Crime and Social Policy Briefing

Open for business

Community safety partnerships and business crime

Nina Schuller
with Mark Deane

This paper is an introduction for community safety partnerships wanting to tackle business crime. It covers:

- *defining 'business crime'*
- *the wider impact of business crime*
- *why community safety partnerships and business should work together to reduce crime and disorder*
- *how partnerships and business can work together*

Looking at the issue from a strategic viewpoint, it seeks to widen the debate and argue that the partnership approach set up the Crime and Disorder Act 1998 should be a key tool for identifying and dealing with local business crime and disorder.

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Introduction

This briefing is an introduction to why community safety partnerships should be involving businesses. It begins by defining 'business crime' and so recognising its true nature and scale. It then looks at the wider impact of 'business crime', which is not victimless and can have major repercussions for employers, employees, customers and whole communities. As well as looking at why businesses should be involved in crime prevention and, more specifically, why they should be involved in community safety partnerships, we cover the basics of auditing, consultation and partnership - issues that will be covered in greater detail in further publications.

The Social Exclusion Unit's recent paper A *National Strategy For Neighbourhood Renewal* repeats the important message: safer communities can only exist with the help of business and business needs safer communities in order to thrive. Business crime and disorder is a complex problem, which calls for complex solutions. In many areas, businesses and partnerships are already working towards such solutions. However, such work has tended to be *ad hoc.* This paper argues for the need for a more strategic and integrated approach, led by local community safety partnerships. Later papers will expand on this approach.

What is business crime?

We can only apply an evidence-led approach to business crime if we begin by defining it. Although it is often thought of in a limited way - in terms of retail and town-centre crime, and non-residential burglary - 'business crime' is an umbrella term. It can encompass a multitude of crime and disorder types from shoplifting, through assault at work, to white-collar crime. Business can also be targeted or affected by other crime and disorder offences that are classified in police statistics under general crime types such as nuisance or criminal damage. Where there are no official statistics for this we must rely on local research, which shows high levels of such crimes directed at local business.

Local community safety partnerships need to be aware of this wider definition before devising an auditing and consultation process to identify those types of business crime and disorder that are local problems. High-profile crimes against business - such as retail crime, non-residential burglary and town-centre disorder - are most likely to become strategic priorities. However, this does not prevent other business crime and disorder issues being linked into other strategic priorities and action plans. For example, racial harassment against owners and employees of small businesses (see Ekblom and Simon, 1988) could be included in a priority to deal with racial harassment, and violent crime in the workplace could be the subject of targets and actions under a priority to reduce violent crime.

What is the 'business' in business crime?

The business sector is made up of a number of business types, from small local businesses to multinational corporations. It includes these sectors:

- agriculture
- banks/financial services
- building and construction
- insurance
- landlords
- leisure and tourism (pubs, hotels, etc)
- manufacturers and distribution
- media and communications
- retail
- small business
- transport
- utilities

Any type of business can be affected by crime and disorder. Some crimes, such as theft of construction equipment, will be targeted against particular businesses. Other crimes, such as violence in the workplace, will cut across all businesses. Local auditing and consultation will reveal which of these are the major problems in a local area and the local community safety partnership will then need to decide if it is the best forum for dealing with the identified problems.

What is the 'crime' in business crime?

Offences can include those:

- against business (eg shoplifting or vandalism)
- against employees (eg assault at or on the way to work)
- by individual employees (eg employee theft)
- by individual employers (eg fraud and other white-collar offences)
- deliberately committed by business against the public (eg contravening trading standards or environmental legislation)
- generated by poor business practice, in conjunction with other risk factors (eg alcohol-related violence in town centres, poor landlord management or unregulated handling of suspect goods by secondhand shops)

General crime and disorder - including drug and alcohol misuse, violent crime, street crime, anti-social behaviour, youth crime and disorder, environmental issues, and racial and sexual abuse - can also impact on the business directly and through its employees (at work, at home or travelling between the two).

