

## **Report to the Cabinet**

**Report reference:** C-025-2009/10  
**Date of meeting:** 7 September 2009



**Portfolio:** Finance and Economic Development  
**Subject:** Small Business Engagement Accord  
**Responsible Officer:** Chris Overend (01992 564247)  
**Democratic Services Officer:** Gary Woodhall (01992 564470)

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### **Recommendations/Decisions Required:**

**That approval be given to the Council becoming a signatory to the Small Business Engagement Accord.**

### **Executive Summary:**

The Small Business Accord is a voluntary code of practice for local authorities in the East of England which seeks to encourage a more productive dialogue with local businesses. The Accord brings together various aspects of consultation best practice, as well as specific proposals from the Federation of Small Businesses (FSB) designed to improve the level of participation by businesses in local democracy. The FSB has approached the District Council, inviting it to become a signatory to the Accord. It is recommended that the Council become a formal signatory as requested.

### **Reasons for Proposed Decision:**

The Accord represents a commitment by local authorities to taking a productive approach to engage with businesses so that they are given the fullest opportunity to participate in the decision-making process, and to fully understand the reasons behind the final decisions taken.

### **Other Options for Action:**

To refuse to become a signatory to the Accord. This would result in a lost opportunity to engage further with the local business community and would be at odds with the recent action taken by the District Council and its partners in response to the economic situation, and the decision to appoint the Finance and Economic Development Portfolio Holder as the Local Business Champion.

### **Report:**

1. Local authorities are increasingly being asked to identify new methods to develop more constructive relationships with their local business community. Too often, businesses feel that decisions made by local authorities are being agreed behind "closed doors" and the consultation process is too complex and confusing. The value of good local authority consultation with the business community must not be underestimated. Poor consultation fosters mistrust amongst businesses and this, in turn, makes any future business

engagement with local authorities very difficult.

2. The District Council, along with other local authorities in the Eastern Region, has been invited to become a signatory to the Small Business Engagement Accord. The purpose of the Accord is to address the issues that can sometimes alienate the business community from the decision-making process. It is seen as a means of engaging with local partners, building alliances and securing support for joint priorities.

3. The Accord is owned and signed by its signatories. It is designed to ensure that effective consultation with the business community becomes a mainstream feature of all future consultations, rather than an optional extra. It has the following 14 principles:

(i) councils should nominate representatives to be "business engagement champions" whose role will be to ensure that the views of the local business community are considered at every stage of any consultation exercise;

(ii) council "business engagement champions" should be tasked with creating effective links with all sections of the business community;

(iii) councils should identify business owners that can be "engagement champions" within their local business community;

(iv) councils should look to "front load" consultations to ensure that engagement with the business community happens at the earliest stages of any consultation exercise;

(v) local authorities must use recognised business organisations when consulting with small businesses;

(vi) councils must not regard consultation with just one business or business organisation as an adequate consultation;

(vii) local, regional and central government should make consultation documents easier to understand and easier to respond to;

(viii) consultation documents should use the correct language for the relevant audience;

(ix) councils should employ a range of communication tools to promote better business engagement in consultations, including, for example utilising consultation documents, newsletters, information on web sites, text messages, local media, or staff directly working with businesses;

(x) to increase attendance at consultation events, local authorities should give greater notice periods in advance of any meetings;

(xi) consultation with the business community should not be limited to formal consultation exercises but should be an ongoing dialogue - councils should therefore look to hold at least one open meeting per quarter with local businesses and business organisations to encourage an open two-way exchange of information;

(xii) councils should not underestimate the ability of the business community to deal with strategic issues and, therefore, there should be genuine consultation on an annual basis with small businesses to examine council spending plans for the following financial year;

(xiii) effective consultation should demonstrate to business owners the outcomes and the rationale behind the final decisions; and

(xiv) councils should work with Local Strategic Partnerships (LSPs) to ensure that they communicate and consult with their local small businesses and business representative organisations and take on board good practice examples from well run, existing LSPs.

4. Whilst the Council could review any procedures in the areas set out in paragraph 3 above, it already operates in accordance with most, if not all, the principles, set out. As such, agreeing to become a signatory will in no way place onerous responsibilities on the Council. Rather, it will formalise existing commitments and enhance the relationship with the business community.

5. In terms of Essex, the Accord has been signed by Chelmsford Borough Council, Colchester Borough Homes, Essex County Council and Uttlesford District Council. Dates have been set for 'Signing Ceremonies' by Basildon District, Brentwood Borough and Tendring District Council.

6. The District Council, both by its own independent decisions and through working in partnership with others such as the Epping Forest LSP, has shown its commitment to tackling the adverse effects of the economic situation and specifically, in assisting small businesses and individuals. The Council, for example, recently partnered with Business Link and many other organisations to host a successful business support event at Loughton Cricket Club and has agreed other measures to better signpost businesses to the support that is available. Other recent initiatives include working closely on a variety of schemes with each of the 6 Town Centre Partnerships, increased publicity to encourage Small Business Rate Relief take up, tendering to local businesses where possible and practical, a decision to freeze parking charges in the 2009/10 financial year and the appointment of a member as Local Business Champion, Signing the Accord would be a further step by the District Council in recognising the need to support local businesses.

#### **Resource Implications:**

There are no specific resource implications at this stage. A review of the arrangements in place reflecting the principles set out in the Accord might lead to enhancements which have resource implications. For instance, there will be costs associated with holding open meetings on a regular basis. There is sufficient budgetary provision to cover such arrangements in 2009/10.

#### **Legal and Governance Implications:**

The Accord formalises the Council's commitment to communicating and consulting with the business community and other partners.

#### **Safer, Cleaner and Greener Implications:**

All partners signed up to the Accord (including the FSB and its individual members) are committed to sound environmental practices and to working together on community safety matters (e.g. through the development of Business Crime Forums).

#### **Consultation Undertaken:**

Ongoing liaison between FSB and the District Council.

#### **Background Papers:**

Small Business Engagement Accord produced by FSB.

**Impact Assessments:**

The signing of the Accord will enhance existing arrangements and should, in no way, have an adverse impact or result in additional risks to the District Council.