

The business case for place



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# Introduction

The North West Business Leadership Team, working with UK2070, has been reflecting on the role that business has in helping shape towns, cities and other places, especially those regarded as 'left behind'.

It is important to recognise that business forms only one of the groups that make up local communities, but is often an overlooked group in discussions around place. The aim of this paper is to give a business perspective and a rationale for business to get involved.

Through our collective experience, we want to make a case for greater involvement for, and by, business in place. We illustrate this using a series of examples and case studies for how getting involved in discussions about investing and improving places can be good for business and for place.

It is set in three parts -

- 1. Why is engagement in conversations related to place of value to business?
- 2. How can business help?
- 3. Showing it in practice through case studies.

At a time when our public sector partners are faced with reduced resource and institutional capacity, we consider how the private sector can help through genuine partnerships and collaboration in place.

Whilst many of the cited examples may refer to towns, this toolkit is intended to look at core principles that can be applied regardless of locality.

#### Place - where it all happens...

Issues around place, growth, skills and people are interconnected (social, economic, physical). This is illustrated in the diagram below.

# Social Economic Town Centre Physical

**Sustainable Society** 

**Business Success** 

21st Century Legacy

## Why places matter to business



Business comes in many shapes, sizes and forms. Whilst many consider their footprints to be global, all individual businesses and business units have something to bring to the local places in which they have a physical presence. Many places owe their very foundation to particular businesses or industries – like Port Sunlight (Unilever), Oldham (cotton) or Nelson (textiles).

Ultimately, physical location is in many cases a determinant of success, even in an increasingly digital age. Many business people feel a sense of loyalty to where they studied and businesses to where they started, increasing their 'stickiness' to a particular place.

Businesses need places just as places need business, whether this is as somewhere to make and sell products and services; somewhere to source the talent and resources they need to succeed and grow or somewhere to do business with other businesses and develop new ideas and markets.

An American academic called Richard Florida looked at how successful places attracted creative people.

He concluded that it was a mixture of three interrelated experiences – 'what's there', 'who's there' and 'what's going on.' He looked at this mainly from a people perspective, but the same lens could be applied to give a business perspective...

- What's there: a combination of the built environment (including infrastructure) and natural environment (including resources).
   The housing, education and leisure/retail offer that is attractive to employees and customers.
- Who's there: potential and existing talent; skilled and experienced labour; supply chains and customers.
- What's going on: vibrancy of the market place, business support ecosystem and business-to-business networks

Some or all of these factors will matter to business or their workforce. So surely there is an incentive for business to engage in local conversations about how these local experiences can be improved and sustained?

Businesses can achieve more efficiencies from having positive relationships with place – working with key stakeholders and local authorities to create a more enabling environment for 'doing business' and acknowledging the value of a company being there.

# Understanding barriers and looking beyond them

Why many companies don't engage in these types of conversations is a question worth considering, especially by those looking to draw them in to place-based initiatives. Is it because they are concerned that they are just 'talking shops' or that they will end up tied up in procedure and red tape? Is it because businesses tend to focus on delivery and find some of the upfront 'forming and storming' too abstract? Do they just not have the time or do businesses not see the point or perceive a risk of wasting their own resource?

Is it not important for companies to find some time? Places provide the employees that those companies need to thrive and grow, so is there not value in engaging with schools, colleges, and other training providers to talk about the skills and attributes the company is looking for in future workers?

Sometimes these conversations provide opportunities to be in 'listening mode' – are there things that business do that are viewed as disruptive or undesirable that could be addressed with minimal effort/investment?



#### Benefits of business involvement

Anecdotal feedback on the 100+ initial bids to the Towns Fund suggests that the best submissions were those that were able to demonstrate meaningful engagement with, and leadership by, business.

Learning from Towns Funds Boards has shown that there are several ways in which private sector board members and local authority officials are working alongside one another to leverage the expertise and perspectives of both. For example, board members taking a communications lead in some towns have been working directly with the council communications team to broaden their understanding of how messages are landing. Others have taken advantage of the specific skill set of people around the table to troubleshoot problems arising.

