British government has also provided support in various ways to a series of exchanges and study visits organised by the International Business Leaders Forum and others between CCI practitioners and business leaders in the UK and countries such as Russia, India, South Africa, Brazil and Egypt.

### **Management approaches to community investment**

Although few governments appear to have taken an active lead on promoting or requiring specific management tools and approaches to CCI, the European Commission's programme on corporate responsibility has played a useful role in mapping and sharing information on key management tools and instruments in areas such as reporting, management standards, codes of conduct, labelling and socially responsible investment.

### **Regulation, legislation and fiscal measures**

As with the UK, there are relatively few examples of governments undertaking regulatory action to require greater community investment by companies – with some notable exceptions such as the US Community Reinvestment Act aimed at banks, and recent public procurement requirements and industry charters established by the South African government. There are, however, examples of tax incentives and other fiscal measures, especially in the USA and Canada, to encourage corporate philanthropy.

### **Measurement and reporting**

Several of the Scandinavian governments and the French, South African and Australian governments have introduced varying degrees of public disclosure requirements on companies relating to their CR performance. This is still an undeveloped area, however, and as with the UK, most government efforts have focused more on supporting award programmes and voluntary reporting efforts such as the Global Reporting Initiative.

Business networks and intermediary organisations in a number of countries have developed similar ranking and benchmarking initiatives to those in the UK. These include the US Council to Encourage Corporate Philanthropy, Israel's MAALA Index for Social Responsibility (which is modelled on a similar index created by the UK's Business in the Community), and the Johannesburg Stock Exchange's Sustainability Index.

### **The UK's role in promoting CCI abroad**

Both the UK government and the British business community have played an active role over the past couple of decades in promoting the concept and the practice of CCI in other parts of the world, especially in developing countries and economies in transition. From

the government's perspective this has been achieved using a variety of models, which include the following:

- support for UK-based business leadership coalitions working in these countries, such as the International Business Leaders Forum and Business Action for Africa;
- convening of voluntary initiatives to develop business standards and share good practices in areas such as human rights, revenue transparency and anti-corruption;
- establishment of various types of development "challenge funds" to encourage co-investment by British companies in projects to support small enterprise development and poverty alleviation in developing countries;
- integration of CR and CCI-related standards into export credit agencies and public project financing requirements;
- funding of British-based development non-governmental organisations that are explicitly working in partnership with the private sector to achieve the millennium development goals, such as WaterAid, Oxfam and Care UK;
- support for UN agencies and UN initiatives that are focused on working with the private sector to alleviate poverty and encourage community investment, such as the UN Global Compact, Unicef and the UN Development Programme's Unleashing Entrepreneurship initiative; and
- engagement in global public-private partnerships such as the Global Alliance for Immunization & Vaccines, the Global Fund to Fight AIDS, TB & Malaria, and the Global Alliance for Improved Nutrition, many of which have a community investment component to their activities.

There is enormous opportunity to draw on the lessons of almost 20 years of experience in the areas of CCI and, more recently, CR in the UK, and to share these more broadly with governments and companies in key emerging markets through a variety of information-sharing, capacity-building, joint funding and project implementation activities. As always, the challenge is to engage more companies, beyond the usual suspects that are already leaders on these issues within the UK and internationally.

### **CR and CCI organisations and think tanks in the Global Leadership Network**

- AccountAbility – The Institute of Social & Ethical Accountability
- African Institute of Corporate Citizenship
- Aspen Institute's Business in Society programme
- Business for Social Responsibility
- Business in the Community

- Business Trust, South Africa
- Canadian Business for Social Responsibility
- Center for Corporate Citizenship at Boston College
- Ceres
- Council to Promote Corporate Philanthropy
- Conference Board
- CSR Europe
- CSR Initiative, Harvard University
- Dubai Ethics Resource Centre
- India Centre for Social Markets
- Instituto Ethos, Brazil
- International Business Leaders Forum
- Forum EMPRESSA
- Global Reporting Initiative
- Guangcai Programme, Chinese Enterprise Federation
- MAALA – Business for Social Responsibility, Israel
- National Business Initiative, South Africa
- Observatoire sur la Responsabilité Sociétale des Entreprises
- Philippines Business for Social Progress
- St Petersburg Centre for Business Ethics
- SustainAbility
- Tata Council for Community Initiatives, India
- Thai Business Initiative for Rural Development
- UN Global Compact
- World Business Council for Sustainable Development
- World Economic Forum

## Appendix III

# Key “dos and don’ts” on business engagement with the community

## **Appendix III: Key “dos and don’ts” on business engagement with the community**

This appendix collects together some of the key “dos and don’ts” for government on business engagement with the community.

### **CCI Workshop output part of third sector review, HMRC September 2006**

#### **Don’t**

- dump responsibilities on the third sector;
- do things at the last minute;
- legislate beyond minimum standards;
- complicate – for instance, through language;
- get involved unless you can add value;
- be seen to manipulate business; or
- assume that business and especially SMEs are inactive.

#### **Do**

- empathise/lead by example;
- set priorities (national goals);
- make funding long-term and consistent;
- encourage good partnerships;
- think and plan for cross-sector implications ... “joined up”;
- recognise what business already does;
- encourage through incentives;
- evaluate previous schemes (for instance, community investment tax credits); and
- map who does what – national, regional and local (for instance learning and skills councils, regional development agencies).

But overall – hands off! Let business get on with it.

## Creating the enabling environment: to promote global corporate citizenship

Jane Nelson, International Business Leaders Forum, 1997

### Establishing "RULES":

- *Command and control regulations* – legally binding laws and regulatory frameworks for enforcing responsible business practices at the local, national and international level.
- *Market mechanisms* – economic instruments that reward and create incentives for responsible practices and penalise bad practices; for instance, taxes, grants, subsidies, fines, fees, social and eco-labelling schemes, stock market listing criteria and indices, government procurement, tendering and export credit schemes, environmental trading permits and enterprise zones.
- *Self-regulatory/voluntary approaches* – mechanisms and negotiated agreements that enable voluntary action on good corporate citizenship, such as guidelines and codes of conduct (developed by industry itself or by government and civil society actors), with parallel systems for measuring, monitoring, certifying and labelling their implementation at both national and international levels.
- *Citizen action* – activities that pressurise companies to improve their behaviour in specific issues, locations or industries, by using tactics ranging from confrontation (demonstrations, consumer boycotts, shareholder resolutions and media campaigns, which attack a company's reputation, if not its bottom line) to systematic consultation and collaboration.

