

NORTH LINCOLNSHIRE COUNCIL

CABINET

SMALL BUSINESS GROWTH AND ENGAGEMENT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To consider the advantages for both the council and small businesses in North Lincolnshire committing to a 'Small Business Engagement Accord'.

2. BACKGROUND INFORMATION

- 2.1 The council has demonstrated in recent Cabinet reports its commitment to work closely with business and others to ensure North Lincolnshire comes through the global economic downturn with the least possible damage to its manufacturing base, prosperity, future prospects and employment levels.
- 2.2 Clearly, there is a limit to how much can be achieved on its own. That said, recent Cabinet reports have shown the resilience of the North Lincolnshire economy and the confidence there is in its future. An example of this is the South Humber Bank. This has the potential to create thousands of jobs. At nearly four square miles it is the largest employment site in the north of England. It is enjoying significant investment, despite today's challenging economic conditions.
- 2.3 Perhaps understandably, there is often an emphasis given to businesses employing many hundreds or thousands of employees when discussing the present economic downturn. However, it is important to recognise the vital role played by small businesses, in terms of jobs, investment and the economic vitality of local economies – North Lincolnshire included.
- 2.4 The last Annual Business Inquiry found that of the 5,942 employers in North Lincolnshire, over 96 per cent employ less than 50 people. This is a similar profile to the regional and national profiles.
- 2.5 North Lincolnshire Council recognises the role played by small businesses – they generate wealth, employment and opportunity – but more can be done to develop a closer relationship. The council and its residents would benefit significantly from such an approach.

- 2.6 The council and partners in the Local Strategic Partnership have already recognised the importance of small businesses to North Lincolnshire. In our Local Area Agreement, the number of small businesses in the area showing employment growth is identified as a priority. Challenging improvement targets are set over a three-year period.
- 2.7 The council now has the opportunity to demonstrate to do even more. It can become the first council in the Yorkshire and Humber region to commit itself to working closer and more productively with small businesses in North Lincolnshire by signing up to an 'Accord' with the Federation of Small Businesses (FSB).
- 2.8 The 'Small Business Engagement Accord' sets out 14 principles. They are outlined in full in Appendix 1. They require Cabinet Members and service directors to take responsibility for this task. It is about a culture of openness and critical self-examination – not box ticking.
- 2.9 The council already has a good track record of engaging local businesses. This includes the Economic Development Board – a thematic board of the LSP. It contains several business representatives. Companies have had chance to respond to the consultation on the Local Development Framework (LDF). There is the North Lincolnshire Business Forum. This is an event hosted jointly by the council, HSBC, Forester Boyd and Symes Baines Broome which gives local companies the chance to come together for networking and development purposes; and local businesses have recently been consulted on their skill needs, now and in the future, through our Employer Skills Survey.
- 2.10 The FSB was formed in 1974. It has 215,000 members in 33 regions and 230 branches. Over the last 18 months, the council has worked closely with the FSB on the Humber Bridge Tolls campaign. It has consulted with the organisation on a regular basis. The council values the role played by the FSB. A spirit of trust has built up. This must not be lost.
- 2.11 It is through this work the FSB has now approached the council to commit itself to the Accord. To do so would formalise good practice and send out a powerful message of partnership working. It would need to be kept under review and the FSB would need to be able to say, openly, there were areas that need action. Cabinet should welcome such a challenge. At Appendix 2 an action plan outlines what is needed to meet the conditions set out in the Accord.

3. **OPTIONS FOR CONSIDERATION**

- 3.1 **Option 1:** Cabinet commits itself to supporting and signing up to the FSB Accord.
- 3.2 **Option 2:** Cabinet decides not to sign up to the accord, believing the 14 principles of engagement to be too onerous.

4. ANALYSIS OF OPTIONS

- 4.1 **Option 1:** The Accord, while embedding present examples of good practice in the council's relationships with small businesses, clearly requires an ongoing commitment by Cabinet members and service directors. This should be welcomed. In today's competitive environment, North Lincolnshire needs to be able to raise its game if it is to remain an attractive location for investment and jobs.
- 4.2 **Option 2:** By not signing the Accord, it would send a negative message to small businesses in North Lincolnshire. Self-evidently, this would be damaging. It may suggest, at best, a degree of complacency.
- 4.3 **Option 1:** The signing of the Accord is consistent with the council's commitment to effective and genuine two-way engagement with businesses – and indeed, a whole range of groups and individuals in North Lincolnshire.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial

5.1.1 No financial implications arise from this report

5.2 Staffing

5.2.1 No staffing implications arise from this report.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 – CRIME AND DISORDER, RISK AND OTHER)

6.1 Statutory

6.1.1 No statutory implications arise from this report.

6.2 Environmental and Other

6.2.1 No obvious environmental implications arise from this report.

6.3 Diversity

6.3.1 It is a vital North Lincolnshire widens its skills base and creates the employment and training opportunities for all groups and individuals. A successful partnership between the council and small businesses within North Lincolnshire is necessary if these aspirations are to be achieved. The Accord will send out a powerful message to small businesses looking for attractive locations to set up their operations.

