



federation of small businesses  
south east

# small business engagement accord

## Introduction

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.

Small businesses are not just a part of our local communities, they are the local community. They generate the wealth, employment and opportunity. The purpose of this Accord is to address the common problems that all too often serve to alienate the business community from the decision making process.

## Purpose of Accord

The Small Business Engagement Accord is a voluntary code of practice for local authorities in the South East which seeks to encourage a more productive dialogue with local businesses. The Accord brings together various aspects of consultation best practice already produced, as well as specific proposals from the FSB designed to improve the level of participation by businesses in local democracy.

The Accord represents a commitment by local authorities to taking a proactive approach to engaging 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.

**Local authorities need to adopt a leadership style that engages local partners, builds alliances and secures support for joint priorities. It should facilitate, advocate, arbitrate and influence rather than dominate.**

## SOUTH EAST ECONOMY

The South East economy is worth £177.2 billion or 15.7% of the total Gross Value Added (GVA). In 2005/06 the South East made a net contribution of £12 billion to government finances. This amounts to approximately 50% of the total net contribution.

There are 729,545 businesses in the South East. 99.4% of these businesses have less than 50 employees, and are therefore classified as small businesses.

Source: Lyons Inquiry into Local Government

# Good consultation reaches out, actively recruiting participants rather than waiting for citizens to come forward

Source: Council Tax consultation - Guidelines for local authorities

# TAKING THE ACCORD FORWARD

The Accord is owned and operated by its signatories. Those in local government will already be aware of many of the principles and benefits of encouraging small firms to participate in local democracy and decision making.

This Accord is designed to ensure that effective consultation with the business community becomes a mainstream feature of all future consultations, rather than an optional extra.

## Accord Principles

1. 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.
2. Council "business engagement champions" should be tasked with creating effective links with all sections of the business community.
3. Councils should identify business owners that can be "engagement champions" within their local business community.
4. Councils should look to "front load" consultations in order to ensure that engagement with the business community happens at the earliest stages of any consultation exercise.
5. Local authorities must use recognised business organisations when consulting with small businesses.
6. Councils must not regard consultation with just one business or business organisation as an adequate consultation.
7. Local, regional and central government should make consultation documents easier to understand and easier to respond to.
8. Consultation documents should use the correct language for the relevant audience.
9. 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.
10. To increase attendance at consultation events councils should give greater notice periods in advance of any meetings.
11. 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.
12. 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.
13. Effective consultation should demonstrate to business owners the outcomes and the rationale behind the final decisions.
14. Local Strategic Partnerships (LSPs) should adopt a broker function to provide a business friendly access point.
15. LSPs must look for ways to maximise the opportunities for business engagement and demonstrate that they have fully considered the needs of the business community in their consultation processes.
16. LSPs should produce an annual statement detailing how they have engaged local businesses and businesses support organisations in their duty to promote economic development and sustainable prosperity.

# declaration of support for the small business engagement accord

The FSB wants to see all local authorities signing up to the Small Business Engagement Accord. The accord is voluntary; your signature represents your pledge to support the principles of the accord to guide your future engagement with the business community. For our part the FSB will continue to give our support to any council that signs up to the accord to work together to successfully engage with their local small business community to encourage greater business involvement in local democracy.

## Local Authority Section

Name of your Authority:

Signed by:

Date:

Council position:

## FSB Section

Region:

Signed by:

Date:

FSB position:

# thank you for your support

Contact us

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