### Building RELATIONSHIPS:

- *Public policy consultation mechanisms* – government appointed commissions, task forces, councils and advisory initiatives focused on addressing socioeconomic or environmental policy issues, operating especially at the national and international level.
- *Business-led coalitions* – organisations that are predominantly led and funded by business, ranging from traditional business associations such as chambers of commerce, which have begun to tackle broader societal issues, to a growing number of new types of business coalition established with the express purpose of pursuing social and/or environmental objectives.
- *Stakeholder-corporate accountability structures* – relationship intermediaries focused on increasing dialogue and accountability between business and its stakeholders. Usually focused on a particular issue, industry sector or stakeholder group.
- *Corporate programmes of international agencies* – specific programmes targeted at bringing the business sector into partnership with the UN system and other multilateral and bilateral governmental bodies, to tackle key development challenges.

- *Civic partnership organisations* – formal, often legally constituted entities established with clear cross-sector objectives, inputs and representation from business, government and civil society. Usually operating at a local level, but occasionally within national or international frameworks.
- *Informal networks* – usually more fluid and often internet based, aimed at sharing information and experiences and mobilising collective action around specific corporate citizenship or development issues, operating locally, nationally and, increasingly, globally.

#### Mobilising RESOURCES:

- *Financial resources* – innovative funding and investment vehicles such as social funds, debt swaps, public-private financing facilities, ethical investment funds and social indexed funds, cause-related or social marketing, matched-giving schemes, venture philanthropy, challenge funds, micro-finance intermediaries, community banks and community or eco-venture capital.
- *Skills and managerial resources* – first, programmes to mobilise existing corporate skills to support development objectives, such as volunteer initiatives, and second, programmes to build future managerial and organisational skills for cross-sector partnerships and corporate citizenship, both within the business sector and between business and other sectors. Examples of the latter include university courses, executive management programmes, research initiatives, study visits and exchange projects.
- *Information and advisory services* – initiatives to provide companies and their stakeholders with information and advice to promote better practices in corporate citizenship, ranging from internet-based services to the role of non-profit think tanks, campaigners and commercial consultants.

#### Giving RECOGNITION

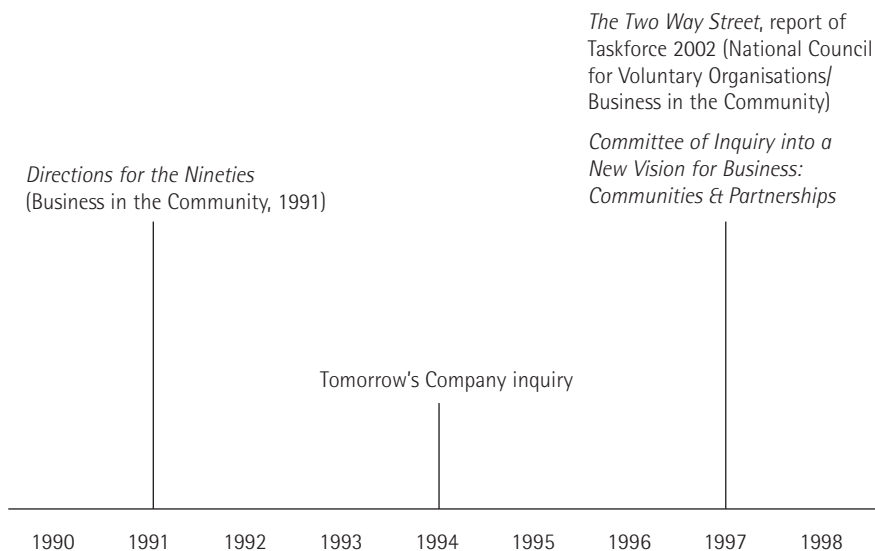
- *Award programmes* – usually national or sectoral in scope, which may be championed by individual leaders in society, non-governmental organisations, the media or companies themselves.
- *League tables and reputation surveys* – which rank the economic, social and/or environmental performance of companies relative to their peer group in selected geographies or industry sectors.

## Appendix IV

# Summary of recommendations and commitments, 1990–2007



## Appendix IV: Summary of recommendations and commitments, 1990-2007



*A New Commitment to Neighbourhood Renewal –  
National Strategy Action Plan* (Cabinet Office)

Report of the International CSR and Social Reporting  
Working Group (DTI)

*Business & Society – Developing Corporate  
Social Responsibility in the UK* (DTI)

*Corporate Social Responsibility –  
A Government Update* (DTI)

*Surer Funding* (Association of Chief Executives  
of Voluntary Organisations)

*Private Sector Advisory Panel on Neighbourhood  
Renewal: Report & Government Response* (ODPM)

*Committee of Inquiry  
into a New Vision for  
Business: Summary  
Report*

*Business & Society –  
Corporate Social  
Responsibility Report* (DTI)

1999      2000      2001      2002      2003      2004      2005      2006      2007

*Directions for the Nineties* (Business in the Community, 1991)**Recommendation/commitment**

No	Category	Recommendation/commitment
1	Business – management	<p><i>It is hoped that corporate chief executives will:</i> review their company's community involvement programmes and implement the ACTION model.</p> <p>ACTION stands for: <i>Assess</i> existing involvement; <i>Commit</i> the company at all levels; <i>Tell</i> stakeholders about CI activities; <i>Integrate</i> CI into mainstream business; <i>Organise</i> programmes professionally with measurable targets; <i>Nurture</i> long-term partnerships.</p>
2	Business – leadership/learning	Promote the ACTION model to other companies, including suppliers and peers.
3	Business – leadership/learning	Encourage government and other community partners to understand why business is involved and implement the recommendations relevant to their sector.
4	Business – management	<i>It is hoped that community affairs managers etc will:</i> disseminate the ACTION model, and apply the recommendations relevant to the operational areas within their companies.
5	Government – leadership/facilitation	<i>To reinforce the positive aspects and minimise the negative features of current partnerships, the next government can:</i> reaffirm the government's long-term commitment to partnerships. In particular, adopt a "social franchise" approach, inviting existing public-private partnerships to tender for programmes, and consolidate existing partnerships to ensure sustained commitment and goodwill from business and others.
6	Government – leadership/facilitation	Improve financial support for partnerships by: revising roles and procedures to ensure more efficient channelling of resources; pump-priming initiatives with funds using realistic timescales for achieving self-sufficiency; differentiating between capital and revenue spending; promoting cross-departmental funding where appropriate; developing more creative approaches to releasing additional finance; and allowing local authorities to retain more proceeds of capital sales if these are to be spent on developing public/private partnerships.

