

Sustainable Business; A Strategy for the South East

2006-2009



Definition

A *Sustainable Business* is a successful and profitable business. It is one that continuously improves its productivity by taking action on the economic, social and environmental impacts of its business.

That means a *Sustainable Business* takes a sustainable approach to what it produces, how it buys and sells, how it affects the environment, where it invests, how it recruits, trains and develops its own people, how it engages with the community in which it operates and how it respects the rights of people.

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Executive summary

The South East England Development Agency (SEEDA) and its partners have come together to create a vision for the business community's contribution to sustainable development:

Vision for 2015

The South East has a more sustainable economy and a better quality of life because its businesses are continuously improving their productivity through taking action on the economic, social and environmental impacts of their activities.

To achieve this vision SEEDA, working with its partners, will:

1. **Co-ordinate the region's work** in this area much more effectively so we can achieve more impact for the region's investment:
 - a. All SEEDA's work in this area will be brought together within one strategy and management process and will in future be referred to internally and with partners as *Sustainable Business*.
 - b. SEEDA will establish a new management process for driving this work forward in a co-ordinated way led by a South East Sustainable Business Steering Group which reports to the SEEDA Board.
 - c. The Steering Group will implement an inter-partner communications strategy to dramatically improve the quality and level of communication between the organisations that support sustainable business activity.

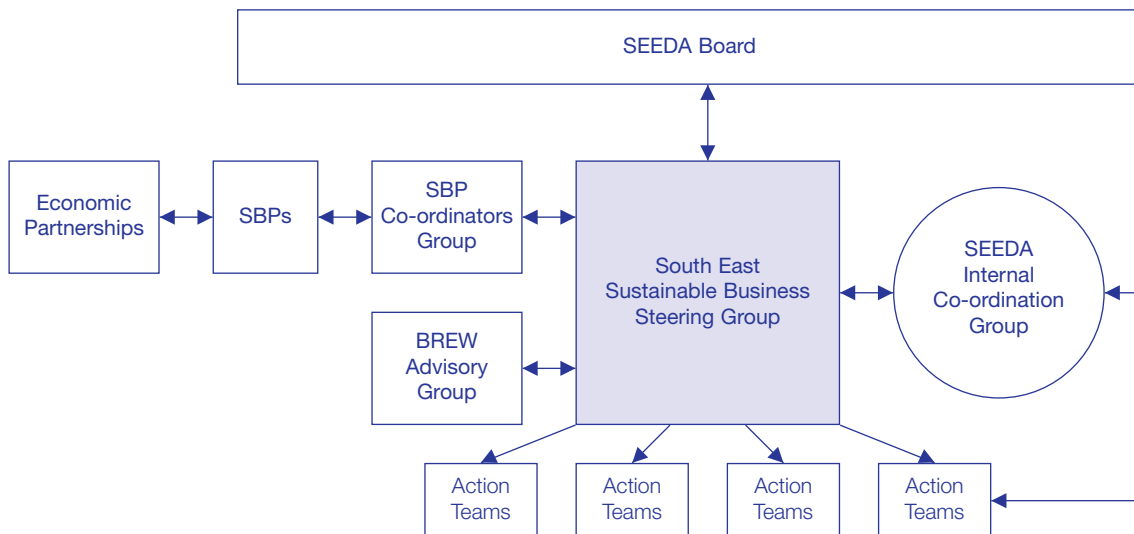
2. **Raise awareness and understanding of the benefits of being a sustainable business** amongst SMEs:
 - a. A *Menu of Opportunities for Sustainable Business* will be developed to provide a simple route map for businesses to help them find an area of interest and relevance to them, get practical support on how to implement it and motivate them to look for new opportunities.
 - b. SEEDA will invest in, and co-ordinate, intensive PR and marketing campaigns to promote the Menu of Opportunities and the hard business benefits of becoming a sustainable business.
 - c. SEEDA will continue to recognise the achievements of South East businesses in contributing to sustainable development (in partnership with the SBPs and their sub-regional awards) as they are a critical marketing tool and have the potential to deliver even more value.
 - d. SEEDA will drive the development of the *e-generation* website as a portal for information about all aspects of Sustainable Business. This will incorporate the *Menu of Opportunities* and signpost users to the wealth of information that's available.
 - e. The Steering Group will co-ordinate an approach to involving bigger businesses in helping to engage small businesses.

3. **Build the capacity of the Sustainable Business Partnerships (SBP) and the Business Link operators** so they are able to help significant numbers of businesses build sustainability into their everyday business practice:
 - a. Each SBP will be assisted to produce a three year business plan in a common format to show what part they will play in the delivery of region's sustainable business strategy.
 - b. SEEDA will encourage the Business Link operators to regard sustainable business as a key lever for improving productivity and to partner with their sub-regional SBPs to increase their capacity to provide information, diagnosis and brokerage in this area.
 - c. There are big opportunities to increase capacity by greater collaboration at the regional level e.g. in sharing best practice; developing new services; preparing joint funding bids; gathering and analysing market intelligence; and building more effective relationships with regional partners. Such collaborations will be initiated and co-ordinated by the Steering Group.

4. **Show leadership** by doing more to build sustainability into the way SEEDA itself operates:
 - a. SEEDA can learn a lot from businesses about how SEEDA itself can become a more sustainable organisation and by doing so, lead by example.
 - b. SEEDA will nominate a Board Member and an Executive Director to act as Sustainable Business Champions for the organisation. It will form an in-house action team comprising staff with an interest in this area.
 - c. SEEDA will invite some of the region's leading practitioners of sustainable business (recognising they are likely to refer to this as 'corporate responsibility') to help it implement best practice.
 - d. SEEDA will develop a national cross-RDA network to share good practice, identify common issues and areas for inter-regional collaboration, and to develop policy proposals to government.

5. **Harness the resources and expertise of the region's large corporations** by supporting the establishment of Business Community Partnerships (BCPs) in those parts of the region where there is a critical mass of companies willing to work together to improve the impact they have on the people who work, live and learn in their communities:
 - a. SEEDA will promote the good practice of the existing BCPs in Slough and Reading through its existing communication channels (including the *e-generation* website) and encourage more businesses to get involved.
 - b. Through its Area Teams, SEEDA will encourage the creation of new BCPs in areas where there is a sufficient critical mass of companies willing to get involved.
 - c. Provide a place on the South East Sustainable Business Steering Group for a representative of the BCPs to ensure their work is integrated with the wider strategy.

This strategy will be implemented through a new integrated management process illustrated below:



The Sustainable Business Steering Group which sits at the heart of this process was formed in December 2005 and endorsed this strategy. Action teams were formed early in 2006 and implementation began in April 2006.