7. OUTCOMES OF CONSULTATION

- 7.1 The council values its relationships and responsibilities with business organisations, including the FSB, the Hull & Humber Chamber of Commerce, and others. It has entered into discussions with the FSB on the proposal to commit to this Accord. The FSB believes the council is well placed to commit to this.
- 7.2 The Chair of the FSB'S North Lincolnshire and West Lindsey Branch approached the council In March 2009 to explore the potential of signing up to the Accord. This indicates the confidence of both the local FSB branch and its regional arm of the council's record and commitment to effective, two-way engagement with small businesses.

8 RECOMMENDATIONS

- 8.1 Cabinet commits to the signing of the FSB Small Business Engagement Accord and works to ensure, at all levels throughout the council and its services, it is put into consistent practice through the actions set out in Appendix 2.
- 8.2 Cabinet Members and Service Directors ensure that the Accord's principles, as set out in Appendix 1 are applied consistently by implementing the action plan at Appendix 2
- 8.3 That the Accord is brought to the attention of the North Lincolnshire Strategic Partnership.
- 8.4 Cabinet welcomes regular feedback from the FSB on the council's progress and consistent application of the Accord.

CHIEF EXECUTIVE

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Background Papers used in the preparation of this report

Letter from the Chair of the North Lincolnshire & West Lindsey Branch of the FSB, 13 March 2009.
FSB Yorkshire & Humber document, 'Small Business Engagement Accord'.
National Indicator 172 – 'the proportion of small businesses, i.e. fewer than 50 employees, showing employment growth in the last year'. The council's target is 7.5 per cent for 2008/9.

ACCORD PRINCIPLES

- 1 The council nominates representatives to be 'business engagement champions' whose role will be to ensure the views of the local business community are considered at every stage of any consultation exercise.
- 2 The council's 'business engagement champions will create effective links with all sections of the business community.
- 3 The council will identify business owners that can be 'engagement champions' within their local business community.
- 4 The council looks to 'front load' consultations in order to ensure that engagement with the business community happens at the earliest stages of any consultation exercise.
- 5 The council recognises business organisations when consulting with small businesses.
- 6 The council does not regard consultation with just one business or business organisation as an adequate consultation.
- 7 Local, regional and central government should make consultation documents easy to understand and easier to respond to.
- 8 The council's consultations will use language appropriate for the audience.
- 9 The council will employ a range of communication tools to promote better business engagement – documents, newsletters, website, text, media and staff.
- 10 The council will give greater notice periods for meetings to increase attendance at consultation events.
- 11 Consultation with the business community will not be limited to formal consultation exercises but will be an ongoing dialogue – it will consider open meetings with local businesses and business organisations, to encourage an open two-way exchange of information.
- 12 The council does not underestimate the ability of the business community to deal with strategic issues and will ensure genuine consultation on a yearly basis with small businesses to examine its spending plans for the following financial year.
- 13 Effective consultation will demonstrate to business owners the outcomes and the rationale behind the council's final decision.

14 The council will work with the North Lincolnshire Strategic Partnership to ensure it communicates and consults with local small businesses and business representative organisations – and adopts good practice from other LSPs.

Small Business Engagement Accord Action Plan

Appendix 2

8 Accord Principle	What are we doing now?	What else do we need to do?	When will we achieve this?
1) Nominate representatives to be 'business engagement champions' whose role will be to ensure the views of the local business community are considered at every stage of any consultation exercise	Many council services already engage with local businesses. However there aren't specific champions already nominated.	Coordinate engagement with businesses council wide with the Business Engagement Champion as the main point of contact. This should be the Economic Development Manager and a senior Elected Member.	March 2010
2) 'Business engagement champions' will create effective links with all sections of the business community	North Lincolnshire Business Database; North Lincolnshire Business Forum; Scunthorpe Town Action Group; Key Account Management; individual approaches such as the Employer Skills Survey	Further develop links to the business community through Area-based approach	December 2010
3) Identify business owners that can be 'engagement champions' within their local business community.	Recognition of the role that business organisations play as business champions, for example the Chamber's role on Scunthorpe Town Team	Identify and "recruit" specific 'engagement champions', possibly building on the relationships created through Key Account Management, Economic Development Board, Scunthorpe Town Action Group, North Lincolnshire Business Association etc	March 2010
4) Look to front load consultations to ensure engagement with the business community happens at the earliest stages of any consultation exercise.	At the earliest stages of LDF, frontloading has looked at identifying appropriate consultees from the business community to ensure appropriate levels of engagement. Business Breakfast to consult on the Scunthorpe TC Masterplan – 29/05/09. Employer Skills Survey – distributed to 1,800 businesses to consult on current and future skills needs.	Ensure that the Business Engagement Champions are made aware of any consultations that involve local businesses so that they can advise of possible methods and appropriate contacts; Audit whether LDF consultations have appropriately engaged the business community.	June 2010
5) Recognise business organisations when consulting	Existing relationships with: NL Business Forum;	Maintain regular contact with key local business organisations such as the FSB,	December 2009

