

Select Committee on Regeneration, Culture and Adult Education – 26th October 2009

Report of the Director of the Urban Environment

Small Business Engagement Accord

Purpose of Report

1. To consider the Small Business Engagement Accord

Background

Purpose

2. The Small Business Engagement Accord is a voluntary code of practice for local authorities in the West Midlands. The Accord seeks to encourage a more productive dialogue with local businesses and Councils within the West Midlands Region. The Accord brings together various aspects of consultation best practice already produced, as well as specific proposals from the Federation of Small Businesses (FSB) designed to improve the level of participation by businesses in local democracy.
3. 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.
4. The Accord is owned and operated by its signatories. It is designed to ensure that effective consultation with the business community becomes a mainstream feature of all future consultation, rather than an optional extra. Signatories of the Accord agree to adhere to 14 principles, namely:

Accord Principles

- a. 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.
- b. Council “business engagement champions” should be tasked with creating effective links with all sections of the business community.
- c. Councils should identify business owners that can be “engagement champions” within their local business community.

- d. 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.
 - e. Local authorities must use recognised business organisations when consulting with small businesses.
 - f. Councils must not regard consultation with just one business or business organisation as an adequate consultation.
 - g. Local, regional and central government should make consultation documents easier to understand and easier to respond to.
 - h. Consultation documents should use the correct language for the relevant audience.
 - i. 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.
 - j. To increase attendance at consultation events councils should give greater notice periods in advance of any meetings.
 - k. 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.
 - l. 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.
 - m. Effective consultation should demonstrate to business owners the outcomes and the rationale behind the final decisions.
 - n. Councils should work with their 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.
5. The FSB wants to see all local authorities signing up to the Small Business Engagement Accord. The Accord is **voluntary**; the Council’s signature represents a pledge to support the principles of the Accord to guide future engagement with the business community. On signing of the Accord the FSB will continue to give support to any Council to successfully engage with their local small business community to encourage greater business involvement. It is proposed that the Council enter into discussions with the FSB with a view to signing the Accord, to benefit both local businesses and the Council, subject to the agreement of Members.

Finance

6. There are no direct financial implications associated with this report.

Law

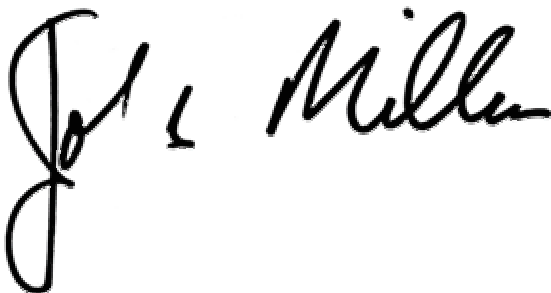
7. The Small Business Engagement Accord is a voluntary code of practice for local authorities in the West Midlands. The Accord is not a legally binding or formal contractual agreement.

Equality Impact

8. An expected outcome of the Accord is to ensure that fair and effective consultation with the business community becomes a mainstream feature of all future consultations by the Council. The majority of the Accord's principles reflect the principles of the Council's Engagement Guide.

Recommendation

9. It is recommended that Members note the contents of the report.



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