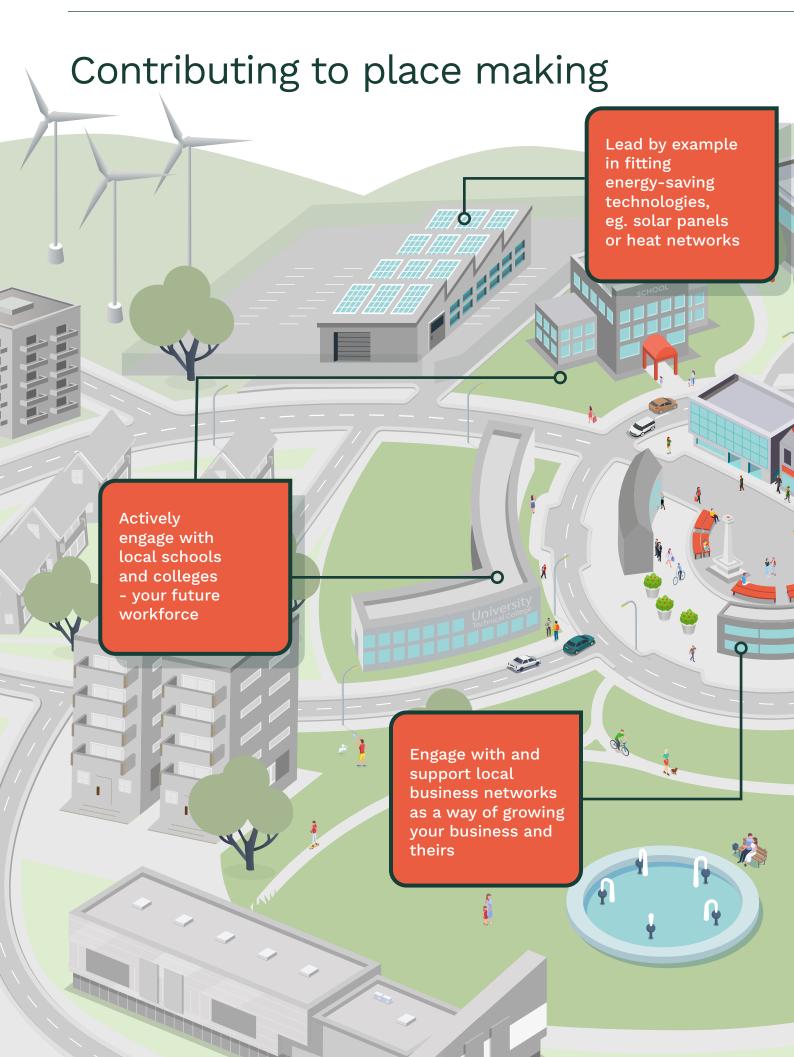
Evaluation of projects supported through another initiative, the Regional Growth Fund, highlighted the value of having capable project leaders and strong co-operative partnerships. This was particularly important when looking to address challenges faced during project development and delivery.

