



Report of the Deputy Chief Executive

Executive Board

Date: 8th October 2008

Subject: Leeds By Example: Developing a Corporate Social Responsibility Policy

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

In seeking to deliver the Council's strategic objective to Narrow the Gap, work began in 2007 on a series of initiatives to make a contribution to the agenda by exploiting the City Council's capacity through its workforce, procurement and procedures rather than solely via service provision. This was developed into and then promoted under the banner of 'Leeds By Example', which has since been developed into a programme of six pilot schemes that demonstrate our Corporate Social Responsibility (CSR) approach in action. This report builds on the work to date to develop the vision and framework for a CSR policy and makes suggestions for work to be taken forward.

Schemes launched to date are proving successful. Leeds Community Foundation, Leeds Ahead, and KPMG have provided input and advice to steer this work to date, and have been particularly complimentary about the development of the vision and principles. However, the programme would benefit from more input, awareness and resource to gain momentum and this is a key consideration discussed in this paper.

There appears to be evidence of the positive benefits to be gained from the development of a CSR policy in terms of the value it could add to addressing our strategic priorities and the potential to demonstrate community leadership both internally and externally. However, there is a need to carefully manage and balance the developments to ensure we do adopt the spirit, not just the letter, of CSR. Also, the delivery of this developmental work must be adequately resourced so that we provide demonstrable commitment of our intent to staff, city partners and the wider community of Leeds.

Experience elsewhere shows that delivery and not rhetoric is the key to stakeholders developing trust. There are a number of benefits, risks and requirements that the Council and its city partners must consider when developing, embedding and sustaining *Leeds By Example*. A robust, targeted and wide-reaching communications plan that addresses this is vital. These issues are discussed throughout this report.

The report is structured around the key sequential areas of Purpose; Background; Business Case; Risks; Vision – What Exactly is *Leeds By Example*?; Schemes; Communications; Launching, Embedding & Sustaining *Leeds By Example*; and Recommendations.

1.0 Purpose Of This Report

- To raise awareness of our progress in developing CSR for Leeds
- To outline current developments
- To agree work going forward

2.0 Background Information

2.1 This report builds on previous work that began in summer 2007 as a direct result of discussions about the value of CSR at the Narrowing the Gap group. This work established the underlying principles of *Leeds By Example* and outlined plans for a launch and further work on pilot schemes. This report consolidates that work in a conclusive proposal that incorporates feedback from the Corporate Leadership Team.

2.2 In the private sector, CSR has grown in importance in recent years. This has been driven by increased demands from customers, employees, statutory bodies and the general public for detailed information about whether companies are meeting acceptable standards. Increasingly companies have to take account of how their actions impact on society.

2.3 According to KPMG, firms are facing strong demand for CSR from their employees, so much so that it has become a serious part of the competition for talent. *"People want to work at a company where they share values and the ethos"* (Mike Kelly, head of CSR at the European arm of KPMG). For this reason many businesses have eagerly adopted and are "embedding" CSR in the core of their operations, making it "part of the corporate DNA" so that it influences decisions across the organisation. Building credibility and trusting their employer are increasingly seen as important by employees when they choose who they want to work for. People, especially 'Generation X' and younger, don't want to work somewhere that clashes with their personal values.

2.4 According to recent literature, delivery, and not rhetoric, is the key to stakeholders developing trust. CSR therefore needs to be embedded in an organisation's culture to make a change to actions and attitudes; the support of the top team and effective bottom up engagement are both critical to success. CSR has become an important way to add value to the employer brand and to community leadership, equally if not supported, it is more vulnerable to scrutiny and suspicion.

2.5 A recent Leeds Initiative-led seminar saw key local employers discuss the advantages of embracing CSR and recognise the importance of ensuring that it was not seen as a 'fad' and went beyond a 'tick box' approach. Participants made the following key points in terms of the need for and advantages of CSR:

- It brings a competitive edge, and helps to attract high quality employees;
- To be successful it needs to be core to the corporate culture;
- It represents a 'good neighbour ethos' and demonstrates effective local leadership, with a win-win-win for employers, employees and local people;
- It contributes to employee motivation, loyalty and attendance;
- It is important to ensure that it is not seen as frivolous. Equally, in the face of an economic downturn, it was felt that CSR was needed more than ever, especially to compete for employee talent in the marketplace, and to assist small community groups who would not otherwise be able to access funds or support.