SEEDA's contribution to funding the implementation of this strategy will be c£580,000 p.a. Overall this is comparable to the current level of expenditure but the money will be spent in a different way with a stronger emphasis placed on ensuring there is stable funding for the SBPs. The greater co-ordination provided by the new management process is also expected to deliver much better value for money. Other resources will include SBPs local partners who will continue to be encouraged to provide additional funding and in-kind support; collaborative regional funding bids e.g. to EU programmes; and sponsorship from large companies either through cash, in-kind donations, or secondments.

1. What is this document about?

This document describes SEEDA's proposed strategy for *Sustainable Business*. It has been prepared by SEEDA's Business & International Division with extensive input from key partners including those who attended a strategic thinking day in October 2005 which brought together representatives of the Sustainable Business Partnerships, the Business Link operators, business representative organisations, Business Community Partnerships, Business in the Community, Local Authorities, environmental delivery agencies, Government Office for the South East (GOSE) and SEEDA.

To date, SEEDA has supported this area of business activity through two distinct work streams i.e. *Corporate Social Responsibility* (with a stronger emphasis on businesses' social and community contributions) and *Sustainable Business* (with a stronger emphasis on their environmental impacts).

The purpose of this document is to:

- Achieve common agreement that the terms *Corporate Social Responsibility and Sustainable Business* are essentially describing the same concept i.e. the way in which businesses act on the economic, social and environmental impacts of their activities.
- Demonstrate the benefits of bringing these two strands of activity together within SEEDA under one strategy and one management process and to refer to all of this work as *Sustainable Business*.
- Confirm *Sustainable Business* as a priority for this region because it is good for business productivity and an important contributor to achieving a more sustainable economy and a better quality of life.
- Provide a unifying vision for the region, a strategy for achieving it and a process for bringing all our partners together to implement that strategy.

2. Getting to grips with the terminology

There is considerable confusion caused by the various terms that are used to describe business activity which takes account of its economic, social and environmental impacts. Terms such as *Corporate Social Responsibility*, *Corporate Responsibility*, *Responsible Business* and *Sustainable Business* are widely used by policy makers, support organisations and businesses but mean different things to different people.

Although still used by policy makers, including the European Union (EU) and the Department of Trade and Industry (DTI), the term *Corporate Social Responsibility (CSR)* has been dropped by major companies and leading business practitioners in favour of *Corporate Responsibility* as the word 'social' tended to mislead and undervalue the breadth of companies' responsible business behaviour. *Sustainable Business* was adopted by this region for its Sustainable Business Partnerships and regional awards whose criteria includes the economic, social and environmental although it is sometimes perceived to be primarily concerned with just environmental impacts. Some analysts refer to *Responsible Business* to reflect the fact that the concept applies to SMEs not just corporations but this has not been widely taken up. SMEs on the other hand say that they are put off by the use of any abstract terminology to describe things that they often do intuitively.

There is no single term which will work for all business audiences. However, in the preparation of this strategy stakeholders have consistently asked SEEDA to bring clarity to its own work in this area. This document therefore proposes that:

- SEEDA brings together all of its work in this area under one strategy and management process.
- As SEEDA's work is primarily focused on what SMEs can do (the region's large corporations by and large already have sophisticated strategies in this area), internally and with partners it will refer to this work as the *Sustainable Business* strategy.
- SEEDA encourages delivery partners to communicate this subject to businesses using whatever terminology (or no terminology at all) that makes sense to the group of businesses that they are talking to. For example, it would still be appropriate to use the term Corporate Responsibility when talking with large corporations about the work they are doing.
- SEEDA defines *Sustainable Business* in the following way:

A Sustainable Business is a successful and profitable business. It is one that continuously improves its productivity by taking action on the economic, social and environmental impacts of its business.

That means a business takes a sustainable approach to what it produces, how it buys and sells, how it affects the environment, where it invests, how it recruits, trains and develops its own people, how it engages with the community in which it operates and how it respects the rights of people.

- As well as working with businesses, SEEDA and its partners should also encourage and support employers from the public and not for profit sectors to adopt the principles of sustainable business behaviour.

3. Why are sustainable businesses important?

They are more productive...

- An Institute of Directors (IOD) survey of its members in 2002 concluded that: “Corporate Social Responsibility is good business in the longer run as customers want to do business with companies that they trust and respect; employees want to work for organisations with which they can identify and whose values they share: shareholders want to invest in companies that recognise these obligations.”
- In May 2003 the DTI and Forum for the Future hosted a workshop for leading business practitioners, non-governmental organisations, academics and government to debate the links between competitiveness, productivity and Corporate Social Responsibility (CSR). Businesses shared their experience in measuring the contribution of their CSR policies to business success. The broad conclusions, with some qualification, were that sustainability makes a positive contribution to business success. They found that CSR is not necessarily a cost of doing business as there are significant overlaps between responsible business practice and what successful businesses see as the source of their competitiveness.
- Research carried out by the DTI identified that two in three SMEs believed CSR contributed to business success – this proportion is even higher amongst larger SMEs and those who are members of business networks.
- CSR is increasingly the key factor in attracting and retaining a talented workforce. Three in five people want to work for a company whose values are consistent with their own (Arthur D Little research for BITC).
- Many of the winners of SEEDA’s own Sustainable Business Awards for the South East report that adopting responsible business practices has made good commercial sense and has brought bottom line benefits as well as social and environmental dividends (see overleaf for case studies).

They contribute to the region’s sustainable development...

- Sustainable development is a central, cross-cutting theme of the Regional Economic Strategy (RES). Sustainable businesses contribute to the delivery of that strategy, e.g. by improving their productivity through more efficient use of resources; helping to tackle skills shortages by providing training opportunities for young people; raising economic participation rates by providing employment to disadvantaged groups; improving staff retention through offering flexible working to their staff; reducing waste by investing in recycling schemes; tackling transport congestion by providing shared transport solutions for employees.

SEEDA's Sustainable Business Award winners - demonstrating the business case

The roster of winners from SEEDA's 2004 Sustainable Business Awards for the South East demonstrates the range of companies that regard taking action on the social, economic and environmental impacts of their activities as good for business. They are:

Abbot Laboratories Ltd	Hillier Nurseries Ltd
Allianz Cornhill Insurance plc	MWH
Ashdown Forest Llama Park	Russells Gardens Centre
Beech Hill Farm	Sandy Balls Estate Ltd
Bio-Health Ltd	Seacourt Ltd
Blythswood Care	Seek-It Ltd
CottonBottoms	Slough Estates plc
Gatwick Airport Ltd	Sony UK Ltd
Greenham Common Community Trust	SP Systems Ltd
Greenhouse Graphics Ltd	The BP Oil Terminal
Harvey & Sons (Lewes) Ltd	The Kent Art Printers Ltd

Here are some examples of how the SME's amongst these award winners have demonstrated the business case.

The Kent Art Printers, Chatham has implemented wide ranging policies including a waste segregation and recycling scheme; alcohol free lithographic printing; more efficient energy consumption and water usage; donating company time to help run a local charity payroll scheme; and donating printing services and goods to community organisations. As well as reducing costs through better resource utilisation the company reports that 28% of its customers now come to the company because of its sustainable approach.