## Comment

Still relevant?	Comments
Yes	<i>Some progress.</i> Some elements of the ACTION model have been implemented – for example, most FTSE 100 and 250 companies do now report on CR and community investment, in other words <i>tell</i> stakeholders about their activities. Many programmes have investment criteria and guidelines for potential partners (Organise). Other aspects are not so well progressed. Long-term partnerships are still occasional examples rather than the norm.
Yes	<i>Limited progress.</i> While some companies are promoting CR through supply chains, particularly issues of human rights and the environment, CCI does not regularly enter into such discussions and policies.
Yes	<i>Patchy.</i> While some elements of the ACTION model have been implemented, it is difficult to gauge the level of awareness across government or community partners.
Yes	<i>Some progress.</i> Most FTSE 100 companies have a level of dedicated community resource. Progress as in no 1 above.
Yes	<i>Some progress.</i> The government has affirmed its commitment to partnerships. However, there appears to be a wide variation in the efficacy and effectiveness of public-private partnerships and tendering processes across different sectors and community issues.
Yes	<i>Some progress.</i> There have been examples of successful initiatives, but there are wide inconsistencies across different departments, government agencies and local authorities.

*Directions for the Nineties* (Business in the Community, 1991), continued**Recommendation/commitment**

No	Category	Recommendation/commitment
7	Government – leadership	Clarify respective areas of responsibility by initiating informal dialogue between ministers and business champions and making clear when resources will not be available.
8	Government – leadership	Empower local authorities to become effective partners in community initiatives.
9	Government – facilitation	<i>Government administration can:</i> promote better co-ordination among government departments.
10	Government – leadership	Encourage personal exchanges between government and business.
11	Government – leadership/training	Incorporate corporate community involvement into training of senior civil servants.

## Comment

Still relevant?	Comments
Yes	<i>Some progress.</i> Business has been involved with government initiatives and there has been dialogue around various issues.
Yes	<i>Limited progress.</i> There have been some initiatives but no sustained approach.
Yes	<i>Some progress.</i> In the first two terms of government there were some significant developments, led by the DTI, including the introduction of a minister with responsibility for CSR, an interdepartmental CSR steering committee, and the series of <i>Business &amp; Society</i> reports. Now progress seems to have faltered. Government could learn from business here – increasingly CR is a cross-departmental effort led by a core team but incorporating functions from across the business.
Yes	<i>Some progress.</i> Business has been involved with government initiatives and there has been dialogue around various issues, such as food and obesity, and alcohol abuse. In July 2007 the UK government launched a green paper on local employment partnerships with 30 leading chief executives, building on the Freud report to make greater use of expertise across the private, public and voluntary sectors at both national and local level.
Yes	<i>Limited progress.</i> There is an opportunity to incorporate this into the National School of Government and promote further tri-sector induction and experience.

*The Two Way Street*, report of the Taskforce 2002 working party (National Council for Voluntary Organisations/Business in the Community, 1998)

### Recommendation/commitment

No	Category	Recommendation/commitment
12	Business – management	All company members of BITC to review their corporate citizenship activity against the Principles of Corporate Community Investment and work towards the model of business excellence.
13	Business – leadership	BITC to spread examples of best practice, in particular those arising from the new Corporate Community Investment Awards, and to recognise two-way street partnerships in those awards.
14	Business – measurement and reporting/impact	BITC members to develop measures for assessing the contributions made to community investment and its impact on society.
15	Business – leadership	BITC, government and other bodies to promote a range of mechanisms for engaging employee volunteers.
16	Business – leadership	Leading businesses to champion the recruitment of small businesses in their locality or through their supply and purchasing chains, to become involved in corporate community investment. Pilot two model programmes over six months and then share results.
17	Business – leadership/facilitation	Pilot networks of small businesses at local level with a kitemark award for community involvement. Work towards national take-up through Business Link.
18	Business – information sharing	BITC website to include a homepage for smaller businesses on the case for CCI and initial steps and examples.
19	Business – leadership/sharing	Plan and deliver a programme of presentations to chambers of commerce and other local business groupings on the benefits to the local community of joint business-voluntary partnerships.
20	Business – training/development	Pilot UK Cares – a new framework for companies to enhance opportunities for employee volunteering, giving voluntary organisations access to volunteers they cannot usually reach.

## Comment

Still relevant?	Comments
Yes	<i>Some progress.</i> BITC members do work together to share and implement good practice, and there has been significant improvement in clarity around CCI activity. There are now opportunities for further engagement with the Community Mark and Community Index.
Yes	<i>Good progress.</i> BITC's annual awards for excellence promote and disseminate examples of best practice.
Yes	<i>Some progress.</i> There are measures in place for looking at input, including the London Benchmarking Group. BITC has done some work on impact measurement, including new report <i>More than Making Money</i> . The new Community Mark and Community Index will help assess programme management and effectiveness, but qualitative and quantitative impact measurement is still a challenge.
Yes	<i>Some progress.</i> BITC has rolled out 32 local Cares programmes. The UK government has supported the Russell Commission and the launch of V.
Yes	<i>Some progress.</i> There are some excellent examples, but it is difficult to judge consistency of action across business as a whole.
Yes	<i>Good progress.</i> The Community Mark was piloted in this way.
Yes	<i>No progress.</i> There is limited information for small businesses on the BITC website.
Yes	<i>Some progress.</i> A series of regional conferences were held around the country. However, there are opportunities to do more.
Yes	<i>Good progress.</i> There are Cares partnerships in 32 locations across England and Wales.



*Committee of Inquiry into a New Vision for Business: Community & Partnerships (1998)***Recommendation/commitment**

No	Category	Recommendation/commitment
21	Business – measuring and reporting/impact	Regularly measure and report on the totality of their impact on the local communities where they have a significant business presence.
22	Business – stakeholder engagement	Commit to serious two-way dialogue with these communities about respective needs and contributions.
23	Business – products and services	Be prepared to look at new ways of delivering products and services and community involvement to localities with limited business presence.
24	Business – information	Support business intermediary organisations to improve the speed and effectiveness of their identification of good business practice in the community and to disseminate this faster and wider, including through the internet.
25	Business – partnership	Major companies should convert their significant community partnerships into two-way-street, mutually beneficial relationships.
26	Business – capacity building	Business collectively should work with intermediaries to develop the capacity of non-profit organisations to work in two-way street partnerships.
27	Business – public policy	Convert practical experience from the business basics and social investments into public policy.