3.0 Business Case

3.1 Why should we 'do' CSR?

1. We would be the first council to take a formal, joined-up and demonstrable approach to CSR. This kind of innovation is befitting of a 4* authority and leads the way nationally.
2. We can generate positive publicity, and promote a strong and dynamic brand.
3. It will demonstrate excellent and innovative community leadership in the upcoming Corporate Area Assessment (CAA).
4. We can increase our efficiency by consolidating and centralising existing work under the *Leeds By Example* banner and using this as a focal point for existing isolated strands..
5. It will add impetus, motivation and direction to stalled or slowed projects.
6. It will help us deliver on our strategic priorities and targets.
7. It will be a positive force for good in our workforce and our communities.
8. We can lead our city by example and encourage our partners to view *Leeds By Example* as a CSR approach for the city, not just for the council.

4.0 Risks

4.1 There are a number of practical issues and risks. We need to put mechanisms in place that will minimise the risk that we fail to ensure:

- **Stakeholder buy-in** It is essential that the spirit of CSR is adopted, and not a tick box approach. Buy in is likely to involve an initial focus on staff, elected members and our strategic partners;
- **Good communication and information** Highly visible, easy-to-understand and long-term communications should be released. Real life examples should be used wherever possible to create wholly positive PR;
- **Momentum** It is important that *Leeds By Example* is seen as an ongoing programme which staff can see the value in, and not just a short-lived corporate 'fad';
- **Adequate resource** KPMG have a CSR Leadership Panel with overall responsibility at a national level for the scheme, which reports directly to the Board of Directors – emphasising the corporate nature of the initiative. Leeds City Council would need to demonstrate commitment in order that a 'critical mass' in terms of support and momentum is reached and maintained;
- **CSR is a priority** Make effective links with strategic outcomes, rather than CSR being seen as an 'add on' activity;
- **Sustainability** Reducing an over reliance from some groups on 'in kind' support – leading to problems of sustainability in the longer term;
- **Assessment of impact** Mechanisms need to be put in place to capture and highlight the positive impact of the schemes.

5.0 Vision – What Exactly Is *Leeds By Example*?

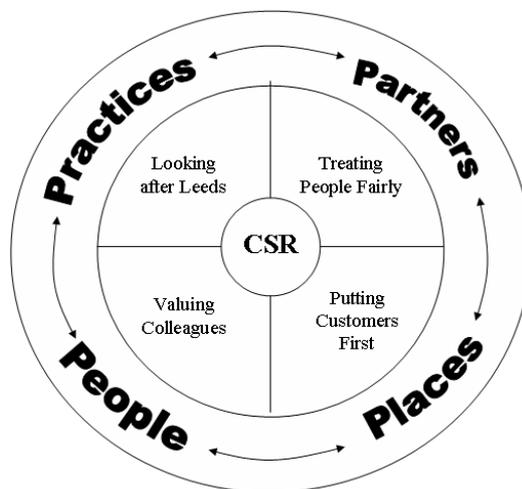
5.1 In the private sector, there are a number of CSR frameworks and models in use, and these have been analysed to assess fit with Leeds. One of the considerations is that the goals of CSR in the private sector are different from a public sector organisation. In the public sector, KPMG found only one public sector body referencing CSR (the Higher Education Funding Council for England), with a series of statements, but no CSR policy. The Sustainable Development Commission and the NHS do an

increasing amount of work around what they call ‘Corporate Citizenship’. *Leeds By Example* would be breaking new ground in local government and indeed the public sector at large.