It must also be recognised that some types of business crime may be completely outside the control of local agencies. White-collar crime and corporate crime are heavily under-reported, and measures to tackle them may need to cross local or even national boundaries. Most partnerships will therefore focus on crimes against businesses and disorder that is partially generated by businesses.

Why involve business in community safety?

There are three key reasons why business should become involved in crime reduction partnerships:

- the high volume and costs of business crime
- the impact of business crime and disorder on society as a whole
- the importance of business to the wellbeing of the local community

The high volume and costs of business crime

The following statistics show the seriousness of the problem of business crime.

- According to the CBI, the average UK company loses five per cent of its turnover to crime. This is often half its overall profit.
- Research in Leicester showed that the risk of crime for small businesses is much higher than for individuals or households. The sample showed that 76 per cent of businesses were victimised in the previous 12 months, each suffering an average of 5.3 incidents. The average cost to victims was £1,998, with only 25 per cent of this recovered through insurance.
- The full cost of retail crime and crime prevention measures is £2.22 billion (British Retail Consortium, 2000).

The impact of business crime and disorder on society as a whole

The effects of business crime will go beyond profit levels for the individual employer. It can raise the price of goods and increase unemployment. Losses from crime can be enough to tip business into insolvency. Businesses can also be destroyed if records are stolen or damaged and back-up copies are not kept; or if important and not easily replaced tools are taken. Employees can also suffer the effects of victimisation in the wake of workplace crimes and are also vulnerable to crime as individuals.

(Despite the implications of this, few businesses currently have victim support policies.)

Changes in business practice and technology can also impact on local areas. Home computing, for example, has led to an increase in the number of people working from home (DETR Foresight Report). This is likely to impact on surveillance in both residential and non-residential areas. Business planning decisions can have also have major consequences for local areas, for example, the effects that the growth of out-of-town leisure and shopping centres had on the guardianship and economic viability of town centres. The business decision to leave an area can spell long-term decline for the whole community (SEU).

Some examples of the public impact of crime

- Retail crime costs each household in the UK £90 per year (BRC).

- Small businesses account for over 50 per cent of non-governmental employment. Many of these firms operate in a volatile environment where they are highly vulnerable to market pressure and closure.

- Seven out of ten thefts of workers' property and over a fifth of all assaults against those in employment take place at work (BCS).

The importance of business to the wellbeing of the local community

Local business is said *to serve* as a *barometer of the health of local economy and quality of life* (Fisher 1991).

The symbiotic relationship between business and communities has already been recognised by regeneration initiatives involving business, such as SRB and New Deal, and most recently in the SEU report on renewing neighbourhoods: 'A shortage of jobs, local services and enterprise is one aspect of exclusion facing people in disadvantaged neighbourhoods. But sustainable neighbourhood renewal will not happen without enterprise development. Conversely, enterprise development will be of only marginal relevance unless it is part of a wider strategy to develop people's skills and self-esteem and help them use mainstream services from which they feel excluded.'

Why involve business in partnerships?

What can business bring to the partnership?

Business can offer valuable support in terms of administration, advice and pooling of resources. This includes increasing or improving existing databases, funding and funding in kind. Generally, they can help to develop the community into a place that people want to live and work in. As part of that community, business shares its vulnerabilities and can play a key role in dealing with its problems. Managers will be proficient and pragmatic in their approach to the strategy process and can help with calculating and setting targets, detailed action plans and costings, marketing, branding, carrying out cost benefit analysis, etc. Business will expect precise strategies and real implementation and so can act as a catalyst (give a sense of urgency, put deals together, etc) within the wider partnership. Business can also help define and prioritise 'business crime' and can be an important partner in applying for funding.

What can the partnership bring to business?

There will be benefits for business, from marketing opportunities to skills training for staff. They will see their more localised work translated into strategic targets and objectives and the resultant reduction in crime should offer them cost benefits. They will also have access to a whole range of agencies and thus further information, expertise and resources, including best practice on crime prevention. Later briefings will look at incentives for business in more detail.