## Comment

Still relevant?	Comments
Yes	<i>Some progress.</i> Reporting has undoubtedly increased in the past few years, with all of the FTSE 100 and most of the 250 reporting in some way on social and environmental impacts. Initiatives such as the London Benchmarking Group, the BITC CR Index (and this year the Community Index) and the new Community Mark help companies to measure and report on inputs and outputs, but measuring impacts is still a challenge. It is questionable whether measuring the totality of impact is ever going to be practicable or indeed desirable – measurement should be proportionate. This level of impact assessment should probably be kept for major investment or disinvestment projects.
Yes	<i>Some progress.</i> Most large companies incorporate stakeholder dialogue into CR management, and in certain sectors extensive dialogue takes place. Again, the approach should be proportionate to the level and likely impact of investment and activity.
Yes	<i>Some progress.</i> It is possible to point to a number of initiatives, such as Pub in the Hub, support for post offices in rural areas and Tesco regeneration stores.
Yes	<i>Some progress.</i> The former Enterprise Zone on the internet has been replaced by <a href="http://businesslink.gov.uk">businesslink.gov.uk</a> . There is information provided here and it is a well-used resource, but the material needs to be reorganised to make it more accessible and user friendly.
Yes	<i>Some progress.</i> While it is possible to point to individual initiatives and case studies that reflect this commitment, it is questionable how deep this commitment runs and whether it is fully embedded in businesses' approach to partnership. Judgments also need to be made about when this approach is appropriate to business-community partnerships.
Yes	Significant progress has been made by government in addressing capacity through Capacity Builders and Future Builders; however, business has not been encouraged to get involved to date. Some examples of best practice have emerged from business funders, but this is still patchy.
Yes	<i>Some progress.</i> In the lifetime of this government, business has certainly been involved in public policy development in a way that has not been seen before. This involvement has been quite issue-focused – for instance, on tackling unemployment, obesity and alcohol abuse.

*Committee of Inquiry into a New Vision for Business: Community & Partnerships* (1998), continued

**Recommendation/commitment**

No	Category	Recommendation/commitment
28	Business – management	Manage community involvement just as strategically as any other part of business activity, applying the principles of CCI.
29	Business – measurement and reporting/impact	Report regularly on overall community involvement as part of social impact reporting.
30	Business – leadership	Proactively encourage other businesses to be involved also – particularly through using their supply chain, influence chain and neighbourhood chain.
31	Business – leadership	Ensure that there is a consistently high calibre of business people to serve on and support partnerships – by recognising that skills acquired through such engagement are critical for 21st-century business people to have.
32	Business – leadership	Trade associations and other industry-specific bodies should look at the particular community issues that they could help to tackle.
33		Consider community share options programmes, so that local communities can share in the growth and success of businesses in their midst.
34	Business – stakeholder engagement	Appoint community partners to main and advisory boards.

## Comment

Still relevant?	Comments
Yes	<i>Limited progress.</i> There is much evidence to suggest that CR has become more central to business strategy and that it is managed accordingly, as reflected in the BITC CR Index, board-level CR committees and so on. The focus on core business impacts on society means that CCI receives less separate attention. As a result, there are many examples of good strategic CCI programmes, although some are increasingly focused on employee involvement only.
Yes	<i>Some progress.</i> Reporting has undoubtedly increased in the last few years, with all of the FTSE 100 and most of the 250 reporting in some way on social and environmental impacts. Initiatives such as the London Benchmarking Group, the BITC CR Index (and this year the Community Index) and the new Community Mark help companies measure and report on inputs and outputs, but measuring impacts is still a challenge.
Yes	<i>Limited progress.</i> Some companies are using supply chains to influence responsible behaviour, particularly on issues like the environment and human rights. CCI does not often feature in such strategies, however, suggesting once again that "community" has become sidelined in the mainstreaming and strategisation of CR.
Yes	<i>Some progress.</i> There was more activity in this area a few years ago, but it seems to have tailed off. This could be due to a number of factors – changes in technology meaning fewer corporate layers and therefore fewer available senior people; a growing centralisation meaning fewer senior people in the regions; and resulting from this a weakening of companies' affiliations with particular regions. In addition, as business develops a global reach, CCI efforts may be focused beyond the UK. Such involvement only works in certain cases where business has a clear and specific role to play, so although this recommendation still stands, judgment is needed about where it is most appropriate.
Yes	<i>Some progress.</i> There have been some good examples of trade associations and other industry groups focusing on social issues, such as alcohol abuse and financial exclusion.
No	<i>No progress.</i> There is no knowledge of any successful programmes.
Yes	<i>Good progress.</i> There are many examples of partners being involved with CR committees and corporate foundation boards and acting in an advisory capacity. There do not appear to be any examples of involvement with main corporate boards, and this is possibly an unrealistic expectation.

*Committee of Inquiry into a New Vision for Business: Community & Partnerships* (1998), continued

**Recommendation/commitment**

No	Category	Recommendation/commitment
35	Government – measurement and reporting	Encourage companies to report on their community impact and consider tax incentives for good corporate citizenship.
36	Government – leadership	Persuade regional development agencies and local authorities to consult and engage on business in partnerships.
37	Government – leadership	Make promotion of effective CCI part of the responsibilities of training and enterprise councils and regional development agencies.
38	Government – information sharing	Include good practice in business involvement in the community on the DTI's Enterprise Zone on the internet and in the DTI-CBI Fit for the Future campaign and in existing programmes such as Inside UK Enterprise.
39	Government – leadership	Pilot a community partnerships incentive scheme to incentivise new business contributions to community organisations.
40	Government – co- ordination	The Social Exclusion Unit and others to develop a coherent strategy for engaging more business activity in areas with little business presence.
41	Government – capacity building	The DTI should encourage Business Links to help non-profit organisations to develop their capacity – not least in working with business.
42	Government – leadership	Encourage business to translate its experience into public policy by appointing to task forces, and so on, business people who have done this, and make very public that this is happening.
43	Government – measurement and reporting	Include corporate community involvement reporting requirements as part of the post-Hampel review of company law, and meanwhile encourage social auditing as part of good corporate practice.

