

BUSINESS FOR A PURPOSE

GROWING THE CIVIC CORE OF THE NORTHERN POWERHOUSE

Jack Hunter | April 2019

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SUMMARY

This report seeks to understand the role of business in the 21st century North. It explores how we might support, sustain and incentivise greater social purpose among private sector organisations, working in collaboration with partners from across all sectors. It sets out what role the state can play to encourage, develop and sustain this type of activity and provides recommendations for the local, northern and national scale.

Our fieldwork across three case study areas in the North found the following.

- There is evidence of a wide range of responsible and civic-minded activity among firms, and that much of this provides considerable value to the local area.
- A firm's propensity to invest time and resource into their area is affected by various contextual factors, including:
 - leadership
 - local identity and sense of place
 - networks and connections
 - business characteristics
 - reputation and public perception.
- The extent of civic engagement by the private sector remains limited when compared to the nature and severity of issues on the ground. Few firms seem to have properly internalised their stated values in a way that would make a tangible difference to their employees and the wider community.

RECOMMENDATIONS

Local authorities, combined authorities and other civic-minded anchor organisations should:

1. Develop ways to support and encourage greater civic engagement from local businesses including:

- convening
- setting a vision
- agreeing 'the common good'
- building and targeting support
- acting as an exemplar
- procurement and investment
- building a sense of place
- planning
- using tax incentives.

The North's key decision-makers, including mayors and local authority leaders, as well as constituent members of the N11 group of LEAs, and the N8 group of universities should:

- 2. Establish a Northern Powerhouse Community Fund.** This would be funded through a voluntary contribution of 1 per cent of profits from northern businesses and would help to fund voluntary and community activity in the region. Decisions about investments would be informed by an advisory committee of northern citizens, chosen by sortition.

3. Commit to becoming exemplars of good practice in supporting the prosperity and wellbeing of their locality, including signing up to local employment charters and becoming living wage accredited.

Central government should:

4. Ensure that the responsible business agenda that has been developed within its civil society strategy is integrated across its work, including within its industrial strategy.

5. Use its Future High Streets Fund to leverage greater civic engagement from local businesses.

6. Use the Northern Powerhouse 'refresh' to include a focus on improving jobs, pay and health and wellbeing, and the role of responsible business within this.

7. Reboot the devolution agenda.

In order to remove the perverse incentives within the current system for funding local government, the government should:

8. End austerity in local government, by providing a long-term and sustainable settlement that ensures councils can afford to invest in economic development and assume a stewardship role within their local economies.

9. Allow local authorities/mayoral authorities to levy a 2 per cent business rates premium for social infrastructure.

10. Invite combined authorities to propose their own taxes on business to fund activities that are additional to their statutory duties.

11. Commit to a comprehensive redesign of the current system of business rates.

The progressive policy think tank

Citation: Hunter J (2019) *Business for a purpose: Growing the civic core of the Northern Powerhouse*, IPPR North.
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Institute for Public Policy Research

IPPR North, 20th Floor, City Tower, Piccadilly Plaza, Manchester M1 4BT | www.IPPR.org/north | [@IPPRNorth](https://twitter.com/IPPRNorth)