Business in the Community in the West Midlands

Business in the Community facilitated ongoing support over four years for the community of Balsall Health, West Midlands, from a group of businesses led by KPMG. This saw a 47 per cent reduction in violent crime, resulting in reductions of up to 66 per cent in local shops' insurance premiums.

Will business want to get involved?

Businesses are primarily profit-driven, but many already contribute to social programmes around the country. A study carried out by the Small Business and Crime Initiative in Leicester indicated that half the businesses sampled wanted to participate in activities to prevent crime; a further quarter said that they would probably become involved.

Why should business become involved in a community safety partnership?

The Home Office guidance on the Crime and Disorder Act stated that shopkeepers, retail organisations, other employers Training and Enterprise Councils, and Trades Unions should be invited to contribute to the work of the community safety partnership. The new Small Business Service (SBS) should also have an important role to play. The SEU suggests it should be at the centre of government for promoting enterprise in deprived communities, including responsibility for developing community finance initiatives and local retail strategies (which will cover crime prevention). The 29 Business Links covering the 44 most deprived districts in England should also be integrated into this process.

The community safety partnership offers business the opportunity to be part of a holistic multi-agency approach, which is not limited in its lifespan. The benefits of partnership are summarised in an earlier section. Above and beyond these, the community safety partnership allows business access to: all the key agencies, including:

- officers at a more senior level
- pooled resources (including governmental funding which can only be won through the community safety partnership)
- the Community Safety Strategy, which sets out strategic priorities, targets and actions for the mainstream agencies

A strategic partnership is important because the causes, effects and solutions to business crime go beyond the individual business or business grouping. As the recent Social Exclusion Unit's A *National Strategy For Neighbourhood Renewal* states: 'The main drivers of neighbourhood decay has, in most areas, been economic. Mass unemployment and the closure of particular industries have devastated communities.' Deprivation and social exclusion then create the conditions or risk factors (such as unemployment, drugs misuse, educational underachievement) that can lead to high levels of crime and disorder. Crime and the threat of crime can deter customers from using local shops. Lost custom, together with other factors such as repeat victimisation and bootlegging (especially prevalent in deprived areas) can then lead to small businesses leaving the area. 'Once vibrant local shopping centres that provided the local community with a safe place to meet and shop have mostly disappeared' (SEU). Such an environment does not attract or create new business or jobs; this can transform the area into a ghetto for the socially excluded who can not afford to leave.

This downward spiral needs to be dealt with at all levels. It requires a strategic approach that involves both major agencies such as the police, probation services and the local council, as well as business. 'It will also be important not just to focus on those neighbourhoods that are already extremely deprived, but also to prioritise preventive action in other neighbourhoods that are at risk of decline' (SEU).

Current approaches to tackling business crime and disorder

A number of local measures have been developed to tackle business crime. These include some partnership approaches.

Individual businesses working alone or with the police to reduce crime and disorder

This can include target hardening and setting up security systems. However if such systems are not based on auditing and followed up by further monitoring and evaluation, they can have a very limited impact on crime, and may even increase the levels of crime and fear of crime.

Cross-industry approaches

In this approach, businesses work to reduce crime and disorder across an industry through co-ordination of efforts and pooling of information, for example a database of stolen equipment.

Multi-agency/partnership approaches

Multi-agency/partnership approaches have included:

- area-specific partnerships (eg the town centre or regeneration partnerships)
- business-specific partnerships (eg pub watches and retail crime partnerships)
- issue-specific partnerships (eg alcohol and drug forums; partnerships to design crime out of a process such credit-card use)
- limited involvement on community safety partnerships

Partnerships and business: an evolving approach

Many of the above partnerships have tended to focus on physical or situational crime reduction, with the emphasis on crime against business, particularly retail crime. Some regeneration initiatives have moved towards a more integrated approach to dealing with all the crime generators, including physical, social and offender-based interventions. These initiatives can offer some strong pointers towards setting up effective public/private partnerships. These types of partnership, however, have had their limitations. They have focused on one area (whereas the local crime and disorder audit may have revealed a number of crime and disorder hotspots) and they have a limited lifespan. 'Too much reliance has been put on small-scale, short-term regeneration programmes operating in only a few areas' (SEU). The SEU also point out there has been too much concentration on bricks and mortar by such initiatives.