## Comment

Still relevant?	Comments
Yes	<i>Little progress.</i> Although the (now shelved) operating and financial review and the business performance review do cover social and environmental responsibilities, there is no focus on impact reporting. There appear to be no examples of successful tax incentive schemes in this area.
Yes	<i>Limited progress.</i> There seems to have been little sustained effort to embed messages throughout these organisations. With an increasingly devolved structure, we would suggest that this area is a priority, and would benefit from a new commission or forum looking at what a responsible government agency would look like.
No	Training and enterprise councils no longer exist.
Yes	<i>Some progress.</i> The Enterprise Zone has been replaced by <a href="http://businesslink.gov.uk">businesslink.gov.uk</a> . There is information provided here and it is a well-used resource, but the material needs to be reorganised to make it more accessible and user friendly. The government's CSR website, <a href="http://csr.gov.uk">csr.gov.uk</a> , no longer appears to be updated and provides limited useful information.
Yes	<i>Limited progress.</i> No incentives have been introduced.
Yes	<i>Some progress.</i> Various areas have been explored, such as under-served markets, business brokers etc. However, there has not been a sustained approach and the new social exclusion task force seems more issues-focused; business is not a priority area. This may now fall under the auspices of a different body, and may still be an important agenda to pursue.
Yes	<i>Some progress.</i> Responsibility for this area has been devolved to regional development authorities. Some initiatives have happened, with a major focus on social enterprise. This has not been pursued in a sustained way.
Yes	<i>Some progress.</i> In the lifetime of this government, business has certainly been involved in public policy development in a way that has not been seen before. This involvement has been quite issues-focused, for instance on tackling unemployment, obesity and alcohol abuse.
Yes	<i>Limited progress.</i> Although the (now shelved) operating and financial review and the business performance review do cover social and environmental responsibilities, there is no focus on impact reporting, nor a significant focus on CCI.

*Committee of Inquiry into a New Vision for Business: Community & Partnerships* (1998), continued

**Recommendation/commitment**

No	Category	Recommendation/commitment
44	Government – leadership	Be prepared to use all the tools at its disposal – sticks, carrots, pulpits and its own role as a model employer, purchaser, provider of goods and services – to encourage more systemic and sustained business involvement in the community. This includes recognition (positive and negative) and engaging those businesses that are making a difference both nationally and locally.
45	Government – leadership	Spell out a long-term vision for the desired business role in society and in a wide variety of partnerships.
46	Government – leadership	Admit that there is a partnership skills gap, and make the closing of this gap a key goal of government's own staff training and development – and encourage business to do likewise.
47	Government – leadership/ learning	Commission independent research into the key lessons of previous and current partnerships; agree these with business and community participants; and make this the basis of a sustained joined-up government learning programme co-ordinated by Jack Cunningham.
48	Government – learning	Establish time banks for government employees wanting to volunteer.
49		Clarify that the white paper on local government proposals for wider consultations includes business involvement with the community.
50	Government – leadership	Challenge specific industries to take the lead on particular issues.
51	Government – leadership	Mimic the White House conferences called to debate and develop action plans on specific topics with business and community partners to give a greater profile to the value of cross-sectoral partnerships in tackling the “wicked issues” facing the UK.

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**Comment**

Still relevant?	Comments
Yes	<i>Some progress.</i> In the first two terms of this government, CR and business-community partnership have been a significant area of focus, although support and involvement now seem less intense. There has been considerable success in the recognition of businesses making a difference, but little apparent progress as a role model.
Yes	<i>Some progress.</i> The government has made various statements and commitments in this area – most recently the Prime Minister's speech at the launch of Everyday Heroes (24 July 2007).
Yes	<i>Some progress.</i> BITC has set up a Partnership Academy, but this issue has not made it on to business school agendas, for example. There is an opportunity for this to be included as a module at the National School of Government.
Yes	Limited progress. Some research has been done, but the next step needs to be taken.
Yes	<i>Some progress.</i> Activity within HM Revenue & Customs is a good example.
No	
Yes	<i>Some progress.</i> On certain issues such as alcohol, obesity and financial exclusion, government has worked with business to bring about change.
Yes	<i>Some progress.</i> Business has been involved in debates and conferences at No 10, No 11, Clarence House and the House of Lords among others. More could be done in terms of capturing and reporting on outcomes and results.



*Committee of Inquiry into a New Vision for Business: Summary Report (1999)***Recommendation/commitment**

No	Category	Recommendation/commitment
52	Business – skills/training and development	Companies should provide continuous opportunities for employees both to improve their own skills and to reinforce competitive strategies. Companies should consider widening these opportunities to embrace stakeholders in business and the community.
53	Business – measurement and reporting/impact	Companies should seek to measure and report regularly on their major impacts on communities and wider society (particularly in terms of their community programmes), actively working with business intermediary organisations to promote business involvement in the community.
54	Business – measurement and reporting/ indicators	Companies should seek to participate, where appropriate, in partnership initiatives (involving other companies, trade associations, government departments, professional bodies and key non-profit organisations) to develop core sets of indicators to provide internally and externally consistent measures of environmentally and socially responsible behaviour.
55	Business – best practice/ leadership, learning	All businesses should be encouraged to endorse these recommendations and to pursue best practice, both in their own organisations and through business intermediaries. They should report regularly on progress made in ways that fit in with their own reporting processes and schedules.
56	Government – leadership and facilitation	The DTI should act as the champion within government on corporate community issues, and link with corporate citizenship initiatives within the FCO, DfID and other departments.
57	Government – information sharing	Good practice in corporate community investment should be included on the DTI's Enterprise Zone on the internet, in the DTI/CBI's Fit for the Future campaign and Inside UK Enterprise.