- 5.2 The first component of CSR is a recognition that **CSR is already our core business**. Traditionally organisations who have adopted a CSR policy have been commercial profit-making establishments who use CSR as a way of giving back and reducing any negative impact on society they may have. By the very definition of the work we do, we are an organisation that focuses on improving life in Leeds economically, socially and environmentally. For this reason, CSR can be seen as our core business. We demonstrate our commitment to CSR through and around our core values.
- 5.3 However, there is a way for us to do more, over and above our core activities. We can take a fresh view of our staff, our skills, our resources, our policies and procedures to find innovative new ways to make a difference to the city of Leeds and beyond. This is about more than giving our time; this is about giving our skills, our value. This, in essence, is what Leeds would call ‘CSR Plus’.
- 5.4 We propose to define our vision for CSR for Leeds under the banner of ‘**Leeds By Example**’ and the draft vision statement is set out below:

‘Leeds By Example is our corporate commitment to behave ethically, responsibly and as an exemplar to others in pursuit of our objective to narrow the gap between vulnerable communities and the rest of our vibrant, developing city.’

- 5.5 Taking these elements together, we have pictorially represented how our organisation, our values and *Leeds By Example* activities are combined under our four key themes of People, Places, Partners and Practices:



The overall fit with our corporate priorities – the ‘Golden Thread’ running right from our Local Strategic Partnership at the top to the individual schemes that demonstrate *Leeds By Example* in action at the front line – is outlined in Appendix 1.

- 5.6 *Leeds By Example* is CSR for the city, not just for the council. We are Employer, Leader and Partner:
- **Employer** We are exploiting our capacity through our workforce, procurement and procedures rather than solely via our service provision. We strive to ‘set our own house in order’ and create a forward-thinking organisation that our

employees can be proud of by providing all staff with new and effective opportunities;

- **Leader** Through utilising these considerable strengths we will take the lead on CSR at a city level, using it to add value to our demonstration of community leadership and providing a focal point and exemplar for similar activities in Leeds. We will champion our Local Strategic Partnership, its strategic outcomes and our intent to Narrow the Gap;
- **Partner** By forging new, robust and effective relationships with Leeds Ahead and the Leeds Community Foundation, we are creating unique partnerships with bespoke organisations fully committed to the objectives contained within our overarching Local Strategic Partnership. The Leeds Initiative is another key partner that we continue to work with closely in our development of CSR; we will be working hard to actively engage city partners represented at the 'Going Up a League' and 'Narrowing the Gap' boards in the work we are doing.

5.7 We do (and will continue to) recognise that there are other organisations in the city playing similar CSR roles within our city. Leeds Cares is one example, and we are forging informal links with Business in the Community as part of this project. However both Leeds Ahead and the Leeds Community Foundation are organisations uniquely founded on our Vision of Leeds, complete with its city-wide all-inclusive approach and focus on areas of deprivation, and as such represent the right vehicles for CSR partnership.

5.8 *Leeds By Example* is **not**:

- Taking credit for already existing, business-as-usual council projects that fit with a broad definition of CSR. Many areas within the council, such as Education Leeds or Adult Social Care, have well-established projects. We are looking to build on these successes and expand valuable opportunities across the organisation where possible;
- Taking credit for existing voluntary work or climate/socially responsible behaviour done in employees' own time;
- A new project that manages these already-managed projects;
- A new, different way of fundraising, or a departure from the general charity work that currently goes on within the council and within the city;
- Leeds City Council seeking to act as a city broker for CSR-related activity such as staff volunteering.

5.9 Finally, *Leeds By Example* will produce a written framework outlining our policy, our approach, our vision, our targets, our schemes, and relevant diagrams.

6.0 Schemes

6.1 There are a number of schemes that we are currently looking to bring together under *Leeds By Example*. These demonstrate what CSR is. The majority of these are being developed as pilots in order to test out our approach to CSR by:

- testing our vision and CSR definition;
- assessing the best routes for engagement with staff;

- developing practical and pragmatic projects that are low cost / low risk but provide the opportunity to assess routes for performance management and benefits realisation;
- developing governance arrangements going forward.