Bio Health Ltd, Rochester, a producer of vitamin, mineral and herbal supplements, has seen significant cost savings from programmes such as utilisation of waste, educating and rewarding staff, reorganising its sales approach and sourcing supplies locally to reduce mileage, and redesigning warehouse space to increase capacity, productivity and improve supply chain management. In addition it has found that the implementation of these sustainable initiatives has proved to be a strong unifying and moral boosting initiative for staff.

Hillier Nurseries Ltd, Romsey – is constantly looking at new ways to maximise resource efficiency by sourcing sustainable materials, using recycled materials instead of new materials, optimum utilisation and extended life of materials through recycling. Analysis of delivery routes and load efficiency enabled the company to reduce its mileage significantly and cut delivery costs by £90,000 p.a.

Seacourt Printers, Oxford – believes that its commitment to the environment, in particular through adopting waterless printing processes, has helped it maintain a profitable and competitive business despite the overall downturn in its market.

4. What do businesses think?

There are a number of pieces of research which provide an indication of what businesses think about sustainable business practices and how widely they practice them¹. The messages from these reports present a consistent picture which is summarised below:

- The majority of businesses practice sustainable business behaviour in some form whether they give it a label or not. SMEs² often don't understand what's meant by the terminology yet when probed further they are able to demonstrate some evidence of putting it into practice. For most SMEs, particularly the smaller ones, their activities are typically fragmented and informal and they don't feel the need for formal policies or reporting mechanisms.
- Many SMEs see sustainable business activity as an 'add-on' rather than an integral part of their business. It tends to be those most engaged and realising hard business benefits who view it as core to their business.
- Drivers of both initial and continuing SME engagement include personal interest and fulfilment, a desire to implement 'just good business practice', improved morale and motivation, giving something back to the local community and enhancing business reputation. Overall SMEs tend to be most focused on internal issues (in contrast to large businesses that tend to be motivated by external pressures). Many of their sustainable business practices therefore concentrate on staff, increasing employee skills, team building, morale and motivation within the organisation. Staff are often the motivation, the catalyst and the focus of the activity and communication.
- Abstract terminology is seen as a barrier to engaging SMEs. SMEs don't regard any of the current terms used to describe this activity as meaningful to them – all seem to have some negative connotations. Instead SMEs expressed a strong desire for language to be made more concrete, using terms from everyday business life – 'improving staff motivation', 'cutting costs', 'getting more out of your resources' etc and for messages to be put across through case studies.
- Fear of bureaucracy, time and cost are the main barriers to further engagement of SMEs but interestingly this is not the actual experience of most of the SMEs who are actively practising sustainable business. In other words, barriers tend to be built on perceptions rather than reality.
- A lack of knowledge of the issues and opportunities is also a barrier. Many businesses still don't appreciate that it is not just about goodwill but about improving business productivity and they don't realise the range of ways in which they can behave sustainably.

¹ DTI – *Engaging SMEs in Community & Social Issues*, 2003; DTI *Sustainability and business competitiveness*, 2003; Ancer Spa (for SEEDA) *Researching Corporate Social Responsibility in the South East*, 2003; Sustainability North West – *Responsibility North West*, 2005; IOD – CSR, *IOD Member Opinion Survey*, 2002; EU – *European Multistakeholder forum on CSR*, 2004.

² The term 'SME' is used in this document to refer to businesses with less than 250 employees.

- A large proportion of SMEs would welcome more guidance and practical support to implement ideas in their business. They are looking for step-by-step guidelines and tools which help them get started in a way that is relevant to them. Case studies are important – if SMEs can see specific practices which impact profitability, they tend to be more likely to become involved. A key recommendation from all the research for increasing SME engagement is to ‘Keep it Simple’ and to steer clear of big business approaches which SMEs are likely to see as bureaucratic and irrelevant to them.
- The call for simplicity refers not only to the content of communications but also to the channels through which SMEs are supported and engaged. SMEs want support to come through the organisations they already work with rather than as part of ‘another new government initiative’. The strongest finding from the DTI study was that support organisations need to work together to create a centrally co-ordinated and holistic approach which is delivered locally through existing networks and support organisations.
- Most of the major companies in the South East region have sophisticated sustainable business policies and practices which they refer to as Corporate Responsibility. From time to time they approach SEEDA, through its Investor Development Managers, for assistance with practical implementation e.g. on recruitment and retention, transport or energy cost issues.
- The larger businesses are seen as a useful route to engaging local businesses e.g. via supply chain relationships; by providing leadership and inspiring SMEs to take action; or by offering facilities, advice and professional support.

5. What support is currently offered?

The following sections list those organisations supporting businesses across the full spectrum of *Sustainable Business* activity i.e. the economic, social and environmental. It does not attempt to list the huge number of organisations which support businesses in some way or another on a particular strand e.g. the environmental and skills agencies. These organisations are vital contributors but are too many to mention. Any co-ordination of *Sustainable Business* in the region must be aware of what they can offer and signpost companies to them where appropriate.

5.1 Internationally

The European Union (EU) – Since the 2000 Lisbon Summit when the European Council first identified the importance of the business contribution to sustainable development, the EU has been actively promoting the take-up of what it refers to as Corporate Social Responsibility (CSR). In 2002 it formed the European Multi-stakeholder Forum to raise the level of understanding. The White Paper which followed set out policies to raise awareness and improve knowledge on CSR; develop the capacities to help mainstream it within businesses; and to ensure an enabling environment for CSR. Since then the EU has announced a number of funding programmes to support CSR activity including that from the GROW programme; and a call for proposals to mainstream CSR amongst SMEs from the Enterprise & Industry directorate. This financial support for CSR from the EU is expected to increase in the next few years.

CSR Europe – a not for profit membership network for corporations concerned about the social and economic impacts of their business operations. Its work includes the European Business campaign on CSR aiming to reach 500,000 business people over four years and an on-line tool for SMEs.

5.2 Nationally

The Department of Trade and Industry (DTI) – has the responsibility for within UK government for policies relating to the business contribution to sustainable development which, like the EU, it refers to as Corporate Social Responsibility. The DTI believes that mainstreaming CSR into management practice is central to maximising its contribution. It has therefore supported initiatives such as the CSR Academy, the Small Business Journey (see below) and work to demonstrate the links between CSR and improved business performance.

The CSR Academy was established by the DTI in 2004 to promote CSR learning for companies of all sizes and for UK educational institutions. It has created the first CSR competency framework through which it aims to embed CSR practices into business management. Its work will be delivered through a number of partners including British Chambers of Commerce (focus on SMEs); the Association of Business Schools (focus on Business and Management Schools); the Chartered Institute of Personnel Development (focus on large companies); and Business in the Community (integrating it into its work); and Accountability (reviewing evaluating and developing the framework).