## Comment

Still relevant?	Comments
Yes	<i>Little progress.</i> Although there are some case studies of companies linking community involvement with personal and professional development – and a few extending provision to local communities – the general trend seems to be in the opposite direction. Increasingly, employee involvement in the community through volunteering appears to be driven by softer objectives such as morale boosting and team building.
Yes	<i>Good progress.</i> Reporting has undoubtedly increased in the last few years, with all of the FTSE 100 and most of the 250 reporting in some way on social and environmental impacts. Initiatives such as the London Benchmarking Group, the BITC CR Index (and this year the Community Index) and the new Community Mark help companies measure and report on inputs and outputs, but measuring impacts is still a challenge.
Yes	<i>Good progress.</i> There are now many different initiatives focused on providing consistent measures for social and environmental responsibility, including G3, FTSE4Good, and the BITC CR Index and Community Index.
Yes	<i>Some progress.</i> Initiatives like the BITC CR Index help with benchmarking of good practice across CR, while others focus on specific challenges such as Race for Opportunity. Participation mostly limited to larger companies.
Yes (within restructured department)	<i>Some progress.</i> In the first two terms of government there were some significant developments, including the introduction of a minister with responsibility for CSR, and the series of Business & Society reports. Now, progress seems to have faltered, and it is unclear who is leading and co-ordinating the agenda. Government could learn from business here – increasingly CR is a cross-departmental effort led by a core team but incorporating functions from across the business.
Yes	<i>Some progress.</i> The Enterprise Zone has been replaced by businesslink.gov.uk. There is information provided here and it is a well-used resource, but the material needs to be reorganised to make it more accessible and user friendly. The government's CSR website, csr.gov.uk, no longer appears to be updated and provides limited useful information.

*Committee of Inquiry into a New Vision for Business: Summary Report (1999), continued***Recommendation/commitment**

No	Category	Recommendation/commitment
58	Government – leadership and facilitation	The government should make an explicit commitment to encouraging business and voluntary organisations to work together in mutually beneficial two-way street partnerships, as recommended by the NCVO/BITC task force.
59	Government – leadership	The government should actively encourage all intermediary business organisations, regional development agencies and public-sector government employers (particularly in local government, the NHS and higher/further education) to support these principles and work with those organisations in promoting best practice and in reporting regularly on progress.

*A New Commitment to Neighbourhood Renewal – National Strategy Action Plan (Cabinet Office, 2001)***Recommendation/commitment**

No	Category	Recommendation/commitment
60	Government – leadership/facilitation	Getting business involved in neighbourhood renewal through involving the private sector and the Small Business Service to be involved in local strategic partnerships to help encourage greater communication between sectors; some LSPs to have business brokers to link firms with opportunities for involvement.

*Report of the International CSR and Social Reporting Working Group (Department of Trade & Industry, 2001)***Recommendation/commitment**

No	Category	Recommendation/commitment
61	Government – leadership/best practice	Develop a co-ordinated policy for corporate citizenship, based on consultation with business and other stakeholders.
62	Government – leadership	Provide leadership and moral suasion – appoint a minister for CSR, integrate these issues into speeches.

**Comment**

Still relevant?	Comments
Yes	<i>Some progress.</i> It is possible to point to individual programmes that support this commitment, for example Arts Et Business and community investment tax relief, but these have been one-off initiatives rather than a sustained and consistent effort.
Yes	<i>Limited progress.</i> There seems to have been little sustained effort to embed messages throughout these organisations. With an increasingly devolved structure, we would suggest that this area is a priority, and would benefit from a new commission or forum looking at what a responsible government agency would look like.

**Comment**

Still relevant?	Comments
Yes	<i>Some progress.</i> Several initiatives such as education action zones and education business partnerships. BITC is looking at engagement of the private sector, particularly big employers, on literacy and numeracy. Various other areas have been explored, such as under-served markets, business brokers and so on. However, there has not been a sustained approach and the new social exclusion task force seems more issues-focused; business is not a priority area.

**Comment**

Still relevant?	Comments
Yes	<i>Some progress.</i> There has been considerable consultation but a co-ordinated policy hasn't emerged as a result.
Yes	<i>Some progress.</i> There is a minister with responsibility for CSR, but the area has had only periodic attention across government departments in recent years.

Report of the International CSR and Social Reporting Working Group (Department of Trade & Industry, 2001), continued

**Recommendation/commitment**

No	Category	Recommendation/commitment
63	Government – measurement and reporting	Identify a core level of minimum social, ethical and environmental standards, in line with international standards, and establish regulations for these.
64	Government – leadership/ facilitation	Convene, catalyse and/or offer technical advice for voluntary initiatives, guidelines and standards.
65	Government – leadership/ legislation	Encourage and where relevant legislate for disclosure requirements on CSR.
66	Government – leadership/ legislation	Integrate social and environmental requirements into procurement and tendering programmes.
67	Government – leadership/ incentives	Explore the potential of fiscal policies to promote social and environmental responsibility and innovation.
68	Government – leadership/ legislation	Use public funds to leverage or catalyse private-sector funds and resources.
69	Government – leadership/ incentives	Establish appropriate legal frameworks and fiscal incentives for partnerships between civil society and business organisations to work together for the public good.
70	Government – leadership/ learning	Support research and awareness raising on the business benefits of corporate citizenship and public-private partnerships.

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**Comment**

Still relevant?	Comments
No	Progress has been made in areas of public concern such as labelling. Standards for broader community and CR reporting such as the Global Reporting Initiative and the London Benchmarking Group have been progressed by intermediate bodies. The role of government has been to encourage these.
Yes	<i>Some progress.</i> The new V initiative was been launched in 2006.
Yes	<i>Limited progress.</i> The operating and financial review was introduced then dropped. The business performance review has been introduced. Standards for broader community and CSR reporting, such as the Global Reporting Initiative and the London Benchmarking Group, have been progressed by intermediate bodies. The role of government has been to encourage these.
Yes	<i>Some progress.</i> Environmental and human rights requirements are considered.
Yes	<i>Limited progress.</i> Some initiatives have been tried, such as community investment tax credit, but these have been undersubscribed.
Yes	<i>Some progress.</i> Public-private partnerships have been successful in some sectors and communities.
No	<i>Some progress.</i> Some legal frameworks have been established in certain sectors where appropriate.
Yes	<i>Some progress.</i> Government has supported various initiatives through BITC to raise awareness and promote best practice: such as the BITC Awards, the CSR Academy.

*Business & Society – Developing Corporate Social Responsibility in the UK*  
(Department of Trade & Industry, 2001)

**Recommendation/commitment**

No	Category	Recommendation/commitment
71	Government – leadership	Engaging a wider range of businesses in CSR, especially smaller businesses.
72	Government – leadership	Promoting the business case for tackling literacy and numeracy weaknesses and investment in deprived areas.
73	Government – leadership/ facilitation	Dialogue (including internationally) on business commercial engagement in deprived areas and contributions to the neighbourhood renewal strategy.
74	Government – leadership	Respond to the social investment task force.