The Crime and Disorder Act has encouraged a more strategic approach to crime reduction in a locality. It will remain true that some crime prevention issues will be best tackled by individual businesses or by a specific type of partnership. These approaches should continue to be encouraged because they are the foundation from which a more strategic approach can be built.

How to involve business in your community safety partnership

As a first stage, the level of business crime and the potential role of business in the partnership must be recognised by the existing members of the partnership. Then, invitations to businesses must be tailored to their cultures and needs. This often requires skilled negotiators and additional resourcing. For example, the Safer Merseyside Partnership is now training specialised officers to work with business, who will have an understanding of business culture and be able to provide businesses with the information they need in a format they understands. It is proposed that this be delivered by a call-centre type of arrangement.

In some areas, business may have become involved in the partnership as part of an unstructured process. For example, the regeneration officer on the partnership may have recognised the importance of business and pulled in business from his network, or a business may have been involved in a particular crime reduction project. Alternatively, the auditing or consultation process can raise the profile of a type of business crime and be used to involve business in those partnerships that do not already have business membership.

Partnerships are advised to ensure that the distinct needs of people from black and ethnic minorities who run businesses are addressed in auditing and consultation within community safety strategies, as recommended in the Lawrence Inquiry Report see After Watershed. Nacro has produced a leaflet, *Consulting with Black and Racial Minority* Businesses[1], which contains advice on developing a dialogue with individuals from black and racial minority communities.

Local auditing and consultation

Business crime and disorder needs to be defined before the auditing and consultation process takes place. Which are the main businesses and industries in the area? Are there any indications that any of these are suffering from or causing particular crime and disorder problems? These issues can then be focused on when designing the consultation process, with the option for other(s) to be raised during the process itself. Questions about business as a generator of crime could be included within wider public consultation. Relevant information may also have been gathered by appropriate council departments and local consumer groups.

Business itself is an important source of data and viewpoints. Essentially, business should be approached as a hard-to-reach group for the purposes of auditing and consultation. A generalised questionnaire for the 'public' is unlikely to result in a good response from business. Survey materials and methodologies will need to be tailored to the concerns of both employers and employees.

Safer Merseyside Partnership

The Safer Merseyside Partnership has committed a substantial amount of funding to tackle non-residential burglaries. They identified target businesses through the use of specialised software that matched business postcode with vulnerability, based on criteria linked to repeat victimisation and hotspot data analysis. an assessment of need. This approach required the individual surveying of businesses, as local areas did not postcode businesses in a standardised way. the businesses identified as being most in need were also those that were most vulnerable to failure and closure as a result of crime.

The evidence should be gathered through targeted auditing (private-sector data tends be collected on an ad *hoc* basis and is not usually compatible with public-sector data) and surveying both employers and employees (including targeted consultation, such as focus groups at work, etc).[2] This, in turn, requires additional effort and resourcing. However, without this the wider crime and disorder partnership runs the risk of ignoring the reality that business crime can be a major problem for the locality.

Business membership of the community safety partnership

Business membership of the partnership itself must be limited (the partnership must remain a manageable size), although there could be further business representation on appropriate sub or action groups. Consultation can also be used to get the views of the wider business community.

The limited membership of the main partnership means that the voice for business that brings resources, information and expertise to the table is likely to be provided by a business association or partnership (eg Chamber of Commerce or business link). This body will then have access to a larger business membership. There should be representation of both small and large business: small business is an important conduit into the wider community.

You will need a skilled negotiator to ensure business involvement and that business does not come to see the partnership as a mere talking shop. This can be done by providing business partners with a clear practical role and strategy or plan. It will also be important to explain the local democratic process and the basics of crime prevention so that they are aware of how the partnership will work and not have unrealistic expectations.