The Small Business Journey is a comprehensive web-based tool to help small businesses understand how they can improve their competitiveness through behaving responsibly. It provides practical support in the form of case studies, step-by-step guidelines and templates. It was created by The Small Business Consortium which was formed in 2002 in response to feedback from SME owner-managers who asked for a collaborative approach to CSR by the main SME stakeholder organisations and one which spoke to them in their language. The Small Business Consortium now consists of AccountAbility, Arts & Business, British Chambers of Commerce, Business in the Community, CSR Europe, Federation of Small Businesses, The Forum of Private Business, Institute of Directors, Lloyds TSB and Scottish Business in the Community.

Business in the Community (BITC) is a national business-led charity with over 700 members. Its purpose is to inspire, challenge, engage and support businesses in continually improving their positive impact on society. It primarily supports large corporations and many of the region's major companies are active members. However, it has also developed the Community Mark designed to recognise the work that SMEs do in the community and is currently looking at how this can be made more accessible to small businesses.

The Regional Development Agencies. The South East England Development Agency (SEEDA) is the lead Regional Development Agency (RDA) with a role to co-ordinate activity and information sharing between RDAs and to communicate RDA issues and priorities to government (particularly the DTI). To date, there has been little interest from the RDAs in getting together but in recent months there are clear signs that more RDAs are getting to grips with the issues, are implementing business support programmes and are keen to share experiences. SEEDA is therefore pulling together a national workshop for RDAs.

5.3 Regionally

SEEDA – To date SEEDA has approached Corporate Social Responsibility and Sustainable Business as two distinct strands of activity. Through its Sustainable Development Team it has supported the Sustainable Business Partnerships, their regional forum the South East Sustainable Business Partnership (SESBP), the Sustainable Business Awards and the *e-generation* web portal (see below for further details). Activity under the banner of CSR has been led by SEEDA's Social Inclusion Team. This has included funding for Business in the Community to run four pilot projects in the region to strengthen corporate engagement in regional issues. These are the creation of a South East Leadership Team; engaging with businesses in the Solent and in Kent; and facilitating the creation of a Business Community Partnership in Oxfordshire.

SEEDA is currently leading a consortium, comprising five countries, for the Euro7.5m European Interreg IIIc GROW programme which is supporting actions to achieve balanced, sustainable and economic growth.

Responsibility for SEEDA's work on both CSR and Sustainable Business transferred to its Business & International Division in April 2005 providing the opportunity to integrate these two strands more effectively.

It is widely felt by its stakeholders and its staff that SEEDA needs to be an exemplar organisation if it is to be credible in promoting *Sustainable Business* (particularly as the lead RDA). It is doing a number of positive things already, but it could do more and could be more proactive about telling its stakeholders what it is doing.

The South East Sustainable Business Partnership (SESBP) was established in 2001 to bring together the seven sub-regional Sustainable Business Partnerships and other relevant regional stakeholders including the Government Office for the South East (GOSE), the Business Link operators, the Institute of Directors, Federation of Small Businesses, Envirowise, The Carbon Trust and the Environment Agency. The group, chaired by SEEDA, meets quarterly to co-ordinate sustainable business activity in the region and provide a forum for region-wide partnership working. To date its main focus has been on environmental issues but it is increasingly broadening its agenda to include social and economic impacts.

e-generation is a web-based resource developed by the SESBP to provide businesses with information, support, advice and best practice. As well as a regional home page it has extensive local content managed by each of the SBPs. To date its main focus has been on environmental issues but Surrey SBP has recently developed a module to help businesses source partners and projects for work in the community. The portal has secured additional investment from SEEDA to help upgrade its capabilities and major development is planned for the next three years including services for businesses which will help make it financially sustainable in the long-term.

Sustainable Business Awards for the South East. Since 2000 SEEDA has run the Sustainable Business Awards for the South East. This is a major event (and the largest event run by SEEDA) designed to recognise and celebrate sustainable businesses. Winners are presented with an award and case studies for use in their publicity. Nominations come through sub-regional award schemes run by each of the Sustainable Business Partnerships.

SEEDA's Investor Development Managers (IDM). As part of their work in managing the region's relationship with its most strategically important companies, the IDMs respond to major companies' requests for help in tackling issues such as skills shortages, transport problems and cost pressures in a responsible way. They do this through connecting them with relevant support agencies and co-ordinating projects to address the issues.

The South East Business Leadership Team was recently formed by Business in the Community, with support from SEEDA. Its purpose is to bring together some of BITC's largest corporate members in the region and engage them strategically in thinking about how big business can help address some of the region's key sustainability issues. The group has identified education as a priority area and is currently working on increasing businesses engagement in schools.

5.4 Sub-regionally

The Business Link operators are the region's primary access point for businesses seeking business support. In 2004 the Business Link Regional Collaborative Fund invested in a collaborative project 'Sustainability in Action' to improve links between Business Links and the Sustainable Business Partnerships and thereby to improve mainstream support for sustainable business activity. The final report for this project identified that Business Link engagement with the sustainable business agenda is growing but still very variable across the region. A network of specialist advisers/champions for this agenda does not exist across the Business Links, even at an informal level, and for some the project's final conference was their first opportunity to meet other colleagues with this role.

Sustainable Business Partnerships (SBPs). There are seven SBPs in the region with the first established in 1996. Although each SBP is unique in the way that it is constituted, managed and funded they all share a role to drive the local sustainable business agenda and to bring together the public, private and voluntary sector agencies in order to increase sustainable business practice. To date, most of their focus has been on environmental activity. However, they are increasingly becoming involved in co-ordinating a wider range of support for sustainable business activity as businesses that have enthusiastically embraced the environmental agenda, look to broaden their commitment to social and economic issues. For example the Kent SBP is working with Business In The Community (BITC) to run joint events to encourage businesses to become more involved in community issues; Oxfordshire SBP is having success in demonstrating to companies the marketing benefits of community involvement; and Surrey SBP has developed a community module called 'Pulling Together' for the *e-generation* website which enables companies to find community projects in their area.

Research carried out for the Business Link Collaborative Project³ identified the important contribution being made by the SBPs to engaging businesses in sustainable business activity and the potential which stronger partnerships with the Business Links could realise. In 2003/2004 they collectively engaged with over 6,500 companies. However, the research also flagged up some significant capacity and co-ordination issues:

- There is huge variation in the levels of activity and the method of delivery from one sub-region to the next.
- Most SBPs have little core funding and each one has a different funding model. As a result they spend a large amount of resource chasing a wide variety of funds.
- Project and service development could be coordinated more closely. At present a wide range of plans are being progressed at differing rates by different SBPs with varying involvement from the Business Links and other national and regional stakeholders. There is potential for a lot more joint working but which could deliver better value for money but this needs regional facilitation.
- Supplementing of budgets through private and fee-based mechanisms is ad hoc and resource intensive. Access to funds could be enhanced through greater regional coordination and sharing of knowledge.
- There is significant scope for improved communication, co-ordination and joint working both between individual Business Links and SBPs and collectively across the region. They are all keen to learn from each other. However, they feel that they need a more systematic approach to doing this if they are to maximise the benefits.