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**Comment**

Still relevant?	Comments
Yes	<p><i>Some progress.</i> During the early 2000s a number of initiatives were under way. The DTI, BITC and Mori launched research on the barriers to SME engagement with CSR and suggested ways forward; the DTI and the Small Business Service launched a guide and a series of videos; the Small Business Journey website was launched. However, the impact has been limited – not enough resources have been made available to put ideas into practice and bring about real change. The Community Mark offers a way to revitalise focus on small business and CCI.</p>
Yes	<p><i>Some progress.</i> Several initiatives such as education action zones and education business partnerships. BITC is looking at engagement of the private sector, particularly big employers, on literacy and numeracy. The main focus has been on business involvement with education, but it is increasingly recognised that a wider approach is needed looking at family literacy and so on.</p>
Yes	<p><i>Some progress.</i> There are some good examples of dialogue around issues like local purchasing and regeneration. But it is difficult to assess how much has been achieved and how much business has done.</p>
Yes	<p><i>Good progress.</i> There has been good focus on helping to build capacity in the third sector, for instance Capacity Builders and Future Builders. This is still a relevant area and progress should be built on.</p>



*Business & Society – Corporate Social Responsibility Report*  
(Department of Trade & Industry, 2002)

**Recommendation/commitment**

No	Category	Recommendation/commitment
75	Government – legislation/ reporting	Take full account of opportunities to increase adoption and reporting of CSR as part of a continuing review of intelligent regulation and fiscal incentives.
76	Government – leadership/ mainstreaming	Take steps to establish CSR within the mainstream decision making of organisations, with a strong focus on the environment, neighbourhood renewal, adult basic skills and international development.
77	Government – leadership/ facilitation	Create a step change in the consistency and quality of CSR guidance to SMEs by stimulating a joint approach among their key advisory organisations.
78	Government – measurement and reporting	The government will consult widely with all stakeholders to ensure that greater transparency and clarity is brought to the current confusing set of reporting models and codes of practice.

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**Comment**

Still relevant?	Comments
Yes	<i>Some progress.</i> The operating and financial review was introduced then dropped; the business performance review has been introduced. Standards for broader community and CSR reporting such as the Global Reporting Initiative and the London Benchmarking Group have been progressed by intermediate bodies. The role of government has been to encourage these.
Yes	<i>Good progress.</i> CSR is increasingly integrated into mainstream corporate decision making.
Yes	<i>Some progress.</i> During the early 2000s a number of initiatives were under way. The DTI, BITC and Mori launched research on the barriers to SME engagement with CSR and suggested ways forward; the DTI and the Small Business Service launched a guide and a series of videos; the Small Business Journey website was launched. However, the impact has been limited – not enough resources have been made available to put ideas into practice and bring about real change. The Community Mark offers a way to revitalise focus on small business and CCI.
Yes	<i>Some progress.</i> There were large consultations around the company law review, the operating and financial review and social labelling, and progress has been made in some areas. But the focus didn't drill down to initiatives like the Global Reporting Initiative, and there has not been any attempt to pull everything together.

*Corporate Social Responsibility – A Government Update*  
(Department of Trade & Industry, 2004)

**Recommendation/commitment**

No	Category	Recommendation/commitment
		<i>Government has a role to play in providing a policy and institutional environment that encourages and rewards socially and environmentally responsible behaviour; and setting the agenda and communicating on responsible behaviour. We will achieve this by:</i>
79	Government – best practice	Supporting continuous development and application of best practice, directing our support where, with partners, we can have greatest impact.
80	Government – leadership/ facilitation	Working with partners and stakeholders to support collaborative work, avoiding duplication of effort and rewarding networks.
81	Government – incentives	Evaluating our approach and the impact of existing and planned measures including intelligent regulation and fiscal incentives.
		<i>Our goal is to support the full integration of CSR into the way we do business. We will achieve this by:</i>
82	Government – learning	Working with the ministerial steering group to implement their recommendations on CSR skills and a CSR academy.
83	Government – learning	Supporting work to explore and demonstrate the links between CSR and business performance.
84	Government – engagement/ learning	Engaging institutional investors on recognition of the impacts of social and environmental factors on long-term business performance.
85	Government – measurement and reporting	Continuing to encourage CSR reporting, including introduction of a statutory operating and financial review.

## Comment

Still relevant?	Comments
Yes	<i>Good progress.</i> The CSR Academy has been set up, but there are questions about its future direction. There is not enough buy-in from business. Other initiatives include the BITC Awards, DTI reports and the Community Mark – all promote best practice but need to be driven forward in a sustained way.
Yes	<i>Good progress.</i> The DTI works with established networks like the Corporate Responsibility Group and BITC, and has not sought to create duplicate structures. There has been good work, which should be maintained.
Yes	<i>Limited progress.</i> There are only a comparatively few examples of initiatives that have been evaluated, applied and followed through.
Yes	<i>Some progress.</i> The CSR Academy has been set up. Not aware of the ministerial steering group.
Yes	<i>Limited progress.</i> Some work was done through the DTI Innovation Unit looking at the link between CSR and competitive advantage. This initiative hasn't been championed by business leaders and therefore doesn't engage business in the right way. Different leadership is needed from respected business practitioners.
Yes	<i>Some progress.</i> The pension fund legislation did incorporate consideration of ethical impacts. There has been enormous growth in socially responsible investing.
Yes	<i>Limited progress.</i> The operating and financial review was introduced then dropped; we now have the business performance review, but there isn't a clear message that CR reporting and particularly CCI reporting is important.

*Corporate Social Responsibility – A Government Update*  
(Department of Trade & Industry, 2004), continued

**Recommendation/commitment**

No	Category	Recommendation/commitment
		<i>To move the agenda on, we need to reach beyond those already engaged with CSR as well as targeting our approach to business sectors. We will achieve this by:</i>
86	Government – leadership/ best practice	Working with partners to raise awareness of best practice within those sectors that are less engaged in CSR.
87	Government – leadership/ facilitation	Continuing to support work which provides guidance and best practice help tailored to the needs of SMEs.