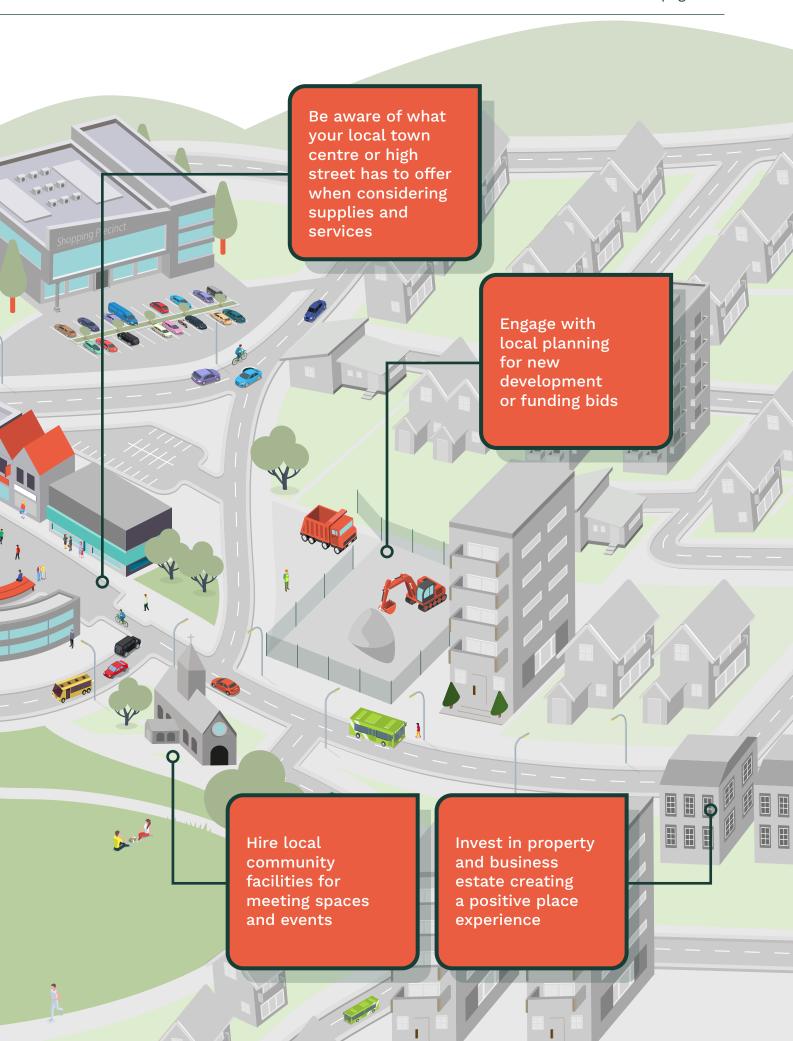
There is often an expectation that business can lead, playing a 'pivotal role' in regeneration. However, in many 'lagging areas,' part of the economic challenge is a lack of established anchor businesses with the time, resources and expertise to get involved.













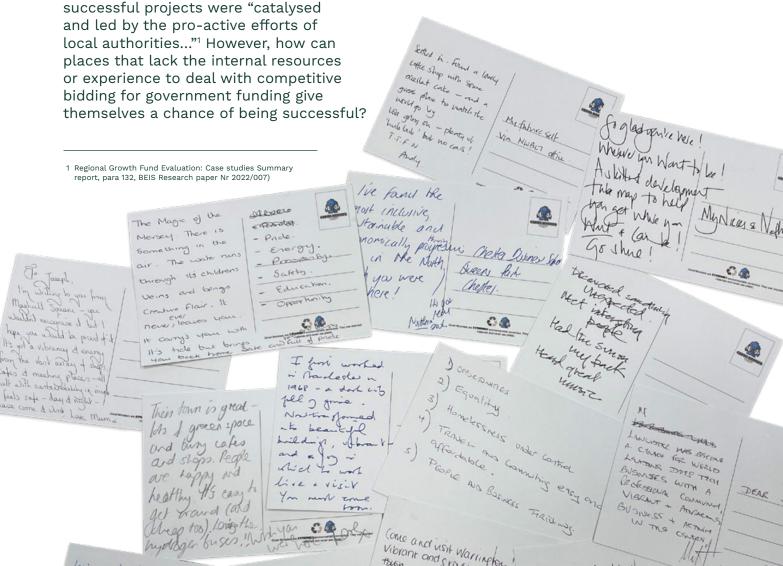
## How business can help

We mentioned previously about the positive impact that strong business engagement and involvement had for places bidding in to the Towns Fund on shaping and strengthening the business case. There remains a bigger issue for places that succeed with such bids – the capacity to deliver.

In addition, the pace and scale of change required on a wider range of economic, social and environmental issues (e.g. decarbonising commercial and public buildings) is a common challenge to public, private and civic organisations in place. Additional learning from Regional Growth Fund was that many of the successful projects were "catalysed and led by the pro-active efforts of local authorities..." However, how can places that lack the internal resources or experience to deal with competitive bidding for government funding give themselves a chance of being successful?