Business Community Partnerships (BCPs) have been initiated by Business in the Community (BITC) in those parts of the region with a substantial number of large corporate businesses – Slough, Reading, Windsor and Brighton. Their role is to inspire businesses to work together for the benefit of those who live, learn and work in their area. They combine business skills with voluntary and public sector expertise to maximise social, economic and cultural development. SEEDA's Area Team is currently funding the development of the Reading Connect BCP.

³ Giffillan Partnership (for Business Link) *Sustainability in Action Project*, June 2005.

Thames Valley – SEEDA's Milton Keynes, Oxfordshire, Buckinghamshire and Berkshire (MKOBB) Area Team is facilitating a joined up approach to CSR in the Thames Valley where there are a number of active organisations including Buckinghamshire & Berkshire SBP, Slough Business Community Partnership, Connect Reading, Business Link Berkshire & Wiltshire, Berkshire Community Foundation and BITC. SMEs are likely to be the focus of the first joint project to be undertaken by this partnership in 2006.

6. What's our vision for the region?

Vision for 2015

The South East has a more sustainable economy and a better quality of life because its businesses are continuously improving their productivity through taking action on the economic, social and environmental impacts of their activities.

7. What's our strategy for getting there?

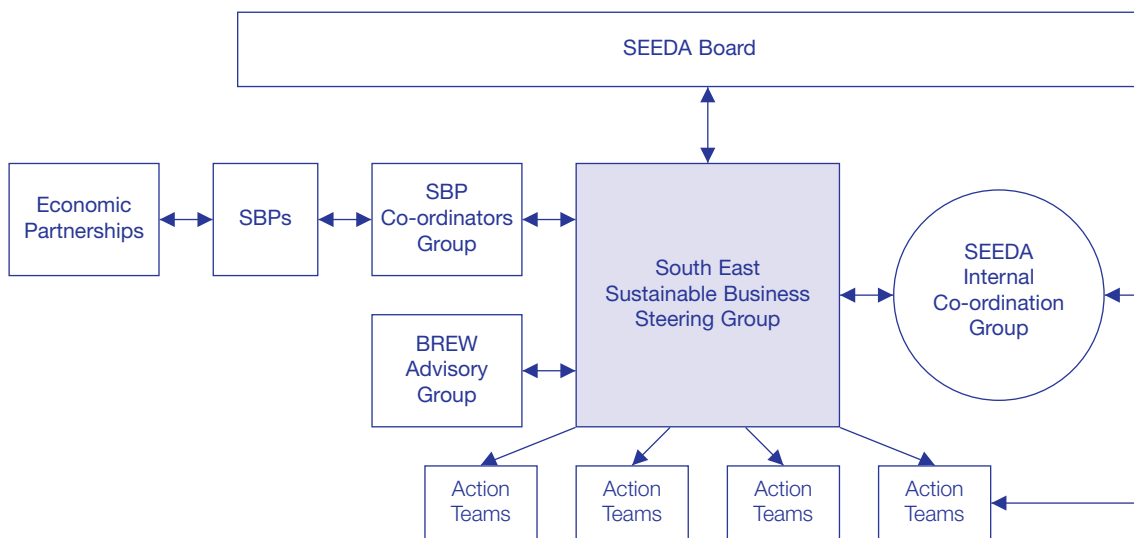
Working with partners SEEDA will:

1. Co-ordinate the region's work in this area much more effectively so we can achieve more impact for the region's investment.
2. Raise awareness and understanding of the benefits of being a sustainable business amongst SMEs and provide them with a simple '*Menu of Opportunities*' to help them get started or expand their activity.
3. Build the capacity of the Sustainable Business Partnerships, the Business Link operators and business networks so they are able to help significant numbers of businesses build sustainability into their everyday business practice.
4. Show leadership by doing more to build sustainability into the way SEEDA itself operates.
5. Harness the resources and expertise of the region's large corporations by supporting the establishment of Business Community Partnerships in those parts of the region where there is a critical mass of companies willing to work together to improve the impact they have on the people who live, work and learn in their communities.

Each of these strategies is explained in more detail overleaf.

7.1 Better co-ordination and more collaboration

- SEEDA will use the term *Sustainable Business* to refer to all of its work in this area internally and with partners. (There is no single term which works for all audiences but of all the terms in use *Sustainable Business* best describes what we are actually trying to achieve and it does not have the negative connotations which Corporate Responsibility has with SMEs⁴). When talking to businesses, SEEDA and its partners will communicate this subject and what they have to offer using whatever terminology (or no terminology at all) that makes sense to the group of businesses they are talking to.
- SEEDA will establish a new management process for driving this work forward in a coordinated way. This process is illustrated in the diagram below:



The role of each of the component parts is briefly explained here (for more detail see Section 8).

- SEEDA will form and chair a new partnership body called the *South East Sustainable Business Steering Group* to develop the region's sustainable business strategy and drive forward its implementation. This group will report to SEEDA's Board. The Steering Group's membership will include senior representatives of SEEDA's key partners for Sustainable Business activity and businesses that have won the Sustainable Business Awards for the South East. The Steering Group will form time-limited action teams to implement the strategy.
- The South East Sustainable Business Partnership will be retained as the vehicle for co-ordinating the work of the Sustainable Business Partnerships and for helping them to work more collaboratively with each other and with the Business Link operators. This group will report to the Sustainable Business Steering Group and to avoid any confusion it will be renamed *The Sustainable Business Partnerships' Co-ordinators Group*. SEEDA's Area Directors will assist individual SBPs to develop strong links with their sub-regional Economic Partnerships if they have not already done so.

⁴ See section 2 of this document for a more detailed explanation of the problems created by terminology.

- *The BREW Advisory Group* (Business Resource Efficiency and Waste) will continue to operate as now but will report to the Sustainable Business Steering Group to ensure its efforts are integrated with the wider Sustainable Business activity in the region.
- The Steering Group will develop an inter-partner communications strategy designed to dramatically improve the level and quality of communication between organisations supporting the sustainable business strategy. This might result in the production of a regular e-newsletter for partners and protocols for delivery organisations to share information so that approaches to businesses are better co-ordinated.