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**Comment**

Still relevant?	Comments
Yes	<i>Some progress.</i> There have been some initiatives such as the HMRC workshop on CCI. Should identify those who don't participate in CR Index, FTSE4Good and so on, and help them to move forward.
Yes	<i>Some progress.</i> During the early 2000s a number of initiatives were under way. The DTI, BITC and Mori launched research on the barriers to SME engagement with CSR and suggested ways forward; the DTI and the Small Business Service launched a guide and a series of videos; the Small Business Journey website was launched. However, the impact has been limited – not enough resources have been made available to put ideas into practice and bring about real change. The Community Mark offers a way to revitalise focus on small business and CCI.

*Surer Funding* (Association of Chief Executives of Voluntary Organisations, 2004)**Recommendation/commitment**

No	Category	Recommendation/commitment
88	Government – best practice	<i>The Treasury and Home Office should endorse the Surer Funding Framework, and take steps to ensure that all public bodies implement the principles in contracting, by:</i>
89	Government – regulation	Establishing an accreditation body to kitemark contracts that conform with principles for better funding.
90	Government – regulation	Devising an insurance premium or penalty scheme for contracts that fail to comply with the principles of surer funding.
91	Government – regulation	Establishing an independent ombudsman to identify, criticise and penalise parties for poor practice in contracting. The ombudsman should be able to conduct studies on areas of service delivery, investigate complaints, and act promptly, supported by an appeals mechanism.
92	Government – measurement	Government should instruct the Office of Government Commerce to consider how the framework would help achieve the efficiency savings recommended by the Gershon review, and how the kitemark scheme could be operated, by November 2005.
93	Government – best practice	Central and local government should take particular steps to ensure the kitemark is adopted by local government agencies, including the health service, and that they use open, fair and transparent procurement processes whenever contracting for public service delivery.
		<i>With government, the sector should undertake further work on:</i>
94	Third sector – research	The sector's borrowing requirements, exploring new models of long-term structured finance for third-sector consortiums and learning from PFI/PPP-style models.
95	Third sector – campaigning and influencing	The capacity for improving procurement practice through channels such as the Compact Funding Code.
96	Third sector – skills development	A programme of skills development in finance and contract negotiation, catalysed by the forthcoming "hub of expertise" on finance, and working with regional development agencies.

## Comment

Still relevant?	Comments
Yes	<i>Strong progress.</i> The key principles of Surer Funding have been endorsed repeatedly, and the government in 2006 announced further plans to incentivise their adoption more widely.
Yes	<i>Limited progress.</i> The Compact Commissioner.
Yes	<i>No progress.</i> There is still no clear economic incentive to prevent poor practice in contracting.
Yes	<i>Strong progress.</i> The government has appointed a Compact Commission to increase compliance with the principles. However, many in the sector doubt whether the office holds sufficient powers.
Yes	<i>Limited progress.</i> The principles of Surer Funding were incorporated into the Gershon recommendations, and government departments have been questioned on their implementation. However, no formal measurement or reporting has taken place.
Yes	<i>Limited progress.</i> Central government is seeking to influence local procurement practice more actively, but it is unclear whether this will link to a kitemark.
Yes	<i>Limited progress.</i> Collaborations between the third sector and the private sector are becoming more common, but more thought could be given to the potential of structured finance in scaling up such collaborations.
Yes	<i>Limited progress.</i> The Compact has been strengthened and clarified, and was recently republished as Compact Plus.
Yes	<i>Strong progress.</i> The Association of Chief Executives of Voluntary Organisations, the National Council for Voluntary Organisations and the new Finance Hub have all focused more closely on financial management and contract negotiation, combining both training and influencing work.



*Private Sector Advisory Panel on Neighbourhood Renewal: Report & Government Response* (Office of the Deputy Prime Minister, 2004)

**Recommendation/commitment**

No	Category	Recommendation/commitment
97	Government – management approaches	Review and help simplify structures to provide a clear line of decision making and accountability from central government to the front line.
98	Government – management approaches/ information sharing	Review the role and consistency of delivery of Business Link.
99	Government – facilitation	Review the working of local strategic partnerships and identify best practice to create commonly applied national templates and revise the guidance in such a way that business can get involved more effectively.
100	Government – management approaches	Simplify funding streams into a single pot that in turn requires the development of LSP models that are capable of handling such budgets.
101	Government – management approaches	Focus on cross-departmental work on two or three major issues that affect neighbourhood renewal, for instance, mixed housing and planning strategy, youth crime and alcohol, and vocational and enterprise education.
102	Government – facilitation	Develop a mechanism for identifying best practice in local initiatives and a business model for taking the best ideas to scale, including sustainable funding and project management.
103	Government – management approaches	Improve the strategic relationship of regional development agencies and local strategic partnerships in economic development.
104	Government – leadership/ information sharing	Adopt the menu of opportunities with a view to promoting this model to all local strategic partnerships.
105		Keep under review the subsidiary recommendations made by teams on individual visits but not prioritised overall.

## Comment

Still relevant?	Comments
Yes	There has been some devolution of power from central government to local public-sector agencies, as demonstrated by the decrease in performance indicators. There are fewer national programmes and directives.
No	<i>Strong progress.</i> The government is rationalising the number of government-funded business advice services, following public consultation. However, the implementation of the policy is not yet complete.
Yes	<i>Limited progress.</i> Government has invested in much analysis of best practice models and dissemination mechanisms (such as renewal.net). It has resisted national templates. Business engagement varies greatly between areas.
Yes	<i>Strong progress.</i> The introduction of local area agreements has simplified funding streams and vastly reduced public-sector performance targets. Most budgets belong to a specific public-sector agency. However, there has been progress in some areas on joint commissioning.
Yes	<i>Limited progress.</i> There is good interdepartmental work on a range of issues, such as the development of the Every Child Matters agenda. Some government departments have been reshaped to help deliver specific agendas.
Yes	<i>Limited progress.</i> This remains the holy grail. National policy is against imposing solutions and concentrates rather on locally appropriate solutions. Resources such as renewal.net have helped share best practice.
Yes	<i>Limited progress.</i> This remains a disconnect. However, the recent subnational review carried out by HM Treasury and the DTI has identified this as a priority.
Yes	<i>Strong progress.</i> All local strategic partnerships with neighbourhood renewal funding are aware of the menu of opportunities. A growing proportion of them have dedicated resources to business engagement. This is likely to increase with the new duty around economic development.
No	The policy context has changed since the production of this report.

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