The community safety partnership will also need to work in conjunction with or encourage the creation of other more limited business sector partnerships. For instance, if a retail crime problem is identified and there is no local retail crime partnership in place, the main partnership should attempt to stimulate interest in setting up a retail crime partnership. Alternatively, if a retail crime partnership is in place, it may be appropriate to delegate responsibility for delivery to the retail partnership; the main partnership would then retain an overall monitoring function, to ensure that everything stays on track and that there is an awareness of the wider context.

Conclusion

Involving business in a community safety partnership is not an easy process. The breadth and complexity of the issue means that this paper has not been able cover all its aspects in the necessary detail; we will be producing further publications, which will cover key elements such as consultation and partnership in more depth.

Community safety partnerships are already under a great deal of pressure (including resource limitations): and the process of involving business is not going to be easy to undertake. It must also be recognised that there will be difficulties in undertaking such a long-term approach in partnership with a business sector that is known for its short-term attitudes. To ignore business, however, would be to ignore a major victim and generator of local crime, and a vital part of the local community. The community safety partnership, as a strategic body, needs to understand and include the business sector.

Footnotes

1 Available from Sharon Lewis, Nacro Crime and Social Policy Section, 567A Barlow Moor Road, Chorlton, Manchester M21 8AE. Please send an SAE with a first class stamp.

2 Public consultation often focuses on residential groups, but the working population in an area is also vulnerable to crime and can provide a very different perspective. Auditing and consultation issues for this group will be looked at in more depth in later publications.

Useful contacts and websites

British Retail Consortium
5 Grafton Street
London W1X 3LB
t 020 7647 1521
e ms@brc.org.uk

Business Crime Check
www.crimecheck.co.uk

Bibliography and further reading

Burrows (1988) *Retail Crime: Prevention through Crime Analysis,* Police Research Group Crime Prevention Unit

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Ekblom, (1986) *The Prevention of Shop Theft: an approach through crime analysis,* Police Research Group Crime Prevention Unit

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Girling, Loader & Sparks (2000) *Crime and Social Change in Middle England (Questions of order in an English Town),* Routledge

Home Office (ongoing series) *Community Crime Reduction Partnerships, the Retail Contribution*
A series of useful materials in preparation by the Home Office.

Liddle and Gelsthorpe (1994) *Crime Prevention and Inter-Agency Co-operation,* Police Research Group Crime Prevention Unit

Roberts, Russell & Harding, (1994)
Public/private/voluntary partnership in local government, Parkinson European Institute for Urban Affairs, Liverpool Moores University

Social Exclusion Unit (2000) A *National Strategy For Neighbourhood Renewal,* **HMSO**

Further publications

NACRO Crime and Social Policy Section will be preparing more in-depth material about business and community safety, highlighting the issues and best practice. If you would like to contribute, please contact Nina Schuller, Nacro Crime and Social Policy Section, 237 Queenstown Road, London SW8 3NP; t 020 7501 0567; f 020 7501 0556.

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NACRO's work on community safety

Nacro works with local people, practitioners and inter-agency partnerships to reduce crime levels, lessen the fear of crime and regenerate communities, with an emphasis on tackling issues such as anti-social behaviour, racially motivated crime and mainstreaming for sustainable solutions.

Our research, our work with Government and our experience of delivering services at a local level give us an excellent national perspective on what works in community safety and how to adapt and apply this at a local level. Community safety practitioners from a range of community safety partnerships use this expertise at every stage of partnership development:

* Developing and implementing Crime and Disorder Strategies
* Involving communities
* Monitoring and evaluation
* Research
* Training
* Developing and managing projects

We use our strong track record in research to produce publications and briefings on all aspects of community safety. For more information contact Chris Fox, Nacro Crime and Social Policy Section, 237 Queenstown Road, Battersea, London SW8 3NP; t 020 7501 0562; f 020 7501 0556.