7.2 Raise awareness and provide a 'Menu of Opportunities'

- SEEDA will facilitate a collaborative project to develop a *Menu of Opportunities for Sustainable Business*. This menu would be a simple 'route map' for businesses to help them find an area of interest and relevance to them, get practical support on how to implement it and then once they have had some success in that area motivate them into looking for new opportunities. An example of what the menu might look like is shown overleaf.
- The *Menu of Opportunities* would be divided into three themes (economic, social and environmental) and into three levels of activity to reflect the needs of different market segments (i.e. level one aimed at smaller businesses getting involved for the first time, level two at those who are up and running and want to do more and level three at those with a trackrecord and more capacity to initiate new approaches). It would be presented to businesses via the *e-generation* website and constructed so that a user could click on an activity and get:
 - Case studies of how other businesses have done it and what benefits they've got
 - Details of which organisations they should approach if they need help to get started
 - Any special programmes being run to help businesses in their area
- As well as providing valuable information to businesses, the development and maintenance of the *Menu* would also highlight any duplication of support activity or any areas where there are gaps in support. Such information could be fed back to the Sustainable Business Steering Group to help drive future strategy.

An example of a Menu of Opportunities for Sustainable Businesses⁵

Menu of Opportunities - Economic		
Level 1	Level 2	Level 3
Advertise job vacancies through local Job Centres and commit to employing locally where possible, reflecting the diversity of the area.	Enter a partnership with local organisations to train and recruit staff to new operations.	Provide job opportunities for people with disabilities, those who have been homeless or who have been offenders or unemployed.
Help unemployed people become ready for work by providing work experience or other skills training.	Develop internal awareness and recruitment practices to cut out postcode discrimination and inappropriate barriers.	Provide job coaches for previously unemployed people in their first six months in work.
Take on Modern Apprentices or New Deal employees.	Help with practice interviews and provide help with CV writing in employment centre.	Help with youth development and employment programmes to make them attractive to business.
Provide work experience for secondary school pupils.	Contribute to the school curriculum by providing project work, speakers and resources. Become a school governor.	Adopt a school to develop a long-term partnership providing a range of skills.
Encourage staff to give an hour a week during work time to help with reading in a local primary school.	Share senior management experience with a head teacher.	Set up an education partnership centre on business premises to provide work related learning and inspiration for young people.
Menu of Opportunities - Social		
Level 1	Level 2	Level 3
Give time and/or gifts in kind to support community events.	Donate a percentage of pre-tax profits to local initiatives.	Channel the majority of in-kind donations to support activities in a recognised regeneration area.
Offer pro-bono professional advice to a voluntary organisation.	Offer and promote payroll giving to employees.	Join the management board of a local voluntary organisation.
Channel team building energies into an activity which will leave a lasting benefit to the community e.g. creating a garden for children with disabilities.	Provide incentive schemes for exercise-based fundraising activities for staff.	Have a volunteering policy and promote this to employees to make it easier for them to give their time and expertise to support the local community.
Menu of Opportunities - Environmental		
Level 1	Level 2	Level 3
Introduce 'switch off when you leave the room' signage and prompts.	Carry out an audit of gas, oil, electricity and water use, identify where reductions can be made and implement an action plan aiming for a minimum 10% reduction.	Introduce light controls that automatically switch off when a room is not in use.
Reduce paper (e.g. print and photocopy double sided; recycle paper to make telephone pads; reuse envelopes).	Consolidate reports and publications to streamline production and distribution.	Contract with printing companies who use environmentally friendly procedures and resources.
Publicise public transport route information to staff e.g. on intranet site.	Conduct a staff travel survey; introduce car share incentive schemes; provide secure bike parks for staff.	Have a green travel plan for all operations - from staff travel to and from work/meetings/conferences to the delivery and collection of your goods and services.
Take steps to improve the environment outside your business premises.	Contribute a business perspective to local environmental improvements for your area.	

⁵ The Menu of Opportunities is based on approaches recommended by a private sector advisory panel in a report to the Office of the Deputy Prime Minister on neighbourhood renewal and on the Birmingham 'Better Together' campaign.

- SEEDA will invest in intensive PR and marketing campaigns in the regional, local and specialist business media to promote the *Menu of Opportunities* and case studies of successful sustainable businesses. It will work closely with partners that are in regular contact with businesses (e.g. SBPs, Business Link operators, Sector Consortia, Manufacturing Advisory Service (MAS), Chambers of Commerce, Federation of Small Businesses (FSB), Institute of Directors (IOD) to co-ordinate this activity, to promote Sustainable Business through their websites, publications and events programmes and to tailor the messages to particular market segments.
- SEEDA will continue to recognise the contribution of Sustainable Business Awards for the South East (in partnership with the SBPs and their sub-regional awards). The Awards are a critical marketing tool which celebrate and raise the profile of successful sustainable businesses; promote sustainable business to a wider audience; and generate case studies for use in the *Menu of Opportunities*. Consideration will be given to finding more cost effective ways of running awards programmes and extracting even more value from it e.g. giving winners more PR support, encouraging winners to speak at local events or to mentor a group of other businesses; and providing more support to those whose entries that were unsuccessful to help them improve what they do. We will also aim to significantly raise the profile of the Social Enterprise element of awards.
- SEEDA will drive the development of the *e-generation* website as a portal for information about all aspects of sustainable business. The website will incorporate the *Menu of Opportunities* and signpost users to the wealth of information that's available including the websites of partners.
- SEEDA will encourage its partners to develop more marketing material collaboratively at the regional level to improve quality, reduce duplication and get better value for money. This material should include more evidence of the hard business benefits to be gained from being a sustainable business.
- SEEDA will co-ordinate an approach to involving big businesses in helping to engage small businesses. Working through SEEDA's Investor Development Team, BITC and the Business Community Partnerships, we will invite the region's largest companies to participate in a structured programme of activity to engage SMEs. This might include inviting them to speak at seminars, acting as mentors to a group of SMEs, promoting sustainable business to their regional supply chains, or providing pro-bono facilities and resources to help kick start a collaborative community activity.
- Partners will be encouraged to provide local face-to-face and virtual networking opportunities for business people who are championing sustainable business in their companies.

7.3 Building capacity

- **SBP's:** Each SBP will be assisted to produce a three year business plan in a common format to show what part they will play in the delivery of the region's sustainable business strategy, what resources they will need and what outputs they will produce. This process will kick off with a mapping exercise to identify what support/capacity exists now and where the gaps/overlaps are. In return, SEEDA, GOSE and other partners will commit to a three year funding package for SBPs.
- **Business Links:** SEEDA will encourage the Business Link operators to regard sustainable business as a key lever for improving productivity and to partner with their sub-regional SBPs to increase their capacity to provide information, diagnosis and brokerage in this area.
- **Regional collaboration:** There are big opportunities to increase capacity by greater collaboration at regional level e.g. in sharing best practice between SBPs and Business Links; in developing new services that can be rolled out locally; in preparing joint funding bids – particularly for EU funding; in gathering and analysing market intelligence to inform more effective strategies; in building new relationships with regional partners e.g. the Sector Consortia. The Sustainable Business Steering Group will be responsible for identifying opportunities for collaboration and facilitating their development. The SBPs Co-ordinators' Group will be important for making this happen.