with small businesses	Scunthorpe Town Action Group; Greater Economic Success Group	Chamber of Commerce, Business Forum etc. both through formal activities such as the Economic Development Board as well as informal meetings; Where possible make them aware of forthcoming engagement opportunities	
6) Do not regard consultation with just one business or business organisation as adequate consultation.	Engagement with businesses across a wide cross section. Local Development Framework Statement of Community Engagement sets out minimum requirements to consult the business community	Ensure that the Business Engagement Champions are made aware of any consultations that involve local businesses so they can advise of possible methods and appropriate contacts	June 2010
7) Local, regional and central government should make consultation documents easy to understand and easier to respond to	The council has a Style Guide recognised nationally as best practice. Consultation documents are already produced in line with the guide.	Continue to adhere to the principles of the Style guide when publishing consultations; Ensure that the results of consultations are made public and that decisions based on the consultations are clearly evidenced.	June 2010
8) Use language appropriate for the audience	The council has a Style Guide recognised nationally as best practice. Consultation documents are already produced in line with the guide	Continue to adhere to the principles of the Style guide when publishing consultation; ensure that the business pages on the council website meet accessibility criteria	June 2010
9) Employ a wide range of communication tools to promote better business engagement	<i>Newsline</i> magazine; Events e.g. North Lincolnshire Business Forum, Business Breakfasts; Website; Planning Applications online; LDF consultation using Limehouse software to engage through internet.	Monthly E-Newsletter; the establishment of area-based business forums.	December 2009; December 2010

<p>10) Give greater notice periods for meetings to increase attendance at consultation events</p>	<p>Meeting schedules set wherever practicable.</p>	<p>Ensure that the Business Engagement Champions are made aware of any consultations that involve local businesses so they can advise of possible methods and appropriate contacts, as well as identifying where duplication can be avoided; Maintain regular contact with key local business organisations such as the FSB, Chamber of Commerce, Business Forum etc. and where possible make them aware of forthcoming engagement opportunities</p>	<p>June 2010; December 2009</p>
<p>11) Consultation with the business community will not be limited to formal consultation exercises but will be an ongoing dialogue – consider open meetings with local businesses and business organisations, to encourage a two way exchange of information.</p>	<p>LDF has to meet formal statutory requirements for consultation. Other engagement exercises have been undertaken to gain feedback from businesses & the community.</p> <p>Scunthorpe Town Team – open meeting</p>	<p>Proposed amendments to ED Board Structure to include Business Advisory Group; Maintain regular contact with key local business organisations such as the FSB, Chamber of Commerce, Business Forum etc. and where possible make them aware of forthcoming engagement opportunities; the establishment of area-based business forums</p>	<p>December 2009; December 2010</p>
<p>12) Do not underestimate the ability of the business community to deal with strategic issues and ensure genuine consultation on a yearly basis with small businesses to examine its spending plans for the following financial year.</p>	<p>Business ratepayers are consulted on council finances for the coming year through the Council Tax Consultation online; the Economic Development Board and proposed Business Advisory Group allow local business people the opportunity to influence strategic issues</p>	<p>Continue the online tax consultation and ensure that the Economic Development Board continues to offer strategic direction to the local economy</p>	<p>Ongoing</p>

<p>13) Effective consultation will demonstrate to business owners the outcomes & the rationale behind the council's final decision</p>	<p>Results of LDF consultation published including decisions taken and evidence base</p>	<p>Business Engagement Champions to follow-up after consultation has occurred with local businesses to ensure that the results of the activity are published</p>	<p>October 2010</p>
<p>14) Work with NLSP to ensure it communicates and consults with local small businesses & business representative organisations & adopts good practice from other LSPs.</p>	<p>Established Economic Development Board with business representation</p>	<p>Proposed amendments to ED Board Structure to include Business Advisory Group; monitor the activities of other areas in relation to partnership working and consultation with local businesses to ensure that North Lincolnshire is at the forefront of good practice</p>	<p>June 2010</p>