There is a growing body of evidence that suggests that opportunities to invest and deliver improvements to place are being hampered by a lack of resource, often combined with challenging timescales for getting government funding spent. A partnership approach with the private sector including developers could be one option to address this.

Businesses can help by providing objective challenge to ideas and proposals for improving places, especially in helping establish what the real benefits of a project might be and whether it provides value for money.



#### Case studies



Northern Trains, as well as being the UK's second largest train operator, with nearly 2,500 local and regional services a day, also manages a portfolio of 467 stations across the North of England (239 of these in the North West).

In December 2022 Northern launched its 'Destination Stations: Stations as a Place' Strategy. The purpose of the strategy is to create station facilities that are not just for rail users. Their aim is to bring 'destination' commercial tenants to Northern stations as well as creating facilities for use by the community, investing in station facilities for social benefit. Bringing additional activity to stations will also enhance safety and security for rail users at different times of the day.



The programme is being trialled at six stations including Bolton and St Helens Central in the North West.

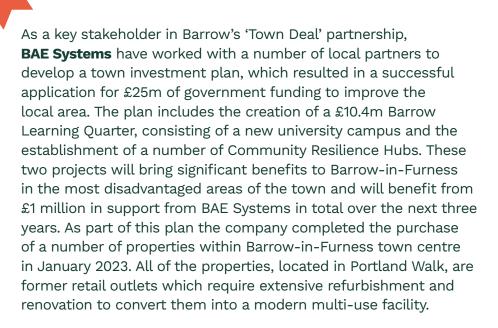


Image supplied by BAE

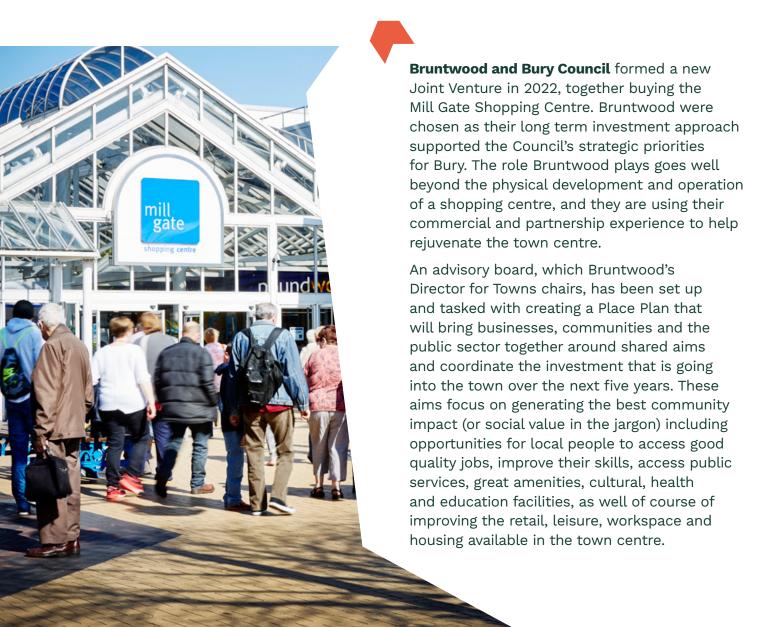
The plan includes the creation of a

£10.4m

Barrow Learning Quarter, consisting of a new university campus and the establishment of a number of Community Resilience Hubs



BAE SYSTEMS



#### For more information about how business can reinvigorate our town centres, please visit the links below:

www.bmmagazine.co.uk/in-business/business-can-engage-local-community/

www.britishcouncil.org/education/skills-employability/what-we-do/vocational-education-exchange-online-magazine/working-with-employers/why-business-must-engage-with-education

www.hikeup.com/gb/blog/6-ways-small-businesses-can-engage-with-local-community/

www.fsb.org.uk/resource-report/small-business-big-heart-communities-report.html

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