7.4 Show leadership

- SEEDA can learn a lot from businesses about how SEEDA itself can become a more sustainable organisation and by doing so, lead by example. SEEDA will nominate a Board Member and an executive director to act as Sustainable Business Champions for the organisation. It will form an in-house action team comprising staff with an interest in sustainable business practices. This team will produce a formal SEEDA policy and action plan to raise awareness and understanding within the organisation and to identify ways in which SEEDA can improve its performance.
- SEEDA will invite some of the region's leading practitioners of sustainable business (recognising that they are likely to refer to this as 'corporate responsibility') to share their experiences with SEEDA. This might include asking a company to present the business case to the SEEDA Board, to provide mentoring support to teams within SEEDA trying to implement new approaches.
- SEEDA's Enterprise Team will develop a national cross-RDA network to share good practice, identify common issues and areas for collaboration, and to develop policy proposals to government. In particular, this national network will focus on sharing research and information to build the business case for sustainable business.

7.5 Harness the resources of large corporations

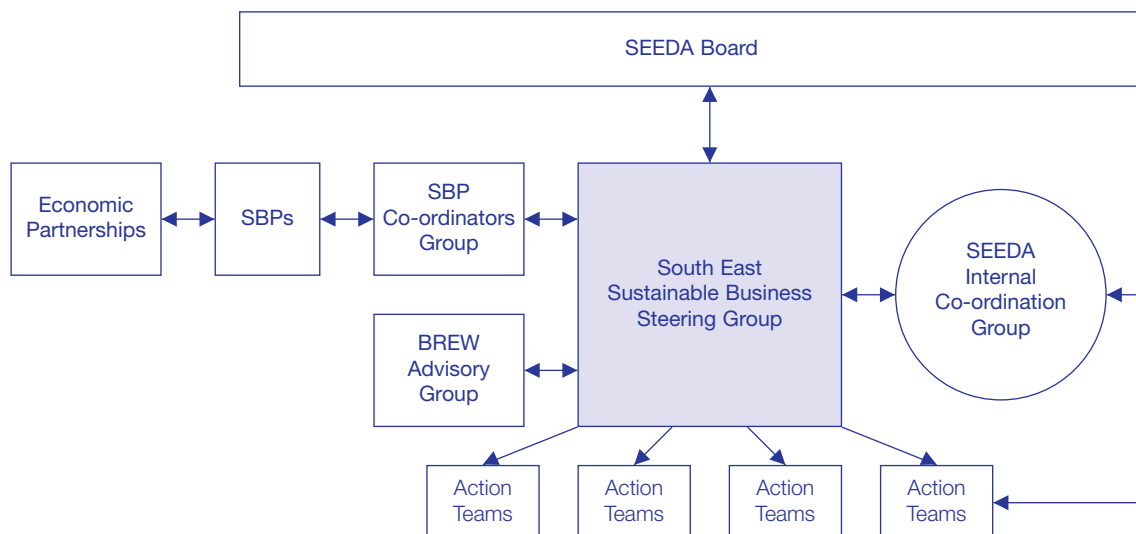
Harness the resources and expertise of the region's large corporations by supporting the establishment of Business Community Partnerships (BCPs) in those parts of the region where there is a critical mass of companies willing to work together to improve the impact they have on the people who work, live and learn in their communities.

- SEEDA will promote the good practice of the existing BCPs in Slough and Reading through its existing communication channels (including the *e-generation* website) and encourage more businesses to get involved.
- Through its Area Teams, SEEDA will encourage the creation of new BCPs in areas where there is a sufficient critical mass of companies willing to get involved.
- Provide a place on the South East Sustainable Business Steering Group for a representative of the BCPs to ensure their work is integrated with the wider strategy.

8 How will we implement the strategy?

8.1 Overall implementation structure

This strategy will be implemented through the following organisation structure:



8.2 Sustainable Business Steering Group

The South East Sustainable Business Steering Group will meet quarterly to:

- Develop and refine the region's sustainable business strategy.
- Co-ordinate the implementation of the strategy. This will include identifying areas for regional collaborative working and appointing action teams to implement them (see below for further details).
- Co-ordinate collaborative fund raising.
- Review the progress of the strategy and identify any corrective action needed if things are going off track.

Its membership will be:

Name	Organisation
Graham Tubb	Head of Sustainable Development (Chair), SEEDA
Tom Fourcade	Representative for the region's sector consortia (Deputy Chair), CEO Envirobusiness South East
Greg Ward	Head of Enterprise, SEEDA
Keren Jones	Head of Environmental Sustainability, SEEDA
Terry Clarke	Representative from GOSE
John Butlin	Sector Manager, University of Portsmouth Representative from the Learning & Skills community
Dave Roland	Director of Business Services, Sussex Enterprise Representative of the Business Link operators
Paul Dracott	Business Link Kent Representative of Business Link operators
Andy Finch	BITC Representative from Business in the Community
Rotating Representative from SBP Co-ordination Group	Hampshire and Isle of Wight SBP Two representatives from the Sustainable Business Partnerships (SBPs)
Stephen Duncan	
Ross Hurley	Representative from SEEDA's Area Teams
Malcolm Hyde	Director CBI, Representative from CBI
Steve Rees	Kent County Council & KSBP Sustainable Development Manager, Representative from the BREW advisory group
Gordon Storey	Chairman Slough Business Community Partnership, Representative from a Business Community Partnership
Mark Brunet	Chair of Enterprise Hubs, SEEDA Representative from the Enterprise Hubs
Kalpana Peigne	Marketing, Seacourt, Sustainable Business Award winner
Mike Jenner	Harvey and Sons Brewery Sustainable Business Award winner
Sophie Goodall	Representative from Environment Agency

8.3 Action teams

The Steering Group will appoint a number of Action Teams to implement the strategy. Members would be people with expertise and resources relevant to the terms of reference and need not be members of the Steering Group. They might include people from SBPs, Business Link operators, partner networks, national support organisations, SEEDA etc.

The Action Teams would meet as and when required and would be responsible for:

- Producing an action plan for their project
- Working with SEEDA to implement the action plan
- Monitoring progress against the action plan
- Reporting on progress to the Steering Group

Four Action Teams will be set up initially to deliver strategic projects as well as a further Action Team made up of representatives from SEEDA involved in the delivery of sustainable business practices (SEEDA's Internal Co-ordination Group on sustainable business). Details of the Action Teams are given below:

Co-ordination and Capacity – This team will aim to put in place mechanisms for co-ordinating the region's sustainable business activity more effectively. It will build the capacity of the SBPs, the Business Link operators and business networks so they are able to help significant numbers of businesses build sustainability into their everyday business practice.

e-generation and Menu of Opportunities – This team will aim to develop the *e-generation* website as the regional portal for information about all aspects of sustainable business. It will develop a *Menu of Opportunities for Sustainable Business* as a 'route map' for businesses to help them find an area of interest and relevance to them; to help them get practical support on implementation; and motivate them to look for new opportunities.