6.2 We propose to develop schemes that contribute to our strategic priorities of:

- Reducing Worklessness
- Raising Educational Attainment
- Contributing to developing a Sustainable Environment

6.3 The six pilot schemes we chose to consolidate, focus on and launch at our 'Good to Great' leadership event are:

Staff Volunteering	Corporate Travel Review & Sustainable Travel Options	Energy Guardians
Considerable research has been done around our proposed staff volunteering scheme. We have learnt from the DWP, from Leeds Ahead, and discussed our proposal with the HR Leadership Team. The scheme is currently being discussed and designed and involves extensive consultation. It will be an employee initiative, and not mandatory. It will be sold as a project giving additionality in our development of staff and city. We would have a project coordinator, and Leeds Ahead would act as the broker, matching employee, business and community need (their database). We would provide volunteers, and Leeds Ahead would manage expectation and measure outcomes en route.	We are corporately reviewing how we perform as a business in relation to our travel. The STO project endorses, publicises and facilitates walking, cycling, car sharing, the WhizzGo car club, and taking public transport. It also emphasises saving money, improving health, reducing carbon footprints and making actions count for a cleaner greener Leeds. This is part of 'greening the workplace' and will be embedded into our sustainable travel plans. A range of promotional and marketing activities are planned or underway; Walk in Fridays is a planned project.	This is an existing internal scheme, with good levels of take up and a number of internal champions across the Council, who meet quarterly. These champions promote 'green' behaviour in their area. The target for the coming year is to run a 'switch off' campaign in a number of key buildings in order to quantify how much power is being wasted. This power loss could then be analysed and a financial value attributed, but requires greater resource commitment in order to deliver this.

Slivers of Time	Community Benefits Charter	Payroll Giving & Trust Funds
Enables those who can only work for short time periods to take up new employment opportunities. It now has 125 sellers, with over 1100 hours of work delivered. The scheme is under its first year review and will be embedded as part of our agency procurement process. It has attracted positive publicity externally through the media, with success stories of people on Disability Living Allowance and Mental Health programmes finding employment. Further external take up is set to be encouraged through the Leeds Initiative.	This scheme aims to encourage all current and potential suppliers to commit to providing added benefits to the local community. To date 66 companies have signed up; around a third of these are Council suppliers. There is an accompanying sustainable supplier awards scheme, intended to publicise the sustainable procurement programme and provide an incentive to our suppliers to improve their sustainability performance and would benefit suppliers in terms of promotional opportunities. This is planned for 2009, but funding dependent.	This scheme allows employees to donate to support groups and projects in the city. Take up to-date is low. We could consider some marketing and promotion for this, but must be carefully considered in light of the current economic climate and politics and sensibilities around giving. The foundation of the City of Leeds Fund, the product of our work on dormant trust funds, will be launched officially in November. With its 'Leeds People, Leeds Money, Leeds Causes' focus, this might represent a great target for giving. This will be managed by the Leeds Community Foundation, who will market the fund's success story.

6.4 We are also considering the possibility of including other aspects of current council work in our overarching CSR approach:

- Corporate approach to work experience and work placements;
- Using professional skills and qualifications across the organisation in innovative new ways. This might be a bespoke volunteering event around benefits, job fairs, open days, advice days, CV work, work placements, accounting etc; it would include other city partners;
- Targeted disposal of council waste – helping community groups where possible.

7.0 Communications: Encouraging and Publicising *Leeds By Example*

7.1 Internal Communications

7.1.1 Ultimately it is delivery and not rhetoric that is the key to stakeholders developing trust. We need to consider the best way to reach staff on the ground, to ensure effective take-up without this being too costly or onerous. We also need to help individuals and teams to see the benefits, by presenting the schemes in an interesting and worthwhile way. Our suggested strapline is '*Leeds By Example*: not because we have to - because we want to'.

7.1.2 Employees have already been engaged in our fledgling corporate social responsibility approach. Low-key messages have been issued in Team Talk making staff aware that developmental work was underway, and *Leeds By Example* has been launched internally with the 350 senior managers at the 'Good to Great' event. These have all used existing communication channels, setting out:

1. A simple theme: this is our CSR definition, vision and commitment;
2. Outline of pilot schemes already running, future schemes and 'a call to action';
3. What we hope to develop and achieve in the next 12 months
4. What we hope to develop and achieve in the next 3 years
5. Clear link to our values (Looking after Leeds and Narrowing the Gap) and strategic outcomes.
6. Consultation. In order that we engage the organisation, effort needs to be made engage staff in take up and what their suggestions and ideas for new schemes to implement.