Marketing and PR – This team will aim to raise awareness and understanding of the benefits of being a sustainable business amongst the region's SMEs.

Performance Indicators and Monitoring – This team will aim to establish an effective process for monitoring progress against strategy targets.

In addition the Steering Group might form additional time-limited action groups to implement specific regional collaboration opportunities e.g. the roll-out of the Pulling Together community module developed by Surrey; or the implementation of new environmental support programmes.

8.5 SEEDA facilitation

SEEDA's Enterprise Team will be responsible for:

- Facilitating the Steering Group
- Co-ordinating the regional PR activity
- Collating outcome data and presenting it to the Steering Group
- Co-ordinating SEEDA's role as lead RDA

8.6 Implementation timetable

The key steps to approving and implementing this plan are highlighted in the table below:

December 2005	Steering Group holds first meeting and endorses the strategy
January 2006	Strategy communicated to stakeholders Steering Group forms the Action Teams
March 2006	Sustainable Business Awards for the South East ceremony
April 2006	Action Teams complete initial action plans and work gets underway on collaborative projects
June 2006	SEEDA hosts national RDA network event

9. How will we know if we are succeeding?

By 2008 we aim to have achieved the following target outcomes:

1. 75% of the region's companies will recognise that taking account of the economic, social and environmental impact of their activities in the way they run their business makes good business sense.⁶
2. 75% of the region's companies will know where to go for good quality support if they need help in broadening their sustainable business activity.
3. 50% of the region's companies will have implemented at least one new sustainable business activity within their business in the previous 12 months (even if they don't call it that).

There are currently no measures in place to enable us to track our progress against these target outcomes. SEEDA may therefore invest in an independent, annual tracking study to enable it to monitor progress against these target outcomes.

Discrete collaborative projects funded by SEEDA will have their own target outputs which will be defined and measured on a project by project basis. Core funding of the SBPs will also be linked to a set of defined outputs which SBPs must achieve. These will be defined as part of the implementation process once the level of core funding is confirmed.

⁶ Research carried out by the DTI in 2003 identified that 66% of all SMEs (81% of those with more than 100 employees) recognised CSR as making good business sense. 25% disagreed.

10. How will the implementation be paid for?

10.1 Overall approach

The proposed approach to funding the implementation of this strategy is:

- SEEDA's Business & International Division will fund the regional co-ordination and communication including the facilitation of the Steering Group; regional PR activity and the regional sustainable business awards; and the tracking study to measure progress. In doing so, it will maximise the potential for corporate sponsorship to make the budget go further.
- SEEDA and GOSE will work together to identify sources of stable funding for SBPs. This might include contributions from SEEDA, GOSE, BREW plus the EU.
- SBP's local partners will continue to be encouraged to provide additional funding and in-kind support to implement programmes and develop new approaches.
- SEEDA will provide the Steering Group with specialist resource to prepare collaborative regional funding bids e.g. to the GROW programme.
- SEEDA will co-ordinate efforts to encourage large companies in the region to assist work with SMEs e.g. through seconding staff to SBPs or providing facilities.

10.2 SEEDA expenditure 2005/2006

SEEDA's expenditure for this financial year is as follows:

Activity	£	Status
SBP grants	£78,000	Committed
Regional awards and case studies	£115,000	Committed
<i>e-generation</i> website development	£100,000	Committed
SESBP annual report	£4,000	
SESBP conference	£18,000	
RDA lead role	£38,000	
Project management and strategy development	£40,000	Committed
SEEDA's internal sustainable business practice	£7,000	
TOTAL	£400,000	

11.3 Longer term funding requirements

Longer term we estimate that SEEDA's contribution to funding the implementation of this strategy will be at a comparable level to that in 2005/2006 but will be spent in a different way with a stronger emphasis placed on ensuring there is stable funding for the SBPs which are key to delivering this strategy.

The proposed level and allocation of funding longer term is indicated in the table below:

Activity - £k	2006/2007	2007/2008	2008/2009
SBP funding	£300,000	£300,000	£300,000
Regional collaborative projects	£100,000	£100,000	£100,000
Regional awards and case studies	£70,000	£70,000	£70,000
Regional PR and annual report	£40,000	£40,000	£40,000
Regional marketing and events	£20,000	£20,000	£20,000
Tracking study	£35,000	£35,000	£35,000
RDA lead role	£15,000	£15,000	£15,000
TOTAL	£580,000	£580,000	£580,000

In addition SEEDA has already committed a further £75,000 for the development of the *e-generation* website between 2006-2008. This includes funding for a full-time Project Manager.

APPENDIX I - People consulted

SEEDA

Greg Ward	Head of Enterprise
Julie Kapsalis	Head of Operations, Enterprise Team
Amelda Astfalck	Consultant
Tanya Mennie	Former Sustainable Business Manager
Graham Tubb	Head of Sustainable Development
Melvin Caton	Head of Waste Market Development
Pam McHale	Head of Social Inclusion
Karen Holdsworth-Cannon	Inclusion Policy Development Manager
Susan Priest	Area Director – Kent & Medway
Liz McSheehy	Area Director – Sussex & Surrey
Ross Hurley	Area Manager – Milton Keynes, Oxfordshire, Buckinghamshire and Berkshire
Rob Nolan	Head of Investor Development
Martin Clements	Investor Development Manager, Oxfordshire and Berkshire
Chris Chapman	Investor Development Manager, West Sussex
Julia Owen	Investor Development Manager, Surrey
Glen Atherfold	Head of Business Link

SBPs/Business Links

Rosie Franklin	Funding Manager, Business Link MOBB
Dorothy Blacklaws	Business Link, Surrey
Paul Dracott	Business Link, Kent
Steve Dulmage	SBP Co-ordinator, Surrey
Tim Clark	Hastings SBP
Helen Davis	SBP Co-ordinator, West Sussex
Paul Dracott	Business Link Kent
Katie McDonald	SBP Co-ordinator, Hampshire and Isle of Wight, now Sustainable Business Campaign Manager at SEEDA
David Ripley	Sussex Enterprise

Other

Steve Rees	Kent County Council
John Gregory	South East Economic Partnerships Co-ordinator
Peter Lambert	Business in the Community
Andy Finch	Business in the Community
Terry Clarke	Government Office for the South East
Roger Broad	Institute of Directors
Louise Matrix-Evans	CR Consultant
Nancy Bluck	Ecosys
Gary Foster	Carbon Trust
John Hilbrow	Federation of Small Businesses
Katie Plummer	Envirowise
Phil Sivell	Surrey County Council
Gordon Storey	Slough Business Community Partnership
Bob Jones	Slough Business Community Partnership
Matthew Topsfield	Environment Agency

APPENDIX II

Information Sources

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