7.1.3 We propose to maximise take-up with a comprehensive communication plan. This will include continuous messages to staff via usual communication methods, management teams, creation and promotion of intranet and internet areas, and potential new and innovative means of engaging with staff such as games, branded products and online debates. A survey and/or focus group should be considered. We are also looking at the possibility of incorporating *Leeds By Example* into our corporate recognition scheme, and will look to build up a number of success stories and case studies.

7.1.4 Looking to the medium term, there may be potential to extend this into the community – akin to a '*Celebrate Leeds By Example*' event, or something similar to a recent Leeds Ahead event that promoted CSR in the business community.

7.2 External Communications

7.2.1 Before an external launch campaign is designed, we will need to segment the audience, as different audiences require different channels and messages. We would look to follow a step-by-step approach:

1. Government-friendly, restricted media
2. City partners, through the Narrowing the Gap and Going up a League boards
3. Local business – this could involve the Chamber of Commerce

7.2.2 External promotional messages would fall into one or more of the following categories:

- **General promotion** Sets out our commitment to CSR under the *Leeds By Example* banner. Set out what we are committing to do, our thinking and what we are trying to achieve.
- **'Do as we do'** This is what we are committing to do, this is what we want to achieve, this is how we will go about it, we want you to do the same.
- **'What Leeds By Example can offer you'** Our commitment to CSR, and our ability to add value to other partners in the city by helping them realise CSR policy aims. 'We have a portfolio of CSR activities which you and your staff can participate in and contribute to looking after Leeds and narrowing the gap'. This would be our city-wide approach.

7.2.3 In all our communication, ongoing news updates on the back of initial launches and ventures are important, so that Leeds by Example maintains both visibility and momentum.

8.0 Launching, Embedding and Sustaining *Leeds By Example*

8.1 Resource that we commit to the pursuit of our agreed Corporate Social Responsibility agenda will dictate the eventual extent, depth and success of the programme and pilot projects we deliver. There is clearly some opportunity cost associated with the above intentions, but one that is worth paying. Discernible resource committed at this early stage is required so that Leeds can reap potentially lucrative dividends at a later stage. *Leeds By Example* should be a great example of the 'multiplier effect' in action. KPMG have made clear that governance and resource requirements are fundamental to our success and require serious and tangible commitment.

8.2 Officers continue to work together on effective resource solutions for the *Leeds By Example* project. Wherever possible we will minimise business impact by harnessing existing resource. We are also working in partnership with other agencies in the city to explore other avenues of potential CSR-related regional funding.

8.3 Primary resource is currently in place. This includes a project sponsor (Deputy Chief Executive), project owner (Resources Chief Officer) and short-term project manager (National Management Trainee). In addition to this officers from across the council have provided their time on an ad-hoc and 'in kind' basis to enable the programme to get to this stage of development. We also have considerable support from Leeds Ahead and the Leeds Community Foundation, and consultancy advice from KPMG.

8.4 The project manager continues to work on development of the six pilot schemes, giving particular attention to Staff Volunteering. The project manager is also working-up other initiatives which may or may not eventually form part of one of these schemes/the wider *Leeds By Example* programme.

8.5 Governance

8.5.1 A time-limited Project Board has been established to oversee and manage the initial work to develop the vision and to scope and manage pilot work. At officer level, the is led by the Deputy Chief Executive, who is the sponsor for CSR. The project group is being led by a Chief Officer from the Resources Directorate, and has membership drawn from:

- Leeds Community Foundation
- Leeds Ahead
- Corporate HR
- Corporate Finance
- Procurement
- Regeneration / Sustainable Development
- Corporate Communications
- Corporate Equality Team

9.0 Recommendations

9.1 Executive Board are asked to:

- a) Agree the vision, definition and plans set out in this paper;
- b) Note ongoing and piloted schemes currently under development.

The Corporate Fit – Our ‘Golden Thread’

Leeds By Example: Where does it fit??

